



## MORNING REPORT

As at 9:00 AM 23-01-18

Web: [www.equity.co.nz](http://www.equity.co.nz) / E-mail: [Info@equity.co.nz](mailto:Info@equity.co.nz) / Tel: +64 (9)304 0145 / Address: Level 7, 12-26 Swanson Street, Auckland, NZ

### Top News

#### NZ dollar gains as US Senate cuts deal to end govt shutdown, stoking risk appetite

The New Zealand dollar rose back above 73 US cents as policymakers reached a deal to end a federal government shutdown, underpinning investor confidence and helping push stocks on Wall Street to new highs.

US senators agreed to legislation funding the federal government after an impasse last week led to a shutdown of operations for three days, raising fears about political uncertainty in the world's biggest economy. Funding bills need a higher level of support than a bare majority in the Senate, meaning the opposition Democrats can stall some measures.

The political agreement added to the positive tone in financial markets with stocks on Wall Street reaching new highs on optimism over corporate earnings and as the International Monetary Fund raised its forecast for global growth.

#### Rally on deal to end US government shutdown

Wall Street gained, touching fresh record highs, as US senators agreed on a deal to end the government shutdown after three days.

The three benchmark indexes climbed to record highs.

Investors are focused on a slew of corporate results slated for release this week, with more than 300 companies reporting earnings including Netflix, Starbucks, McDonald's, Caterpillar and Intel.

The Dow moved higher as gains in shares of Goldman Sachs and those of Verizon Communications, recently up 2 percent and 1.7 percent respectively, outweighed declines in shares of Nike and those of General Electric, recently down 1.4 percent and 1 percent respectively.

#### NZ shares up, Ryman and A2 gain while Fonterra, Infratil fall

New Zealand shares gained, led higher by Ryman Healthcare and A2 Milk Co on some positioning ahead of upcoming earnings, while Infratil and Fonterra Shareholders Fund dropped.

A2 Milk Co rallied 3.5 percent to \$8.83 today. SkyCity Entertainment Group dropped 1 percent to \$3.95.

Fonterra Shareholders Fund fell 0.8 percent to \$6.47. Fonterra Cooperative Group today criticised struggling infant formula producer and distributor Beingmate Baby & Child Food, which it uses to sell its Annum formula in China, after the Chinese company cut its forecast earnings overnight.

Beingmate, of which Fonterra owns 18.8 percent, said its loss in calendar 2017 was between 800 million Chinese yuan and 1 billion yuan, or \$171 million to \$214 million, compared to a previous forecast loss of between 350 million yuan and 500 million yuan.

Ryman Healthcare led the index higher, up 3.9 percent to \$10.80, with Spark New Zealand rising 1.7 percent to \$3.62.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,078.151	47.941	▲	0.53%
S&P/NZX 50 Index	8,335.360	45.400	▲	0.55%
S&P/NZX MidCap Index	24,359.788	31.512	▼	0.13%
S&P/NZX SmallCap Index	59,989.126	41.286	▲	0.07%
S&P/NZAX All Index	546.266	0.004	▼	#VALUE!
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,106.20	13.10	▼	0.21%
S&P/ASX 200	5,991.90	13.90	▼	0.23%
ASX Small Ordinaries	2,742.50	0.60	▲	0.02%
S&P/ASX MIDCAP 50	6,714.60	11.50	▼	0.17%
S&P/ASX 20	3,338.30	11.90	▼	0.36%
Foreign Markets Index				
	Last	Change		
S&P 500	2,823.58	13.28	▲	0.47%
Dow Jones	26,133.99	62.27	▲	0.24%
NASDAQ Composite	7,385.12	48.74	▲	0.66%
FTSE	7,715.44	15.35	▼	0.20%
ASX All Ordinaries	6,106.20	13.10	▼	0.21%
NIKKEI 225	23,816.33	8.27	▲	0.03%
HANG SENG INDEX	32,393.41	138.52	▲	0.43%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9130	0.0028	▲	0.31%
USD	0.7315	0.0032	▲	0.44%
CNY	4.6850	0.0250	▲	0.54%
EUR	0.5967	0.0032	▲	0.54%
CAD	0.9110	0.0023	▲	0.25%
GBP	0.5232	0.0011	▼	0.21%
JPY	81.1735	0.6480	▲	0.80%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.78			
10-year Swap	3.30			
Commodities Futures				
	Last	Change		
Gold	1,332.90	0.20	▼	0.01%
Silver	17.01	0.03	▼	0.15%
Crude Oil	63.66	0.29	▲	0.46%

Disclaimer: The above information is provided on a best endeavours basis and Equity Investment Advisers Ltd does not accept any liability under any circumstances for errors or omissions. Parties should recheck the information before using it in any decision-making process. Acknowledgements: Equity Investment Advisers (EIA) sincerely expresses its gratitude to the following sources for the contribution of valuable information in the production of EIA morning reports: Yahoo New Zealand, ANZ securities, ASX, Nikkei Indexes, NZX, NYSE, NASDAQ, business desk.

**Do you need to make any changes to your portfolio?**  
[www.equity.co.nz](http://www.equity.co.nz) E-mail: [Info@equity.co.nz](mailto:Info@equity.co.nz)

Contact Equity Investment Advisers today.  
Tel: +64 (9)304 0145