

Equity Investment Advisers Morning Report

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Top News

Health care stocks rise

Wall Street moved higher as oil prices recovered while investors assessed the health-care bill released by Senate Republicans.

The Dow moved higher as gains in shares of UnitedHealth Group and those of Pfizer, recently up 1.8 percent and 1.5 percent respectively, outweighed declines in shares of Wal-Mart Stores and those of Goldman Sachs, recently down 1.1 percent and 0.9 percent respectively.

Health care stocks moved higher after Senate Republicans released the bill that would replace the Affordable Care Act. The proposal would provide an additional US\$50 billion over four years to stabilise insurance exchanges, boosting health insurers, according to Bloomberg.

Oil prices rebounded, with US crude trading 0.8 percent higher, but concern remained that the global glut will persist.

Qatar Airways intends to purchase at least US\$808 million worth of American Airlines shares and, in a conversation between the CEOs of the two companies initiated by the Qatar Airways CEO, Qatar Airways indicated that it has an interest in acquiring approximately a 10 percent stake, according to a Securities and Exchange Commission filing.

NZ shares rise led by Xero, Contact Energy, Westpac

Wall Street's tech-heavy Nasdaq Composite rose 0.7 percent in New York yesterday, boosting demand for local accounting software developer Xero which was the best performer today, up 2.9 percent to \$26.02. That was just shy of the three-year record \$26.25 the stock reached earlier this month, and added to a 45 percent this year, bolstered in mid-May when the firm said it was moving closer to its first ever profit as customer numbers continue to swell.

Fonterra Shareholder's Fund gained 0.2 percent to \$5.95. Fonterra Cooperative Group expects to collect 3 percent more milk from New Zealand farms this season as higher milk prices encourage farmers to lift production. The cooperative said today that last season's New Zealand milk collection was impacted by wet conditions through spring, however more favourable weather conditions through summer lifted production but cooler conditions in May dented collections in the South Island.

Property For Industry was unchanged at \$1.64. The industrial property investor's managers will reap a \$42 million payday after shareholders voted to internalise its management contract.

At the company's annual meeting in Auckland this morning, 94.4 percent of votes cast were in favour of the motion to internalise. Management rights have been owned by PFIM Ltd since about 1994, with PFIM subcontracting its management role for Property for Industry.

Outside the benchmark index, Seeka was unchanged at \$5.10. The largest kiwifruit grower in New Zealand and Australia has confirmed its guidance for a 15 percent drop in operating profit in 2017 as weaker-than-expected kiwifruit crops offset growth from its avocado sector.

NZX Index				
Index	Last		Change	
S&P/NZX All Index	8,189	36	↑	0.4%
S&P/NZX 50 Index	7,564	37	↑	0.5%
S&P/NZX Mid Cap Index	21,353	68	↑	0.3%
S&P/NZX Small Cap	49,853	24	↓	
S&P/NZAX All Index	574	15	↑	2.8%

ASX Index				
Index	Last		Change	
ALL ORDINARIES	5,742	39	↑	0.7%
S&P/ASX 200	5,706	40	↑	0.7%
S&P/ASX SMALL ORD	2,357	12	↑	0.5%
S&P/ASX MIDCAP 50	6,230	22	↑	0.4%
S&P/ASX 20	3,211	29	↑	0.9%

Foreign Markets Index				
	Last		Change	
S&P 500	2,434.50	1.11	↓	0.05%
DJIA	21,397.29	12.74	↓	0.06%
Nasdaq	6,236.69	2.74	↑	0.04%
FTSE 100	7,439.29	8.50	↓	0.11%
ALL ORDINARIES	5,742	39	↑	0.7%
Nikkei 225	20,110.51	28.28	↓	0.14%
Hang Seng	25,674.53	20.05	↓	0.08%

Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9633		↓	
USD	0.7263	0.0001	↓	0.01%
CNY	4.9630		↓	
EUR	0.6514	0.0001	↑	0.02%
CAD	0.9609	0.0004	↓	0.04%
GBP	0.5728	0.0002	↑	0.03%
JPY	80.8575	0.0020	↑	

NZ Interest Rates				
	Last		Change	
NZ OCR	1.750		↓	
3-month Bank Bill	1.960		↓	
5-year Swap	2.685		↓	
10-year Swap	3.148		↓	

Commodities				
	Last		Change	
Spot Gold \$US	1,250.00	0.17	↓	0.01%
Spot Silver \$US	16.54	0.01	↓	0.07%
Oil(WTI)	42.73	0.10	↑	0.23%

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