

# MORNING REPORT

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## Top News

### NZ dollar climbs above 69 US cents for first time in week as Fed minutes digested

The New Zealand dollar rose above 69 US cents for the first time in a week as traders digested the range of views in the latest Federal Reserve minutes that showed some policymakers unconvinced that inflation is rebounding.

US banks were closed on Thursday for the Thanksgiving Day holiday and many Americans extend the break by taking the Friday off as well, which has a subduing effect on financial markets. But that hasn't stopped traders elsewhere from continuing to weigh the messages from the minutes and detecting an overall dovish tone and the US dollar index, having climbed this week, has since retreated back to its levels at the start of the week.

### While you were sleeping: US dollar weakens

European stocks were mixed while oil rose and the US dollar continued its decline as investors reassessed their expectations for the pace of Federal Reserve interest rate increases next year.

US financial markets are closed for the Thanksgiving holiday.

However, the US dollar slipped for a second day after Fed policy makers' concern about the lack of inflation, as indicated in the minutes from their meeting ended on November 1 and released on Wednesday, signalled they might not raise interest rates as much as previously thought next year.

Basking in optimism were oil prices as investors bet OPEC and its partners will extend limits on supply at a meeting next week. US crude climbed to US\$58.44 a barrel, the highest level in two years.

### NZ shares fall, led by A2, Kathmandu; Ryman, Stride gain after results

New Zealand shares fell, led by A2 Milk and Kathmandu Holdings while Ryman Healthcare and Stride Property Group gained following their results.

A2 Milk led the index lower, dropping 3 percent to \$8.43. The stock traded higher earlier in the day, rising over \$9, but there was a big swing when the Australian market - where the stock is dual listed - opened in the afternoon, said Grant Davies, investment adviser at Hamilton Hindin Greene.

Kathmandu fell 2.8 percent to \$2.42. The outdoor equipment retailer, set to hold its annual meeting on Friday, said this week that first-quarter earnings were up despite sales dipping as it widened margins by selling less discounted stock.

Ryman was the best performer, up 2.6 percent to \$9.45. The country's biggest retirement village operator and developer boosted first-half profit 8.4 percent to \$202.6 million, and lifted its interim dividend, after reaping bigger margins on resales of existing units, even as the broader property market slowed.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	8,794.39	4.75	↓	0.05%
S&P/NZX 50 Index	8,101.95	7.88	↓	0.10%
S&P/NZX Mid Cap Index	24,378.86	132.44	↓	0.54%
S&P/NZX Small Cap	56,276.97	168.05	↑	0.30%
S&P/NZAX All Index	568.77	6.68	↑	1.19%
ASX Index				
Index	Last	Change		
ALL ORDINARIES	6,067.5	0.10	↓	0.00%
S&P/ASX 200	5,986.2	0.20	↓	0.00%
S&P/ASX SMALL ORD	2,673.3	8.20	↓	0.31%
S&P/ASX MIDCAP 50	6,642.4	7.50	↓	0.11%
S&P/ASX 20	3,327.9	0.50	↑	0.02%
Foreign Markets Index				
	Last	Change		
S&P 500	2,597.08	1.95	↓	0.08%
DJIA	23,526.18	64.65	↓	0.27%
Nasdaq	6,867.36	4.88	↑	0.07%
FTSE 100	7,417.24	1.78	↓	0.02%
ALL ORDINARIES	6,067.50	0.10	↓	0.00%
Nikkei 225	22,523.15	106.67	↑	0.48%
Hang Seng	29,707.94	295.55	↓	0.99%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9035	0.0003	↑	0.03%
USD	0.6889	0.0006	↑	0.09%
CNY	4.5310	0.0160	↓	0.35%
EUR	0.5812	0.0010	↓	0.17%
CAD	0.8761	0.0020	↑	0.23%
GBP	0.5177	0.0010	↑	0.19%
JPY	76.6255	0.0630	↑	0.08%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.60			
10-year Swap	3.09			
Commodities				
	Last	Change		
Spot Gold \$US	1,290.68	1.45	↓	0.11%
Spot Silver \$US	17.08	0.04	↓	0.24%
Oil(WTI)	58.56	0.81	↑	1.40%

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