

Morning Report

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Top News

NZ dollar falls back toward 72 US cents with little to set direction as Yellen, Draghi awaited

The New Zealand dollar fell back toward 72 US cents in the absence of much market-moving news and as traders await speeches from the European Central Bank chief Mario Draghi and Federal Reserve chair Janet Yellen.

Financial markets are looking to the central bankers' symposium in Jackson Hole, Wyoming, to provide some direction. Yellen's speech may bring more hints at when the Fed will begin to reduce its balance sheet and Draghi may comment on the strength of the euro, which has reached a 2 1/2-year high against the greenback. In New Zealand, sentiment was dented this week by weaker forecasts for economic growth and budget surpluses and with a close race looming in the election just four weeks away.

Wall St slips

Wall Street eased as investors eyed fresh clues on US monetary policy amid concern about the Trump administration's ability to move ahead with policy reforms notably corporate tax cuts.

US Treasuries fell, pushing the yield on 10-year notes two basis points higher to 2.18 percent. The Dow slipped as declines in shares of United Technologies and those of Microsoft, down 1.3 percent and 0.8 percent respectively, outweighed advances in shares of Merck and those of Cisco, both up 1.1 percent respectively recently.

A National Association of Realtors report showed existing US home sales fell unexpectedly in July, sliding 1.3 percent to a seasonally adjusted annual rate of 5.44 million units, the lowest since August 2016.

NZ shares down, Metro Glass and TradeMe drop on earnings, A2 at new high

New Zealand shares fell, with Metro Performance Glass and Trade Me Group dropping sharply after disappointing earnings while A2 Milk Co reached yet another record.

Metro Performance Glass led the index lower, falling 10.8 percent to \$1.24. The company said it expects its first half results to be largely flat despite the contribution from recently acquired Australian Glass Group. Trade Me declined 6.6 percent to \$4.52. New Zealand's largest online auction site posted a 26 percent jump in annual profit to \$94.4 million, but it warned earnings growth will slow in the coming year as it ramps up investment.

Sky Network Television dropped a further 4.4 percent to \$2.80. Selling began on Tuesday when it posted a 21 percent decline in annual profit to \$116 million as content costs increased while revenue and subscriber numbers fell. The stock has dropped 12 percent since then. Scales Corp dropped 4.4 percent after it said its first half profit fell 14 percent to \$29 million after its apple orchards were hit by heavy rain and winds and needed more expensive care.

A2 Milk Co gained 5.2 percent to \$5.47, another record. Yesterday, the milk marketer announced it had tripled its annual profit to \$90.6 million and would use some of its accumulated cash to buy back shares, and may pay a special dividend. Revenue rose 56 percent to \$549.5 million, ahead of the \$545 million it forecast in June, which was its second lift in sales guidance.

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Tel: +64 (9)304 0145

Web: www.equity.co.nz

E-mail: Info@equity.co.nz

Address: Level 7, 12-26 Swanson Street, Auckland, NZ

NZX Index				
Index	Last	Change		
S&P/NZX All Index	8,519.72	13.05	↓	0.15%
S&P/NZX 50 Index	7,868.40	11.05	↓	0.14%
S&P/NZX Mid Cap Index	22,576.80	61.85	↑	0.27%
S&P/NZX Small Cap	52,935.94	115.78	↓	0.22%
S&P/NZAX All Index	547.35	0.68	↓	0.12%
ASX Index				
Index	Last	Change		
ALL ORDINARIES	5801.7	9.0	↑	0.16%
S&P/ASX 200	5,745.5	8.3	↑	0.14%
S&P/ASX SMALL ORD	2,405.9	2.0	↑	0.08%
S&P/ASX MIDCAP 50	6,247.2	13.3	↑	0.21%
S&P/ASX 20	3,243.1	1.4	↑	0.04%
Foreign Markets Index				
	Last	Change		
S&P 500	2,438.97	5.07	↓	0.21%
DJIA	21,783.40	28.69	↓	0.13%
Nasdaq	6,271.33	7.08	↓	0.11%
FTSE 100	7,407.06	24.41	↑	0.33%
ALL ORDINARIES	5,801.70	9.00	↑	0.16%
Nikkei 225	19,353.77	80.87	↓	0.42%
Hang Seng	27,518.60	116.93	↑	0.43%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9121	0.0019	↓	0.21%
USD	0.7204	0.0020	↓	0.28%
CNY	4.7990	0.0100	↓	0.21%
EUR	0.6104	0.0014	↓	0.23%
CAD	0.9023	0.0042	↓	0.46%
GBP	0.5629	0.0015	↓	0.27%
JPY	78.9320	0.1815	↑	0.23%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.65			
10-year Swap	3.14			
Commodities				
	Last	Change		
Spot Gold \$US	1,286.10	4.35	↓	0.34%
Spot Silver \$US	16.96	0.13	↓	0.78%
Oil(WTI)	47.59	0.79	↓	1.63%