

MORNING REPORT

As at 9:05 AM 25-01-18

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

Top News

NZ dollar jumps above 74 US cts as US Treasury secretary jawboxes greenback

The New Zealand dollar jumped above 74 US cents for the first time since September after US Treasury Secretary Steven Mnuchin talked up the trade benefits of a weaker greenback, while Commerce Secretary Wilbur Ross said his nation was ready for a trade war.

The Dollar Index, a measure of the greenback against a basket of currencies, dropped 1 percent after Mnuchin told reporters at the World Economic Forum in Davos that a weaker dollar is good for US trade, and that short-term weakness isn't a concern for the White House, a contrast to the long-held 'strong dollar' position from previous Treasury secretaries.

The Reserve Bank has signalled the official cash rate will stay unchanged until mid-2019, although a growing number of central banks around the world are starting to move away from ultra-loose monetary policy settings.

Wall St, US dollar slide

The US dollar dropped while Wall Street fell, giving up gains that had pushed the benchmark stock indexes to record highs earlier in the day, after US Treasury secretary Steven Mnuchin encouraged a weaker greenback.

"Obviously a weaker dollar is good for us as it relates to trade and opportunities," Mnuchin told reporters in Davos, Bloomberg reported. The currency's short term value is "not a concern of ours at all," he said. "Longer term, the strength of the dollar is a reflection of the strength of the US economy and the fact that it is and will continue to be the primary currency in terms of the reserve currency," Mnuchin said, according to Bloomberg.

The Dow fell as slides in shares of General Electric and those of Intel, recently down 3.2 percent and 2.3 percent respectively, outweighed gains in shares of Verizon and those of Nike, recently up 1.5 percent and 0.8 percent respectively.

NZ shares mixed, A2 and Mercury gain while Metro Glass falls

New Zealand shares were mixed as trading picked up, with A2 Milk Co and Mercury Energy gaining while Metro Performance Glass fell.

Pushpay Holdings was the best performer, up 5.5 percent to \$4.06, while Metro Performance Glass dropped furthest, down 2.1 percent to 92 cents.

A2 Milk Co rose 2.6 percent to \$9.06, having hit a record \$9.11 on intraday trading. Kathmandu Holdings rose 0.8 percent to \$2.41.

Mercury New Zealand gained 1.7 percent to \$3.375. It has raised its annual earnings guidance for a second time, as a spell of wet summer weather around Taupo has the power company anticipating increased generation at its North Island hydro stations.

NZX Index			
Index	Last	Change	

S&P/NZX All Index	9,065.817	15.757	▲ 0.17%
S&P/NZX 50 Index	8,324.095	16.465	▲ 0.20%
S&P/NZX MidCap Index	24,380.345	2.735	▼ 0.01%
S&P/NZX SmallCap Index	59,992.081	146.839	▼ 0.24%
S&P/NZAX All Index	531.746	3.734	▼ 0.70%

ASX Index			
Index	Last	Change	

ASX All Ordinaries	6,168.80	18.10	▲ 0.29%
S&P/ASX 200	6,054.70	17.70	▲ 0.29%
ASX Small Ordinaries	2,764.50	1.10	▲ 0.04%
S&P/ASX MIDCAP 50	6,809.80	33.70	▲ 0.50%
S&P/ASX 20	3,364.60	5.90	▲ 0.18%

Foreign Markets Index			
	Last	Change	

S&P 500	2,838.43	0.70	▼ 0.02%
Dow Jones	26,245.44	34.63	▲ 0.13%
NASDAQ Composite	7,422.24	38.05	▼ 0.51%
FTSE 100	7,643.43	88.40	▼ 1.14%
ASX All Ordinaries	6,168.80	18.10	▲ 0.29%
NIKKEI 225	23,940.78	183.37	▼ 0.76%
HANG SENG INDEX	32,958.69	27.99	▲ 0.09%

Currencies (per NZ\$ 1.00)			
	Last	Change	

AUD	0.9196	0.0004	▲ 0.04%
USD	0.7428	0.0075	▲ 1.02%
CNY	4.7270	0.0190	▲ 0.40%
EUR	0.5988	0.0009	▲ 0.15%
CAD	0.9151	0.0018	▲ 0.20%
GBP	0.5225	0.0028	▼ 0.53%
JPY	80.9885	0.1035	▼ 0.13%

NZ Interest Rates		
	Last	Change

NZ OCR	1.75	
3-month Bank Bill	1.94	
5-year Swap	2.76	
10-year Swap	3.26	

Commodities Futures			
	Last	Change	

Gold	1,357.60	20.90	▲ 1.56%
Silver	17.53	0.62	▲ 3.68%
Crude Oil	65.80	1.33	▲ 2.06%

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 E-mail: Info@equity.co.nz

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