



## MORNING REPORT

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### Top News

#### NZ shares follow Wall St higher in light trading; Meridian, F&P, A2 rise

New Zealand shares extended their gains on the back of improved sentiment in the US. Exporters including Fisher & Paykel Healthcare and A2 Milk benefited from a weaker kiwi dollar.

The S&P/NZX 50 Index rose 66.9 points, or 0.7 percent, to 10,071.74. Within the index, 29 stocks gained, 15 fell, and six were unchanged. Turnover was \$110.6 million.

The New Zealand market followed international cues as Wall Street set the tone. The Nasdaq and S&P 500 closed at records as better-than-expected earnings results and strong housing data allayed concerns that the US economy may be slowing. Stocks across Asia were mixed, with Australia's S&P/ASX 200 index up 0.9 percent in afternoon trading, Singapore's Straits Times index rising 0.2 percent while South Korea's Kospi Composite dropped 1.3 percent.

David Price, a broker at Forsyth Barr, said New Zealand's market was following those international leads, but volumes were very light in the holiday-shortened week with little news to drive direction.

"There hasn't been any negative news for a while, so the market is just going in the same direction where it left off previously," he said. "We're just a little boat bobbing in the sea at the moment."

Exporters continued to benefit from a weaker New Zealand dollar, which followed the Aussie lower as weaker-than-expected Australian inflation raised the prospect a rate cut across the Tasman.

#### NZ dollar gets some respite ahead of US GDP data

The New Zealand dollar firmed ahead of key data in the US after bouncing off downside support in thin, holiday-affected trading.

The kiwi was trading at 66.21 US cents at 8am in Wellington versus 65.91 US cents yesterday in New York. Markets were closed in New Zealand and Australia for Anzac Day yesterday. The trade-weighted index was at 72.39 from 72.31.

"The kiwi rebounded partially overnight as the recent US dollar rally took a breather. However, we maintain a downward bias for this cross over the medium term," said ANZ Bank economist Michael Callaghan.

The US dollar has pushed higher as upbeat retail, exports and durable goods data there has fueled demand for the greenback. Markets have paused, however, ahead of first-quarter US gross domestic product data due later in the global trading day.

The kiwi also continued to push higher against the Aussie, extending the rally from Wednesday that was triggered by lower-than-expected inflation data across the Tasman, said Mike Shirley, a dealer at Kiwibank. The kiwi was trading at 94.42 from 93.94 Australian cents yesterday in New York.

Looking ahead, investors will be watching for today's ANZ Bank consumer confidence numbers as well as merchandise trade data for March.

Economists are expecting a surplus of \$116 million for March and an annual deficit of \$6.3 billion, according to a Bloomberg poll. The main focus, however, will be on the US GDP

NZX Index			
Index	Last	Change	
S&P/NZX All Index	10,900.50	71.05	0.66%
S&P/NZX 50 Index	10,071.74	66.90	0.67%
S&P/NZX MidCap Index	28,559.70	72.41	0.25%
S&P/NZX SmallCap Index	60,376.55	231.09	0.38%
S&P/NZAX All Index	628.29	0.46	0.07%
ASX Index			
Index	Last	Change	
ASX All Ordinaries	6,470.60	59.50	0.93%
S&P/ASX 200	6,382.10	62.70	0.99%
ASX Small Ordinaries	2,854.80	24.50	0.87%
S&P/ASX MIDCAP 50	6,891.20	50.70	0.74%
S&P/ASX 20	3,549.50	33.90	0.96%
Foreign Markets Index			
	Last	Change	
S&P 500	2,926.17	1.08	0.04%
Dow Jones	26,462.08	134.97	0.51%
NASDAQ Composite	8,118.68	16.67	0.21%
DAX	12,282.60	30.56	0.25%
ASX All Ordinaries	6,470.60	59.50	0.93%
NIKKEI 225	22,307.58	107.58	0.48%
HANG SENG INDEX	29,549.80	256.03	0.86%
Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9442	0.0044	0.47%
USD	0.6623	0.0031	0.47%
CNY	4.4650	0.0370	0.84%
EUR	0.5949	0.0040	0.68%
CAD	0.8931	0.0037	0.42%
GBP	0.5136	0.0027	0.53%
JPY	73.9405	0.0475	0.06%
NZ Interest Rates			
	Last	Change	
NZ OCR	1.75		
3-month Bank Bill	1.88		
5-year Swap	1.76		
10-year Swap	2.19		
Commodities Futures (Spot Price \$USD)			
	Last	Change	
Gold	1,278.90	0.50	0.04%
Silver	14.90	0.02	0.11%
Crude Oil	65.10	0.79	1.20%

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