

MORNING REPORT

As at 9:05 AM 26-01-18

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 drops as Trump says he wants a 'strong' greenback

The New Zealand dollar fell almost half a US cent after US President Donald Trump said he wanted to see a "strong" greenback and that comments by his Treasury secretary earlier this week were misinterpreted.

The Dollar Index, a measure of the greenback against a basket of currencies, gained after Trump told CNBC the world's reserve currency will appreciate under his leadership, saying "the dollar is going to get stronger and stronger, and ultimately I want to see a strong dollar". The greenback dropped sharply yesterday when Treasury Secretary Steven Mnuchin said a weaker greenback was good for trade, comments Trump said were taken out of context. The US president is scheduled to deliver a speech at the World Economic Forum in Davos, Switzerland.

Caterpillar beats estimates, euro climbs

Wall Street climbed, lifting the Dow to a record, amid optimism about the outlook for corporate earnings including those of Caterpillar, while the euro rose to a three-year high amid an upbeat economic assessment of the European Central Bank.

The Dow advanced as gains in shares of 3M and those of Boeing, recently up 2.5 percent and 2.1 percent respectively, outweighed declines in shares of Apple and those of Home Depot, recently down 1 percent and 0.7 percent respectively.

Shares of Caterpillar rose, trading 1 percent higher as of 12.12pm in New York, after the company posted quarterly results that exceeded analysts' expectations while its 2018 guidance also bettered forecasts, bolstering optimism about the global economic outlook.

Caterpillar is beginning 2018 with strong sales momentum, the company said, adding that there are "positive economic indicators across most of the world and in many of the company's end markets."

NZ shares rise, Pushpay and A2 gain while Trustpower, Infratil weaken

New Zealand shares rose, led higher by Pushpay Holdings and A2 Milk Co, with Trustpower and Infratil weakening.

The S&P/NZX50 Index gained 45.69 points, or 0.5 percent, to 8,369.78. Within the index, 23 stocks rose, 21 fell and six were unchanged. Turnover was \$128 million.

Trustpower was the worst performer, down 3.4 percent to \$5.72. It is looking at a proposal by cornerstone shareholder Tauranga Energy Consumer Trust which would, in effect, move all the trust's assets into a separate charitable trust and wind it up. The trust owns 26 percent of Trustpower and distributes the bulk of its income to the power company's Tauranga and Western Bay of Plenty customers, money which would instead be used to fund community projects.

Infratil, which is Trustpower's controlling shareholder, dropped 1.5 percent to \$3.22, making it the second-worst performer on the index. A2 Milk Co rose 2.4 percent to \$9.28, while Vector gained 2.4 percent to \$3.41.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,109.049	43.229	▲	0.48%
S&P/NZX 50 Index	8,369.780	45.690	▲	0.55%
S&P/NZX MidCap Index	24,446.109	65.759	▲	0.27%
S&P/NZX SmallCap Index	59,612.193	379.887	▼	0.63%
S&P/NZAX All Index	536.545	4.795	▲	0.90%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,164.70	4.10	▼	0.07%
S&P/ASX 200	6,050.00	4.70	▼	0.08%
ASX Small Ordinaries	2,770.80	6.30	▲	0.23%
S&P/ASX MIDCAP 50	6,806.60	3.20	▼	0.05%
S&P/ASX 20	3,361.20	3.40	▼	0.10%
Foreign Markets Index				
	Last	Change		
S&P 500	2,834.22	3.32	▼	0.12%
Dow Jones	26,318.59	66.47	▲	0.25%
NASDAQ Composite	7,398.73	16.33	▼	0.22%
FTSE	7,615.84	27.59	▼	0.36%
ASX All Ordinaries	6,164.70	4.10	▼	0.07%
NIKKEI 225	23,669.49	271.29	▼	1.13%
HANG SENG INDEX	32,654.45	304.24	▼	0.92%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9144	0.0049	▲	0.54%
USD	0.7336	0.0006	▼	0.08%
CNY	4.6360	0.0410	▼	0.88%
EUR	0.5919	0.0004	▲	0.07%
CAD	0.9068	0.0008	▲	0.09%
GBP	0.5194	0.0041	▲	0.80%
JPY	80.2655	0.1100	▲	0.14%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.71			
10-year Swap	3.23			
Commodities Futures				
	Last	Change		
Gold	1,343.80	12.50	▼	0.92%
Silver	17.22	0.27	▼	1.54%
Crude Oil	65.24	0.37	▼	0.56%

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www.equity.co.nz E-mail: Info@equity.co.nz

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