

Top News

NZ dollar gains vs euro after German election, falls vs yen on Korea tensions

The New Zealand dollar rose against the euro on speculation German Chancellor Angela Merkel will have a difficult time forming a coalition after winning a fourth term in office and fell against the yen on heightened Korean peninsula tensions.

Merkel is seen struggling to form a coalition, creating an extending period of uncertainty, after support for former partners dissipated in last weekend's elections and the anti-immigration, far-right Alternative for Germany (AfD) entered the German parliament.

The yen strengthened in a flight to safety after North Korea's foreign minister Ri Yong Ho said US President Donald Trump had made a declaration of war and his country might shoot down US warplanes, while Japan's Prime Minister Shinzō Abe called a snap election.

At home, media reports have speculated on which way the NZ First Party's Winston Peters may jump after the election left him holding the balance of power. Labour's Jacinda Adern says no talks have been held yet.

Tech stocks slide

Slides in technology stocks including those of Apple and Facebook led Wall Street lower as concern about intensifying tension between North Korea and the US weighed on sentiment.

Apple shares moved lower, trading 1.1% weaker as of 2.09pm in New York, amid reports that demand for its iPhone 8 appears tepid.

The Dow fell as slides in shares of Visa and those of Microsoft, recently down 2.2% and 1.7% respectively, outweighed gains in shares of Exxon Mobil and those of General Electric, recently up 1.3% and 1.1% respectively.

Investors are awaiting a speech by Federal Reserve Chair Janet Yellen, set to speak on Tuesday, following the Federal Open Market Committee's hawkish tone at the end of last week's meeting.

NZ shares rise in light trading; A2, Z Energy, SkyCity gain while Sky TV drops

New Zealand shares rose in quiet trading following the general election as investors await the formation of a government, led by A2 Milk Co and SkyCity Entertainment Group.

Preliminary results show New Zealand First party leader Winston Peters in a powerful position as all parties fell short of the necessary 61 seats to secure a parliamentary majority. National won 58 seats while Labour has 45, the Green Party has seven, and New Zealand First has nine, according to the Electoral Commission. That result, however, could shift as 384,072 special votes - 15% of the total cast - remain to be counted. Both National and the Labour-Green bloc will now attempt to woo Peters to form a government.

SkyCity rose 3% to \$3.80, Fletcher Building gained 2.7% to \$8 and New Zealand Refining rose 2% to \$2.52. Fonterra Shareholders Fund units gained 1.6% to \$6.20. Fonterra Cooperative Group's full year results saw gross margin drop about 4%age points as the dairy company paid more for milk, while rising prices offset a decline in volumes. The changing mix didn't alter Fonterra's forecast payout.

NZX Index				
Index	Last		Change	
S&P/NZX All Index	8,521.14	51.40	↑	0.61%
S&P/NZX 50 Index	7,869.77	50.33	↑	0.64%
S&P/NZX Mid Cap Index	22,600.28	92.15	↑	0.41%
S&P/NZX Small Cap	52,833.92	188.41	↑	0.36%
S&P/NZAX All Index	568.89	2.73	↑	0.48%

Index	Last		Change	
ALL ORDINARIES	5,741.7	1.1	↑	0.02%
S&P/ASX 200	5,683.7	1.6	↑	0.03%
S&P/ASX SMALL ORD	2,439.7	2.6	↓	0.11%
S&P/ASX MIDCAP 50	6,105.4	28.6	↑	0.47%
S&P/ASX 20	3,209.9	2.7	↓	0.08%

Foreign Markets Index				
	Last		Change	
S&P 500	2,496.64	5.58	↓	0.22%
DJIA	22,296.38	53.21	↓	0.24%
Nasdaq	6,371.63	55.29	↓	0.86%
FTSE 100	7,301.29	9.35	↓	0.13%
ALL ORDINARIES	5,741.70	1.10	↑	0.02%
Nikkei 225	20,397.58	101.13	↑	0.50%
Hang Seng	27,500.34	380.19	↓	1.36%

Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9152	0.0028	↓	0.31%
USD	0.7261	0.0033	↓	0.45%
CNY	4.8070	0.0310	↓	0.64%
EUR	0.6129	0.0002	↓	0.03%
CAD	0.8987	0.0019	↓	0.21%
GBP	0.5392	0.0021	↓	0.39%
JPY	81.0880	0.7820	↓	0.96%

NZ Interest Rates				
	Last		Change	
NZ OCR	1.75			
3-month Bank Bill	1.96			
5-year Swap	2.72		↓	0.09%
10-year Swap	3.21		↓	0.08%

Commodities				
	Last		Change	
Spot Gold \$US	1,309.90	13.05	↑	1.01%
Spot Silver \$US	17.15	0.16	↑	0.93%
Oil(WTI)	52.18	1.52	↑	3.00%

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