

MORNING REPORT

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Top News

NZ dollar gains vs euro as ECB's Draghi notes moderating growth

The New Zealand dollar rose against the euro after European Central Bank president Mario Draghi acknowledged a moderation in the regional economy's growth while keeping rates on hold and pledging to keep its asset purchase programme in place until at least September.

The ECB kept monetary policy unchanged in its latest review and affirmed forward guidance, meeting analysts' expectations. Draghi said the economic recovery still supports inflation returning to target and noting "some moderation in growth".

Facebook, AMD lift Wall St

Wall Street climbed, bolstered by better-than-expected earnings including from Facebook and Advanced Micro Devices, while US Treasuries retreated for the first time in more than a week.

Shares of Facebook jumped, up 9.8 percent as of 2.55pm in New York, after the company posted quarterly results that blew past expectations and eased concern about the impact from the Cambridge Analytica data scandal. Advanced Micro Devices was another tech stock that reported quarterly results that bettered analysts' estimates. IT traded 13.6 percent stronger as of 3.01pm.

The Dow gained, led by advances in shares of Visa and those of Home Depot, recently up 4.8 percent and 4.6 percent respectively. Only three Dow stocks declined in late afternoon trading, with shares of Walt Disney recently down 1 percent, those of 3M recently 0.3 percent weaker and those of Verizon slipping 0.2 percent.

Tegel jumps 37% on takeover offer; Westpac, ANZ drop as banking scandal continues

New Zealand shares dipped with Westpac Banking Corp and Australia & New Zealand Banking Group down as the banking scandal across the Tasman deepens, while Tegel Group surged on a planned takeover offer.

The biggest story of the day was outside the benchmark index, where Tegel Group surged 37 percent to \$1.12. Philippines-based poultry group Bounty Fresh Foods will mount a \$437.8 million takeover bid for Tegel at \$1.23, with the share price having been beaten up after multiple earnings downgrades.

The Filipino company already has Tegel's cornerstone shareholder Affinity Equity Partners on board, signing a lock-up agreement with the holding company Claris Investments for a 45 percent stake. The offer is a premium to the 82 cents the stock closed at on Tuesday.

Westpac led the benchmark lower, down 3.4 percent to \$30.05, while fellow Australian-owned bank ANZ dropped 1.9 percent to \$28.40. In Australia, the sector has come under fire over revelations made at a Royal Commission public inquiry into misconduct within the banking and finance industries. AMP rose 0.2 percent to \$4.34.

NZX Index				
Index	Last		Change	
S&P/NZX All Index	9,026.200	1.430	▲	0.02%
S&P/NZX 50 Index	8,282.048	6.593	▼	0.08%
S&P/NZX MidCap Index	23,922.612	33.298	▼	0.14%
S&P/NZX SmallCap Index	58,966.884	476.934	▲	0.82%
S&P/NZAX All Index	507.517	3.617	▲	0.72%

ASX Index				
Index	Last		Change	
ASX All Ordinaries	6,003.00	6.40	▼	0.11%
S&P/ASX 200	5,910.80	10.80	▼	0.18%
ASX Small Ordinaries	2,704.20	12.80	▲	0.48%
S&P/ASX MIDCAP 50	6,701.10	13.30	▲	0.20%
S&P/ASX 20	3,254.90	21.20	▼	0.65%

Foreign Markets Index				
	Last		Change	
S&P 500	2,666.94	27.54	▲	1.04%
Dow Jones	24,322.34	238.51	▲	0.99%
NASDAQ Composite	7,118.68	114.94	▲	1.64%
FTSE 100	7,421.43	42.11	▲	0.57%
ASX All Ordinaries	6,003.00	6.40	▼	0.11%
NIKKEI 225	22,319.61	104.29	▲	0.47%
HANG SENG INDEX	30,007.68	320.47	▼	1.06%

Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9351	0.0007	▲	0.07%
USD	0.7062	0.0007	▼	0.10%
CNY	4.4740	0.0040	▲	0.09%
EUR	0.5835	0.0001	▲	0.02%
CAD	0.9087	0.0005	▲	0.06%
GBP	0.5074	0.0001	▼	0.02%
JPY	77.1850	0.1590	▼	0.21%

NZ Interest Rates				
	Last		Change	
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.81			
10-year Swap	3.31			

Commodities Futures				
	Last		Change	
Gold	1,318.10	4.70	▼	0.36%
Silver	16.49	0.02	▼	0.10%
Crude Oil	68.21	0.16	▲	0.24%

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