



MORNING REPORT

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Top News

NZ dollar holds above 73 US cts ahead of Fed chair Powell testimony as US rates in view

The New Zealand dollar held above 73 US cents ahead of Federal Reserve chair Jerome Powell's debut testimony to Congress, where investors will be seeking hints on the future track for interest rates.

Powell appears before the House Financial Services Committee on Tuesday, and investors will be looking to see whether his comments and answers to questions hold the Fed's official line that rate hikes will be gradual. Before that testimony, Fed vice chair Randal Quarles is speaking about the US economy.

Wall St, Treasuries gain before Powell testimony

Wall Street climbed, as did US Treasuries, amid bets Federal Reserve Chairman Jerome Powell will signal the central bank's still eyeing three interest rate increases this year.

US Treasuries rose, pushing the yield on the 10-year note one basis point lower to 2.86 percent. That's the lowest in almost two weeks, according to Bloomberg.

The Dow moved higher, led by gains in shares of Cisco Systems and those of 3M, recently up 2.6 percent and 2.5 percent respectively.

Shares of General Electric and those of Coca-Cola fell, down 1.1 percent and 0.2 percent respectively, and were the only two stocks in the Dow to move lower in afternoon trading.

NZ shares join global rally amid earnings optimism, led by Summerset, Z

New Zealand shares joined a global rally, buoyed by optimism over local earnings with retirement village operator Summerset Group gaining for a second day, in contrast to rival Metlifecare which disappointed investors.

The S&P/NZX 50 index rose 38.81 points, or 0.5 percent, to 8,340.53. Within the index, 18 stocks gained, 23 fell and nine were unchanged. Turnover was \$124 million.

Stocks across Asia followed Wall Street higher as investors pared their expectations for the Federal Reserve to aggressively hike interest rates after the central bank released its monetary policy report, bolstering the appeal of equities. Australia's S&P/ASX 200 index was up 0.5 percent in afternoon trading, while Hong Kong's Hang Seng gained 0.7 percent and Japan's Topix was up 0.9 percent.

New Zealand equities joined that rally while the local reporting season continued to show company earnings were largely growing at a modest pace, and quelling fears prices were getting stretched.

Summerset led the market higher for a second session, rising 6.4 percent to \$6.45 and adding to a 4.3 percent gain on Friday. The retirement village operator and developer beat earnings guidance when it reported on Friday, in contrast to rival Metlifecare, which fell short of expectations.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,056.959	38.709	▲	0.43%
S&P/NZX 50 Index	8,340.528	38.808	▲	0.47%
S&P/NZX MidCap Index	23,532.825	32.525	▼	0.14%
S&P/NZX SmallCap Index	57,224.458	59.848	▲	0.10%
S&P/NZAX All Index	565.178	2.578	▲	0.46%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,146.10	40.90	▲	0.67%
S&P/ASX 200	6,042.20	42.40	▲	0.71%
ASX Small Ordinaries	2,764.10	15.00	▲	0.55%
S&P/ASX MIDCAP 50	6,864.90	50.60	▲	0.74%
S&P/ASX 20	3,358.60	31.90	▲	0.96%
Foreign Markets Index				
	Last	Change		
S&P 500	2,772.81	25.51	▲	0.93%
Dow Jones	25,643.43	333.44	▲	1.32%
NASDAQ Composite	7,404.89	67.50	▲	0.92%
FTSE 100	7,289.58	45.17	▲	0.62%
ASX All Ordinaries	6,146.10	40.90	▲	0.67%
NIKKEI 225	22,153.63	260.85	▲	1.19%
HANG SENG INDEX	31,498.60	231.43	▲	0.74%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9316	0.0021	▲	0.23%
USD	0.7315	0.0023	▲	0.32%
CNY	4.6160	0.0020	▼	0.04%
EUR	0.5940	0.0008	▲	0.13%
CAD	0.9273	0.0054	▲	0.59%
GBP	0.5237	0.0023	▲	0.44%
JPY	78.2000	0.0135	▲	0.02%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.70			
10-year Swap	3.22			
Commodities Futures				
	Last	Change		
Gold	1,334.30	4.00	▲	0.30%
Silver	16.56	0.08	▲	0.46%
Crude Oil	63.87	0.32	▲	0.50%

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