

MORNING REPORT

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Top News

NZ shares fall with blue chips A2, Ryman; F&P Healthcare gains

New Zealand shares fell in light trading as blue-chip stocks including A2 Milk Co, Ryman Healthcare and Fletcher Building followed Australia lower. Fisher & Paykel Healthcare gained after reporting increased earnings.

The S&P/NZX 50 index decreased 39.01 points, or 0.4 percent, to 8,662.37. Within the index, 24 stocks fell, 18 gained and eight were unchanged. Turnover was \$85.7 million, quieter than usual.

Trading was relatively subdued after the Thanksgiving holiday-shortened week in the US left markets slightly weaker on Friday. Stock markets across Asia were mixed today, although New Zealand moved lower with Australia, where the ASX 200 index was down 0.9 percent in afternoon trading.

Blue-chip stocks led the market lower, with A2 Milk down 3.1 percent to \$10.20 on less than half its average volume. The milk marketing firm is the most volatile stock on the NZX 50 on a close-to-close basis, with much of its activity driven out of Australia. Ryman led the market lower, down 3.9 percent to \$11.03 on smaller volumes than usual. Fletcher fell 0.6 percent to \$4.66 on average volume of 1.5 million.

"We've started the week on a weaker note," said Grant Williamson, a director at Hamilton Hindin Greene. "Most of the blue-chips are a little bit weaker - particularly A2, although that's a pretty volatile company."

NZ dollar treads water as investors await Fed speakers

The New Zealand dollar was largely unchanged as US markets reopened on a positive note as investors await speeches from Federal Reserve officials after cautious comments on the US rate outlook earlier this month.

The kiwi was at 67.84 US cents as at 8am, unchanged from afternoon trading yesterday. The trade-weighted index was at 74.17 from 74.10.

Stocks on Wall Street gained after US markets reopened from the Thanksgiving-shortened week with the Dow Jones Industrial Average up 1.2 percent in late trading. Speeches from Fed vice chair Richard Clarida and chair Jerome Powell will be closely watched this week after Clarida was more cautious about the growth outlook earlier this month. That stoked speculation the central bank may pause its rate hike cycle as soon as March. The yield on 10-year Treasuries rose one basis point to 3.07 percent.

A meeting between US President Donald Trump and his Chinese counterpart Xi Jinping at the G-20 leaders' summit at the end of the week is also keenly awaited in the hopes it may unwind some of the tension between the world's two biggest economies.

"Currency moves have been modest as we await a barrage of Fed-speak over the remainder of the week and the Trump-Xi meeting at the G20 on the weekend," Bank of New Zealand interest rate strategist Nick Smyth said in a note.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,431.25	49.24	▼	0.52%
S&P/NZX 50 Index	8,662.37	42.32	▼	0.49%
S&P/NZX MidCap Index	25,862.68	32.79	▼	0.13%
S&P/NZX SmallCap Index	60,239.96	486.35	▼	0.80%
S&P/NZAX All Index	515.85	1.84	▲	0.36%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	5,749.60	43.80	▼	0.76%
S&P/ASX 200	5,671.60	44.60	▼	0.78%
ASX Small Ordinaries	2,522.90	19.00	▼	0.75%
S&P/ASX MIDCAP 50	6,212.70	58.00	▼	0.92%
S&P/ASX 20	3,171.30	27.70	▼	0.87%
Foreign Markets Index				
	Last	Change		
S&P 500	2,667.75	35.19	▲	1.34%
Dow Jones	24,584.59	298.64	▲	1.23%
NASDAQ Composite	7,057.32	118.33	▲	1.71%
DAX	11,354.72	162.03	▲	1.45%
ASX All Ordinaries	5,749.60	43.80	▼	0.76%
NIKKEI 225	21,812.00	165.45	▲	0.76%
HANG SENG INDEX	26,376.18	448.50	▲	1.73%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9387	0.0037	▲	0.40%
USD	0.6785	0.0024	▲	0.35%
CNY	4.7090	0.0030	▼	0.06%
EUR	0.5988	0.0025	▲	0.42%
CAD	0.8984	0.0042	▲	0.47%
GBP	0.5294	0.0021	▲	0.40%
JPY	77.0700	0.7050	▲	0.92%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.49			
10-year Swap	2.96			
Commodities Futures				
	Last	Change		
Gold	1,222.10	1.10	▼	0.09%
Silver	14.22	0.02	▼	0.16%
Crude Oil	51.63	1.21	▲	2.40%

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