

MORNING REPORT

As at 9:00 AM 27 November 2017

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Top News

NZ dollar falls vs euro as signs of resurgent German economy lift common currency

The New Zealand dollar fell to the lowest in more than a week versus the euro on evidence Germany's economy is rebounding while that country makes progress on forming a coalition government.

The US dollar index weakened into the end of last week as the euro gained after Germany's IFO measure of business confidence rose to a record in November, beating estimates and adding to recent strong data from the eurozone's biggest economy. Trading was relatively subdued with the US Thanksgiving Holiday and there is little economic news on the calendar for today.

Meanwhile, German Chancellor Angela Merkel looks more likely to be able to form a coalition after the main opposition party indicated it may provide support.

Fed succession, OPEC, US retail in focus

Federal Reserve Chair Janet Yellen testifies to Congress on the US economic outlook on Wednesday, a day after Jerome Powell, nominated to succeed her in February, will appear in confirmation hearings before the Senate.

Powell, currently a Fed governor, will appear before the US Senate Committee on Banking, Housing, and Urban Affairs for a full committee hearing on his nomination to become Fed Chairman.

The US dollar has weakened since minutes of the most recent Fed meeting, released last Wednesday, prompted expectations that the central bank might not raise interest rates next year as much as previously anticipated.

NZ shares mixed; Ryman and Stride gain on results, Port of Tauranga, A2 Milk drop

New Zealand shares were mixed, with Ryman Healthcare and Stride Property making gains while Port of Tauranga and A2 Milk Co declined.

Ryman led the index higher for a second day, gaining 3.7% to \$9.80. The country's biggest retirement village operator and developer said last week it had boosted first-half profit 8.4% to \$202.6 million, and lifted its interim dividend, after reaping bigger margins on resales of existing units, even as the broader property market slowed.

Kathmandu Holdings rose 2.9% to \$2.49. The outdoor equipment retailer, which held its annual meeting last week, said that first-quarter earnings were up despite sales dipping as it widened margins by selling less discounted stock.

Auckland International Airport advanced 1.8% to \$6.31. In its monthly traffic update today, the company said international passengers (excluding transits) were up by 6.8% in October 2017 compared to October 2016, and Chinese visitor arrivals were up 10.7%.

NZX Index				
Index	Last		Change	
S&P/NZX All Index	8,825.36	30.87	↑	0.35%
S&P/NZX 50 Index	8,130.28	28.33	↑	0.35%
S&P/NZX Mid Cap Index	24,344.01	34.84	↓	0.14%
S&P/NZX Small Cap	56,393.83	108.31	↑	0.19%
S&P/NZAX All Index	582.78	14.00	↑	2.46%

ASX Index				
Index	Last		Change	
ALL ORDINARIES	6,063.1	4.40	↓	0.07%
S&P/ASX 200	5,982.6	3.60	↓	0.06%
S&P/ASX SMALL ORD	2,673.6	0.30	↑	0.01%
S&P/ASX MIDCAP 50	6,620.7	21.70	↓	0.33%
S&P/ASX 20	3,323.5	4.40	↓	0.13%

Foreign Markets Index				
	Last		Change	
S&P 500	2,602.42	5.34	↑	0.21%
DJIA	23,557.99	31.81	↑	0.14%
Nasdaq	6,889.16	21.80	↑	0.32%
FTSE 100	7,409.64	7.60	↓	0.10%
ALL ORDINARIES	6,063.10	4.40	↓	0.07%
Nikkei 225	22,550.85	27.70	↑	0.12%
Hang Seng	29,866.32	158.38	↑	0.53%

Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9036	0.0012	↑	0.13%
USD	0.6887	0.0006	↑	0.09%
CNY	4.5420			
EUR	0.5769	0.0005	↑	0.09%
CAD	0.8754	0.0008	↑	0.09%
GBP	0.5161	0.0004	↑	0.08%
JPY	76.7050			

NZ Interest Rates				
	Last		Change	
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.61			
10-year Swap	3.11			

Commodities				
	Last		Change	
Spot Gold \$US	1,288.41	0.31	↑	0.02%
Spot Silver \$US	17.02		↑	0.02%
Oil(WTI)	58.95	0.39	↑	0.67%

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