



MORNING REPORT

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Top News

US jobs, inflation in focus

The latest US jobs data and trade talks between the US and China will form a key focus this week as investors are gearing up for a widely expected Federal Reserve interest rate hike next month.

Investors will eye the ADP employment report on Wednesday, followed by weekly jobless claims on Thursday and the government's nonfarm payrolls report on Friday, while also watching the latest reading on the core PCE index, the Fed's preferred inflation measure, due on Thursday.

Investors will also watch closely any developments around US trade talks, notably with China, where US Commerce Secretary Wilbur Ross is set to arrive on Saturday.

Today, US financial markets are closed for the Memorial Day holiday.

NZ dollar steady vs euro as Italy coalition talks falter, commodity prices fall

The New Zealand dollar was little changed against the euro after talks broke down on forming a new government in Italy and held steady against the greenback as oil led a decline in commodity prices on Friday.

The kiwi dollar traded at 59.20 euro cents as at 8am in Wellington from 59.24 cents in late New York trading on Friday. It was at 69.20 US cents from 69.16 cents in New York while the trade-weighted index was at 72.63 from 72.62.

Reuters reported that Italian President Sergio Mattarella rejected a eurosceptic for the economy ministry, prompting the far-right League and the 5-Star Movement to call for a new vote as soon as possible.

NZ shares up as Comvita, A2 rebound from weakness, Steel & Tube keeps dropping

New Zealand shares gained as Comvita and A2 Milk Co recovered from selling, while Air New Zealand and Steel & Tube Holdings fell.

Comvita led the index higher, up 2.8 percent to \$5.96. The manuka honey company's shares had been down 14 percent this week since Monday, when it pulled out of talks with an unnamed third party looking to take it over when it couldn't reach a deal on price.

A2 Milk gained 2.6 percent to \$10.94. The stock, one of the most volatile on the index, has also had a turbulent week. The milk marketer's shares slumped 13 percent last week and a further 9.3 percent in the first half of this week after it missed expectations, but rebounded yesterday and continued to make up lost ground today.

Spark New Zealand rose 2.5 percent to \$3.55. It expects annual earnings to fall by as much as 2.5 percent this year as it brings forward restructuring costs and accelerates its 'Quantum Programme' to transform the company into the operator with the lowest costs.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,405.81	49.90	▲	0.53%
S&P/NZX 50 Index	8,638.40	47.63	▲	0.55%
S&P/NZX MidCap Index	25,094.44	47.41	▲	0.19%
S&P/NZX SmallCap Index	61,077.65	42.40	▲	0.07%
S&P/NZAX All Index	519.28	3.42	▲	0.66%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,141.00	3.10	▼	0.05%
S&P/ASX 200	6,032.80	4.30	▼	0.07%
ASX Small Ordinaries	2,806.20	0.40	▼	0.01%
S&P/ASX MIDCAP 50	6,793.50	13.70	▲	0.20%
S&P/ASX 20	3,323.10	6.00	▼	0.18%
Foreign Markets Index				
	Last	Change		
S&P 500	2,721.33	6.43	▼	0.24%
Dow Jones	24,753.09	58.67	▼	0.24%
NASDAQ Composite	7,433.85	9.42	▲	0.13%
FTSE	7,730.28	13.54	▲	0.18%
ASX All Ordinaries	6,141.00	3.10	▼	0.05%
NIKKEI 225	22,450.79	13.78	▲	0.06%
HANG SENG INDEX	30,588.04	172.37	▼	0.56%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9156	0.0002	▼	0.02%
USD	0.6922	0.0003	▲	0.04%
CNY	4.4210	#VALUE!	#VALUE!	
EUR	0.5924	0.0013	▼	0.22%
CAD	0.8974	0.0001	▼	0.01%
GBP	0.5200	0.0002	▲	0.04%
JPY	76.0050	0.2800	▲	0.37%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.66			
10-year Swap	3.16			
Commodities Futures				
	Last	Change		
Gold	1,301.20	3.20	▼	0.25%
Silver	16.52	0.17	▼	1.00%
Crude Oil	67.50	3.21	▼	4.54%

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