

## Equity Investment Advisers Morning Report

As at 9:05 AM 29 Jun 2017

### Top News

#### Trilogy to buy controlling stake in Lanocreme maker Lanocorp for \$13.8 million

Trilogy International, the scented candle and beauty products maker grappling with rising raw material costs, will spend \$13.8 million buying control of smaller rival Lanocorp's New Zealand and Australian businesses.

Auckland-based Trilogy will pay \$12.5 million upfront in cash for 80 percent of Lanocorp New Zealand, whose suite of beauty products include Lanocreme, By Nature and Tiaki, with two further payments tied to earnings targets. It also has a call option to buy the remaining 20 percent after three, four or five years. Trilogy said it has also conditionally agreed to buy Lanocorp's affiliated Australian business for a further \$1.3 million.

#### Rate hikes ahead

Wall Street advanced amid fresh economic optimism after central bank chiefs in the UK and Canada signalled interest rates increases ahead.

"Some removal of monetary stimulus is likely to become necessary if the trade-off facing the [Monetary Policy Committee] continues to lessen and the policy decision accordingly becomes more conventional," Bank of England Governor Mark Carney told the ECB Forum on Central Banking in Sintra, Portugal.

A day earlier Federal Reserve Chair Janet Yellen's comments did little to alter expectations that the US central bank is on track for a third rate hike this year, while a speech by European Central Bank President Mario Draghi was interpreted as freshly hawkish.

#### NZ shares mixed, SkyCity drags market down while Summerset, Westpac, Tegel gain

New Zealand shares were mixed, with most of the market including Summerset Group Holdings and Westpac Banking Corp rising but a big trade in Sky City Entertainment tipping the index down. The S&P/NZX 50 Index dropped 1.86 points, or 0.02 percent, to 7,624.49. Within the index, 23 stocks rose, 16 fell and 11 were unchanged. Turnover was \$357 million.

Sky City Entertainment was the worst performer, dropping 4.2 percent to \$4.07. Chair Chris Moller will retire from New Zealand's only listed casino company at the end of this year after nine years as a director, to be replaced by its new director Rob Campbell.

Summerset led the index, rising 2.8 percent to \$4.78. The best-performing retirement village stock in the past 12 months today said 2017 underlying earnings may rise as much as 33 percent, driven by new sales of occupation rights to its units.

NZX Index				
Index	Last		Change	
S&P/NZX All Index	8,262.27	0.35	↓	0.00%
S&P/NZX 50 Index	7,624.49	1.86	↓	0.02%
S&P/NZX Mid Cap Index	21,473.11	4.63	↑	0.02%
S&P/NZX Small Cap	50,922.04	274.67	↑	0.54%
S&P/NZAX All Index	586.94	8.35	↓	1.40%

ASX Index				
Index	Last		Change	
ALL ORDINARIES	5,796.1	43.6	↑	0.75%
S&P/ASX 200	5,755.7	41.5	↑	0.72%
S&P/ASX SMALL ORD	2,385.4	23	↑	0.96%
S&P/ASX MIDCAP 50	6,322.6	45.8	↑	0.72%
S&P/ASX 20	3,240.3	27.2	↑	0.84%

Foreign Markets Index				
	Last		Change	
S&P 500	2,440.69	21.31	↑	0.88%
DJIA	21,454.61	143.95	↑	0.68%
Nasdaq	6,234.41	87.79	↑	1.43%
FTSE 100	7,387.80	46.56	↓	0.63%
ALL ORDINARIES	5,796.10	43.60	↑	0.75%
Nikkei 225	20,130.41	94.68	↓	0.47%
Hang Seng	25,683.50	156.49	↓	0.61%

Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9564	0.0002	↓	0.02%
USD	0.7305	0.0002	↓	0.03%
CNY	4.9670		↓	
EUR	0.6421	0.0001	↑	0.02%
CAD	0.9525	0.0005	↓	0.05%
GBP	0.5652	0.0001	↑	0.02%
JPY	82.0405	0.0155	↓	0.02%

NZ Interest Rates				
	Last		Change	
NZ OCR	1.750		↓	
3-month Bank Bill	1.950		↓	
5-year Swap	2.743		↓	
10-year Swap	3.210		↓	

Commodities				
	Last		Change	
Spot Gold \$US	1,248.87	0.04	↓	
Spot Silver \$US	16.77	0.01	↓	0.07%
Oil(WTI)	44.73	0.45	↑	1.02%

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