

MORNING REPORT

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Top News

NZ dollar little changed before stability report that may signal end to LVRs

The New Zealand dollar was little changed, holding above 69 US cents for the second day, ahead of the Reserve Bank's financial stability report, which may signal an end to measures aimed at cooling the property market.

The Reserve Bank is expected to reiterate that the financial system is in good shape but is likely to repeat that housing remains a risk and that it is keeping an eye on commodity prices, especially dairy. But it may also include some commentary on the effectiveness of macroprudential tools such as loan-to-value ratio restrictions, given there are signs that heat is coming out of the property market and it has previously flagged that market as a risk to financial stability.

Powell testimony spurs Wall St gains

Wall Street climbed to record highs after Jerome Powell, US President Donald Trump's nominee to succeed Federal Reserve Chair Janet Yellen, said financial rules are "tough enough." Powell made the comments in testimony at his Senate confirmation hearing in Washington, where he also firmed bets that the Fed will lift interest rates next month.

The latest US economic data underpinned reasons for optimism about the outlook. A Conference Board report showed its consumer confidence index climbed more than expected in November, rising to the highest level in almost 17 years.

NZ shares down, Mercury and Chorus weaken on international selling, Orion and Trilogy fall on earnings

Mercury led the index lower, down 2.6 percent to \$3.32, while Chorus fell 2.4 percent to \$3.905 and Fletcher Building declined 1.5 percent to \$6.73.

Kathmandu fell 2 percent to \$2.42. Last week the outdoor equipment retailer said its first-quarter earnings were up despite sales dipping as it widened margins by selling less sale stock.

Arvida Group was the best performer, rising 2.5 percent to \$1.23. Scales Corp gained 2.4 percent to \$3.90 and Summerset Group Holdings advanced 2 percent to \$5.22.

Orion Health fell 10.5 percent to 94 cents. The health software developer, whose shares have lost almost half their value this year, widened its first-half loss and lowered its outlook for the full year. The loss was \$25.9 million in the six months ended Sept. 30 from a loss of \$18 million a year earlier.

Trilogy International fell 8.9 percent to \$2.35. The scented candle and beauty products maker lifted first-half profit 17 percent to \$4.1 million as it faced lower interest costs and earn-out payments, although the firm's underlying earnings were hit by skinnier margins.

Steel & Tube fell 0.5 percent to \$1.99. This afternoon, Radio New Zealand reported the company had pleaded guilty to 24 criminal charges laid against it by the Commerce Commission for misrepresenting its seismic steel mesh. The company was not immediately available for comment.

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NZX Index				
Index	Last		Change	
S&P/NZX All Index	8,838.61	38.03	↓	0.43%
S&P/NZX 50 Index	8,141.49	34.61	↓	0.42%
S&P/NZX Mid Cap Index	24,267.61	105.20	↓	0.43%
S&P/NZX Small Cap	56,359.36	423.69	↓	0.75%
S&P/NZAX All Index	576.55	7.66	↓	1.31%

ASX Index				
Index	Last		Change	
ALL ORDINARIES	6,066.7	3.7	↓	0.06%
S&P/ASX 200	5,984.3	4.5	↓	0.08%
S&P/ASX SMALL ORD	2,682.4	6.1	↑	0.23%
S&P/ASX MIDCAP 50	6,681.7	30	↑	0.45%
S&P/ASX 20	3,308.8	15.5	↓	0.47%

Foreign Markets Index				
	Last		Change	
S&P 500	2,622.81	21.39	↑	0.82%
DJIA	23,778.44	197.66	↑	0.84%
Nasdaq	6,900.55	22.03	↑	0.32%
FTSE 100	7,460.65	76.75	↑	1.04%
ALL ORDINARIES	6,066.7	3.7	↓	0.06%
Nikkei 225	22,486.24	9.75	↓	0.04%
Hang Seng	29,680.85	5.34	↓	0.02%

Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9091	0.0001	↓	0.01%
USD	0.6905	0.0006	↓	0.09%
CNY	4.5610	0.0010	↑	0.02%
EUR	0.5835	0.0026	↑	0.45%
CAD	0.8851	0.0026	↑	0.29%
GBP	0.5165	0.0025	↓	0.48%
JPY	77.0460	0.2675	↑	0.35%

NZ Interest Rates				
	Last		Change	
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.62			
10-year Swap	3.12			

Commodities				
	Last		Change	
Spot Gold \$US	1,292.25	1.99	↓	0.15%
Spot Silver \$US	16.84	0.20	↓	1.18%
Oil(WTI) \$US	58.18	0.77	↓	1.31%

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