

MORNING REPORT

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Top News

NZ dollar falls as greenback, bond yields rise, Americans spend more

The New Zealand dollar fell against a broadly stronger greenback and rising bond yields on growing conviction the Federal Reserve will keep hiking interest rates.

The yield on 10-year US Treasuries rose to about 2.71 percent, the highest since April 2014, while the US dollar index gained from its lowest level since December 2014 in a week that brings US President Donald Trump's first State of the Union address, Federal Reserve chair Janet Yellen's last policy meeting, nonfarm payrolls and measures of US consumer confidence, house prices, and ISM manufacturing. Meanwhile, concerns have abated that Trump is intent on battling other nations over trade and currency strength.

Tomorrow sees Trump's speech to the Congress, titled "Building a safe, strong and proud America" where he will set out his priorities for jobs, infrastructure, immigration, trade and national security, Reuters reported a senior official as saying.

Wall St, Treasuries slide

Wall Street moved lower, as did US Treasuries, as investors prepared for a week that includes a Federal Reserve meeting, US President Donald Trump's first State of the Union address and a slew of corporate results including from Facebook, Amazon and Apple.

US Treasuries dropped, sending the yield on the 10-year note four basis points higher to 2.70 percent, the highest in almost four years, according to Bloomberg.

The Dow moved lower as declines in shares of Caterpillar and those of Apple, recently down 2.6 percent and 1.6 percent respectively, outweighed gains in shares of Goldman Sachs and those of General Electric, recently up 1.6 percent and 1.2 percent respectively.

NZ shares rise in light trading, led by F&P Healthcare, Kathmandu

New Zealand shares gained, led higher by Fisher & Paykel Healthcare Corp and Kathmandu Holdings in quiet trading due to the Auckland Anniversary Day.

F&P Healthcare led the index higher, up 2.7 percent to \$13.25. Kathmandu gained 2.5 percent to \$2.44 and Australia & New Zealand Banking Group rose 1.8 percent to \$31.55.

Trustpower rose 0.5 percent to \$5.60. The stock lost 6 percent over Thursday and Friday after cornerstone shareholder Tauranga Energy Consumer Trust proposed it ditch customer rebates in five years in favour of funding community projects. TECT only pays the dividend of \$400 to \$500 a year to Trustpower customers in Tauranga, allowing it to dominate the local market.

Synlait Milk fell 1.8 percent to \$6.97. The NZX-listed milk processor said it expects to achieve its forecast milk price payout to farmers so long as commodity prices continue to firm for the remainder of the season.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,063.552	14.152	▲	0.16%
S&P/NZX 50 Index	8,327.593	16.173	▲	0.19%
S&P/NZX MidCap Index	24,435.599	20.379	▲	0.08%
S&P/NZX SmallCap Index	59,589.499	17.961	▼	0.03%
S&P/NZAX All Index	532.776	0.004	▼	#VALUE!
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,187.60	22.90	▲	0.37%
S&P/ASX 200	6,075.40	25.40	▲	0.42%
ASX Small Ordinaries	2,776.10	5.30	▲	0.19%
S&P/ASX MIDCAP 50	6,844.20	37.60	▲	0.55%
S&P/ASX 20	3,375.70	14.50	▲	0.43%
Foreign Markets Index				
	Last	Change		
S&P 500	2,862.20	10.67	▼	0.37%
Dow Jones	26,513.93	102.78	▼	0.39%
NASDAQ Composite	7,483.22	22.55	▼	0.30%
FTSE 100	7,671.53	5.99	▲	0.08%
ASX All Ordinaries	6,187.60	22.90	▲	0.37%
NIKKEI 225	23,629.34	2.54	▼	0.01%
HANG SENG INDEX	32,966.89	187.23	▼	0.56%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9040	0.0024	▼	0.26%
USD	0.7324	0.0021	▼	0.29%
CNY	4.6380	0.0070	▼	0.15%
EUR	0.5911	0.0001	▲	0.02%
CAD	0.9025	0.0015	▼	0.17%
GBP	0.5202	0.0007	▲	0.13%
JPY	79.7825	0.0320	▼	0.04%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.72			
10-year Swap	3.25			
Commodities Futures				
	Last	Change		
Gold	1,342.70	9.50	▼	0.70%
Silver	17.22	0.23	▼	1.30%
Crude Oil	65.57	0.57	▼	0.86%

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