

MORNING REPORT

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Top News

NZ dollar headed for 0.4% weekly fall but rangebound ahead of US GDP data

The New Zealand dollar is headed for a 0.4 percent weekly fall and is stuck in a tight range as investors anticipate a solid read-out from US gross domestic product data later in the global trading day.

The kiwi traded at 67.81 US cents at 5pm in Wellington from 67.84 US cents at 8:30am in Wellington and 68.36 US cents late yesterday. It was at 68.07 cents last Friday in New York. The trade-weighted index was at 72.94 from 73.26 yesterday.

The kiwi opened weaker after the European Central Bank kept rates unchanged, as expected, and said it expects the key ECB interest rates to remain at their present levels at least through the summer of 2019. It spent most of the local trading day trading water ahead of the US data.

The US second-quarter gross domestic product data is expected to show solid growth, with investors poised for a big number. Economists expect around 4.2 percent growth, according to MarketWatch, which would be the fastest since the third quarter of 2014 when it hit 5.2 percent. US President Donald Trump has said it could be as high as 4.8 percent and White House National Economic Council Director Larry Kudlow told Fox Business Thursday in the US that "you're going to get a very good economic growth number tomorrow. Big."

NZ shares up, Pushpay rebounds from selling while Synlait, Sky TV gain

New Zealand shares gained in light trading, led higher by Pushpay Holdings and Synlait Milk.

The S&P/NZX50 Index rose 63.68 points, or 0.7 percent, to 8,996.16. Within the index, 25 stocks rose, 17 fell and eight were unchanged. Turnover was \$87.5 million.

"We're faring quite well considering overnight leads in the US were weak, particularly in the technology sector with Facebook being slammed after what on the surface seemed a reasonable result but just didn't meet market expectation at all," said Peter McIntyre, investment adviser at Craigs Investment Partners. "Down under, we're travelling okay, and we have been relatively solid on really light volume. All eyes will be on US GDP overnight which is expected to be strong, and that will drive markets."

Pushpay led the index higher, rising 4.1 percent to \$4.10. Yesterday, the company said it had nothing to disclose in response to a share price enquiry from the NZX, which queried the stock falling 10.1 percent between July 18th and July 25th. It's now up 5.4 percent from that low.

"Even though they're in the NZX50 it can be quite an illiquid stock, so it's not surprising they're seeing big bounces to the upside and the downside," McIntyre said.

Synlait Milk rose 3.5 percent to \$11.17, Sky Network Television gained 2.6 percent to \$2.72, and Z Energy advanced 2.5 percent to \$7.28.

NZX gained 0.9 percent to \$1.11. It has sold its Australian grain data business to Rural Bank for an undisclosed figure, and will close its Melbourne office.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	9,799.53	63.96	▲ 0.66%
S&P/NZX 50 Index	8,996.16	63.68	▲ 0.71%
S&P/NZX MidCap Index	25,750.44	114.54	▲ 0.45%
S&P/NZX SmallCap Index	64,254.53	27.42	▼ 0.04%
S&P/NZX All Index	539.96	10.11	▼ 1.84%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	6,391.50	53.90	▲ 0.85%
S&P/ASX 200	6,300.20	55.70	▲ 0.89%
ASX Small Ordinaries	2,866.30	11.40	▲ 0.40%
S&P/ASX MIDCAP 50	7,083.00	48.10	▲ 0.68%
S&P/ASX 20	3,485.20	35.60	▲ 1.03%

Foreign Markets Index			
	Last	Change	
S&P 500	2,818.82	18.62	▼ 0.66%
Dow Jones	25,451.06	76.01	▼ 0.30%
NASDAQ Composite	7,737.42	114.77	▼ 1.46%
DAX	12,860.40	51.17	▲ 0.40%
ASX All Ordinaries	6,391.50	53.90	▲ 0.85%
NIKKEI 225	22,712.75	125.88	▲ 0.56%
HANG SENG INDEX	28,804.28	23.14	▲ 0.08%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9179	0.0002	▲ 0.02%
USD	0.6793	0.0003	▲ 0.04%
CNY	4.6240	0.0000	0.00%
EUR	0.5826	0.0003	▲ 0.05%
CAD	0.8869	0.0007	▲ 0.08%
GBP	0.5180	0.0002	▼ 0.04%
JPY	75.3550	0.0400	▼ 0.05%

NZ Interest Rates		
	Last	Change
NZ OCR	1.75	
3-month Bank Bill	1.94	
5-year Swap	2.54	
10-year Swap	3.03	

Commodities Futures			
	Last	Change	
Gold	1,232.60	2.70	▼ 0.22%
Silver	15.52	0.02	▲ 0.13%
Crude Oil	69.04	0.57	▼ 0.82%

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