

Equity Investment Advisers Morning Report

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Top News

ComCom's competition concerns over Vero's Tower bid pushes out decision deadline

The Commerce Commission has delayed its decision on whether Australian-owned Vero Insurance New Zealand will be allowed to buy NZX-listed rival Tower after raising some competition concerns about the proposed deal.

The antitrust regulator pushed out its deadline to July 26 after Suncorp Group-owned Vero asked for more time to respond to a letter from the commission outlining areas where the watchdog has some issues. The deal has already got the blessing of Tower's board after Vero raised its offer this week, and needs regulatory and shareholder approval to go ahead.

The commission's statement of preliminary issues in March said the regulator would initially investigate whether the deal would substantially reduce competition in personal and commercial insurance markets and whether it would boost Suncorp's market power.

Tech stocks drop

Wall Street declined as a slide in tech stocks outweighed a rally in bank stocks as central banks in the US, Canada, the UK and the eurozone signalled a stance towards tightening monetary policy.

The Dow fell as slides in shares of Cisco and those of Microsoft, recently down 2.1 percent and 2 percent respectively, outweighed gains in JPMorgan Chase and those of Goldman Sachs, recently up 2.1 percent and 0.8 percent respectively.

Shares of Rite Aid plunged, trading 26.2 percent weaker as of 3.30pm in New York, after Walgreens Boots Alliance abandoned a deal to buy its rival. Instead it agreed to buy 2,186 stores, three distribution centres and related inventory from Rite Aid for about US\$5.2 billion.

NZ shares rise; Restaurant Brands gains, Tourism Holdings at record high

New Zealand shares rose, led by Restaurant Brands New Zealand, while Tourism Holdings and Fisher & Paykel Healthcare hit record highs. Metro Performance Glass was the worst performer, down 0.7 percent to \$1.36. Kiwi Property Group fell 0.7 percent to \$1.415 and A2 Milk Co dipped 0.5 percent to \$4.03.

Outside the benchmark index, Trilogy International gained 19.5 percent to \$2.45. The scented candle and beauty products maker, which is grappling with rising raw material costs, will spend \$13.8 million buying control of smaller rival Lanocorp, whose suite of beauty products include Lanocrema, By Nature and Tiaki.

Market regulator NZX suspended GeoOp's shares on the NZAX at 22 cents until a special meeting in July. The unprofitable management app developer will ask shareholders to vote on its plan to de-list from the NZAX and list on the ASX with an initial public offering in Australia and New Zealand.

NZX Index				
Index	Last		Change	
S&P/NZX All Index	8,328	66	↑	0.8%
S&P/NZX 50 Index	7,685	61	↑	0.8%
S&P/NZX Mid Cap Index	21,567	94	↑	0.4%
S&P/NZX Small Cap	51,512	590	↑	1.4%
S&P/NZAX All Index	593	6	↑	1%

ASX Index				
Index	Last		Change	
ALL ORDINARIES	5,856	60	↑	1%
S&P/ASX 200	5,818	62	↑	1.1%
S&P/ASX SMALL ORD	2,403	17	↑	0.7%
S&P/ASX MIDCAP 50	6,382	59	↑	0.9%
S&P/ASX 20	3,285	45	↑	1.4%

Foreign Markets Index				
	Last		Change	
S&P 500	2,419.70	20.99	↓	0.86%
DJIA	21,287.03	167.58	↓	0.78%
Nasdaq	6,144.35	90.06	↓	1.44%
FTSE 100	7,350.32	37.48	↓	0.51%
ALL ORDINARIES	5,856.00	60.00	↑	1.00%
Nikkei 225	20,220.30	89.89	↑	0.45%
Hang Seng	25,965.42	281.92	↑	1.10%

Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9499	0.0003	↓	0.03%
USD	0.7301	0.0002	↑	0.03%
CNY	4.9520	0.0010	↑	0.02%
EUR	0.6379		↓	
CAD	0.9495	0.0005	↑	0.05%
GBP	0.5611	0.0001	↓	0.02%
JPY	81.8950	0.0520	↑	0.06%

NZ Interest Rates				
	Last		Change	
NZ OCR	1.750		↓	
3-month Bank Bill	1.960		↓	
5-year Swap	2.793		↓	
10-year Swap	3.263		↓	

Commodities				
	Last		Change	
Spot Gold \$US	1,244.80	0.47	↓	0.04%
Spot Silver \$US	16.59	0.02	↓	0.14%
Oil(WTI)	44.86	0.12	↑	0.27%

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