



MORNING REPORT

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Top News

NZ dollar edges up as Trump address, Australian CPI awaited

The New Zealand dollar rose ahead of US President Donald Trump's first State of the Union address and Australian inflation data that's expected to validate expectations of a rate hike across the Tasman this year. Sentiment was helped by Standard & Poor's affirming New Zealand's credit rating.

Trump's speech to the Congress, titled "Building a safe, strong and proud America" is expected to set out his priorities for jobs, infrastructure, immigration, trade and national security and he may also give his view on the relative strength of the greenback. Meanwhile, Australia's trimmed mean consumers price index is expected to have gained 1.8 percent year-on-year in the fourth quarter, unchanged from the third quarter rate and enough to keep on track expectations of a quarter-point rate hike from the Reserve Bank of Australia this year.

Amazon shakes up US health care

Wall Street dropped, as did US Treasuries, as investors reassessed valuations, while plans by Amazon, Berkshire Hathaway and JPMorgan Chase to form a new health-care company weighed on the industry's shares.

The Dow retreated, led by declines in shares of Pfizer and those of UnitedHealth Group, recently down 4.3 percent and 4 percent respectively. Bucking the trend were shares of Procter & Gamble and those of American Express, recently up 0.1 percent and 0.02 percent respectively, the only two shares in the Dow to move higher.

Health care stocks fell. Amazon, Berkshire and JPMorgan are partnering on ways to address healthcare for their US employees, with the aim of improving employee satisfaction and reducing costs, the companies said in a joint statement.

The new independent health-care company will be free from profit-making incentives and constraints, focusing on technology solutions to provide simplified, high-quality and transparent healthcare at a reasonable cost, the three companies said.

NZ shares fall; Trustpower, Kiwi Property drop while Fletcher, a2 gain

New Zealand shares fell, led by Trustpower and Kiwi Property Group, while Fletcher Building and a2 Milk gained.

Trustpower led the index lower, down 3.2 percent to \$5.42. Last week, 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.

Kiwi Property fell 2.9 percent to \$1.36 and a2 Milk dropped 2.6 percent to \$8.99. Fletcher Building was the best performer, up 4.5 percent to \$7.73.

Comvita was unchanged at \$9.15. The company said it expects to report a "significant turnaround" in its first-half results, with net profit over \$3 million.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	9,029.544	34.006	▼	0.38%
S&P/NZX 50 Index	8,298.577	29.013	▼	0.35%
S&P/NZX MidCap Index	24,361.369	74.231	▼	0.30%
S&P/NZX SmallCap Index	59,190.699	398.801	▼	0.67%
S&P/NZAX All Index	540.001	7.221	▲	1.36%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,135.30	52.30	▼	0.85%
S&P/ASX 200	6,022.80	52.60	▼	0.87%
ASX Small Ordinaries	2,747.70	28.40	▼	1.02%
S&P/ASX MIDCAP 50	6,782.90	61.30	▼	0.90%
S&P/ASX 20	3,351.20	24.50	▼	0.73%
Foreign Markets Index				
	Last	Change		
S&P 500	2,823.61	29.92	▼	1.05%
Dow Jones	26,063.43	376.05	▼	1.42%
NASDAQ Composite	7,401.17	65.33	▼	0.88%
FTSE 100	7,587.98	83.55	▼	1.09%
ASX All Ordinaries	6,135.30	52.30	▼	0.85%
NIKKEI 225	23,291.97	337.37	▼	1.43%
HANG SENG INDEX	32,607.29	359.60	▼	1.09%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9073	0.0028	▲	0.31%
USD	0.7335	0.0013	▲	0.18%
CNY	4.6360			
EUR	0.5913			
CAD	0.9039	0.0005	▲	0.06%
GBP	0.5183	0.0019	▼	0.37%
JPY	79.7785	0.0045	▲	0.01%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.73			
10-year Swap	3.26			
Commodities Futures				
	Last	Change		
Gold	1,338.50	1.80	▼	0.13%
Silver	17.14	0.01	▲	0.05%
Crude Oil	64.50	1.06	▼	1.62%

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