

MORNING REPORT

As at 9:00 AM 21-03-18

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Top News

NZ dollar falls to 6-week low as FOMC looms, Fonterra hikes payout

The New Zealand dollar fell to a six-week low ahead of what is expected to be a rate hike by the Federal Reserve's policy committee tomorrow, which will highlight the disparity with the Reserve Bank's interest rate outlook.

The Federal Open Market Committee is expected to raise the fed funds rate a quarter point to a range of 1.50 percent to 1.75 percent in an announcement set for early Thursday New Zealand time. That's likely to overshadow the New Zealand's Reserve Bank interest rate review expected to keep the official cash rate at 1.75 percent and signal no change on the immediate horizon. Most dairy product prices fell in the Global Dairy Trade auction overnight, while Fonterra Cooperative Group hiked its milk payout forecast while writing down its Beingmate investment.

Wall St, oil rebound

Wall Street moved higher as did oil prices, while US Treasuries declined, as the US Federal Reserve began its first two-day policy meeting chaired by Jerome Powell. So far, the Fed has signalled three hikes this year.

The Dow rose, as gains in shares of Boeing and those of Visa, recently up 1.8 percent and 1.5 percent respectively, outweighed declines in shares of General Electric and those of Verizon, down 2.7 percent and 1.4 percent respectively.

Shares of Facebook extended Monday's slide, trading 4.9 percent weaker as of 2.13pm in New York. The company is drawing scrutiny from the main US privacy watchdog and half a dozen powerful congressional committees over how the personal data of 50 million users was obtained by a data analytics firm that helped elect President Donald Trump, Bloomberg reported.

Shares of Twitter plunged, down 10.3 percent as of 2.22pm in New York, amid concern about increased scrutiny of social media companies and a Bloomberg report that Israel's government is considering taking "legal action" against Twitter for ignoring repeated requests to remove online content that was inciting or supportive of terrorism.

NZ shares down; Synlait, Fonterra fall ahead of dairy auction, earnings tomorrow

New Zealand shares dropped, with Synlait Milk, A2 Milk Co and Fonterra Shareholders Fund units falling ahead of tomorrow's GlobalDairyTrade auction and results from Synlait and Fonterra Cooperative Group.

Synlait Milk fell 1.1 percent to \$8.09 ahead of its earnings tomorrow. Lister said the result will be closely watched as Synlait has been one of the top performers lately, up 13 percent this year while the benchmark index has been basically flat.

A2 Milk Co fell 2.1 percent to \$13.51. Lister said the stock had been trading around the mid \$13 range ever since its result in February.

NZX Index				
Index	Last		Change	
S&P/NZX All Index	9,230.693	6.267	▼	0.07%
S&P/NZX 50 Index	8,487.151	4.969	▼	0.06%
S&P/NZX MidCap Index	24,207.307	1.323	▼	0.01%
S&P/NZX SmallCap Index	58,806.345	97.316	▼	0.17%
S&P/NZAX All Index	560.339	7.009	▲	1.27%

ASX Index				
Index	Last		Change	
ASX All Ordinaries	6,040.80	23.90	▼	0.39%
S&P/ASX 200	5,936.40	23.00	▼	0.39%
ASX Small Ordinaries	2,738.80	5.90	▼	0.21%
S&P/ASX MIDCAP 50	6,818.50	29.70	▼	0.43%
S&P/ASX 20	3,282.00	13.10	▼	0.40%

Foreign Markets Index				
	Last		Change	
S&P 500	2,716.31	3.39	▲	0.12%
Dow Jones	24,726.93	116.02	▲	0.47%
NASDAQ Composite	7,363.31	19.07	▲	0.26%
FTSE	7,061.27	18.34	▲	0.26%
ASX All Ordinaries	6,040.80	23.90	▼	0.39%
NIKKEI 225	21,380.97	99.93	▼	0.47%
HANG SENG INDEX	31,549.93	36.17	▲	0.11%

Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9347	0.0039	▼	0.42%
USD	0.7181	0.0060	▼	0.83%
CNY	4.5530	0.0300	▼	0.65%
EUR	0.5862	0.0007	▼	0.12%
CAD	0.9394	0.0079	▼	0.83%
GBP	0.5128	0.0035	▼	0.68%
JPY	76.4750	0.2980	▼	0.39%

NZ Interest Rates				
	Last		Change	
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.71			
10-year Swap	3.19			

Commodities Futures				
	Last		Change	
Gold	1,310.10	7.70	▼	0.58%
Silver	16.19	0.14	▼	0.83%
Crude Oil	63.42	1.36	▲	2.19%

Disclaimer: The above information is provided on a best endeavours basis and Equity Investment Advisers Ltd does not accept any liability under any circumstances for errors or omissions. Parties should recheck the information before using it in any decision-making process. Acknowledgements: Equity Investment Advisers (EIA) sincerely expresses its gratitude to the following sources for the contribution of valuable information in the production of EIA morning reports: Yahoo New Zealand, ANZ securities, ASX, Nikkei Indexes, NZX, NYSE, NASDAQ, business desk.

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