

Top News

Fonterra lifts forecast 2018 farmgate milk price to \$6.75/kgMS, citing global dairy "rebalancing"

Fonterra Cooperative Group lifted its forecast farmgate payout for the 2018 season and projected earnings per share in line with the previous season, saying global supply and demand were "rebalancing".

Fonterra lifted its forecast to \$6.75 per kilogram of milk solids, from an earlier projection of \$6.50/kgMS and up from \$6.15/kgMS in the 2016/17 season. It also forecast earnings per share in a range of 45 to 55 cents, making the forecast total available payout to farmers in the 2017/2018 season \$7.20 to \$7.30, before retentions.

NZ dollar soars above 75 US cents, highest in more than 2 years, as Fed balances sheet trim

The New Zealand dollar rose above 75 US cents, to the highest level in more than two years, after the US Federal Reserve said it would begin reducing its bloated balance sheet "relatively soon". The greenback fell against a basket of major currencies after the Fed's announcement.

The Federal Open Market Committee kept its target interest rate unchanged as expected at the end of its two-day meeting, saying "near-term risks to the economic outlook appear roughly balanced" though it "is monitoring inflation developments closely."

But it also said it would "begin implementing its balance sheet normalisation program relatively soon" if the economy evolved as expected, having previously said it would reduce its bond holdings "this year", with the change in language seized on by the market.

NZ shares mixed, A2, Fletcher rally while Tower drops 28% on merger decline

New Zealand shares were mixed, with A2 Milk Co at a record high and Fletcher Building recovering some losses while Tower plunged 28 percent after its merger application was declined.

A2 Milk led the index, up 4 percent to \$4.20. The stock rallied in June after it lifted annual sales guidance for the second time in as many months as it beefed up production to meet sweltering Chinese demand for infant formula. Tighter Chinese regulation on formula sales has weighed on rivals such as ASX-listed Bellamy's, but A2 Milk has managed to navigate the changes with little impact on sales so far.

Fletcher Building rose 2.2 percent to \$7.78. The New Zealand Shareholders Association says the board of directors has "no choice but to seek a new mandate" at the company's October annual meeting following last week's firing of chief executive Mark Adamson.

SkyCity Entertainment Group declined 0.5 percent to \$4.20. It will write off all the goodwill in its Darwin casino complex with an A\$95 million impairment, saying increased competition for gaming machines in the Northern Territory hurt revenue and earnings.

NZX Index				
Index	Last		Change	
S&P/NZX All Index	8,354.43	6.94	↓	0.08%
S&P/NZX 50 Index	7,710.59	2.47	↓	0.03%
S&P/NZX Mid Cap Index	21,888.34	81.67	↑	0.37%
S&P/NZX Small Cap	52,401.49	372.83	↓	0.71%
S&P/NZAX All Index	583.70	0.00	↓	0.00%

ASX Index				
Index	Last		Change	
ALL ORDINARIES	5,823.3	48.0	↑	0.82%
S&P/ASX 200	5,776.6	50.0	↑	0.87%
S&P/ASX SMALL ORD	2,393.0	18.5	↑	0.77%
S&P/ASX MIDCAP 50	6,254.5	31.6	↑	0.51%
S&P/ASX 20	3,300.7	31.6	↑	9.96%

Foreign Markets Index				
	Last		Change	
S&P 500	2,477.83	0.70	↑	0.03%
DJIA	21,711.01	97.58	↑	0.45%
Nasdaq	6,422.75	10.58	↑	0.16%
FTSE 100	7,452.32	17.50	↑	0.24%
ALL ORDINARIES	5,823.30	48.00	↑	0.82%
Nikkei 225	20,050.16	94.96	↑	0.48%
Hang Seng	26,941.02	88.97	↑	0.33%

Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9400	0.0056	↑	0.60%
USD	0.7514	0.0098	↑	1.32%
CNY	5.0750	0.0690	↑	1.38%
EUR	0.6409	0.0041	↑	0.64%
CAD	0.9355	0.0080	↑	0.86%
GBP	0.5733	0.0040	↑	0.70%
JPY	83.5895	0.6090	↑	0.73%

NZ Interest Rates				
	Last		Change	
NZ OCR	1.75			
3-month Bank Bill	1.93			
5-year Swap	2.80			
10-year Swap	3.33			

Commodities				
	Last		Change	
Spot Gold \$US	1,260.08	10.36	↑	0.83%
Spot Silver \$US	16.60	0.11	↑	0.69%
Oil(WTI)	48.71	0.87	↑	1.82%

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