

KEY INDICES

Equities	Close	Change	%
FTSE 100 Index	5277	33	0.62
Dow Jones	10309	40	0.39
HKSE	20534	265	1.30
NASDAQ	2226	12	0.55
NZ 50	3111	23	0.76
S&P/ASX 200	4668	100	2.19
S&P 500	1100	5	0.42
Nikkei 225	10307	273	2.72

EXCHANGE RATES

Currency	Close	Change	%
NZ \$/US \$	0.7036	0.0000	0.00
NZ \$/YEN	64.1611	0.5788	0.90
NZ \$/GBP	0.4487	0.0000	0.00
NZ \$/Aust \$	0.7822	0.0000	0.00
NZ \$/CA \$	0.7352	0.0000	0.00

KEY COMMODITIES

Commodities	Close	Change	%
Lead	2315	25	1.09
Copper	7170	25	0.35
Gold	1113.85	-5.10	-0.46
Nickel	20150	-70	-0.35
Zinc	2310	-15	-0.65
Aluminium	2130	-10	-0.47
Oil	77.33	0.21	0.27

MARKET MOVERS ASX

Best	%	Worst	%
Ansell Ltd	7.84	Primary Healthc	-3.89
Alumina Ltd	7.10		
Paladin Energy	6.07		
Aristocrat Lei	5.91		
Brambles Ltd	5.86		

MARKET MOVERS NZX

Best	%	Worst	%
Opus Intl	9.09	Rakon	-5.21
Burger Fuel	6.67	Postie+	-4.55
GuocoLeisure	5.26	Pacific Edge Bi	-4.00
New Image Grp	4.76	Cue Energy Res	-3.70
ANZ Banking Gr	4.48	AMP NZ Office	-2.70

MARKET ANNOUNCEMENTS

Contact's Customer Numbers Off Low	Click Here For Full Announcement
IRD Records Headache For KiwiSaver Providers	Click Here For Full Announcement
Wool Industry In 'Perilous' State	Click Here For Full Announcement
x Other Market Announcements	Click Here For Other Market Announcements
xx Key Dividend Dates	Click Here For Dividend Dates

NZ MARKET REPORT

Michael Hill's Profits Up

Michael Hill International has posted a net profit rise of 53.9 per cent to \$22.3 million for the six months to December 31 2009, compared to the same time last year.

The company achieved a net profit of \$65.4m for the six months to December 2008, but that included a deferred tax credit of \$52.9m, so the firm are counting the 2009 result as a rise in profit.

Operating revenue rose 7.9 per cent to \$244.8m driven by a 4.5 per cent lift in store sales.

Earnings before interest and tax jumped 42.3 per cent to \$30.3m.

Michael Hill said the directors were satisfied at the improved result especially in such difficult trading conditions.

"With the global economic outlook still uncertain, a strong focus will remain on improving existing store performance and controlling costs," he said.

The Australian business increased revenue by 6.2 per cent to \$132.8m, and opened two new stores.

In New Zealand, retail sales were still difficult to achieve, causing earnings before interest and tax to drop 4.9 per cent to \$9.4m.

Trading conditions continue to be tough in Canada.

Sales fell 5.1 percent, however revenue rose 16.3 per cent to \$16.2m.

In the US, the company pulled in \$5.3m in revenue, and suffered an operating loss of \$2.8m, compared to a loss of \$1m from the year before.

Michael Hill bought the US business in September 2008 so it only had four months of trade last year.

Last year a number of abnormal and one-off transactions occurred that adversely affected the group's half year result, including the US acquisition cost and restructure costs.

Therefore unallocated expenses are significantly down on last year, lifting the result.

It announced an interim dividend of 1.5c per share to be paid on April 1.

Next Story: IRD records headache for KiwiSaver providers

Australian Market Report -Local Stocks Likely Up

Local stocks are likely to grind higher after a positive US lead.

Ahead of the local open the March SPI futures were 12 points higher at 4,650.

Market and Company News | Wednesday 17 February 2010 - close

Westfield (WDC)

Westfield said its operational earnings rose in 2009 as its businesses in the US and UK stabilised while its Australian businesses stayed strong, encouraging the group to reignite its development program in coming years. The company said that operational segment earnings rose to \$2.06bn from \$1.94bn for the prior period. "Overall, we have seen strong performance from the Australian business throughout the year and conditions have stabilised in the second half of the year in our US, UK and New Zealand businesses," the group's joint managing directors, Peter Lowy and Steven Lowy, said. Including downward property revaluations of \$3.54bn, the group recorded a net loss of \$457.8m in 2009, shrinking from a loss of \$2.2bn for the previous year. Operational earnings and distributions to security holders were 94 cents per security. Westfield forecast distributions in 2010 of 64 cents as it shifts its payout to 70%-75% of operational earnings. The group added that its earnings could be more volatile in the future as it plans to stop hedging foreign sourced income. WDC weakened 17 cents (1.43%) to \$11.75.

CSL (CSL)

CSL surprised the market with a 23% rise in first-half profit in the face of significant currency headwinds. CSL now expects its full year result to be at the upper end of previous guidance for a net profit of between \$1.16bn and \$1.26bn at average fiscal 2009 exchange rates. Using current exchange rates, full year net profit is forecast to be between \$970m and \$1.07bn. In the six months ended Dec. 31, CSL recorded a net profit of \$617.4m, up from \$501.9m in the same period a year ago. CSL Chief Executive Brian McNamee said demand growth for plasma-derived therapies is expected to continue, and CSL is "well positioned" with a broad portfolio of plasma-derived proteins. McNamee also expects demand for the vaccine for "swine flu" to continue, despite large stockpiles already held by governments worldwide.

He did caution, however, that there are a number of "key variables" that may have a significant impact on CSL's full year guidance, notably material price and volume movements on core plasma products, competitor activity, changes in healthcare regulations, royalties and foreign exchange movements. The company declared an interim dividend of 35 cents, up from the 30 cents it paid a year ago. CSL rose \$1.65 (5.12%) to \$33.90.

Leighton (LEI)

Leighton said it has been chosen as the preferred tenderer for contract work on the \$698m upgrade of a section of the Pacific Highway in New South Wales. The group said that, together with its joint venture partner Fulton Hogan, it had been selected by the NSW Roads and Traffic Authority to do design and construction work on the upgrade of the highway between Sapphire and Woolgoolga. Leighton said it would now work with the RTA to finalise commercial arrangements and that the value of the contract is subject to finalising the project deed. Construction of the project is due to start in the second half of 2010 and will involve work on 25kms of dual lane divided carriageways, 30 bridges or bridge-sized structures, a local road network and five new interchanges. LEI rose 55 cents (1.47%) to \$37.95.

AXA AP (AXA)

AXA APH said it returned to profit in 2009, partly due to a turnaround in investment earnings after financial markets recovered. The company swung to a \$679.2m net profit. "This is a strong result against the background of the difficult market conditions since the global financial crisis," said Chief Executive Officer Andrew Penn. Operating earnings slipped to \$553.6m in 2009 from \$555.6m a year earlier, the main area of weakness being the domestic operations. In Australia, operating earnings fell 25% to \$176.0m, while New Zealand operating earnings fell 18% to NZ\$35.1m. AXA APH will pay a final dividend of 9.25 cents a share. AXA advanced 3 cents (0.48%) to \$6.32.

Brambles (BXB)

Brambles reported a modest fall in first half profit on subdued operating conditions in its key markets of the US, UK and Spain. Chief Executive Tom Gorman said Brambles hasn't observed enough evidence in the first six weeks of 2010 to conclude that market conditions are improving significantly on the final quarter of 2009. Net profit for the six months to Dec. 31 fell 3% to US\$207.1m and the company said it represents a 7% fall on a constant currency basis. Gorman reiterated that Brambles expects to lose market share in the US in FY2010, with total pallet volumes to fall 3%. Brambles declared an interim dividend of 12.5 cents. BXB firmed 39 cents (5.86%) to \$7.04.

Coca-Cola Amatil (CCL)

Coca-Cola Amatil said 2009 full-year earnings rose 16.4% to \$449m. "In Indonesia, the continued growth in higher value one-way packs, combined with the increased investment in production and distribution capacity and cold drink coolers, provided the platform for this excellent result, with strong volume, revenue and earnings growth," Chief Executive Terry Davis said. Overall, revenue rose 7.1% to \$4.56bn for the year ended Dec. 31. The group declared a final dividend of 25 cents, up from 22 cents in the previous fiscal year. As for its outlook, the group said it would continue to focus on organic growth in 2010 and that it should deliver high single-digit earnings growth for the first half of 2010. The group said Ken McKenzie, chief financial officer of statutory and compliance, would be retiring. Nessa O'Sullivan, the current CFO of operations, will become CFO of the group on Sept. 1. CCL fell 27 cents (2.49%) to \$10.57.

Transurban (TCL)

Transurban posted a jump in first half net profit and revealed that it plans to make a bid for the Lane Cove Tunnel. The company also said it had not had any further approaches from two Canadian pension funds since it rejected their \$6.78bn takeover offer in November. Net profit for the six months ended Dec. 31 rose to \$50.4m from \$1.9m in the previous corresponding period. Proportional EBITDA rose 16.5% on year to \$331.2m from \$284.4m a year earlier. "Our results are testament to Transurban's excellent suite of roads with a strong track record of delivering traffic and revenue growth," Chief Executive Chris Lynch said. Transurban's revenue for the first half rose 2.8% to \$591.4m and posted an interim distribution of 12 cents per security, up from 11 cents in the prior year. Chief Financial Officer Tom Honan confirmed that the company had put in an expression of interest. "We are likely to put a bid in but whether or not that is accepted is another point," he said. TCL increased 4 cents (0.79%) to \$5.10.

Dexus (DXS)

Dexus posted a net loss for the six months to Dec. 31 of \$107.0m, an improvement on the \$975.2m loss posted a year earlier. Revenue for the half fell 1.7% on year to \$366.6m from \$373.1m a year ago and Dexus posted an interim distribution of 2.65 cents per security. The group said it expects to pay total distributions of 5.1 cents per share for the year and maintained its guidance for full year earnings of 7.3 cents per security. DXS added half a cent (0.61%) to \$0.82.

ConnectEast (CEU)

ConnectEast said its half net loss narrowed to \$43.3m from a loss of \$92.6m a year ago. The group said that revenue from continuing operations rose to \$100.6m in the six months to Dec. 31 from \$76.4m the prior year, as tolling and fee revenue came in at \$93.3m. CEU remained unchanged at \$0.43.

Wotif.com (WTF)

Wotif.com said first-half net profit rose 34% to \$27.6m and revenue rose 19% to \$69.7m in the six months to Dec. 31. The company declared a first-half dividend of 9 cents, up from 6.5 cents a year ago. WTF improved 43 cents (6.54%) to \$7.00.

Ansell (ANN)

Ansell raised its full year earnings guidance after a strong rebound in first half sales. The group said it now expects full year earnings per share of 69-74 US cents a share. "Sales for the half were much stronger than expected," said chief executive Doug Tough. The group said it will pay an interim dividend of 13 cents a share. "Ansell finished the first half better placed than anticipated after a strong recovery from the global financial crisis," the group said. It cautioned that higher raw material and energy costs will impact second half earnings, although Tough said that the group's guidance factors in higher latex prices. The group also revealed it is assessing acquisition opportunities and has the capacity for "reasonable sized" deals. ANN strengthened 80 cents (7.84%) to \$11.00.

Companies commencing Ex-Dividend Trading Today (ASX 300):

SAI Global Limited

Overseas Market Report - Second Straight Gain for US Markets

Stocks were boosted by strong profit reports and economic data that reinforced investors' preference for the US over Europe as a venue to put their money to work.

Gains in stocks and raw materials were limited, and trading volume was light. Still, investors were happy to see so-called risk assets post even the narrowest gains on a day when the dollar was up, bucking the recent trend in which strength in the greenback tends to signal an appetite for safe havens.

The Dow Jones Industrial Average advanced 40.4 points (0.39%) to 10,309.2. Bank of America was the measure's best performer, extending its gains from Tuesday with a 3.2% rise to \$15.65. Home Depot added 1.8% to \$30, as housing starts rose to their highest level in six months, while Caterpillar advanced 0.6% at \$57.46 as a report on industrial production topped expectations.

The minutes of the Federal Reserve rate committee's January meeting showed officials were slightly more confident that a recovery is taking hold. They also plotted an exit strategy from their longstanding easy-money policies, which may include sales of the Fed's mortgage holdings. Fed officials projected the economy would expand by 3.2% this year, according to minutes of their meeting on Jan. 26-27. That compares with a November 2009 forecast the economy would grow by 3% in 2010.

"Recent readings on consumer spending, industrial production, and business outlays on equipment and software were seen as broadly consistent with the view that economic recovery was under way, albeit at a moderate pace," the minutes showed.

Though traders aren't thrilled that tighter Fed policy may be on the way, they've generally accepted it as a byproduct of a welcome upturn in the US economy. The S&P 500 increased 4.6 points (0.42%) to 1,099.5, with its consumer and health-care categories leading the way.

Humana was among the health-care sector's gainers with a 1.2% rise to \$46.54 after the health insurer said it will shed nearly 1,400 jobs, or 5% of its work force, this year. Whole Foods Market helped boost the consumer-staples sector. The grocer jumped 13% to \$34.43 after reporting a 71% rise in fiscal first-quarter profit, topping Wall Street expectations.

The Nasdaq Composite improved 12.1 points (0.55%) to 2,226.3.

Among stocks to watch, Deere rose 5% to \$56.50 after it posted a surprise 19% rise in earnings that beat market expectations. Deere also lifted its profit forecast for the year. Toyota Motor slipped 2.6% to \$74 after saying it was looking into complaints about possible mechanical issues with its Corolla model.

For Australian ADRs listed on the NYSE, BHP Billiton dipped 31 cents (0.42%) to US\$74.25, Rio Tinto Plc climbed \$3.41 (1.61%) to US\$215.25, ResMed firmed 38 cents (0.69%) to US\$55.83, Telstra Corporation declined 9 cents (0.64%) to US\$14.01, Telecom Corporation of NZ slid 4 cents (0.48%) to US\$8.27 and Westpac strengthened 73 cents (0.64%) to US\$114.46.

In economic news, the US government spent \$430.69bn more than it collected in fiscal 2010, 9% above the same period a year ago. Jobless benefits, the Pentagon, and financing its burgeoning debt are among the costs widening the federal government's shortfall.

US home construction rose 2.8% and industrial production gained 0.9% in January, providing further evidence of the economy's gradual recovery. Meanwhile, US import prices increased 1.4%, led by higher oil and gas prices.

At 7:45 AM (AEST), the 10-year Treasury note yield was 3.74% and the five year yield was 2.39%.

European shares advanced for the third straight session on Wednesday, boosted by strong earnings data from the financial sector.

After rising 1.4% over the first two sessions of the week, the pan-European Dow Jones Stoxx 600 index added another 1.4% to close at 247.69. That move pared year-to-date losses to 2.4%.

French bank BNP Paribas climbed 4% after it swung to a fourth-quarter net income of EUR1.37bn, beating market expectations, as charges to cover bad loans receded and the investment-banking arm rebounded.

Additionally, ING Groep rose 5.6% after it narrowed its fourth-quarter loss to EUR712m from EUR3.71bn a year earlier.

On Tuesday, stronger-than-expected earnings from Barclays fuelled a sharp jump in the lender's share price and helped support sentiment across Europe. The lender added another 2.9% on Wednesday after an upgrade to buy from hold at Royal Bank of Scotland.

On a regional level, the UK FTSE 100 index rose 0.6% to close at 5,276.64, the German DAX index finished 1% higher at 5,648.34 and the French

CAC-40 index rose 1.5% to settle at 3,725.21.

Other advancers in Europe included EADS, which rose 5%. The aerospace firm said "it is too early to draw financial conclusions" over negotiations for its A400M military aircraft. It will update A400M provisions in its 2009 financial statements.

Atos Origin shares rose 6.8% after the provider of information technology services said its 2009 net income rose 40% to EUR32m, while revenue dropped 3.7% to EUR5.13bn.

However, it wasn't all good news on the earnings front, with shares of Norway's Norsk Hydro falling 5%. The power and aluminium firm's fourth-quarter net loss narrowed to 569m Norwegian kroner (US\$97.1m), from NOK6bn a year earlier, but the firm said it remains cautious for 2010. Sales declined to NOK16.4bn, from NOK20.7bn kroner. Higher realised aluminium prices were offset by weak alumina and trading results during the three-month period.

On the FTSE 100, Rio Tinto gained 42.00 pence (1.25%) to 3,390.56 pence and BHP Billiton advanced 4.50 pence (0.23%) to 1,983.99 pence.

Asian markets rallied on Wednesday, with resource shares rising sharply on higher commodity prices, while a weaker yen boosted Japanese exporters.

Hong Kong shares advanced as trading resumed for the first time this week after the Lunar New Year holidays, aided by Chinese lenders, which shrugged off the People's Bank of China's decision to increase banks' reserve requirements.

Japan's Nikkei 225 advanced 2.7% for its best single-day percentage gain this year, while Hong Kong's Hang Seng Index tacked on 1.3%. Stock markets in China remained closed.

The New Zealand stock market closed 0.76 percent higher on Wednesday with the NZSX-50 index up 23.45 points to 3,111.06, as investors followed the rally in major markets.

Base metals were mostly lower on the London Metal Exchange as they consolidated the large gains made since the start of the week. Aluminium fell \$10 (0.47%) to \$2,130 while copper rose \$25 (0.35%) to \$7,170 and nickel weakened \$70 (0.35%) to \$20,150. Zinc dropped \$15 (0.65%) to \$2,310 and lead firmed \$25 (1.09%) to \$2,315. Comex copper was last quoted at 323.35 US cents per pound.

Gold futures settled near steady as market participants sought to hold the previous session's gains without placing new bets for prices to rise. Spot gold was last quoted at \$1,115.90. Comex gold futures strengthened \$0.30 (0.03%) to \$1,120.10. Spot silver was last quoted at \$16.01.

Crude oil ended higher, reaching three-week highs on the strong US dollar and improving US economic data. West Texas Intermediate was last quoted at US\$77.33 per barrel.

At 08:05 a.m. (AET) the US dollar was quoted at 0.7350 euros, 91.30 yen, 1.112 AUD and 63.79 pence.