

Morning News Summary

US Stocks Reverse Gains As Sales Of New US Homes Fall

US stocks reversed gains after a report showed that sales of new US homes unexpectedly declined in December for the first time in four months, while figures released by the Labor Department showed that initial jobless claims for unemployment insurance payments climbed by +21,000 to 377,000 in the week ending January 21st. At last glance, the Standard & Poor's 500 Index was down -0.3%, after rising +0.6% earlier in the day, while the Dow Jones Industrial Average was up +0.2%. Home-builders, Toll Brothers and Lennar dropped -3.2% and -2.1% respectively.

AT&T fell -2.2% after forecasting 2012 earnings that trailed analysts' estimates as record demand for smart-phones such as the iPhone drive up subsidy costs. SanDisk, a maker of flash-memory cards plunged -9.6%, after its sales forecasts also came in below analysts' expectations, citing lower prices for chips that store data in mobile phones. On a positive note, Time Warner Cable advanced +7.1% after announcing a \$4b share buy-back, while Netflix surged +22.0% after reporting 4Q profit that exceeded analysts' expectations. The online and mail-order video-rental company also forecast improving margins in its streaming business. In other economic news, orders for US durable goods advanced +3.0% in December, exceeding the +2.0% growth estimate in a Bloomberg survey of economists, and an index of US leading indicators rose in December for a third month, indicating the US economy will keep growing in early 2012.

UK Stocks Advance, Stoxx 600 In Bull Market

The FTSE 100 Index rose +1.3% led by gains in commodity producers as metal prices advanced. Rio Tinto, Fresnillo and Kazakhmys gained +4.9%, +4.3% and +7.3% respectively. In other company news, EasyJet rallied +10.0%, after reporting that revenue rose +17% in the quarter ending 31 December, offsetting fuel price increases and curbing a forecast 1H loss.

The Stoxx Europe 600 Index gained +1.1% also led by gains in commodity producers. The benchmark gauge has rallied +20.0% from its low on September 22nd amid signs that the US economy is recovering and speculation that the euro area will contain its debt crisis. Anglo American climbed +3.1% after saying that iron-ore output increased +5.0% in the 4Q, while copper volumes jumped +10.0%. Petropavlovsk, a Russian gold-mining company, soared +11.0% on the back of its announcement that production in 2011 rose +24%. The company also increased its 2012 gold production forecast.

Asian Markets Mixed

The Nikkei 225 Stock Average fell -0.4% led by a -7.5% drop in Fuji Electric. The device-maker slashed its FY net income forecast by -42% citing falling sales in China and Europe. At the other end of the spectrum, Tokyo Electric Power gained +5.5% after the Yomiuri newspaper reported that the company will accept 1 trillion yen in public funding to avoid bankruptcy. The MSCI Asia Pacific Index gained +0.9% with all 10 industry groups on the measure advancing. Energy firms rose the most as crude for March delivery rose on the New York Mercantile Exchange.

ASX 200 Closed For Public Holiday

The ASX was closed on Thursday for Australia Day.

Crude And Gold Advance

Crude rose +1.7% to \$100.77, while gold climbed +1.0% to \$1,727.55.

Today's Events

- Economic Release: Overseas Merchandise Trade: December 2011

Indices

| Index | Close | Chg % |
|------------------|--------|--------|
| NZX50 | 3,282 | +0.05% |
| ASX 200 | CLOSED | CLOSED |
| Nasdaq (last) | 2,812 | -0.23% |
| Dow Jones (last) | 12,779 | +0.17% |
| DAX | 6,540 | +1.84% |
| FTSE100 | 5,795 | +1.26% |
| Hang Seng | 20,439 | +1.63% |
| Nikkei 225 | 8,849 | -0.39% |

Commodities

| | Last | Chg % |
|------------------|----------|-------|
| WTI Crude | 100.77 | +1.7% |
| Gold (Comex) | 1,727.55 | +1.0% |
| Zinc (LME) | 2,112.00 | +2.0% |
| Platinum (Nymex) | 1,612.50 | +1.9% |

Currency

| Index | Last | 3M Ago | 1Y Ago |
|---------|--------|--------|--------|
| NZD/AUD | 0.7710 | 0.7705 | 0.7737 |
| NZD/GBP | 0.5220 | 0.5015 | 0.4849 |
| NZD/USD | 0.8199 | 0.8011 | 0.7728 |
| AUD/USD | 1.0636 | 1.0399 | 0.9993 |

Market Movers

| NZ | Last | % Chg | |
|-----------------------|------|--------|---|
| Rakon | 0.62 | +8.77% | ▲ |
| Hallensteins | 3.70 | +2.78% | ▲ |
| Restaurant Brands | 1.98 | +2.59% | ▲ |
| Vector | 2.61 | +1.95% | ▲ |
| NZ Oil & Gas | 0.74 | -2.63% | ▼ |
| Heartland New Zealand | 0.48 | -2.04% | ▼ |
| AMP | 5.47 | -1.80% | ▼ |
| Sky Television | 5.08 | -1.74% | ▼ |

| Aust | Last | % Chg | |
|--------|--------|--------|---|
| CLOSED | CLOSED | CLOSED | ▲ |
| CLOSED | CLOSED | CLOSED | ▲ |
| CLOSED | CLOSED | CLOSED | ▲ |
| CLOSED | CLOSED | CLOSED | ▲ |
| CLOSED | CLOSED | CLOSED | ▼ |
| CLOSED | CLOSED | CLOSED | ▼ |
| CLOSED | CLOSED | CLOSED | ▼ |
| CLOSED | CLOSED | CLOSED | ▼ |

| US | Last | % Chg | |
|------------------|--------|--------|---|
| Caterpillar Inc | 112.22 | +2.88% | ▲ |
| Sprint Nextel Co | 2.26 | +2.73% | ▲ |
| Amazon.Com Inc | 192.43 | +2.47% | ▲ |
| Metlife Inc | 34.29 | -4.59% | ▼ |
| Wells Fargo & Co | 29.42 | -2.58% | ▼ |
| Unitedhealth Grp | 50.40 | -2.31% | ▼ |

| UK | Last | % Chg | |
|------------------|-------|--------|---|
| Vedanta Resource | 12.52 | +8.68% | ▲ |
| Polymetal Intern | 11.52 | +7.76% | ▲ |
| Kazakhmys Plc | 11.94 | +7.28% | ▲ |
| Carnival Plc | 19.01 | -2.16% | ▼ |
| Sage Group | 3.01 | -1.31% | ▼ |
| Wm Morrison Sup | 2.92 | -1.22% | ▼ |

*Prices as at close of business Thursday, 26 January 2012

World Markets

| | Latest | % | WTD | MTD | Rolling 3-Mth | Market | Latest | % | WTD | MTD | Rolling 3-Mth |
|------------------------------|--------|-------|-------|--------|---------------|---------------------------|--------|--------|-------|--------|---------------|
| World | | | | | | Asia | | | | | |
| MSCI Acc | 4,288 | +0.5% | +0.6% | +5.2% | +4.6% | Hong Kong - Hang Seng | 20,439 | +1.6% | +1.6% | +10.9% | +3.8% |
| Americas | | | | | | Korean Kospi | 1,957 | +0.3% | +0.4% | +7.2% | +1.8% |
| US - Nasdaq* | 2,812 | -0.2% | +0.9% | +7.9% | +6.1% | Japan - Nikkei 225 | 8,849 | -0.4% | +0.9% | +4.7% | -0.9% |
| US - Dow Jones* | 12,779 | +0.2% | +0.5% | +4.6% | +7.7% | India - Bombay SE | 17,077 | +0.5% | +2.0% | +10.5% | -1.2% |
| US - S&P 500* | 1,323 | -0.3% | +0.5% | +5.2% | +6.5% | China - Shanghai B | 2,319 | +1.0% | -0.0% | +5.4% | +0.1% |
| Canada - Toronto SE300* | 12,505 | -0.3% | +0.9% | +4.6% | +2.6% | Singapore - Straits Times | 2,894 | +0.1% | +1.6% | +9.4% | +1.6% |
| Mexico - IPC Index* | 37,380 | +0.4% | -0.0% | +0.8% | +4.4% | Taiwan SE | 7,234 | +0.2% | +0.0% | +2.3% | -1.6% |
| Brazil - Bovespa* | 63,366 | +1.4% | +1.7% | +11.7% | +12.6% | Australia | | | | | |
| Europe | | | | | | Australia - All Ords | CLOSED | CLOSED | +0.6% | +5.3% | +0.7% |
| UK - FTSE100 | 5,795 | +1.3% | +1.2% | +4.0% | +4.4% | Australia - ASX 200 | CLOSED | CLOSED | +0.8% | +5.1% | +0.8% |
| Germany - DAX | 6,540 | +1.8% | +2.1% | +10.9% | +8.7% | Australia - ASX 100 | CLOSED | CLOSED | +0.7% | +5.3% | +0.7% |
| France - CAC40 | 3,363 | +1.5% | +1.3% | +6.4% | +6.1% | NZ - NZ50 | 3,282 | +0.1% | +0.2% | +0.2% | -0.7% |
| Netherlands - AEX Amsterdams | 323 | +1.1% | +0.8% | +3.3% | +6.2% | | | | | | |
| Sweden - OMX | 1,046 | +2.0% | +1.2% | +5.9% | +6.4% | | | | | | |
| Switzerland - Soffex Swiss | 6,100 | +0.4% | -0.4% | +2.8% | +7.0% | | | | | | |
| Spain - Madrid IBEX35 | 8,714 | +1.9% | +1.8% | +1.7% | -1.3% | | | | | | |

*Prices as at 7.45am NZT

New Zealand Equities

| Code | Security | Last | % | Volume (000's) |
|------|-----------------------|---------|-------|----------------|
| AIA | Auckland Airport | \$2.48 | -1.2% | 850.7 |
| AIR | Air New Zealand | \$0.90 | +1.7% | 52.4 |
| AMP | AMP | \$5.47 | -1.8% | 26.7 |
| ANO | AMP NZ Office | \$0.85 | +0.0% | 470.5 |
| ANZ | ANZ | \$27.50 | -0.8% | 19.5 |
| ARG | Argosy Property | \$0.83 | +0.0% | 144.8 |
| CAV | Cavalier | \$2.50 | +0.0% | 6.5 |
| CEN | Contact Energy | \$4.75 | -0.4% | 218.7 |
| CNU | Chorus | \$3.24 | +1.9% | 2,020.0 |
| DNZ | DNZ | \$1.29 | +0.0% | 108.4 |
| EBO | Ebos | \$7.15 | +0.0% | 21.7 |
| FBU | Fletcher Building | \$6.40 | +0.8% | 1,360.7 |
| FPA | F&P Appliances | \$0.34 | +0.0% | 174.5 |
| FPH | F&P Healthcare | \$2.15 | -1.4% | 316.1 |
| FRE | Freightways | \$3.67 | +1.4% | 21.9 |
| GFF | Goodman Fielder | \$0.64 | +0.0% | 83.2 |
| GMT | Goodman Property | \$1.01 | +0.0% | 147.3 |
| GPG | GPG | \$0.54 | +0.0% | 340.6 |
| HLG | Hallensteins | \$3.70 | +2.8% | 9.2 |
| HNZ | Heartland New Zealand | \$0.48 | -2.0% | 112.4 |
| IFT | Infratil | \$1.85 | -0.5% | 88.8 |
| KIP | Kiwi Income | \$1.03 | -1.0% | 197.0 |
| KMD | Kathmandu | \$1.60 | +1.9% | 104.5 |
| MFT | Mainfreight | \$9.75 | +1.4% | 64.2 |
| MHI | Michael Hill | \$0.88 | +0.0% | 12.7 |
| MVN | Methven | \$1.07 | +0.0% | 16.0 |
| NPX | Nuplex | \$2.43 | -0.4% | 64.5 |
| NZO | NZ Oil & Gas | \$0.74 | -2.6% | 231.9 |
| NZR | NZ Refining | \$2.69 | +0.4% | 64.3 |
| NZX | NZX | \$2.61 | +0.0% | 15.0 |
| OGC | OceanaGold | \$3.00 | +1.7% | 152.8 |
| PFI | PFI | \$1.15 | -1.7% | 59.5 |
| PGW | PGW Wrightson | \$0.37 | +0.0% | 49.1 |
| POT | Port of Tauranga | \$10.30 | +0.5% | 22.6 |
| PPL | Pumpkin Patch | \$0.75 | -1.3% | 53.0 |
| RAK | Rakon | \$0.62 | +8.8% | 297.9 |
| RBD | Restaurant Brands | \$1.98 | +2.6% | 25.0 |
| RYM | Ryman | \$2.87 | +1.1% | 56.5 |
| SAN | Sanford | #N/A | #N/A | #N/A |
| SKC | SKYCITY | \$3.60 | +1.1% | 675.6 |
| SKL | Skellerup | \$1.34 | +0.8% | 185.3 |
| SKT | Sky Television | \$5.08 | -1.7% | 46.0 |
| STU | Steel & Tube | \$2.26 | -0.4% | 3.7 |
| TEL | Telecom | \$2.13 | -0.2% | 6,576.1 |
| TLS | Telstra | \$4.35 | +0.0% | 4.4 |
| TPW | TrustPower | \$7.06 | +0.6% | 14.6 |
| TWR | Tower | \$1.38 | +1.5% | 16.6 |
| VCT | Vector | \$2.61 | +2.0% | 103.1 |
| VHP | Vital Healthcare | \$1.14 | +0.0% | 55.9 |
| WBC | Westpac | \$27.70 | +0.4% | 462.8 |
| WHS | The Warehouse | \$3.07 | +1.3% | 33.2 |

*As at close of business Thursday, 26 January 2012

Australian Equities

| Code | Security | Last | % | Volume (000's) |
|------|------------------|--------|--------|----------------|
| AGK | Agl Energy Ltd | CLOSED | CLOSED | CLOSED |
| AIO | Asciano Ltd | CLOSED | CLOSED | CLOSED |
| AMC | Amcor Ltd | CLOSED | CLOSED | CLOSED |
| AMP | Amp Ltd | CLOSED | CLOSED | CLOSED |
| ANZ | Aust And Nz Bank | CLOSED | CLOSED | CLOSED |
| ASX | Asx Ltd | CLOSED | CLOSED | CLOSED |
| AWC | Alumina Ltd | CLOSED | CLOSED | CLOSED |
| BHP | Bhp Billiton Ltd | CLOSED | CLOSED | CLOSED |
| BXB | Brambles Ltd | CLOSED | CLOSED | CLOSED |
| CBA | Common Bk Austr | CLOSED | CLOSED | CLOSED |
| CCL | Coca-Cola Amatil | CLOSED | CLOSED | CLOSED |
| CFX | Cfs Retail Prope | CLOSED | CLOSED | CLOSED |
| CPU | Computershare Lt | CLOSED | CLOSED | CLOSED |
| CSL | Csl Ltd | CLOSED | CLOSED | CLOSED |
| CWN | Crown Ltd | CLOSED | CLOSED | CLOSED |
| FMG | Fortescue Metals | CLOSED | CLOSED | CLOSED |
| GMG | Goodman Group | CLOSED | CLOSED | CLOSED |
| GPT | Gpt Group | CLOSED | CLOSED | CLOSED |
| IAG | Insurance Austra | CLOSED | CLOSED | CLOSED |
| ILU | Iluka Resources | CLOSED | CLOSED | CLOSED |
| IPL | Incitec Pivot Lt | CLOSED | CLOSED | CLOSED |
| LEI | Leighton Hldgs | CLOSED | CLOSED | CLOSED |
| LLC | Lend Lease Group | CLOSED | CLOSED | CLOSED |
| MAP | #N/A | CLOSED | CLOSED | CLOSED |
| MGR | Mirvac Group | CLOSED | CLOSED | CLOSED |
| MQG | Macquarie Group | CLOSED | CLOSED | CLOSED |
| NAB | Natl Aust Bank | CLOSED | CLOSED | CLOSED |
| NCM | Newcrest Mining | CLOSED | CLOSED | CLOSED |
| NWS | News Corp-Cdi B | CLOSED | CLOSED | CLOSED |
| ORG | Origin Energy | CLOSED | CLOSED | CLOSED |
| ORI | Orica Ltd | CLOSED | CLOSED | CLOSED |
| OSH | Oil Search Ltd | CLOSED | CLOSED | CLOSED |
| QAN | Qantas Airways | CLOSED | CLOSED | CLOSED |
| QBE | Qbe Insurance | CLOSED | CLOSED | CLOSED |
| QRN | Qr National Ltd | CLOSED | CLOSED | CLOSED |
| RIO | Rio Tinto Ltd | CLOSED | CLOSED | CLOSED |
| SGP | Stockland | CLOSED | CLOSED | CLOSED |
| SHL | Sonic Healthcare | CLOSED | CLOSED | CLOSED |
| STO | Santos Ltd | CLOSED | CLOSED | CLOSED |
| SUN | Suncorp Group Lt | CLOSED | CLOSED | CLOSED |
| TCL | Transurban Group | CLOSED | CLOSED | CLOSED |
| TLS | Telstra Corp | CLOSED | CLOSED | CLOSED |
| TOL | Toll Hldgs Ltd | CLOSED | CLOSED | CLOSED |
| WBC | Westpac Banking | CLOSED | CLOSED | CLOSED |
| WDC | Westfield Group | CLOSED | CLOSED | CLOSED |
| WES | Wesfarmers Ltd | CLOSED | CLOSED | CLOSED |
| WOR | Worleyparsons | CLOSED | CLOSED | CLOSED |
| WOW | Woolworths Ltd | CLOSED | CLOSED | CLOSED |
| WPL | Woodside Petro | CLOSED | CLOSED | CLOSED |
| WRT | Westfield Retail | CLOSED | CLOSED | CLOSED |

*As at close of business Thursday, 26 January 2012

Internationally Listed Stocks

| US | | Last | % Chg | Vol (000's) |
|---------------|------------------------------|------------|--------|-------------|
| AAPL | Apple Inc | US\$444.21 | -0.55% | 7,563.8 |
| AVP | Avon Products Inc | US\$18.50 | +0.46% | 2,231.4 |
| CL | Colgate-Palmolive Co | US\$91.26 | +2.04% | 2,737.8 |
| FDX | Fedex Corp | US\$92.78 | +0.21% | 889.6 |
| GE | General Electric Co | US\$19.17 | +0.21% | 25,220.2 |
| GOOG | Google Inc-CI A | US\$571.10 | +0.28% | 1,733.7 |
| GS | Goldman Sachs Group Inc | US\$109.78 | +1.41% | 4,586.3 |
| HAL | Halliburton Co | US\$36.62 | +0.60% | 12,278.8 |
| INTC | Intel Corp | US\$26.77 | -0.52% | 29,251.4 |
| JNJ | Johnson & Johnson | US\$65.79 | +0.87% | 7,066.3 |
| K | Kellogg Co | US\$50.21 | -1.34% | 1,574.5 |
| KFT | Kraft Foods Inc-Class A | US\$38.69 | +0.83% | 3,198.8 |
| KO | Coca-Cola Co/The | US\$67.99 | -0.64% | 4,143.7 |
| MCD | Mcdonald'S Corp | US\$99.09 | -0.14% | 2,396.5 |
| MDT | Medtronic Inc | US\$39.78 | -0.49% | 2,387.3 |
| MMM | 3M Co | US\$87.70 | +1.41% | 2,779.1 |
| MSFT | Microsoft Corp | US\$29.59 | +0.08% | 27,582.7 |
| PEP | Pepsico Inc | US\$66.66 | -0.06% | 3,024.2 |
| PG | Procter & Gamble Co/The | US\$65.21 | +0.37% | 6,560.2 |
| POT | Potash Corp Of Saskatchewan | US\$46.37 | +2.50% | 12,274.2 |
| TMO | Thermo Fisher Scientific Inc | US\$52.85 | -1.29% | 1,718.1 |
| WMT | Wal-Mart Stores Inc | US\$61.07 | -0.66% | 3,639.2 |
| UK | | | | |
| BG/ | Bg Group Plc | £14.70 | +0.79% | 4,291.6 |
| COB | Cobham Plc | £1.89 | +1.23% | 2,045.5 |
| DGE | Diageo Plc | £14.22 | +0.25% | 3,509.7 |
| GSK | Glaxosmithkline Plc | £14.41 | +1.05% | 5,354.9 |
| HSBA | Hsbc Holdings Plc | £5.40 | +0.47% | 25,465.0 |
| PRU | Prudential Plc | £7.18 | +1.85% | 4,628.0 |
| RB/ | Reckitt Benckiser Group Plc | £33.99 | +1.01% | 1,237.8 |
| SN/ | Smith & Nephew Plc | £6.13 | +1.16% | 3,094.9 |
| TSCO | Tesco Plc | £3.23 | +0.05% | 28,942.7 |
| ULVR | Unilever Plc | £20.75 | +1.22% | 3,655.5 |
| WEIR | Weir Group Plc/The | £20.22 | +2.95% | 2,228.6 |
| WPP | Wpp Plc | £7.53 | +0.53% | 2,686.5 |
| Europe | | | | |
| HOLN | Holcim Ltd-Reg | CHF 56.55 | +2.72% | 1,209.5 |
| NESN | Nestle Sa-Reg | CHF 53.45 | -0.28% | 4,160.2 |
| ROG | Roche Holding Ag-Genusschein | CHF 160.20 | +0.13% | 1,490.9 |
| ADS | Adidas Ag | € 56.50 | +2.36% | 1,554.0 |
| OR | L'Oreal | € 82.10 | +1.85% | 1,347.4 |
| MC | Lvmh Moet Hennessy Louis Vui | € 123.50 | +2.02% | 1,432.2 |
| SIE | Siemens Ag-Reg | € 73.58 | +0.08% | 8,033.0 |
| SEV | Suez Environnement Co | € 9.89 | +4.00% | 3,737.2 |

* Prices as at close of business Thursday, 26 January 2012 (as at 7.45am NZT for US market)

Currency

| Market | Latest | +/- | Change | | |
|---------|--------|---------|--------|---------|---------|
| | | | Week | 1-Month | 3-Month |
| NZD/AUD | 0.7710 | 0.0002 | -0.2% | -1.2% | -0.1% |
| NZD/CAD | 0.8196 | -0.0008 | -0.3% | -3.1% | -1.8% |
| NZD/EUR | 0.6240 | 0.0008 | -0.1% | -3.8% | -7.7% |
| NZD/GBP | 0.5220 | 0.0003 | -0.8% | -4.2% | -3.9% |
| NZD/HKD | 6.3601 | 0.0223 | -1.6% | -5.1% | -2.1% |
| NZD/JPY | 63.515 | -0.0100 | -2.2% | -5.9% | -3.9% |
| NZD/USD | 0.8199 | 0.0031 | +1.7% | +5.5% | +2.3% |
| | | | | | |
| AUD/USD | 1.0636 | 0.0038 | +1.4% | +4.2% | +2.3% |
| EUR/USD | 1.3140 | 0.0034 | +1.6% | +1.4% | -5.5% |
| USD/JPY | 77.470 | -0.3100 | -0.6% | -0.7% | -1.7% |

*Prices as at 7.45am NZT

Global Interest Rates: Yield Curves

| Country | OCR | Bank Bills | | | Swaps | | |
|-------------|------|------------|-------|-------|-------|------|-------|
| | | 1-Mth | 3-Mth | 6-Mth | 2-Yr | 5-Yr | 10-Yr |
| New Zealand | 2.50 | 2.69 | 2.73 | 2.28 | 2.81 | 3.43 | 4.19 |
| Australia | 4.25 | 4.39 | 4.39 | - | 3.95 | 4.40 | 4.72 |
| US | 0.25 | 0.27 | 0.55 | 0.07 | 0.53 | 1.05 | 2.04 |
| Japan | 0.30 | 0.20 | 0.34 | 0.10 | 0.36 | 0.46 | 0.98 |
| UK | 0.50 | 0.77 | 1.09 | 0.40 | 1.20 | 1.52 | 2.34 |
| Euro | 1.00 | 0.73 | 1.14 | - | 1.17 | 1.61 | 2.34 |

*Prices as at 7.45am NZT

Internationally Listed Funds

Provided to Guest

| Global Funds | | | | | | |
|--------------|------------------------------|------------|----------|--------|-------------|--|
| Code | Name | Listing | Last | % Chg | Vol (000's) | |
| MLN | Marlin Global Ltd | NZX Listed | NZ\$0.71 | -1.39% | 1.0 | |
| WIN | Amp Investments' World Index | NZX Listed | NZ\$1.02 | +0.10% | 4.0 | |
| HHV | Hunter Hall Global Value Ltd | ASX Listed | A\$0.70 | +2.19% | 265.6 | |
| MFF | Magellan Flagship Fund Ltd | ASX Listed | A\$0.70 | +1.45% | 280.5 | |
| PMC | Platinum Capital Ltd | ASX Listed | A\$0.93 | +0.00% | 152.8 | |
| IOO | Ishares S&P Global 100-Cdi | ASX Listed | A\$58.06 | +0.71% | 10.5 | |
| IVE | Ishares Msci Eafe-Cdi | ASX Listed | A\$49.65 | +0.30% | 2.8 | |
| BNKR | Bankers Investment Trust | UK Listed | £4.01 | +0.63% | 84.3 | |
| BTEM | British Emp Sec And Gen-Ord | UK Listed | £4.35 | +1.05% | 90.6 | |
| JMO | Jpmorgan Overseas Investment | UK Listed | £7.60 | -1.17% | 19.0 | |
| MNKS | Monks Investment Trust Plc | UK Listed | £3.20 | +1.14% | 378.1 | |
| SVG | Svm Global Fund Plc | UK Listed | £2.82 | +0.09% | 33.5 | |
| FCS | F&C Global Smaller Companies | UK Listed | £5.66 | +1.98% | 10.5 | |

| Regional Funds | | | | | | |
|----------------|------------------------------|----------|------------|--------|-------------|--|
| Code | Name | Region | Last | % Chg | Vol (000's) | |
| IWV | Ishares S&P 500 Index Fund | US | US\$132.85 | -0.12% | 1,621.7 | |
| CTY | City Of London Investment Tr | UK | £2.87 | +0.81% | 215.0 | |
| EWU | Ishares Msci United Kingdom | UK | US\$16.98 | +0.95% | 560.3 | |
| BRGE | Blackrock Greater Europe Inv | Europe | £1.75 | +2.64% | 75.7 | |
| BEE | Baring Emerging Europe Plc | Europe | £7.11 | +2.08% | 23.4 | |
| IEU | Ishares S&P Europe 350-Cdi | Europe | A\$33.73 | -0.24% | 2.9 | |
| EWG | Ishares Msci Germany Index | Europe | US\$21.62 | +1.36% | 3,486.8 | |
| SJG | Schroder Japan Growth Fund | Japan | £0.87 | +0.44% | 0.6 | |
| IJP | Ishares Msci Japan-Cdi | Japan | £9.01 | +0.00% | 4.3 | |
| EFM | Edinburgh Dragon Trust Plc | Asia | £2.36 | +0.43% | 461.1 | |
| JII | Jpmorgan Indian Inv Trust | Asia | £3.66 | +1.44% | 162.0 | |
| IAA | Ishares S&P Asia 50 Idx-Cdi | Asia | A\$41.20 | +1.48% | 1.7 | |
| IZZ | Ishares Ftse China 25Idx-Cdi | Asia | A\$37.21 | +1.56% | 58.6 | |
| INDY | Ishares S&P India Nifty 50 I | Asia | US\$24.00 | +0.42% | 235.4 | |
| ADMF | Advance Developing Market Lt | Emerging | £4.42 | +1.96% | 18.0 | |
| IEM | Ishares Msci Emerging Mk-Cdi | Emerging | A\$39.87 | +0.91% | 16.6 | |
| BRLA | Blackrock Latin American Inv | Emerging | £6.01 | +1.18% | 17.1 | |
| ILF | Ishares S&P Latin America 40 | Emerging | US\$47.27 | +0.28% | 912.9 | |

| Sectoral Funds | | | | | | |
|----------------|------------------------------|------------|-----------|--------|-------------|--|
| Code | Name | Sector | Last | % Chg | Vol (000's) | |
| IXI | Ishares S&P Consum Stapl-Cdi | Consumer | A\$63.49 | +0.00% | 0.2 | |
| BRNE | Blackrock New Energy Investm | Energy | £0.32 | +0.00% | 87.4 | |
| IXC | Ishares S&P Gbl Energy Sect | Energy | US\$40.04 | -0.19% | 48.6 | |
| IXG | Ishares S&P Gbl Finl Sector | Financials | US\$39.78 | +0.23% | 30.1 | |
| IXJ | Ishares S&P GI Healthcar-Cdi | Healthcare | A\$54.87 | -1.33% | 0.3 | |
| BRWM | Blackrock World Mining Trust | Resources | £7.15 | +3.03% | 260.9 | |
| IAU | Ishares Gold Trust | Resources | US\$16.83 | +0.84% | 6,082.0 | |
| PCT | Polar Capital Technology Tr | Technology | £3.49 | +0.78% | 255.4 | |
| QQQ | Powershares Qqq Nasdaq 100 | Technology | US\$60.35 | -0.15% | 20,945.3 | |
| IXN | Ishares S&P Gbl Tech Sector | Technology | US\$62.80 | -0.17% | 33.0 | |
| IXP | Ishares S&P Gbl Telecom-Cdi | Telecomm. | A\$53.15 | +0.00% | 0.2 | |
| CGW | Guggenheim S&P Global Water | Utilities | US\$19.84 | +0.35% | 27.9 | |

* Prices as at close of business Thursday, 26 January 2012 (as at 7.45am NZT for US market)

Commodities

| Market | Latest | +/- | Week | % Chg Mth | 3-Mth |
|------------------|-----------|---------|-------|-----------|--------|
| WTI Crude | 100.77 | +1.64 | +2.4% | +2.0% | +11.7% |
| Gold (Comex) | 1,727.6 | +16.97 | +3.7% | +10.5% | +0.2% |
| Silver (Comex) | 33.72 | +0.55 | +4.8% | +21.1% | +1.0% |
| Copper (LME) | 8,371.00 | +27.00 | +2.0% | +10.3% | +11.3% |
| Lead (LME) | 2,282.00 | +32.00 | +4.5% | +12.1% | +16.3% |
| Zinc (LME) | 2,112.00 | +41.00 | +4.8% | +14.5% | +13.5% |
| Nickel (LME) | 20,925.00 | +300.00 | +2.3% | +11.8% | +5.9% |
| Aluminium (LME) | 2,090.00 | -32.50 | -0.2% | +5.6% | -2.6% |
| Tin (LME) | 22,450.00 | +260.00 | +2.7% | +16.9% | +0.9% |
| Platinum (Nymex) | 1,612.5 | +30.75 | +5.1% | +15.1% | +1.0% |

*Prices as at 7.45am NZT

NZ Headlines

New Zealand Oil & Gas (NZO) announced that it expects to impair all of its remaining investment in Pike River Coal (in Receivership) (PRC) in its financial statements for the six months ended 31 December 2011. During the six month period, NZO received a total of \$41m from the PRC insurance settlement. NZO also advanced \$4.6m under a short-term loan agreement to the Receivers to fund both the ongoing mine stabilisation efforts and the sales process. PRC unsecured debt has previously been fully impaired while the secured debt has been carried in NZO's accounts at full value. No value is assigned to NZO's shareholding in PRC. As part of preparing its half year accounts, NZO has undertaken a further review of the carrying value of its investments in PRC. This has required an assessment of the expected future cash recovery from PRC and the ongoing cost of the receivership, which NZO is funding. Given the highly conditional nature of any further receipts and uncertainty regarding timing, the NZO Board expects to impair all of the remaining secured PRC debt. The accounting impact of this will be a net increase of just under \$21m between 30 June 2011 and 31 December 2011 in NZO's impairment provision. This calculation involves impairment of \$23.5m in secured debt and interest, including \$1.5m of interest accrued in the six month period, offset by \$2.6m in unsecured debt that had been impaired but was received during the period.

The Reserve Bank left the **Official Cash Rate (OCR)** unchanged at 2.5%. Reserve Bank Governor Alan Bollard said: "Since the time of the December "Statement", financial market sentiment has improved slightly, with increased liquidity in European financial markets. However, the global economy remains fragile and risks to the outlook remain. The European debt crisis has also increased the cost of international funding, which will likely pressure funding costs for New Zealand banks over the coming year. In the domestic economy we continue to see modest growth. Over recent months there have been signs of a limited recovery in household spending and the housing market. Further ahead, repairs and reconstruction in Canterbury will also provide a significant boost for an extended period, though there may be further delays resulting from the aftershocks." Reassuringly, inflation pressures have remained well contained. Inflation has declined and now sits below 2%.

Pan Pacific Petroleum (PPP) released its quarterly activities report for the three months ending 31 December 2011. Production from the Tui Area oil fields totalled 518,549 barrels (net PPP 51,855), averaging 5,636 barrels a day. Production was as planned, but was marginally lower than for the September quarter due to a scheduled shutdown being carried out from 23rd November to 6th December. Cumulative field production to the end of December 2011 was 32.16m barrels (PPP share 3.2m barrels). PPP's operating revenue from Tui during the quarter was US\$3,970,000 (unaudited). Work continues on maturing potential drilling candidates in PPP's Joint Ventures in New Zealand, Vietnam and the Joint Petroleum Development

Biggest Movers - NZX

| Code | Company | Close | +/- | Chg % |
|------|-----------------------|--------|-------|-------|
| RAK | Rakon | \$0.62 | +0.05 | +8.8% |
| HLG | Hallensteins | \$3.70 | +0.10 | +2.8% |
| RBD | Restaurant Brands | \$1.98 | +0.05 | +2.6% |
| VCT | Vector | \$2.61 | +0.05 | +2.0% |
| KMD | Kathmandu | \$1.60 | +0.03 | +1.9% |
| CNU | Chorus | \$3.24 | +0.06 | +1.9% |
| AIR | Air New Zealand | \$0.90 | +0.02 | +1.7% |
| TWR | Tower | \$1.38 | +0.02 | +1.5% |
| FRE | Freightways | \$3.67 | +0.05 | +1.4% |
| MFT | Mainfreight | \$9.75 | +0.13 | +1.4% |
| WHS | The Warehouse | \$3.07 | +0.04 | +1.3% |
| SKK | SKYCITY | \$3.60 | +0.04 | +1.1% |
| RYM | Ryman | \$2.87 | +0.03 | +1.1% |
| AIA | Auckland Airport | \$2.48 | -0.03 | -1.2% |
| PPL | Pumpkin Patch | \$0.75 | -0.01 | -1.3% |
| FPH | F&P Healthcare | \$2.15 | -0.03 | -1.4% |
| PFI | PFI | \$1.15 | -0.02 | -1.7% |
| SKT | Sky Television | \$5.08 | -0.09 | -1.7% |
| AMP | AMP | \$5.47 | -0.10 | -1.8% |
| HNZ | Heartland New Zealand | \$0.48 | -0.01 | -2.0% |
| NZO | NZ Oil & Gas | \$0.74 | -0.02 | -2.6% |

Area between Timor Leste and Australia, and through evaluation of new ventures. Assessment of the commercial potential of the CRD oil and gas/condensate discovery in Vietnam is also ongoing. PPP's cash at bank position at the end of the quarter was approximately A\$95m equivalent, or close to 16 cps.

Vector (VCT) released its operational performance for the six months ended 31 December 2011. Electricity customers were up +0.8% versus the pcp and volumes rose +1.4% to 4,359 GWh. Gas transportation customers increased +1.6%. Gas distribution volumes were up +1.7% while gas transmission volumes declined by -0.2%. Natural gas sales rose +1.4%, however gas liquid sales and Liquigas LPG tolling fell -1.6% and -15.5% respectively. Smart meter numbers jumped a massive +76.3% to 316,531.

Xero (XRO) updated the market on its key metrics ahead of its national conference for accounting partners. XRO expects its operating revenue for the full year ended 31 March 2012 to double FY11 revenue of \$9.3m. XRO's Committed Monthly Revenue (CMR) is now \$1.75m or \$21m annualised. 50% of CMR is from offshore markets. Paying customers using the XRO business software worldwide exceeds 60,000. There are 240,000 user accounts. There are over 3,300 accounting firms now using XRO. The company now employs 170 staff across four countries. The US sales office has been established with six staff in San Francisco. On 3 February at the Viaduct Events Centre in Auckland, XRO will be hosting more than 400 accountants and bookkeepers at #Xerocon, making it New Zealand's largest accounting conference.

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