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HD Index hits seventh consecutive high as investors chase yield stocks

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Ebos leads the way after Reserve Bank says interest rates may stay low for longer

New Zealand shares rose to a record led by Ebos **Group** amid optimism about its prospects in Australia as it signalled a 10 per cent boost in first-quarter trading. The NZX 50 index rose 17.65 points, or 0.3 per cent, to 5387.83, its seventh consecutive record close. Within the index, 24 stocks rose, 20 fell and six were unchanged. Turnover was \$142 **million**.

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Ebos advanced 5.2 per cent to \$9.57 but has fallen 6.2 per cent since the start of the year. The healthcare and animal care products **company** said it is tracking ahead of last year in the first three months of trading, as it beds in a much bigger focus in Australia after its 2013 **acquisition** of pharmaceutical **firm** Symbion. It also announced it bought Australia's BlackHawk Premium Pet Care pet food **business** for \$57.8 **million**, which it expects will immediately add to earnings.

"The stock has been **sold** off, and this is a long overdue bounce back," said James Smalley, director at Hamilton Hindin Greene. The benchmark index is being pushed higher as central bank Governor Graeme Wheeler kept the official cash rate on hold at 3.5 per cent this week and flagged rates may stay lower for longer. "It's a hunt for yield," Smalley said. "It's the inverse relationship between interest rates and **equity** markets which has underpinned that rise."

Regular dividend paying stocks rose. Genesis **Energy** advanced 1.5 per cent to \$2.01. Spark, formerly Telecom, rose 1.3 per cent to \$3.155. Contact **Energy** gained 0.3 per cent to \$6.20. Steel & Tube climbed 3.1 per cent to \$2.99. Fletcher advanced 1.4 per cent to \$8.60. Government data showed seasonally adjusted building consents rose 6.6 per cent in September from a year earlier.

Freightways climbed 3.6 per cent to a record \$5.70, extending Thursday's gains after the listed courier and data management **company** recorded the strongest first-quarter performance in a decade.

OceanaGold was the worst performer on the day, dropping 9.6 per cent to \$2.27. The Melbourne-based miner, which operates the Macraes goldfield in Otago, reported a 61 per cent drop in third-quarter profit to US\$16.9 **million**.

Units in Fonterra Shareholders' Fund were unchanged at \$6.29. **Chinese** authorities have lifted a temporary ban on the importation of Fonterra Cooperative **Group's** whey powder and **dairy** base powder.

Xero was unchanged at \$15.85. The cloud-based accounting **firm** slowed its quarterly cash burn in the September quarter from the June period.

Air New Zealand fell 0.5 per cent to \$2.01. The national carrier and PT Garuda Indonesia have won their bid to dismiss action against them in Australia. Heartland New Zealand was unchanged at \$1. BusinessDesk

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