

# MORNING REPORT

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## Top News

### NZ dollar falls as thaw in US-China trade stoush bolsters greenback

The New Zealand dollar fell as a perceived thaw in the US-China trade relations stand-off stoked demand for the greenback and renewed investors' appetite for risk-sensitive assets, pushing stocks on Wall Street higher.

The Dollar Index, a measure of the greenback against a basket of currencies, gained 0.4 percent after White House trade adviser Peter Navarro said US officials will talk with China before imposing tariffs on goods from the world's second-biggest economy.

Trade tensions between the two nations have spooked investors and the softer stance eased some concerns, helping push up stocks on Wall Street, with the Dow Jones Industrial Average gaining 1 percent. Gains were tempered by a wider US trade deficit in February.

### Equities rally as US, China plan trade talks

Equities on both sides of the Atlantic rallied amid signs that the US and China will negotiate to halt an escalating trade dispute that has dampened an otherwise optimistic outlook for corporate profits and economic growth.

The Dow rallied, led by gains in shares of Boeing and those of DowDuPont, recently up 2.8 percent and 2.6 percent respectively. The only stock in the Dow to decline was Pfizer, down 0.8 percent recently.

Shares of Facebook rallied, up 2.4 percent at US\$158.75 as of 12.46pm in New York, after climbing as high as US\$160.17 earlier in the day. "I don't think there has been any meaningful impact we've observed," Zuckerberg told reporters, when asked if Facebook has seen a change in the behaviour of users or buying pattern of advertisers, according to CNBC.

### NZ shares drop led by Sky TV, Fletcher at 9-year low; Kathmandu, Synlait gain

New Zealand shares fell, led by Sky Network Television, Genesis Energy and Fletcher Building while Kathmandu Holdings and Synlait Milk gained.

Sky Network Television was the worst performer, down 6 percent to \$2.21. Genesis Energy dropped 3.4 percent to \$2.305, Fonterra Shareholders' Fund fell 3.2 percent to \$5.71, and Mainfreight declined 2.8 percent to \$24.00.

Kathmandu Holdings was the best performer, up 2.9 percent to \$2.50, while Auckland International Airport gained 1.9 percent to \$6.36 and New Zealand Refining Co rose 1.7 percent to \$2.37.

Synlait Milk gained 1.5 percent to \$9.08. It will spend about \$18 million to double production of lactoferrin at its Dunsandel plant after securing a multi-year agreement to supply the high-value milk protein to an unnamed customer.

NZX Index				
Index	Last		Change	
S&P/NZX All Index	9,107.761	42.109	▼	0.46%
S&P/NZX 50 Index	8,363.987	39.123	▼	0.47%
S&P/NZX MidCap Index	24,086.565	144.135	▼	0.59%
S&P/NZX SmallCap Index	58,706.408	73.128	▲	0.12%
S&P/NZAX All Index	519.493	4.093	▲	0.79%

ASX Index				
Index	Last		Change	
ASX All Ordinaries	5,888.00	24.30	▲	0.41%
S&P/ASX 200	5,788.80	27.40	▲	0.48%
ASX Small Ordinaries	2,644.60	0.80	▲	0.03%
S&P/ASX MIDCAP 50	6,578.80	21.20	▲	0.32%
S&P/ASX 20	3,203.50	16.40	▲	0.51%

Foreign Markets Index				
	Last		Change	
S&P 500	2,662.84	18.15	▲	0.69%
Dow Jones	24,505.22	240.92	▲	0.99%
NASDAQ Composite	7,076.55	34.44	▲	0.49%
FTSE	7,199.50	165.49	▲	2.35%
ASX All Ordinaries	5,888.00	24.30	▲	0.41%
NIKKEI 225	21,645.42	325.87	▲	1.53%
HANG SENG INDEX	29,518.69	661.41	▼	2.19%

Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9464	0.0009	▼	0.10%
USD	0.7269	0.0049	▼	0.67%
CNY	4.5830	0.0250	▼	0.54%
EUR	0.5939	0.0019	▼	0.32%
CAD	0.9269	0.0070	▼	0.75%
GBP	0.5191	0.0005	▼	0.10%
JPY	78.0635	0.0745	▼	0.10%

NZ Interest Rates				
	Last		Change	
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.69			
10-year Swap	3.13			

Commodities Futures				
	Last		Change	
Gold	1,329.70	10.50	▼	0.78%
Silver	16.36	0.11	▲	0.65%
Crude Oil	63.74	0.37	▲	0.58%

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