



## MORNING REPORT

As at 10.00 AM 13/12/2019

Web: [www.equity.co.nz](http://www.equity.co.nz) / E-mail: [Info@equity.co.nz](mailto:Info@equity.co.nz) / Tel: +64 (9)304 0145 / Address: Level 7, 12-26 Swanson Street, Auckland, NZ

### Top News

#### U.S. Reaches Terms of Deal With China, Awaits Trump's Signoff

U.S. negotiators have reached the terms of a phase-one trade deal with China that now awaits President Donald Trump's approval, according to people briefed on the plans.

The deal being presented to Trump includes a delay in the Dec. 15 new round of tariffs, a schedule for a rollback of some of the existing ones and a promise by the Chinese to buy more U.S. agricultural goods, according to the people. The terms have been agreed but the legal text has not yet been finalized, people said.

Trade advisers met with the president on Thursday afternoon to discuss the pact and an announcement could come by day's end, the people said. A White House spokesperson declined to comment.

The administration has reached out to allies on Capitol Hill and in the business community to issue statements of support once the announcement is made, they said.

U.S. stocks rose and Treasury yields spiked on the news. Earlier Thursday, Trump tweeted that the U.S. and China are "VERY close" to signing a "BIG" trade deal, also sending equities higher.

"They want it, and so do we!" he tweeted five minutes after equity markets opened in New York, sending stocks to new records.

The phase-one pact has been expected to reduce existing tariffs and delay ones due to take effect on Sunday.

Trump has rejected deals with China before. Negotiators have been working on the terms of the phase-one deal for months after the president announced in October that the two nations had reached an agreement that could be put on paper within weeks.

The U.S. has added a 25% duty on about \$250 billion of Chinese products and a 15% levy on another \$110 billion of its imports over the course of a roughly 20-month trade war. Discussions now are focused on reducing those rates by as much as half, as part of the interim agreement Trump announced almost nine weeks ago.

In addition to a significant increase in Chinese agricultural purchases in exchange for tariff relief, officials have also said a phase-one pact would include Chinese commitments to do more to stop intellectual-property theft and an agreement by both sides not to manipulate their currencies.

Put off for later discussions are knotty issues such as longstanding U.S. complaints over the vast web of subsidies ranging from cheap electricity to low-cost loans that China has used to build its industrial might.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	12,240.55	18.20	0.15%
S&P/NZX 50 Index	11,307.98	16.02	0.14%
S&P/NZX MidCap Index	31,403.24	37.07	0.12%
S&P/NZX SmallCap Index	64,708.08	11.01	0.02%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	6,810.80	42.40	0.62%
S&P/ASX 200	6,708.80	43.80	0.65%
ASX Small Ordinaries	2,858.00	4.00	0.14%
S&P/ASX MIDCAP 50	7,152.70	46.70	0.65%
S&P/ASX 20	3,682.80	29.80	0.80%

Foreign Markets Index			
	Last	Change	
S&P 500	3,168.57	26.94	0.86%
Dow Jones Industrial Average	28,132.05	220.75	0.79%
NASDAQ Composite	8,717.32	63.27	0.73%
DAX PERFORMANCE-INDEX	13,221.64	74.90	0.57%
ASX All Ordinaries	6,810.80	42.40	0.62%
NIKKEI 225	23,424.81	32.95	0.14%
HANG SENG INDEX	26,994.14	348.71	1.31%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9549	-0.0025	0.26%
USD	0.66	0.0013	0.20%
CNY	4.6090	-0.0260	0.56%
EUR	0.59	0.0012	0.20%
CAD	0.8696	0.0022	0.25%
GBP	0.50	0.0018	0.36%
JPY	72.1355	0.6640	0.92%

NZ Interest Rates	
	Change
NZ OCR	1.00
3m Bank Bill	1.19
5y Swap	1.39
10y Swap	1.71

Commodities Futures (Spot Price \$USD)			
	Last	Change	
Gold	1,474.50	0.50	0.03%
Silver	17.01	0.17	0.99%
Crude Oil	59.36	0.60	1.02%

Disclaimer: The above information is provided on a best endeavours basis and Equity Investment Advisers Ltd does not accept any liability under any circumstances for errors or omissions. Parties should recheck the information before using it in any decision-making process. Acknowledgements: Equity Investment Advisers (EIA) sincerely expresses its gratitude to the following sources for the contribution of valuable information in the production of EIA morning reports: Yahoo New Zealand, ANZ securities, ASX, Nikkei Indexes, NZX, NYSE, NASDAQ, business desk.

**Do you need to make any changes to your portfolio?**  
[www.equity.co.nz](http://www.equity.co.nz) E-mail: [Info@equity.co.nz](mailto:Info@equity.co.nz)

Contact Equity Investment Advisers today.  
Tel: +64 (9)304 0145 / NZ: 0800 474 669

