



## MORNING REPORT

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### Top News

#### NZ Dollar gets lift after US proposes new round of China trade talks

The New Zealand dollar was trading higher after investor risk appetite was stoked by news that US officials are looking to re-open trade talks with China.

Global risk appetite got a lift after the Wall Street Journal reported that senior US officials led by Treasury Secretary Steven Mnuchin sent invitations to their counterparts in Beijing proposing another round of bilateral trade talks. CNBC also reported that the US plans to delay the announcement of another round of tariffs on Chinese goods due to a hurricane approaching the Carolina coast.

Markets have been watching closely, with the US ready to go on another \$200 billion in tariffs and President Donald Trump making additional threats last week. Jitters about the US-China trade war had weighed heavily on currencies like the New Zealand dollar, given the country's dependence on exports.

The greenback also came under some pressure when the US producer-price index for August was below expectations. The Federal Reserve's Beige Book also noted that concerns over trade tensions have led some businesses to postpone investment, with input prices reportedly on the rise due to tariffs.

Domestically, Borkin said the market will be watching for housing market data and food price data this morning, followed by Australia's labour market statistics.

#### NZ shares drop back as SkyCity, Air NZ weaken; NZX rises on Nasdaq MOU

New Zealand shares dropped back, led lower by Mercury NZ and SkyCity Entertainment Group, as yesterday's gains weren't repeated.

The local market didn't repeat Tuesday's 2 percent gain, when 38 stocks rose and turnover was \$203 million.

Mercury was the worst performer, down 2.7 percent or 9 cents to \$3.29. It gave up rights to a 9.1 cent final dividend today.

SkyCity dropped 2.4 percent to \$4.07 and Air New Zealand fell 1.7 percent to \$3.16.

New Zealand Refining Co, which shed a 3 cent final dividend, dropped 1.6 percent or 4 cents to \$2.54. Sky Network Television declined 1.4 percent to \$2.08.

Comvita was the best performer, up 2.6 percent to \$5.92. Scales Corp rose 2.3 percent to \$4.91 and Pushpay Holdings gained 1.9 percent to \$3.86.

Market operator NZX gained 0.9 percent to \$1.08. It has signed a memorandum of understanding with the operator of the tech-heavy Nasdaq bourse to let top-tier American companies apply for a secondary listing locally.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	10,008.59	38.59	▼	0.38%
S&P/NZX 50 Index	9,195.57	36.37	▼	0.39%
S&P/NZX MidCap Index	26,205.37	88.65	▼	0.34%
S&P/NZX SmallCap Index	63,547.81	223.64	▼	0.35%
S&P/NZAX All Index	539.37	1.06	▲	0.20%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,283.90	3.70	▼	0.06%
S&P/ASX 200	6,175.90	3.80	▼	0.06%
ASX Small Ordinaries	2,818.10	2.50	▼	0.09%
S&P/ASX MIDCAP 50	7,050.00	6.60	▼	0.09%
S&P/ASX 20	3,401.20	0.70	▼	0.02%
Foreign Markets Index				
	Last	Change		
S&P 500	2,888.92	1.03	▲	0.04%
Dow Jones	25,998.92	27.86	▲	0.11%
NASDAQ Composite	7,954.23	18.25	▼	0.23%
DAX	12,032.30	62.03	▲	0.52%
ASX All Ordinaries	6,283.90	3.70	▼	0.06%
NIKKEI 225	22,604.61	60.08	▼	0.27%
HANG SENG INDEX	26,345.04	77.51	▼	0.29%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9146	0.0018	▼	0.20%
USD	0.6561	0.0035	▲	0.54%
CNY	4.4990	0.0000		0.00%
EUR	0.5642	0.0002	▲	0.04%
CAD	0.8529	0.0002	▲	0.02%
GBP	0.5026	0.0001	▲	0.02%
JPY	73.0165	0.1965	▲	0.27%
NZ Interest Rates				
	Last	Change		
NZ OCR	1.75			
3-month Bank Bill	1.94			
5-year Swap	2.32			
10-year Swap	2.83			
Commodities Futures				
	Last	Change		
Gold	1,211.40	9.20	▲	0.77%
Silver	14.28	0.13	▲	0.93%
Crude Oil	70.32	1.07	▲	1.55%

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