

# MORNING REPORT

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## Top News

### NZ shares join global lull as investors remain nervous

New Zealand shares joined a global decline as investors remain unnerved by heightened geopolitical tensions. Domestic earnings met expectations but failed to stoke local investor confidence.

The S&P/NZX 50 Index fell 17.97 points, or 0.2 percent, to 10,854.77. Within the index, 23 stocks declined, 21 rose, and six were unchanged. Turnover was \$107.4 million, with five stocks trading on volumes of more than a million shares.

Stocks across Asia followed Wall Street lower after pro-democracy protests in Hong Kong closed the autonomous region's airport and goaded mainland Chinese officials to dub the demonstrations as the first sign of "terrorism". Hong Kong's Hang Seng Index was down 1.9 percent in afternoon trading, while Singapore's Straits Times Index dropped 0.8 percent and Australia's S&P/ASX 200 Index decreased 0.4 percent.

"The local market's off in reaction to what's happening offshore - it's not a big decline though," said Grant Williamson, a director at Hamilton Hindin Greene.

Meridian Energy, the country's biggest listed company, led the market lower, down 2.4 percent at \$4.88 on a volume of 1.3 million shares, in line with its 90-day average of 1.4 million.

Of other blue-chip stocks to decline, Spark New Zealand fell 1.1 percent to \$4.055 and was the most heavily traded company on a volume of 2.5 million shares, Fletcher Building slipped 0.6 percent to \$4.69, Auckland International Airport decreased 0.9 percent to \$9.74 and Air New Zealand dipped 0.2 percent to \$2.75.

### NZ dollar gets lift from tariff delay on some China goods

The New Zealand dollar gained against the Japanese yen as risk appetite got a solid lift from news that some US tariffs would be delayed.

The kiwi was trading at 68.83 yen at 8am in Wellington from 67.94 yen at 5pm yesterday. It was at 64.53 US cents from 64.45 US cents at 5pm in Wellington.

"The JPY underperformed against all G10 as safe-haven demand pulled back sharply," said ANZ FX/rates strategist Sandeep Parekh.

Investors were cheered when the United States Trade Representative said "certain products" are being removed from the tariff list that will go into effect Sept. 1. Others would be delayed to Dec. 15 and include "cell phones, laptop computers, video game consoles, certain toys, computer monitors, and certain items of footwear and clothing."

US President Donald Trump told reporters "we are doing this for the Christmas season," according to The Guardian.

"The announcement followed as communications between the US and China opened up again, with Trump stating his administration had a very productive call with China and that he thinks Beijing wants to do something drastic on trade," said Parekh.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	11,722.86	20.05	▼ 0.17%
S&P/NZX 50 Index	10,854.77	17.97	▼ 0.17%
S&P/NZX MidCap Index	30,912.96	2.80	▼ 0.01%
S&P/NZX SmallCap Index	61,001.11	199.75	▼ 0.33%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	6,648.10	22.00	▼ 0.33%
S&P/ASX 200	6,568.50	21.80	▼ 0.33%
ASX Small Ordinaries	2,862.50	7.70	▼ 0.27%
S&P/ASX MIDCAP 50	6,970.70	12.80	▼ 0.18%
S&P/ASX 20	3,647.40	16.40	▼ 0.45%

Foreign Markets Index			
	Last	Change	
S&P 500	2,926.32	42.57	▲ 1.48%
Dow Jones	26,279.91	372.54	▲ 1.44%
NASDAQ Composite	8,016.36	152.95	▲ 1.95%
DAX	11,750.13	70.45	▲ 0.60%
ASX All Ordinaries	6,648.10	22.00	▼ 0.33%
NIKKEI 225	20,455.44	229.38	▼ 1.11%
HANG SENG INDEX	25,281.30	543.42	▼ 2.10%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9499	-0.0048	▼ 0.51%
USD	0.65	0.0008	▲ 0.12%
CNY	4.5430	-0.0050	▼ 0.11%
EUR	0.58	0.0029	▲ 0.50%
CAD	0.8534	0.0002	▲ 0.02%
GBP	0.54	0.0018	▲ 0.34%
JPY	68.8365	0.9955	▲ 1.45%

NZ Interest Rates	
	Change
NZ OCR	1.00
3m Bank Bill	1.21
5y Swap	0.98
10y Swap	1.28

Commodities Futures (Spot Price \$USD)			
	Last	Change	
Gold	1,511.40	5.80	▼ 0.38%
Silver	16.93	0.14	▼ 0.83%
Crude Oil	56.68	1.75	▲ 3.19%

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