



MORNING REPORT

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Top News

NZ dollar weighed on by escalating trade tensions as China retaliates

The New Zealand dollar continued to be weighed on by escalating global trade tensions, with China now saying it will raise tariffs on some US goods from June 1.

Market jitters were stoked when China announced it would impose higher tariffs on a range of US goods in the wake of Washington's decision last week to hike tariffs on US\$200 billion of Chinese imports. Additional US tariffs on all remaining Chinese imports, which would affect an additional US\$300 billion worth of goods, have not been decided on yet.

Late in the session, President Donald Trump indicated he would speak with his Chinese counterpart Xi Jinping during the G-20 summit. Treasury Secretary Steven Mnuchin said that US-China trade talks are still ongoing, which helped to relieve some pressure.

The kiwi was trading at 4.5185 Chinese yuan from 4.5101 yesterday, at 94.60 Australian dollars from 94.25, at 50.70 British pence from 50.57, at 58.50 euro cents from 58.58, and at 72.83 Japanese yen from 72.20.

NZ shares rise as Trustpower hits record on special dividend

New Zealand shares rose in quiet trading, with Trustpower hitting a record after declaring a special dividend at today's earnings result. Fonterra fund units rose on the sale of its Tip Top business.

Trustpower hit a record \$7.21, ending the day up 2.9 percent at \$7.20, after declaring a special dividend of 15 cents per share. That takes the special returns to 40 cents since the sale of Green State Power in New South Wales to Meridian Energy last year. The company reported a 9 percent decline in annual operating earnings to \$222 million, meeting expectations. The 30,000 shares traded were less than half its 90-day average of 74,000.

Fonterra Shareholders' Fund units rose 0.5 percent to \$4.30 on a volume of just 65,000 units, well short of its 248,000 average. Fonterra announced the sale of its Tip Top ice cream business for \$380 million, some \$100 million above book value, while securing a supply agreement with the new owner. Fonterra shares, which are restricted to its farmer-suppliers, rose 0.5 percent to \$4.30.

Spark New Zealand was the most traded stock on a volume of 2.1 million shares. The stock rose 1.8 percent to \$3.685. Auckland International Airport increased 1.5 percent to \$8.55 on a volume of 1.4 million shares.

Infratil remained in a trading halt, with the shares last at \$4.60. The infrastructure investor is in talks to buy Vodafone New Zealand, and director Alison Gerry today resigned from Spark's board to avoid a potential or perceived conflict of interest. Infratil is scheduled to report this Friday, and also owns a controlling stake in Trustpower.

Australia & New Zealand Banking Group fell 3.6 percent to \$28.03, posting the biggest decline on the benchmark index, on a volume of just 6,635 shares.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	10,955.55	31.15	▲ 0.29%
S&P/NZX 50 Index	10,126.83	25.74	▲ 0.25%
S&P/NZX MidCap Index	28,877.22	23.70	▲ 0.08%
S&P/NZX SmallCap Index	59,804.11	231.19	▲ 0.39%
S&P/NZAX All Index	597.33	8.72	▲ 1.48%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	6,381.30	11.80	▼ 0.18%
S&P/ASX 200	6,297.60	13.30	▼ 0.21%
ASX Small Ordinaries	2,795.60	3.90	▲ 0.14%
S&P/ASX MIDCAP 50	6,750.50	16.30	▼ 0.24%
S&P/ASX 20	3,505.60	17.50	▼ 0.50%

Foreign Markets Index			
	Last	Change	
S&P 500	2,811.87	69.53	▼ 2.41%
Dow Jones Industrial Average	25,324.99	617.38	▼ 2.38%
NASDAQ Composite	7,647.02	269.92	▼ 3.41%
DAX PERFORMANCE-INDEX	11,876.65	183.18	▼ 1.52%
ASX All Ordinaries	6,381.30	11.80	▼ 0.18%
NIKKEI 225	21,191.28	153.64	▼ 0.72%
HANG SENG INDEX	28,550.24	239.14	▲ 0.84%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9457		
USD	0.6568		
CNY	4.5200		
EUR	0.5852		
CAD	0.8849	0.0005	▼ 0.06%
GBP	0.5069	0.0002	▲ 0.04%
JPY	71.7850	0.0035	▲ 0.00%

NZ Interest Rates			
	Last	Change	
NZ OCR	1.50	0.25	▼ 14.29%
3-month Bank Bill	1.70		
5-year Swap	1.73		
10-year Swap	2.12		

Commodities Futures (Spot Price \$USD)			
	Last	Change	
Gold	1,300.80	13.40	▲ 1.04%
Silver	14.77	0.02	▼ 0.10%
Crude Oil	60.85	0.81	▼ 1.31%

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