

# MORNING REPORT

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## Top News

### NZ shares gain; Sky soars on NZ Rugby deal

New Zealand shares rose, led by a strong recovery in Sky Network Television after the pay-TV operator all-but secured rugby broadcasting rights in a deal that will also bring NZ Rugby on as a substantial shareholder.

The S&P/NZX 50 Index increased 102.89 points, or 0.9 percent, to 11,026.60. Within the index, 29 stocks rose, 14 fell, and seven were unchanged. Turnover was \$115.3 million, of which Sky accounted for \$14.6 million.

Sky jumped 19 percent to \$1.06, unwinding much of last week's savaging, after saying it secured the rights to broadcast domestic and international rugby in New Zealand from 2021 to 2025. The contract will need shareholder ratification at this week's annual meeting and includes a part payment in equity, with NZ Rugby getting 5 percent of Sky's stock.

"They had to win rugby, but I think no one can really get their heads around where this business model goes. It looks like it will increasingly be around rugby and rugby delivery," said Brad Gordon, an investment advisor at Hobson Wealth Partners.

Trading in Sky was heavy with 13.7 million shares changing hands, compared to its 90-day average of 855,000. That was almost half the NZX50's 29.5 million volume.

### NZ dollar eases as markets fret about US-China trade talks

The New Zealand dollar eased slightly on ongoing uncertainty around US-China trade talks.

The kiwi was trading at 62.98 US cents at 8am in Wellington from 63.12 cents at 5pm yesterday. The trade-weighted index was at 69.96 from 70.03.

Global risk appetite had ticked up on news that China and the US had reached a "partial deal." According to Reuters, however, the mood soured after China indicated further talks were needed and US Treasury Secretary Steven Mnuchin said the next round of tariffs on Chinese imports are on track to take effect on Dec. 15 if a deal has not been reached by then.

"Opinion remains mixed as to whether the Chinese offer this week to buy additional US agricultural goods and the US decision to suspend additional tariffs represents the beginning of actual, real progress, or is merely a plaster as US elections get closer," said ANZ Bank FX/rates strategist Sandeep Parekh.

Risk appetite was also dented by news of the Turkish military advance into Syria, in particular after US President Donald Trump tweeted "Big sanctions on Turkey coming!"

Closer to home, investors will be watching for minutes from the Reserve Bank of Australia's latest meeting, due for release at 1:30pm New Zealand time.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	11,903.44	109.52	▲	0.93%
S&P/NZX 50 Index	11,026.60	102.89	▲	0.94%
S&P/NZX MidCap Index	31,789.80	132.63	▲	0.42%
S&P/NZX SmallCap Index	62,074.81	476.80	▲	0.77%

ASX Index				
Index	Last	Change		
ASX All Ordinaries	6,757.90	36.00	▲	0.54%
S&P/ASX 200	6,642.60	35.80	▲	0.54%
ASX Small Ordinaries	2,866.10	9.10	▲	0.32%
S&P/ASX MIDCAP 50	7,058.40	41.60	▲	0.59%
S&P/ASX 20	3,678.30	22.00	▲	0.60%

Foreign Markets Index				
	Last	Change		
S&P 500	2,966.15	4.12	▼	0.14%
Dow Jones Industrial Average	26,787.36	29.23	▼	0.11%
NASDAQ Composite	8,048.65	8.39	▼	0.10%
DAX PERFORMANCE-INDEX	12,486.56	25.09	▼	0.20%
ASX All Ordinaries	6,757.90	36.00	▲	0.54%
NIKKEI 225	21,798.87	246.87	▲	1.15%
HANG SENG INDEX	26,521.85	213.41	▲	0.81%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9294	-0.0031	▼	0.33%
USD	0.63	-0.0038	▼	0.60%
CNY	4.4480	-0.0440	▼	0.99%
EUR	0.57	-0.0031	▼	0.54%
CAD	0.8332	-0.0030	▼	0.36%
GBP	0.50	-0.0003	▼	0.06%
JPY	68.2460	-0.3890	▼	0.57%

NZ Interest Rates		
	Last	Change
NZ OCR	1.00	
3m Bank Bill	1.04	
5y Swap	0.96	
10y Swap	1.29	

Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,496.20	7.50	▲	0.50%
Silver	17.68	0.14	▲	0.78%
Crude Oil	53.49	1.21	▼	2.21%

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