

# MORNING REPORT

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## Top News

### NZ dollar falls as China retaliates over US tariffs, yen rises on safe-haven appeal

The New Zealand dollar fell after China retaliated over US tariffs, sapping risk appetite and driving up demand for so-called safe-haven currencies such as the yen.

China said it would impose tariffs of up to 25 percent on a list of 128 products imported from the US in response to US President Donald Trump's tariffs on imports of steel and aluminium. US stocks tumbled amid concerns about a trade war and after Trump tweeted that Amazon had an unfair market advantage versus US bricks and mortar retailers.

The New Zealand dollar fell to 76.43 yen from 76.89 yen late yesterday as the yen reached its strongest level in about a week against the greenback, which was only modestly weaker following data including the ISM manufacturing index for March, down 1.5 points to 59.3, which Workman said "is still a very healthy reading."

### Wall St sinks with Amazon

Wall Street plunged as US President Donald Trump sank Amazon and other tech stocks in a market additionally rattled by China's retaliation with fresh tariffs on US imports.

In recent days Trump has been targeting Amazon in a series of tweets suggesting the administration will move to curtail the company's dominance.

"Only fools, or worse, are saying that our money losing Post Office makes money with Amazon. THEY LOSE A FORTUNE, and this will be changed," Trump tweeted on Monday. Also, our fully tax paying retailers are closing stores all over the country...not a level playing field!"

Shares of Amazon slid, down 5.3 percent as of 1.45pm in New York.

"President Trump's comments are consistent with industry sources we have spoken to in the shipping industry, who often label Amazon's deal with the USPS as a sweetheart deal," DA Davidson analyst Tom Forte wrote in a note, Reuters reported. Other tech stocks also dropped, with Netflix recently down 5.1 percent.

Wall Street followed suit. In 1.53pm trading in New York, the Dow Jones Industrial Average sank 2.8 percent, while the Nasdaq Composite Index dropped 2.6 percent. In 1.38pm trading, the Standard & Poor's 500 Index plunged 3.2 percent.

The Dow retreated, led by slides in shares of Intel and those of Cisco Systems, down 5.3 percent and 4.6 percent respectively. One Dow stock bucked the trend, as shares of UnitedHealth Group rose, recently up 1.6 percent.

In the latest corporate deals, shares of Transcontinental jumped, with its Class A stock trading 9.6 percent higher at 1.12pm in Toronto, after Canada's biggest printer agreed to buy Coveris Americas for US\$1.32 billion to bolster its packaging unit.

NZX Index				
Index	Last		Change	
S&P/NZX All Index	9,060.225	73.505	▼	0.80%
S&P/NZX 50 Index	8,319.066	69.014	▼	0.82%
S&P/NZX MidCap Index	24,001.750	69.470	▼	0.29%
S&P/NZX SmallCap Index	58,621.483	191.307	▼	0.33%
S&P/NZAX All Index	525.925	0.005	▲	0.00%

ASX Index				
Index	Last		Change	
ASX All Ordinaries	5,868.90	30.30	▼	0.51%
S&P/ASX 200	5,759.40	30.10	▼	0.52%
ASX Small Ordinaries	2,665.50	27.50	▼	1.02%
S&P/ASX MIDCAP 50	6,603.70	55.60	▼	0.83%
S&P/ASX 20	3,175.00	12.40	▼	0.39%

Foreign Markets Index				
	Last		Change	
S&P 500	2,581.88	58.99	▼	2.23%
Dow Jones	23,644.19	458.92	▼	1.90%
NASDAQ Composite	6,870.12	193.33	▼	2.74%
FTSE 100	7,056.61	11.87	▲	0.17%
ASX All Ordinaries	5,868.90	30.30	▼	0.51%
NIKKEI 225	21,388.58	65.72	▼	0.31%
HANG SENG INDEX	30,093.38	70.85	▲	0.24%

Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9418	0.0004	▲	0.04%
USD	0.7212	0.0023	▼	0.32%
CNY	4.5290	0.0090	▼	0.20%
EUR	0.5864	0.0010	▼	0.17%
CAD	0.9313	0.0013	▼	0.14%
GBP	0.5137	0.0019	▼	0.37%
JPY	76.3715	0.5390	▼	0.70%

NZ Interest Rates		
	Last	Change
NZ OCR	1.75	
3-month Bank Bill	1.94	
5-year Swap	2.62	
10-year Swap	3.06	

Commodities Futures				
	Last		Change	
Gold	1,345.40	18.10	▲	1.36%
Silver	16.60	0.33	▲	2.04%
Crude Oil	62.86	2.08	▼	3.20%

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