

# MORNING REPORT

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## Top News

### NZ shares drop, Synlait and Infratil fall while Gentrack, Ryman rally

New Zealand shares dropped, led by Synlait Milk and Infratil, while Gentrack Group gained and Ryman Healthcare hit a record high.

The S&P/NZX 50 Index fell 21.54 points, or 0.2 percent, to 9,001.39. Within the index, 24 stocks fell, 15 were unchanged and 11 rose. Turnover was \$107 million.

"The market has really only been trading in a pretty small range throughout the day, and it really has gone into a bit of a lull ahead of reporting season," Grant Williamson, director at Hamilton Hindin Greene.

Synlait Milk was the worst performer, down 2.2 percent to \$11.14, as Infratil dropped 1.8 percent to \$3.34 and Scales Corp fell 1.7 percent to \$4.65.

Skellerup Holdings fell 1 percent to \$1.92. It has bought a 35 percent stake in Wisconsin-based liquid silicone rubber maker Sim Lim Technic for US\$1.1 million. It wants to take the technical expertise of the liquid silicone rubber maker to a wider market, saying the product is ideal for "sterile environments and use in high-precision medical and consumer products".

Auckland-based Skellerup refocused its industrial unit in recent years after a slump in oil and iron ore prices weighed on earnings, and now places greater emphasis on less volatile potable water and wastewater sectors.

### NZ dollar falls below 68 US cts as markets respond to US-China trade standoff

The New Zealand dollar fell below 68 US cents on heightened trade tensions between the US and China, which weighed on commodity-related currencies.

The kiwi dropped to 67.63 US cents as at 8am in Wellington from 68.09 cents late yesterday. The trade-weighted index was at 72.46 from 72.79 yesterday.

China called the US announcement of tariffs on an extra US\$200 billion of Chinese goods as "totally unacceptable" and vowed to retaliate, although it doesn't buy enough from the US to match it dollar for dollar. The CRB Index of commonly traded commodities dropped 3 percent overnight, stocks on Wall Street declined and the kiwi, Australian and Canadian dollars fell.

"US-Chinese trade tensions have stepped up a notch, and we've unsurprisingly seen commodity currencies and emerging market currencies put under pressure," said Liz Kendall, senior economist and ANZ Bank New Zealand, in a note. "Stretched positioning or not, the NZD is going to face plenty of challenges if trade tensions persist (which it looks like they will)."

NZX Index			
Index	Last	Change	
S&P/NZX All Index	9,796.20	20.98	▼ 0.21%
S&P/NZX 50 Index	9,001.39	21.54	▼ 0.24%
S&P/NZX MidCap Index	25,509.49	67.60	▼ 0.26%
S&P/NZX SmallCap Index	62,951.80	8.77	▼ 0.01%
S&P/NZX All Index	518.39	1.97	▼ 0.38%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	6,300.20	42.60	▼ 0.67%
S&P/ASX 200	6,215.60	42.50	▼ 0.68%
ASX Small Ordinaries	2,837.00	19.40	▼ 0.68%
S&P/ASX MIDCAP 50	6,977.20	31.00	▼ 0.44%
S&P/ASX 20	3,442.50	23.20	▼ 0.67%

Foreign Markets Index			
	Last	Change	
S&P 500	2,774.02	19.82	▼ 0.71%
Dow Jones	24,700.45	219.21	▼ 0.88%
NASDAQ Composite	7,716.61	42.59	▼ 0.55%
FTSE	7,591.96	100.08	▼ 1.30%
ASX All Ordinaries	6,300.20	42.60	▼ 0.67%
NIKKEI 225	21,932.21	264.68	▼ 1.19%
HANG SENG INDEX	28,311.69	370.56	▼ 1.29%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9173	0.0011	▲ 0.12%
USD	0.6758	0.0078	▼ 1.14%
CNY	4.5120	0.0240	▼ 0.53%
EUR	0.5787	0.0033	▼ 0.57%
CAD	0.8926	0.0039	▼ 0.44%
GBP	0.5117	0.0034	▼ 0.66%
JPY	75.6875	0.2150	▼ 0.28%

NZ Interest Rates		
	Last	Change
NZ OCR	1.75	
3-month Bank Bill	1.94	
5-year Swap	2.57	
10-year Swap	3.04	

Commodities Futures			
	Last	Change	
Gold	1,242.20	13.20	▼ 1.05%
Silver	15.82	0.26	▼ 1.63%
Crude Oil	70.58	3.53	▼ 4.76%

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