



MORNING REPORT

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Top News

China Allows Banks to Delay Bad Loan Recognition on Virus

China's financial regulators said they will allow the nation's lenders to delay recognizing bad loans from smaller businesses reeling from the deadly coronavirus outbreak.

Qualified small- and medium-sized businesses nationwide with principal or interest due between Jan. 25 and June 30 can apply to delay repaying their debt, the China Banking and Insurance Regulatory said in a joint statement with the central bank on Sunday. In Hubei province, the epicenter of the outbreak, the waiver applies to all companies, including large firms, according to the statement.

Chinese banks are taking extraordinary measures to avoid recognizing bad loans, seeking to shield themselves and cash-strapped borrowers from the economic fallout of the epidemic. Regulators told lenders not to downgrade loans with missed payments or report borrowers' delinquencies to the country's centralized credit-scoring system before the end of June, according to the statement.

The push by banks and regulators to tamp down NPLs is part of a broader effort by President Xi Jinping's government to shore up the Chinese economy, which some forecasters saying it may suffer a rare quarter-on-quarter contraction in the first three months of 2020. In addition to pumping billions of yuan into the banking system to make it easier for lenders to extend credit, authorities have cut interest rates, reduced taxes and pledged to adopt more "proactive" fiscal policies.

In February, S&P Global said a prolonged health emergency could cause China's non-performing loan ratio to more than triple to about 6.3%, amounting to an increase of 5.6 trillion yuan (\$800 billion) in bad debt.

Still, the banking regulator said lenders need to categorize loans as non-performing should the borrower fail to repay after resuming operations for a certain period of time, according to the statement.

South Korea Asks U.S. to Avoid 'Excessive Measures' on Virus

South Korea urged the U.S. to "refrain from taking excessive measures" after the State Department raised its travel advisory on the Korean city of Daegu, where most of the nation's novel coronavirus cases are centered.

Foreign Minister Kang Kyung-wha spoke to U.S. Deputy Secretary of State Stephen Biegun by phone, according to a statement from the South Korean foreign ministry. She said that while the virus is spreading in the country, it is concentrated in a specific region and the government is making an all-out effort to prevent further infections, the ministry said.

The call took place just hours after the State Department raised its travel advisory on South Korea's Daegu to Level 4, its most severe grade. The department urged citizens to not travel to the city, citing risks of community transmission and local quarantine procedures. On Feb. 24, it issued a Level 3 advisory for South Korea, advising citizens to avoid non-essential travel to the country.

NZX Index				
Index	Last		Change	
S&P/NZX All Index	12,148.78	195.50	▼	1.58%
S&P/NZX 50 Portfolio Index	6,813.47	123.70	▼	1.78%
S&P/NZX MidCap Index	30,735.50	563.50	▼	1.80%
S&P/NZX SmallCap Index	59,515.63	1,835.00	▼	2.99%

ASX Index				
Index	Last		Change	
ASX All Ordinaries	6,511.50	225.90	▼	3.35%
S&P/ASX 200	6,441.20	216.70	▼	3.25%
ASX Small Ordinaries	2,728.20	120.10	▼	4.22%
S&P/ASX MIDCAP 50	6,762.60	266.80	▼	3.80%
S&P/ASX 20	3,615.90	115.80	▼	3.10%

Foreign Markets Index				
	Last		Change	
S&P 500	2,954.22	24.54	▼	0.82%
Dow Jones Industrial Average	25,409.36	357.24	▼	1.39%
NASDAQ Composite	8,567.37	0.89	▲	0.01%
DAX PERFORMANCE-INDEX	11,890.35	477.15	▼	3.86%
ASX All Ordinaries	6,511.50	225.90	▼	3.35%
NIKKEI 225	21,142.96	805.24	▼	3.67%
HANG SENG INDEX	26,129.93	648.67	▼	2.42%

Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9570	0.0032	▼	0.33%
USD	0.62	0.0060	▼	0.97%
CNY	4.3670	0.0000	▲	0.00%
EUR	0.56	0.0060	▼	1.07%
CAD	0.8311	0.0058	▼	0.70%
GBP	0.48	0.0036	▼	0.74%
JPY	66.3900	1.1200	▼	1.69%

NZ Interest Rates		
	Last	Change
NZ OCR	1.00	
3m Bank Bill	1.05	
5y Swap	0.92	
10y Swap	1.20	

Commodities Futures (Spot Price \$USD)				
	Last		Change	
Gold	1,587.30	55.20	▼	3.36%
Silver	16.68	1.06	▼	5.95%
Crude Oil	45.26	1.83	▼	3.89%

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