



MORNING REPORT

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Top News

Stocks Surge on Bets Central Banks to Take Action

U.S. stocks surged as investors gained confidence that stewards of the world's largest economies would act in concert to offset any impact from the spreading coronavirus.

The S&P 500 jumped the most in a year after news that Group of Seven finance ministers and central bankers will hold a teleconference Tuesday to discuss how to respond to the outbreak. Tech shares led gains after seven straight days of declines for the benchmark index, with monetary policy makers from Japan to England joining the Federal Reserve in promising to take action to support their economies if needed.

Ten-year Treasury yields plunged below 1.10% as expectations for interest-rate cuts took hold. Oil rallied on expectations that the OPEC+ alliance will deepen output cuts.

The stock gains provided hope for investors after last week's nearly unprecedented rout, even as the S&P 500 Index traded more than 10% below the record it reached just two weeks ago. The coronavirus has already done severe economic damage -- with the OECD warning that growth will sink to levels not seen in more than a decade -- but investors are betting that policy makers will take decisive action to limit the pain.

"Markets are already looking beyond the first half, looking toward the second half to see whether or not we get a recovery in demand," said Anik Sen, global head of equities at PineBridge Investments, which has about \$101 billion in assets under management. "We're finding stocks at much more reasonable levels than they have been."

The global death toll from the virus has surpassed 3,000. U.S. cases climbed over the weekend, with the first infections appearing in New York City, Brussels and Berlin, while cases jumped in hot spots of Italy, Iran and South Korea. Positive tests in Italy jumped by more than 500 to 1,694 on Sunday with 41 deaths. Lombardy, the region that includes the financial capital of Milan, accounted for almost 1,000 cases.

U.S. citizens in states including California and Texas will vote on "Super Tuesday" for a Democratic candidate to run against President Donald Trump in November's election.

BlackRock Says World of Panic Can Send Australian Yields Negative

Australia may be the next market to see negative yields as the fallout from the coronavirus drives an unstoppable bond frenzy, according to BlackRock Inc.

Prolonged equity losses and monetary easing by the Reserve Bank of Australia can send the nation's 10-year bond yield into negative terrain for the first time, according to Craig Vardy, head of fixed income for Australia at the world's biggest money manager.

Vardy joins an increasing number of money managers who see the last major standouts against negative rates giving in as the impact of the coronavirus sweeps through the global economy.

| NZX Index | | | |
|----------------------------|-----------|----------|---------|
| Index | Last | Change | |
| S&P/NZX All Index | 11,974.09 | 174.60 | ▲ 1.44% |
| S&P/NZX 50 Portfolio Index | 6,701.28 | 112.10 | ▲ 1.65% |
| S&P/NZX MidCap Index | 30,007.77 | 727.70 | ▲ 2.37% |
| S&P/NZX SmallCap Index | 58,144.20 | 1,371.00 | ▲ 2.30% |

| ASX Index | | | |
|----------------------|----------|--------|---------|
| Index | Last | Change | |
| ASX All Ordinaries | 6,461.10 | 50.40 | ▲ 0.77% |
| S&P/ASX 200 | 6,391.50 | 49.70 | ▲ 0.77% |
| ASX Small Ordinaries | 2,707.40 | 20.80 | ▲ 0.76% |
| S&P/ASX MIDCAP 50 | 6,749.50 | 13.10 | ▲ 0.19% |
| S&P/ASX 20 | 3,581.50 | 34.40 | ▲ 0.95% |

| Foreign Markets Index | | | |
|------------------------------|-----------|--------|---------|
| | Last | Change | |
| S&P 500 | 3,022.88 | 68.66 | ▲ 2.32% |
| Dow Jones Industrial Average | 26,153.24 | 743.88 | ▲ 2.93% |
| NASDAQ Composite | 8,755.41 | 188.04 | ▲ 2.19% |
| DAX PERFORMANCE-INDEX | 11,857.87 | 32.48 | ▲ 0.27% |
| ASX All Ordinaries | 6,461.10 | 50.40 | ▲ 0.77% |
| NIKKEI 225 | 21,344.08 | 201.12 | ▲ 0.95% |
| HANG SENG INDEX | 26,291.68 | 161.75 | ▲ 0.62% |

| Currencies (per NZ\$ 1.00) | | | |
|----------------------------|---------|--------|---------|
| | Last | Change | |
| AUD | 0.9571 | 0.0015 | ▲ 0.16% |
| USD | 0.63 | 0.0051 | ▲ 0.82% |
| CNY | 4.3530 | 0.0210 | ▲ 0.48% |
| EUR | 0.56 | 0.0014 | ▲ 0.25% |
| CAD | 0.8352 | 0.0019 | ▲ 0.23% |
| GBP | 0.49 | 0.0046 | ▲ 0.94% |
| JPY | 67.4460 | 0.8195 | ▲ 1.22% |

| NZ Interest Rates | | |
|-------------------|------|--------|
| | Last | Change |
| NZ OCR | 1.00 | |
| 3m Bank Bill | 0.87 | |
| 5y Swap | 0.80 | |
| 10y Swap | 1.10 | |

| Commodities Futures (Spot Price \$USD) | | | |
|--|----------|--------|---------|
| | Last | Change | |
| Gold | 1,597.30 | 30.60 | ▲ 1.95% |
| Silver | 16.77 | 0.31 | ▲ 1.90% |
| Crude Oil | 46.85 | 2.09 | ▲ 4.67% |

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Do you need to make any changes to your portfolio?
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