



## MORNING REPORT

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Web: [www.equity.co.nz](http://www.equity.co.nz) / E-mail: [Info@equity.co.nz](mailto:Info@equity.co.nz) / Tel: +64 (9)304 0145 / Address: Level 7, 12-26 Swanson Street, Auckland, NZ

### Top News

#### U.S. Stocks Plunge Most Since Financial Crisis

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U.S. stocks plunged more than 7.5% in the worst day on Wall Street since the financial crisis, as a full-blown oil price war rattled financial markets already on edge over the spreading coronavirus. Treasury yields plummeted, crude sank 20% and credit markets buckled.

The S&P 500 sank the most since December 2008, the Dow Jones Industrial Average tumbled 2,000 points and small caps lost more than 9% as investors fled risk assets with virus cases surging and the Trump administration so far unwilling to step in to soften the expected economic blow.

All but nine S&P 500 companies were lower Monday, with energy producers routed by 20%. Exxon Mobil and Chevron were down more than 12%. Banks lost 11%, with an ETF that tracks regional banks had for its worst day since 2009. Apple sank 7.9% and Dow Chemical plunged 22%.

The rout began at the open, with losses reaching 7% four minutes in, triggering NYSE circuit breakers that halted trading for 15 minutes. The markets will close if losses reach 20%. The measure is down almost 19% from its Feb. 19 all-time high, threatening to end the record-long bull market that began 11 years ago to the day.

Crude tumbled the most since the Gulf War in 1991, after an OPEC+ alliance that had contained global production disintegrated. WTI and Brent slumped by about 25%.

The 10-year Treasury yield fell below 0.5% before climbing back to 0.57%, and the 30-year yield dropped under 0.9%, taking the whole U.S. yield curve below 1% for the first time in history.

The Stoxx Europe 600 Index fell the most since 2016 on trading volumes exceeding three times the 100-day average. Several of the region's gauges look set to enter bear markets. Japanese stocks entered one earlier when they tumbled almost 6%.

A U.S. derivatives index that measures the perceived risk of corporate credit surged by the most since Lehman Brothers collapsed.

Exchange rates including the yen saw sharp moves as traders struggled to establish where new ranges might be. The yen was up about 3% versus the dollar while the euro and Swiss franc both strengthened more than 1%.

The oil-price crash threatened to upend politics and budgets around the world, exacerbate strains in high-yield credit and add pressure on central bankers trying to avert a recession. It typically would have proved a boon to consumers, but the coronavirus is increasingly keeping them at home. Investors are clamoring for some policy response from the Trump administration, which has so far signaled that it believes the spread is under control.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	11,975.82	358.80	▼	2.91%
S&P/NZX 50 Portfolio Index	6,655.52	235.30	▼	3.42%
S&P/NZX MidCap Index	30,049.65	1,059.00	▼	3.41%
S&P/NZX SmallCap Index	57,856.42	1,819.00	▼	3.05%

ASX Index				
Index	Last	Change		
ASX All Ordinaries	5,822.40	465.10	▼	7.40%
S&P/ASX 200	5,760.60	455.60	▼	7.33%
ASX Small Ordinaries	2,442.40	199.10	▼	7.54%
S&P/ASX MIDCAP 50	6,105.70	472.90	▼	7.19%
S&P/ASX 20	3,221.70	241.80	▼	6.98%

Foreign Markets Index				
	Last	Change		
S&P 500	2,746.56	225.81	▼	7.60%
Dow Jones Industrial Average	23,851.02	2,013.76	▼	7.79%
NASDAQ Composite	7,950.68	624.94	▼	7.29%
DAX PERFORMANCE-INDEX	10,625.02	916.85	▼	7.94%
ASX All Ordinaries	5,822.40	465.10	▼	7.40%
NIKKEI 225	19,698.76	1,050.99	▼	5.07%
HANG SENG INDEX	25,040.46	1,106.21	▼	4.23%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9624	0.0044	▲	0.46%
USD	0.63	0.0020	▲	0.32%
CNY	4.4050	0.0000	▲	0.00%
EUR	0.55	0.0036	▼	0.65%
CAD	0.8681	0.0094	▲	1.08%
GBP	0.48	0.0006	▲	0.12%
JPY	64.8640	1.1285	▼	1.74%

NZ Interest Rates				
	Last	Change		
NZ OCR	1.00			
3m Bank Bill	0.87			
5y Swap	0.75			
10y Swap	0.97			

Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,676.10	3.70	▲	0.22%
Silver	16.99	0.27	▼	1.58%
Crude Oil	30.93	10.35	▼	25.07%

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[www.equity.co.nz](http://www.equity.co.nz) E-mail: [Info@equity.co.nz](mailto:Info@equity.co.nz)

Contact Equity Investment Advisers today.  
Tel: +64 (9)304 0145 / NZ: 0800 474 669