



## MORNING REPORT

As at 9.20 AM 11/02/2020

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### Top News

#### U.S. Stocks Shrug Off Virus Worries; Bonds Gain

U.S. equities climbed as investors looked past the potential economic hit from the spreading coronavirus to prepare for more corporate earnings.

The S&P 500 Index rose Monday, with most sectors advancing. Treasuries and European bonds edged higher, and the dollar held steady versus a basket of its major peers. Energy company shares dipped as West Texas crude fell below \$50 a barrel.

Asia's main equity gauges fell everywhere apart from Shanghai. Traders monitored the restart of Chinese factories and the possible chaos that may ensue as several hundred thousand people begin returning to work at companies like Apple Inc. supplier Foxconn. General Motors Co. will restart production in China beginning Feb. 15.

With cases of the coronavirus outside of China on the rise and various companies pulling back from international meetings, investors are trying to figure out whether the rate of contagion is stabilizing. In the meantime, monetary authorities across emerging markets have stepped in to help shore up the financial system. The People's Bank of China moved to keep liquidity ample Monday through reverse-repurchase agreements.

"As disconcerting as the spread of the coronavirus has been to date, the global focus on the illness is likely to produce a solution to stem its spread before long," John Stoltzfus, chief investment strategist at Oppenheimer Asset Management, wrote in a note. "Economic data released last week underscored strength and resilience in the U.S. labor market and pointed toward the sustainability of the U.S. economic expansion."

The euro declined after the region was buffeted by political headlines. German Chancellor Angela Merkel's succession plan collapsed, and polls put Sinn Fein in place for a possible role in Ireland's government, depressing the country's banking stocks. European stocks closed higher.

Earnings are due this week from major names like Alibaba Group Holding Ltd., Credit Suisse Group AG and Nestle SA.

Elsewhere, emerging-market currencies steadied against the dollar. Bitcoin traded just below \$10,000, having risen above that mark over the weekend for the first time since October.

Federal Reserve Chairman Jerome Powell delivers his semiannual testimony in Congress on Tuesday and Wednesday; ECB President Christine Lagarde speaks at the European Parliament in Strasbourg Tuesday.

Thursday brings a gauge of underlying U.S. inflation, the core consumer price index. It's expected to increase to 0.2% in January, a faster pace than in December.

China and the U.S. on Friday lower tariffs on billions of dollars of respective imports, as part of the trade deal signed last month.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	12,651.58	66.35	▼	0.52%
S&P/NZX 50 Index	11,702.59	58.29	▼	0.50%
S&P/NZX MidCap Index	32,719.74	121.98	▼	0.37%
S&P/NZX SmallCap Index	65,242.91	599.45	▼	0.91%

ASX Index				
Index	Last	Change		
ASX All Ordinaries	7,108.00	13.40	▼	0.19%
S&P/ASX 200	7,012.50	10.10	▼	0.14%
ASX Small Ordinaries	2,995.90	13.40	▼	0.45%
S&P/ASX MIDCAP 50	7,544.90	13.70	▼	0.18%
S&P/ASX 20	3,892.20	3.80	▼	0.10%

Foreign Markets Index				
	Last	Change		
S&P 500	3,345.44	17.73	▲	0.53%
Dow Jones Industrial Average	29,222.45	119.94	▲	0.41%
NASDAQ Composite	9,607.16	86.65	▲	0.91%
DAX PERFORMANCE-INDEX	13,494.03	19.78	▼	0.15%
ASX All Ordinaries	7,108.00	13.40	▼	0.19%
NIKKEI 225	23,685.98	142.00	▼	0.60%
HANG SENG INDEX	27,241.34	162.93	▼	0.59%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9563	-0.0044	▼	0.46%
USD	0.64	-0.0016	▼	0.25%
CNY	4.4600	-0.0230	▼	0.52%
EUR	0.59	0.0002	▲	0.03%
CAD	0.8507	-0.0012	▼	0.14%
GBP	0.49	-0.0021	▼	0.42%
JPY	70.0730	-0.1740	▼	0.25%

NZ Interest Rates				
	Last	Change		
NZ OCR	1.00			
3m Bank Bill	1.24			
5y Swap	1.15			
10y Swap	1.43			

Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,578.00	4.60	▲	0.29%
Silver	17.80	0.11	▲	0.61%
Crude Oil	49.60	0.72	▼	1.43%

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