

# MORNING REPORT

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## Top News

### U.S. Stocks Rebound on Hopes for Virus Stimulus

U.S. rallied back from the worst rout since the financial crisis on expectations the Trump administration will implement stimulus measures to counter the economic impact from the coronavirus. Treasuries fell and oil jumped.

The S&P 500 rallied 4.9% as investors digested a trickle of news that President Donald Trump and his team are looking at measures including cutting payroll taxes and aiding ailing businesses like airlines and cruise operators. Stocks whipsawed throughout another wild day on Wall Street, wiping out a gain of 3.5% to turn negative before a furious rally in the final two hours of trading delivered the biggest gain since December 2018.

"It's market March Madness at the moment, complete with surprising losses, upsets, and comebacks," said Mike Loewengart, managing director of investment strategy at E\*Trade Financial.

With markets on edge, signs had started to mount that governments around the world are awaking to need for stimulus measures to combat the virus that is threatening to plunge the global economy into recession.

At the same time, measures to contain the coronavirus continue to undermine prospects for corporate earnings, and raise the danger of a funding crisis, while the oil price crash threatens a swath of defaults among producers. Italy added nationwide travel restrictions to its effective lockdown of the northern region of the country.

"A strong rebound today, if it in fact holds, does not mean the volatility, or even the worst, is behind us. Rather, investors should expect continued gyrations both up and down until there is greater certainty on coronavirus," said Greg McBride, chief financial analyst at Bankrate.com.

Elsewhere, Japanese government bonds tumbled after an auction of five-year debt flopped.

### Saudis Escalate Price War With Huge Output Hike, Russia Follows

Saudi Arabia escalated its oil price war with Russia on Tuesday, as its state-owned company pledged to supply a record 12.3 million barrels a day next month, a massive increase to flood the market.

The supply hike -- more than 25% higher than last month's production -- puts Aramco above its maximum sustainable capacity, indicating that the kingdom is even tapping its strategic inventories to dump as much crude, on the market as quickly as possible.

Moscow responded within minutes, with Energy Minister Alexander Novak saying Russia had the ability to boost production by 500,000 barrels a day. That would put the country's output potentially at 11.8 million barrels a day -- also a record.

"There is a significant amount of market posturing going on between Saudi Arabia and Russia," said Jaafar Altaie, managing director of Abu Dhabi-based consultant Manaar Group. "They're both getting ready to fight a pretty aggressive price war."

NZX Index			
Index	Last	Change	
S&P/NZX All Index	11,756.01	221.10	▼ 1.85%
S&P/NZX 50 Portfolio Index	6,544.69	111.90	▼ 1.68%
S&P/NZX MidCap Index	29,495.89	563.20	▼ 1.87%
S&P/NZX SmallCap Index	55,867.11	1,989.00	▼ 3.44%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	5,995.80	173.40	▲ 2.98%
S&P/ASX 200	5,939.60	179.00	▲ 3.11%
ASX Small Ordinaries	2,505.90	63.50	▲ 2.60%
S&P/ASX MIDCAP 50	6,271.30	165.60	▲ 2.71%
S&P/ASX 20	3,336.10	114.40	▲ 3.55%

Foreign Markets Index			
	Last	Change	
S&P 500	2,882.23	135.67	▲ 4.94%
Dow Jones Industrial Average	25,018.16	1,167.14	▲ 4.89%
NASDAQ Composite	8,344.25	393.58	▲ 4.95%
DAX PERFORMANCE-INDEX	10,475.49	149.53	▼ 1.41%
ASX All Ordinaries	5,995.80	173.40	▲ 2.98%
NIKKEI 225	19,867.12	168.36	▲ 0.85%
HANG SENG INDEX	25,392.51	352.05	▲ 1.41%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9645	0.0029	▲ 0.30%
USD	0.63	0.0080	▼ 1.28%
CNY	4.3590	0.0400	▼ 0.92%
EUR	0.55	0.0003	▲ 0.05%
CAD	0.8593	0.0081	▼ 0.94%
GBP	0.48	0.0013	▲ 0.27%
JPY	65.9665	1.1965	▲ 1.81%

NZ Interest Rates		
	Last	Change
NZ OCR	1.00	
3m Bank Bill	0.87	
5y Swap	0.80	
10y Swap	1.03	

Commodities Futures (Spot Price \$USD)			
	Last	Change	
Gold	1,649.10	26.60	▼ 1.59%
Silver	16.86	0.14	▼ 0.80%
Crude Oil	34.65	3.52	▲ 11.31%

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