



MORNING REPORT

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Top News

U.S. Equity Gains Fade Amid Tech Scrutiny

U.S. stocks faded after the Federal Trade Commission asked some of America's biggest tech companies for information about acquisitions that may have eliminated new competitors. Ten-year Treasury yields rose, while the dollar dropped for the first time in five sessions.

The S&P 500 Index gave up most of the Tuesday session's gains after the FTC news, with Facebook Inc. and Microsoft Corp. among the decliners. The Dow Jones Industrial Average sank as Verizon Communications Inc. slipped following court approval of Sprint's tie-up with T-Mobile.

Investors had been more bullish lately despite the coronavirus outbreak, signaling some confidence that central banks could ease policy in the event growth slows down. In remarks to Congress Tuesday, Federal Reserve Chairman Jerome Powell, while positive about the American economic outlook, said the central bank is keeping a close eye on fallout from the epidemic, which continues to disrupt travel and trade.

"With fundamentals strong, a robust employment situation and inflation on track, Powell's cautiously optimistic stance isn't too surprising, especially since coronavirus fears and trade tensions are at bay," said Mike Loewengart, vice president of investment strategy at E-Trade Financial. "What remains to be seen is the lasting effect of the coronavirus on global growth, which is already tepid."

Oil bounced back from Monday's swoon; gold fell. Bitcoin surged back above \$10,000. European and Asian equity benchmarks closed higher.

Powell Says Risks to Outlook Remain, Fed Monitoring Virus

Federal Reserve Chairman Jerome Powell said the U.S. central bank is keeping a close eye on fallout from the deadly coronavirus outbreak in China, singling it out among risks threatening the U.S. and world economy.

"In particular, we are closely monitoring the emergence of the coronavirus, which could lead to disruptions in China that spill over to the rest of the global economy," Powell said in remarks before U.S. lawmakers Tuesday.

Powell stopped short of saying the outbreak had changed the Fed's baseline outlook for the U.S. economy, or the expectation among many members of the Federal Open Market Committee that rates will remain on hold this year. U.S. equities climbed as investors digested the latest views from the Fed chair and Treasuries slipped.

"The FOMC believes that the current stance of monetary policy will support continued economic growth, a strong labor market and inflation returning to the committee's symmetric 2% objective," Powell said. "As long as incoming information about the economy remains broadly consistent with this outlook, the current stance of monetary policy will likely remain appropriate."

Coronavirus, which has killed more than 1,000 people, has prompted the world's largest-known quarantine effort and slowed large portions of China's economy, disrupting travel and commerce worldwide.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	12,789.69	138.11	↑	1.09%
S&P/NZX 50 Index	11,834.54	131.95	↑	1.13%
S&P/NZX MidCap Index	32,913.60	193.86	↑	0.59%
S&P/NZX SmallCap Index	65,433.73	190.82	↑	0.29%

ASX Index				
Index	Last	Change		
ASX All Ordinaries	7,151.40	43.40	▲	0.61%
S&P/ASX 200	7,055.30	42.80	▲	0.61%
ASX Small Ordinaries	3,023.50	27.60	▲	0.92%
S&P/ASX MIDCAP 50	7,609.10	64.20	▲	0.85%
S&P/ASX 20	3,913.70	21.50	▲	0.55%

Foreign Markets Index				
	Last	Change		
S&P 500	3,355.71	3.62	▲	0.11%
Dow Jones Industrial Average	29,237.45	39.37	▼	0.13%
NASDAQ Composite	9,627.69	0.70	▼	0.01%
DAX PERFORMANCE-INDEX	13,627.84	133.81	▲	0.99%
ASX All Ordinaries	7,151.40	43.40	▲	0.61%
NIKKEI 225	23,685.98	142.00	▼	0.60%
HANG SENG INDEX	27,583.88	342.54	▲	1.26%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9533	-0.0015	▼	0.16%
USD	0.64	0.0016	▲	0.25%
CNY	4.4580	0.0010	▲	0.02%
EUR	0.59	0.0008	▲	0.14%
CAD	0.8507	0.0003	▲	0.04%
GBP	0.49	-0.0008	▼	0.16%
JPY	70.2420	0.1525	▲	0.22%

NZ Interest Rates				
	Last	Change		
NZ OCR	1.00			
3m Bank Bill	1.23			
5y Swap	1.14			
10y Swap	1.42			

Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,572.30	7.20	▼	0.46%
Silver	17.63	0.16	▼	0.87%
Crude Oil	49.83	0.26	▲	0.52%

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