



MORNING REPORT

As at 9.20 AM 12/03/2020

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Top News

Dow Average Sinks Into Bear Market on Virus Fears

Stocks plunged around the world, oil tumbled and the stress in U.S. credit markets deepened after the World Health Organization called the virus spread a pandemic and the Trump administration remained unable to detail any stimulus measures to combat the economic fallout.

The latest bout of virus-fomented turmoil tipped Dow Jones Industrial Average into a bear market, ending the longest bull run in the history of American equities. The blue-chip slumped 5.9% Wednesday and ended 20% below its February closing record. The S&P 500 dipped into bear territory before closing 19% below its high.

The WHO declaration rattled already on edge that the spreading virus will upend global growth. President Donald Trump didn't keep his promise to detail stimulus plans, and late Wednesday said he the U.S. may not need to take those measures "if we get rid of the problem very quickly." He plans to make a statement at 8 p.m. in Washington. European officials signaled a growing willingness to move soon to combat the virus's effects on the region's economy.

Signs that companies in the hardest-hit industries were drawing down credit lines to battle the effects of the virus on their businesses added to anxiety. The New York Stock Exchange said it will restrict access to its trading floor, the Wall Street Journal reported.

"We have no idea when the coronavirus, the spread, is going to subside. That uncertainty is going to continue to create a lot of volatility," said David Spika, the president of GuideStone Capital Management. "We have no idea how to model it, we have no idea what to expect from it."

U.S. stocks extended their three-week slide as investors grappled with the potential economic hit from the virus that is upending daily routines around the world. Policy makers are seeking to assure traders they're on alert, with the ECB indicating it may move as soon as this week, the Bank of England cutting rates and German Chancellor Angela Merkel pledging to do "whatever is necessary" to bolster the economy.

In the U.S., the Trump administration continues to promise "major" stimulus, but details remain uncertain. Democrats plan to urge the president to declare a national state of emergency. Markets are now growing worried that whatever does come will not have the ability to stave off a major blow to the world's largest economy.

"Every day we get whipsawed back and forth, and what we're seeing today is general disappointment that fiscal policy is not at all clear in how it's going to stimulate the economy," said Michael Reynolds, an investment strategy officer at Glenmede Trust Co.

Meanwhile, Joe Biden cemented his position as front-runner for the U.S. Democratic presidential nomination with primary victories Tuesday, further easing concerns among those opposing Bernie Sanders's progressive platform.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	11,738.21	18.58	0.16%
S&P/NZX 50 Portfolio Index	6,534.74	10.56	0.16%
S&P/NZX MidCap Index	29,530.56	29.38	0.10%
S&P/NZX SmallCap Index	56,287.27	420.15	0.75%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	5,789.30	206.50	3.44%
S&P/ASX 200	5,725.90	213.70	3.60%
ASX Small Ordinaries	2,418.70	87.20	3.48%
S&P/ASX MIDCAP 50	6,046.40	224.90	3.59%
S&P/ASX 20	3,201.30	134.80	4.04%

Foreign Markets Index			
	Last	Change	
S&P 500	2,741.38	140.85	4.89%
Dow Jones Industrial Average	23,553.22	1,464.94	5.86%
NASDAQ Composite	7,952.05	392.20	4.70%
DAX PERFORMANCE-INDEX	10,438.68	36.81	0.35%
ASX All Ordinaries	5,789.30	206.50	3.44%
NIKKEI 225	19,416.06	451.06	2.27%
HANG SENG INDEX	25,231.61	160.90	0.63%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9670	0.0018	0.19%
USD	0.63	0.0012	0.19%
CNY	4.3690	0.0080	0.18%
EUR	0.56	0.0020	0.36%
CAD	0.8630	0.0031	0.36%
GBP	0.49	0.0037	0.76%
JPY	65.7110	0.2680	0.41%

NZ Interest Rates			
	Last	Change	
NZ OCR	1.00		
3m Bank Bill	0.91		
5y Swap	0.82		
10y Swap	1.04		

Commodities Futures (Spot Price \$USD)			
	Last	Change	
Gold	1,637.00	23.30	1.40%
Silver	16.75	0.20	1.21%
Crude Oil	32.86	1.50	4.37%

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