



MORNING REPORT

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Top News

U.S. Stocks Sink in Worst Day Since Black Monday

We're tracking the latest on the coronavirus outbreak and the global response. Sign up here for our daily newsletter on what you need to know.

U.S. stocks tumbled, with benchmark gauges posting their worst drop since 1987, as investors signaled the Federal Reserve's extraordinary bond-buying measures and Donald Trump's economic proposals won't be enough to counter the economic impact from the coronavirus.

All three major U.S. equity gauges fell more than 9%, with the Dow Jones Industrial Average and S&P 500 losing the most since Black Monday more than three decades ago. The stock rout was worldwide, with Europe's benchmark index down 11% in a record drop. Brazil's Ibovespa tumbled as much as 20% at one point, extending this year's loss to almost 50% in dollar terms. Canada's main gauge was off more than 12%, it's worst day since 1940.

Ten-year Treasury yields erased declines and inched higher as policy makers' pledge of \$1.5 trillion in liquidity recalled the quantitative easing used during the financial crisis. Oil and precious metals fell, with palladium entering a bear market as it tumbled more than 20% Thursday.

The S&P 500 entered a bear market, wiping out all its gains since the end of 2018. Now investors are trying to guess at the effectiveness of policy makers' measures to curb the spread of the coronavirus and limit its economic damage. Trump's travel ban and tepid fiscal measures failed to impress most observers. Spirits were further damped by new bans on public gatherings in the U.S. and professional sports leagues' move to suspend operations.

"Markets likely need more. More innovation from central banks, more targeted help for the most vulnerable parts of the economy -- and action from fiscal authorities to stop this transitory shock from developing into a more prolonged insolvency crisis," said Seema Shah, a global investment strategist for Principal Global Investors. "Emotion is now driving markets."

More bad news about the impact of the coronavirus further sapped investor spirits. The leading U.S. infectious-disease official said the testing system in the country is "a failing." The European Union warned the sickness threatens to exceed health-care capacity across the region "in a few weeks or even days." The National Hockey League followed the National Basketball Association's lead and suspended its season, while Major League Baseball said opening day would be delayed.

"We need to see what is effectively a 'declaration of war' against the virus and full support to offset the economic damage that war will cost," said Peter Tchir, head of macro strategy at Academy Securities LLC. "Whatever has gone on this week, it's not a liquidity crunch."

Meanwhile, 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.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	11,168.85	612.60	▼	5.20%
S&P/NZX 50 Portfolio Index	6,219.08	340.70	▼	5.19%
S&P/NZX MidCap Index	28,237.48	1,424.00	▼	4.80%
S&P/NZX SmallCap Index	54,695.12	1,618.00	▼	2.87%

ASX Index				
Index	Last	Change		
ASX All Ordinaries	5,370.90	418.40	▼	7.23%
S&P/ASX 200	5,304.60	421.30	▼	7.36%
ASX Small Ordinaries	2,242.40	176.30	▼	7.29%
S&P/ASX MIDCAP 50	5,649.20	397.20	▼	6.57%
S&P/ASX 20	2,954.30	247.00	▼	7.72%

Foreign Markets Index				
	Last	Change		
S&P 500	2,480.64	260.74	▼	9.51%
Dow Jones Industrial Average	21,200.62	2,352.60	▼	9.99%
NASDAQ Composite	7,201.80	750.25	▼	9.43%
DAX PERFORMANCE-INDEX	9,161.13	1,277.55	▼	12.24%
ASX All Ordinaries	5,370.90	418.40	▼	7.23%
NIKKEI 225	18,559.63	856.43	▼	4.41%
HANG SENG INDEX	24,309.07	922.54	▼	3.66%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9729	0.0065	▲	0.67%
USD	0.6131	0.0142	▼	2.32%
CNY	4.3220	0.0440	▼	1.02%
EUR	0.5485	0.0089	▼	1.62%
CAD	0.8504	0.0141	▼	1.66%
GBP	0.4868	0.0024	▼	0.49%
JPY	64.5790	0.9505	▼	1.47%

NZ Interest Rates				
	Last	Change		
NZ OCR	1.00			
3m Bank Bill	0.90			
5y Swap	0.81			
10y Swap	1.07			

Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,569.00	73.30	▼	4.46%
Silver	15.71	1.07	▼	6.35%
Crude Oil	30.91	2.07	▼	6.28%

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