



MORNING REPORT

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Top News

China, Asia Bulk Up Economy Defenses Against Virus Ahead of G-20

China, Hong Kong and Singapore are pledging extra fiscal stimulus to counter the economic hit from the coronavirus, which will lead the agenda of the world's top finance officials this week.

While the International Monetary Fund is calling for coordinated global action, there's no clear picture on what that might entail. That puts the onus on governments for the time being, including Chinese authorities already squeezed by a trade war with the U.S.

China said Sunday it will enact more-efficient stimulus measures despite a widening fiscal gap, including lower corporate taxes. Hong Kong's top finance official said the city is facing "tsunami-like" shocks that may lead to a record budget deficit. Singapore is headed for its biggest budget gap in almost two decades, according to analysts.

"While large-scale rolling back of taxes and fees may increase short-term challenges, the nation must take a longer-term view and take resolute steps to implement tax and fee cuts," Chinese Finance Minister Liu Kun wrote on Sunday in Qiushi, a Communist Party magazine.

The party's Politburo has already urged China to meet its economic targets this year, signaling the potential of a large-scale stimulus as policy makers weigh their options.

With the virus shutting down commerce and hitting supply chains, Group of 20 finance ministers and central bankers gathering in Riyadh on Saturday will be discussing the surging risk to growth. HSBC Holdings Plc was the latest bank to cut its global outlook for 2020 to 2.3% from 2.5%.

Federal Reserve Chairman Jerome Powell said last week that whatever impact coronavirus has on the U.S. economy will show up in the economic data soon, but it's too uncertain to say whether it will lead to a "material" change in the outlook.

In Hong Kong, the economic impact of the virus is worsening a recession rooted in the city's political crisis that triggered pro-democracy protests last year.

The virus impact goes beyond retail, food and beverage and tourism-related industries, and shocks may cause unemployment to "deteriorate rapidly," Financial Secretary Paul Chan said in a blog post Sunday.

Singapore's fiscal gap may widen to 1.5% of gross domestic product in the year beginning April 1, the highest since 2001, according to the median estimate in a Bloomberg survey of economists.

The city state, which is losing as many as 20,000 tourists a day to travel curbs, will get a "strong" package of budget measures this week, Minister Lawrence Wong, co-chair of the government's virus-response task force, said in an interview. With the number of coronavirus cases in China nearing 70,000 over the weekend and deaths rising to more than 1,660, the outbreak was a topic at an international security conference in Germany.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	10,913.62	27.54	↓	0.25%
S&P/NZX 50 Index	10,096.47	26.85	↓	0.27%
S&P/NZX MidCap Index	28,698.27	85.65	↓	0.30%
S&P/NZX SmallCap Index	59,504.20	82.85	↑	0.14%

ASX Index				
Index	Last	Change		
ASX All Ordinaries	7,227.10	22.50	▲	0.31%
S&P/ASX 200	7,130.20	27.00	▲	0.38%
ASX Small Ordinaries	3,057.10	6.00	▼	0.20%
S&P/ASX MIDCAP 50	7,648.00	11.70	▲	0.15%
S&P/ASX 20	3,978.10	26.70	▲	0.68%

Foreign Markets Index				
	Last	Change		
S&P 500	3,380.16	6.22	▲	0.18%
Dow Jones Industrial Average	29,398.08	25.22	▼	0.09%
NASDAQ Composite	9,731.18	19.21	▲	0.20%
DAX PERFORMANCE-INDEX	13,744.21	1.19	▼	0.01%
ASX All Ordinaries	7,227.10	22.50	▲	0.31%
NIKKEI 225	23,687.59	140.11	▼	0.59%
HANG SENG INDEX	27,815.60	85.60	▲	0.31%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9574	-0.0010	▼	0.10%
USD	0.64	0.0003	▲	0.05%
CNY	4.4970	0.0020	▲	0.04%
EUR	0.59	-0.0002	▼	0.03%
CAD	0.8531	0.0002	▲	0.02%
GBP	0.49	0.0006	▲	0.12%
JPY	70.7080	0.0680	▲	0.10%

NZ Interest Rates				
	Last	Change		
NZ OCR	1.00			
3m Bank Bill	1.21			
5y Swap	1.23			
10y Swap	1.51			

Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,586.90	8.10	▲	0.51%
Silver	17.72	0.10	▲	0.54%
Crude Oil	52.25	0.83	▲	1.61%

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