



MORNING REPORT

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Top News

Tech, Financial Shares Lead Surge to Record Highs

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The record-setting rally in U.S. equities accelerated in the wake of Wednesday's China trade deal and signs consumer demand remains strong. Bond yields rose.

All three main U.S. stock benchmarks surged to all-time highs after setting multiple records earlier this week, with technology and financial shares leading the surge. Banks and chipmakers rallied after solid earnings reports from Taiwan Semiconductor Manufacturing Co. and Morgan Stanley. Treasuries fell after data showed U.S. retail sales strengthened in December, while the dollar gained.

"The consumer is really in positive shape," said Ryan Detrick, senior market strategist at LPL Financial. "Then when you factor in the alleviation of the U.S.-China tensions, the market is in a pretty good spot."

The Senate approved President Donald Trump's U.S.-Mexico-Canada free trade agreement, handing the president a major political win on the same day senators were sworn in as jurors in his impeachment trial.

The formal signing of a phase one deal between the world's two biggest economies has put the trade war on hold as far as many investors are concerned. Assuming the detente lasts, traders will be seeking fresh catalysts, most likely in economic data and the ramp-up of earnings season.

"The question is if we can keep up the momentum," said Mike Loewengart, vice president of investment strategy at E*Trade Financial. "Up next, housing, an economic bellwether, which will provide yet another data point of how our economy closed out the year."

West Texas crude fluctuated in a narrow range before pushing higher.

Elsewhere, the Stoxx Europe 600 Index closed at a record high after swinging between gains and losses. The euro erased earlier gains, while most European bonds edged up. The ruble slipped in the wake of Russian President Vladimir Putin's call for sweeping constitutional changes and subsequent replacement of his long-serving prime minister.

Meanwhile, soybeans slumped overnight after China signaled purchases would be based on demand, rather than a pre-set amount.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	12,702.82	63.36	↑	0.50%
S&P/NZX 50 Index	11,737.86	61.19	↑	0.52%
S&P/NZX MidCap Index	33,296.06	38.62	↓	0.12%
S&P/NZX SmallCap Index	66,789.43	23.52	↑	0.04%

ASX Index				
Index	Last	Change		
ASX All Ordinaries	7,158.60	45.10	▲	0.63%
S&P/ASX 200	7,041.80	47.00	▲	0.67%
ASX Small Ordinaries	3,054.20	2.40	▲	0.08%
S&P/ASX MIDCAP 50	7,595.60	49.20	▲	0.65%
S&P/ASX 20	3,860.80	26.90	▲	0.70%

Foreign Markets Index				
	Last	Change		
S&P 500	3,310.18	20.89	▲	0.64%
Dow Jones Industrial Average	29,241.64	211.42	▲	0.73%
NASDAQ Composite	9,332.09	73.39	▲	0.79%
DAX PERFORMANCE-INDEX	13,429.43	2.87	▼	0.02%
ASX All Ordinaries	7,158.60	45.10	▲	0.63%
NIKKEI 225	23,933.13	16.55	▲	0.07%
HANG SENG INDEX	28,883.04	109.45	▲	0.38%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9623	0.0041	▲	0.43%
USD	0.66	0.0018	▲	0.27%
CNY	4.5600	0.0030	▲	0.07%
EUR	0.60	0.0025	▲	0.42%
CAD	0.8657	0.0027	▲	0.31%
GBP	0.51	0.0002	▲	0.04%
JPY	73.0670	0.3500	▲	0.48%

NZ Interest Rates				
	Last	Change		
NZ OCR	1.00			
3m Bank Bill	1.29			
5y Swap	1.33			
10y Swap	1.66			

Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,551.90	2.10	▼	0.14%
Silver	17.95	0.04	▼	0.21%
Crude Oil	58.43	0.62	▲	1.07%

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