



## MORNING REPORT

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### Top News

#### Stocks Mixed With Apple Forecast Spurring Caution

U.S. stocks traded mixed as investors weighed a grim revenue forecast from Apple Inc. with data showing a slowdown in new cases of the deadly coronavirus that originated in China. Treasuries rose and the dollar strengthened.

The S&P 500 Index eased off a record high as the iPhone maker warned of production and demand disruptions due to the epidemic, while gains for Microsoft Corp., Amazon.com Inc. and Facebook Inc. pushed the Nasdaq 100 slightly higher. Apple suppliers including Dialog Semiconductor Plc and AMS AG helped drag down European stocks. HSBC Plc tumbled the most since 2009 after it said it will slash jobs in a restructuring, while also flagging risks from the virus.

Investors are still trying to judge the corporate and economic impact from the coronavirus, even as the growth rate of cases in China's Hubei province -- the epicenter of the disease -- continues to stabilize. It's a turnaround from Monday, when sentiment was lifted by Chinese policy makers' moves to support companies hit by the prolonged shutdown of large parts of the country. BHP Group said commodity prices will take a hit if the fallout extends beyond the end of next month.

"The market has largely ignored what's going on with the coronavirus in terms of what impact it might have, but I'm not sure that's entirely appropriate," said Jeff Mills, chief investment officer at Bryn Mawr Trust. "It's likely to be temporary and the economy may bounce back, but this is different than what we saw with SARS. China is a much larger more entwined piece of the global economy."

Elsewhere, equity benchmarks in Tokyo, Seoul and Hong Kong saw declines of over 1%. The Australian dollar weakened after the Reserve Bank of Australia said it reviewed the case for a further rate cut at its last meeting, but didn't go ahead. Emerging-market stocks and currencies fell.

#### U.S. Sanctions Rosneft Unit for Ties to Venezuelan Oil Trade

The U.S. sanctioned a unit of Russia's largest oil producer, Rosneft PJSC, for maintaining ties with Venezuela's Nicolas Maduro and state-run oil company PDVSA.

The Treasury Department's Office of Foreign Assets Control is acting against Rosneft Trading SA, the company's Swiss-incorporated brokerage firm, as well as its Chairman Didier Casimiro. The U.S. restrictions come with a three-month wind-down period that expires May 20.

The move represents the latest escalation in the Trump administration's campaign to oust Maduro and rally international support behind Venezuelan opposition leader Juan Guaido. For the oil market, it means disruption and increased legal costs for companies, though the wind-down period gives operators time to adjust to the new regime.

Oil futures erased a decline, with Brent crude settling 8 cents higher at \$57.75 a barrel, after falling as much as \$1.37. The ruble and Russian bonds fell. Rosneft share tumbled in Moscow, closing 2.7% lower.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	12,891.53	63.79	↑	0.50%
S&P/NZX 50 Index	11,935.84	61.86	↑	0.52%
S&P/NZX MidCap Index	32,991.98	271.44	↑	0.83%
S&P/NZX SmallCap Index	65,173.53	58.72	↓	0.09%

ASX Index				
Index	Last	Change		
ASX All Ordinaries	7,208.30	12.90	↓	0.18%
S&P/ASX 200	7,113.70	11.40	↓	0.16%
ASX Small Ordinaries	3,032.40	19.40	↓	0.64%
S&P/ASX MIDCAP 50	7,594.00	64.50	↓	0.84%
S&P/ASX 20	3,973.00	4.90	▲	0.12%

Foreign Markets Index				
	Last	Change		
S&P 500	3,371.98	8.18	↓	0.24%
Dow Jones Industrial Average	29,242.19	155.89	↓	0.53%
NASDAQ Composite	9,736.31	5.13	▲	0.05%
DAX PERFORMANCE-INDEX	13,681.19	102.70	↓	0.75%
ASX All Ordinaries	7,208.30	12.90	↓	0.18%
NIKKEI 225	23,193.80	329.44	↓	1.40%
HANG SENG INDEX	27,530.20	429.40	↓	1.54%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9550	-0.0039	↓	0.41%
USD	0.64	-0.0053	↓	0.83%
CNY	4.4660	-0.0290	↓	0.65%
EUR	0.59	-0.0026	↓	0.44%
CAD	0.8462	-0.0059	↓	0.70%
GBP	0.49	-0.0039	↓	0.79%
JPY	70.1490	-0.5855	↓	0.83%

NZ Interest Rates				
	Last	Change		
NZ OCR	1.00			
3m Bank Bill	1.18			
5y Swap	1.17			
10y Swap	1.46			

Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,604.90	18.50	▲	1.17%
Silver	18.18	0.45	▲	2.51%
Crude Oil	52.06	0.01	▲	0.02%

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