

MORNING REPORT

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Top News

U.S. Stocks Fall With Crude on Economy Worries

Financial markets spasmed, sending U.S. stocks down more than 5% and Bloomberg's dollar index up to a record, as the economic fallout from the pandemic outpaced the massive response from governments and central banks.

The S&P 500 fell as much as 9.8%, before a late-session bounce trimmed the decline, with investors craving more government spending to offset the impact from the virus.

After markets closed, the Senate cleared the second major bill responding to the coronavirus pandemic and White House economic advise Larry Kudlow said the government might take an equity position as part of an aid package. Futures on the S&P 500 that trade till 4:15 p.m in New York trimmed declines.

Sovereign debt tumbled around the world and municipal bonds extended the deepest rout since 1987 as markets braced for the potential flood of spending. Oil sank 24% to an 18-year low. The dollar strengthened a seventh straight day. The pound hit its lowest level against the greenback since 1985. Dollar-funding markets remained strained, although improved from extreme levels in recent days.

Stocks fell to session lows after Trump offered few details at a press briefing on the specifics his Treasury secretary is discussing with Congress. The Federal Reserve dusted off crisis-era programs to stabilize financial markets.

Governments have pledged or are considering massive fiscal support to offset the economic shock from the pandemic, with the Trump administration moving toward a big package, but the virus continues to spread at a pace that is forcing massive shutdowns across the globe.

"The missing fundamental ingredient for a sustainable recovery in risk appetite is some evidence that the growth of global Covid-19 infection rates is peaking," said Paul O'Connor, head of multi-asset at Janus Henderson Investors. "Clearly, we are not there yet."

The planned U.S. stimulus could amount to \$1.2 trillion, aiming to stave off the worst impact of a crisis that already looks set to plunge many of the world's economies into recession. Meantime, the Federal Reserve reintroduced additional crisis-era tools to stabilize financial markets. Those responses came after stresses appeared in the short-term funding markets.

"I don't think we're out of the woods yet in terms of liquidity," Mark Konyin, chief investment officer at AIA Group in Hong Kong, told Bloomberg TV. "It's a question of when the fiscal measures will have the most efficacy."

NZX Index				
Index	Last	Change		
S&P/NZX All Index	10,207.07	11.36	▲	0.11%
S&P/NZX 50 Portfolio Index	5,569.72	26.39	▼	0.47%
S&P/NZX MidCap Index	24,949.13	54.69	▲	0.22%
S&P/NZX SmallCap Index	48,246.78	223.60	▼	0.46%

ASX Index				
Index	Last	Change		
ASX All Ordinaries	4,998.80	334.00	▼	6.26%
S&P/ASX 200	4,953.20	340.20	▼	6.43%
ASX Small Ordinaries	2,069.50	111.50	▼	5.11%
S&P/ASX MIDCAP 50	5,048.30	282.00	▼	5.29%
S&P/ASX 20	2,826.70	199.90	▼	6.60%

Foreign Markets Index				
	Last	Change		
S&P 500	2,398.10	131.09	▼	5.18%
Dow Jones Industrial Average	19,898.92	1,338.46	▼	6.30%
NASDAQ Composite	6,989.84	344.94	▼	4.70%
DAX PERFORMANCE-INDEX	8,441.71	497.39	▼	5.56%
ASX All Ordinaries	4,998.80	334.00	▼	6.26%
NIKKEI 225	16,726.55	284.98	▼	1.68%
HANG SENG INDEX	22,291.82	971.91	▼	4.18%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9933	0.0026	▲	0.26%
USD	0.5759	0.0183	▼	3.18%
CNY	4.0590	0.1030	▼	2.54%
EUR	0.5283	0.0118	▼	2.23%
CAD	0.8313	0.0116	▼	1.40%
GBP	0.4977	0.0050	▲	1.00%
JPY	62.2510	1.6385	▼	2.63%

NZ Interest Rates				
	Last	Change		
NZ OCR	0.25			
3m Bank Bill	0.68			
5y Swap	0.92			
10y Swap	1.30			

Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,489.90	35.90	▼	2.35%
Silver	12.05	0.45	▼	3.60%
Crude Oil	22.46	4.49	▼	16.66%

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