



MORNING REPORT

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Top News

Tech Leads Stocks Lower on Virus Fears; Gold Gains

U.S. equities slumped on concern that the coronavirus that originated in China will take a heavy toll on corporate earnings. The dollar jumped and gold traded at a seven-year high as investors sought havens.

Microsoft Corp., Apple Inc. and other big tech names led losses after Japan reported two deaths and South Korea confirmed its first fatality from the disease amid a report the illness was spreading in Beijing. ViacomCBS Inc. tumbled after sales missed estimates, while Morgan Stanley dropped after agreeing to buy E*Trade Financial Corp. for \$13 billion. The S&P 500 Index pared the worst of its losses in the afternoon amid gains for automakers and real-estate companies.

The yen extended its decline toward 112 per dollar amid disappointing economic news and early positioning before the fiscal year-end next month. Treasuries rallied.

Sentiment turned negative Thursday, a day after equities reached record highs, as the infection that originated in China continues to expand beyond the mainland. Earnings misses are adding to the gloom, alongside fresh warnings on the pathogen's impact from A.P. Moller-Maersk A/S, the world's largest container shipping firm, and Air France-KLM. Goldman Sachs Group Inc.'s chief equity strategist said a near-term correction for the stock market is looking more probable.

"It could be some larger players hedging against downside risk of the coronavirus spreading," said Chris Zaccarelli, chief investment officer at Independent Advisor Alliance. "That, on top of the Goldman call that a correction is more likely, has people on edge."

Elsewhere, subpar results from AXA SA and Telefonica SA weighed on European equity gauges. Asia stocks traded mixed. Oil gained in New York.

U.S. Dollar Nears a Critical Level That May Trigger a Buying Spree

The spread of the coronavirus has suddenly sparked foreign-exchange traders into action.

The dollar is emerging as the winner, heading toward a key psychological threshold that could supercharge a rally few saw coming at the start of the year. At the other end of the spectrum is the yen, which suffered its biggest two-day loss since 2017 after the threat of a Japanese recession sent hedge-fund buyers fleeing.

The moves spurred gauges of volatility, which had been lying dormant near record lows in recent months.

What's going on in currency markets is "mad, bad and very ugly," said London-based Kit Juckes, a strategist at Societe Generale SA. "It looks like huge capitulation by almost anyone who isn't a dollar bull."

NZX Index				
Index	Last		Change	
S&P/NZX All Index	13,025.26	87.26	↑	0.67%
S&P/NZX 50 Index	12,064.86	83.83	↑	0.70%
S&P/NZX MidCap Index	32,996.07	38.88	↑	0.12%
S&P/NZX SmallCap Index	65,099.92	4.33	↓	0.01%

ASX Index				
Index	Last		Change	
ASX All Ordinaries	7,255.20	17.80	▲	0.25%
S&P/ASX 200	7,162.50	17.90	▲	0.25%
ASX Small Ordinaries	3,086.00	17.20	▲	0.56%
S&P/ASX MIDCAP 50	7,659.80	25.60	▲	0.34%
S&P/ASX 20	3,987.80	6.00	▲	0.15%

Foreign Markets Index				
	Last		Change	
S&P 500	3,365.32	20.83	▼	0.62%
Dow Jones Industrial Average	29,160.35	187.68	▼	0.64%
NASDAQ Composite	9,723.68	93.50	▼	0.95%
DAX PERFORMANCE-INDEX	13,664.00	125.00	▼	0.91%
ASX All Ordinaries	7,255.20	17.80	▲	0.25%
NIKKEI 225	23,479.15	78.45	▲	0.34%
HANG SENG INDEX	27,609.16	46.65	▼	0.17%

Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9571	0.0010	▲	0.10%
USD	0.63	-0.0055	▼	0.87%
CNY	4.4480	-0.0210	▼	0.47%
EUR	0.59	-0.0040	▼	0.68%
CAD	0.8396	-0.0046	▼	0.55%
GBP	0.49	-0.0026	▼	0.53%
JPY	70.9415	-0.1610	▼	0.23%

NZ Interest Rates				
	Last		Change	
NZ OCR	1.00			
3m Bank Bill	1.16			
5y Swap	1.16			
10y Swap	1.44			

Commodities Futures (Spot Price \$USD)				
	Last		Change	
Gold	1,622.90	11.10	▲	0.69%
Silver	18.34	0.03	▲	0.16%
Crude Oil	53.77	0.48	▲	0.90%

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