



MORNING REPORT

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Top News

Stocks Edge Higher With Virus Fallout in Focus

U.S. stocks eked out a small advance, dodging the losses that took hold in Europe and Asia, as investors evaluated the risk that a deadly respiratory virus spreading from China could curb global growth. Treasuries climbed and crude oil dropped.

Gains for big tech companies overshadowed losses for makers of consumer goods, providing just enough lift to send the Nasdaq Composite Index toward a record high. Other markets showed greater concern about the potential fallout, with oil sinking to its lowest level since November on speculation the virus could dent demand. Government bonds and the yen rallied as investors sought a haven.

Earlier, China's Shanghai Composite Index plunged 2.8% on the last trading day before the Lunar New Year holiday, the biggest drop in eight months, as traders considered the virus's potential impact on travel and shopping.

While corporate earnings have beaten analysts' estimates this season amid signals that global growth is picking up, investors are cautious with stocks trading at lofty valuations. Fewer than 20 deaths have been tallied from the Chinese virus, and the World Health Organization opted against calling the outbreak a public health emergency of international concern, but traders are hesitant to take on risk on the chance the outbreak could develop into something like the much more devastating SARS respiratory illness that emerged in China 17 years ago.

"There is concern that this may become a much bigger event," said Quincy Krosby, chief market strategist for Prudential Financial Inc. "The market is vulnerable to a pullback or a consolidation."

Elsewhere, emerging-market stocks fell to a two-week low. Mining companies led the Stoxx Europe 600 Index lower. The euro weakened after policy makers held interest rates steady and European Central Bank President Christine Lagarde said officials will look into the potential side effects of negative interest rates.

WHO Says Coronavirus Remains Local Chinese Emergency for Now

The World Health Organization stopped short of calling the new coronavirus from central China a global health emergency, saying the outbreak that's killed more than a dozen people and sickened hundreds remains a local crisis.

Public health experts gathered by the United Nations agency to review the situation were split over whether they should recommend declaring a public health crisis of international concern and instead opted to continue monitoring the outbreak. Tedros Adhanom Ghebreyesus, the WHO's director-general, said he would reconvene the committee within 10 days, or at a moment's notice should the situation take a turn for the worse.

"Make no mistake, this is an emergency in China, but it has not yet become a global health emergency," Tedros said at a briefing in Geneva Thursday. "It may yet become one."

NZX Index				
Index	Last	Change		
S&P/NZX All Index	12,875.35	11.78	↑	0.09%
S&P/NZX 50 Index	11,901.11	11.43	↑	0.10%
S&P/NZX MidCap Index	33,437.92	24.56	↓	0.07%
S&P/NZX SmallCap Index	67,142.37	6.13	↓	0.01%

ASX Index				
Index	Last	Change		
ASX All Ordinaries	7,199.00	50.00	▼	0.69%
S&P/ASX 200	7,088.00	44.70	▼	0.63%
ASX Small Ordinaries	3,055.40	17.80	▼	0.58%
S&P/ASX MIDCAP 50	7,551.10	111.40	▼	1.45%
S&P/ASX 20	3,905.70	15.00	▼	0.38%

Foreign Markets Index				
	Last	Change		
S&P 500	3,323.51	1.76	▲	0.05%
Dow Jones Industrial Average	29,160.28	25.99	▼	0.09%
NASDAQ Composite	9,399.47	15.70	▲	0.17%
DAX PERFORMANCE-INDEX	13,388.42	127.33	▼	0.94%
ASX All Ordinaries	7,199.00	50.00	▼	0.69%
NIKKEI 225	23,795.44	235.91	▼	0.98%
HANG SENG INDEX	27,909.12	431.92	▼	1.52%

Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9644	0.0009	▲	0.09%
USD	0.66	0.0003	▲	0.05%
CNY	4.5740	0.0230	▲	0.50%
EUR	0.60	0.0024	▲	0.40%
CAD	0.8662	0.0000	▲	0.00%
GBP	0.50	0.0012	▲	0.24%
JPY	72.2530	-0.1740	▼	0.24%

NZ Interest Rates				
	Last	Change		
NZ OCR	1.00			
3m Bank Bill	1.27			
5y Swap	1.33			
10y Swap	1.63			

Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,562.80	6.10	▲	0.39%
Silver	17.80	0.03	▼	0.16%
Crude Oil	55.53	1.21	▼	2.13%

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