



MORNING REPORT

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Top News

Stocks Shake Off Virus Dread; Treasuries Slump

U.S. stocks climbed the most since October on speculation that efforts to contain the coronavirus will prevent a major economic fallout.

The S&P 500 Index rebounded from its worst sell-off in four months, with technology shares leading the charge. Some of the companies that suffered the biggest losses during the latest equity rout, such as chipmakers, casino operators and airlines, advanced on Tuesday. Crude oil traded above \$53 a barrel in New York, following a plunge of 9% over the past five trading days. Demand for havens cooled, sending Treasuries and gold lower.

Equities rallied after a slide that wiped about \$1.5 trillion off the value of world stocks since Jan. 20. As it's too early to assess the full impact of the deadly virus, traders digested some positive readings on U.S. consumer confidence and home prices. With earnings continuing to roll in, investors will be looking for signs of how the disease is affecting operations in China when two giants -- Apple Inc. and Starbucks Corp. -- report results after the close.

"We kind of stall a little bit on the Chinese recovery, but we have a lot of other things going in favor of a global recovery anyway," Stephen Auth, chief investment officer of equities at Federated Investors, told Bloomberg TV. "We still think that's coming."

Renault Names De Meo CEO in Push to Move Beyond Ghosn Era

Renault SA named Luca de Meo as chief executive officer, picking a seasoned industry hand to turn the page on the Carlos Ghosn era and shore up the troubled alliance with Nissan Motor Co.

The 52-year-old Italian won't take up the role until July 1, the French carmaker said in a statement Tuesday, as he exits Volkswagen AG, where he led the turnaround of Spanish brand Seat. He emerged as the frontrunner in November following the ouster of Ghosn protege Thierry Bollore.

His delay in taking the reins could slow efforts to devise a strategy to revive slumping sales and earnings. Renault is also struggling to patch up its alliance with Nissan and Mitsubishi Motors Corp. after Ghosn's arrest 14 months ago on charges of financial misconduct left the partnership in disarray.

Renault's stock is near seven-year lows after dropping 37% in the past year.

Ghosn, who formerly led all three companies, fled Japan almost a month ago for Lebanon, where he proclaimed his innocence and accused Nissan of colluding with Japanese prosecutors to topple him. He had harsh words for the alliance he built up over two decades, saying that he wasn't optimistic about its future.

Renault is betting a new CEO can help clear the air with Nissan, which recently replaced its own chief executive. Makoto Uchida has said the Japanese carmaker wants to "move forward with our relationship with Renault, while preserving our independence."

| NZX Index | | | |
|------------------------|-----------|--------|---------|
| Index | Last | Change | |
| S&P/NZX All Index | 12,644.42 | 131.18 | ▼ 1.03% |
| S&P/NZX 50 Index | 11,685.11 | 122.03 | ▼ 1.03% |
| S&P/NZX MidCap Index | 32,997.57 | 222.25 | ▼ 0.67% |
| S&P/NZX SmallCap Index | 66,315.91 | 660.58 | ▼ 0.99% |

| ASX Index | | | |
|----------------------|----------|--------|---------|
| Index | Last | Change | |
| ASX All Ordinaries | 7,098.40 | 104.80 | ▼ 1.45% |
| S&P/ASX 200 | 6,994.50 | 96.00 | ▼ 1.35% |
| ASX Small Ordinaries | 2,994.80 | 57.40 | ▼ 1.88% |
| S&P/ASX MIDCAP 50 | 7,463.50 | 116.90 | ▼ 1.54% |
| S&P/ASX 20 | 3,868.00 | 39.40 | ▼ 1.01% |

| Foreign Markets Index | | | |
|------------------------------|-----------|--------|---------|
| | Last | Change | |
| S&P 500 | 3,280.72 | 37.09 | ▲ 1.14% |
| Dow Jones Industrial Average | 28,766.45 | 230.65 | ▲ 0.81% |
| NASDAQ Composite | 9,277.51 | 138.20 | ▲ 1.51% |
| DAX PERFORMANCE-INDEX | 13,323.69 | 118.92 | ▲ 0.90% |
| ASX All Ordinaries | 7,098.40 | 104.80 | ▼ 1.45% |
| NIKKEI 225 | 23,215.71 | 127.80 | ▼ 0.55% |
| HANG SENG INDEX | 27,949.64 | 40.54 | ▲ 0.15% |

| Currencies (per NZ\$ 1.00) | | | |
|----------------------------|---------|---------|---------|
| | Last | Change | |
| AUD | 0.9676 | -0.0007 | ▼ 0.07% |
| USD | 0.65 | -0.0012 | ▼ 0.18% |
| CNY | 4.5290 | -0.0110 | ▼ 0.24% |
| EUR | 0.59 | -0.0010 | ▼ 0.17% |
| CAD | 0.8603 | -0.0032 | ▼ 0.37% |
| GBP | 0.50 | 0.0010 | ▲ 0.20% |
| JPY | 71.2910 | 0.0215 | ▲ 0.03% |

| NZ Interest Rates | | |
|-------------------|------|--------|
| | Last | Change |
| NZ OCR | 1.00 | |
| 3m Bank Bill | 1.27 | |
| 5y Swap | 1.21 | |
| 10y Swap | 1.47 | |

| Commodities Futures (Spot Price \$USD) | | | |
|--|----------|--------|---------|
| | Last | Change | |
| Gold | 1,568.20 | 9.20 | ▼ 0.58% |
| Silver | 17.45 | 0.60 | ▼ 3.33% |
| Crude Oil | 53.46 | 0.32 | ▲ 0.60% |

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