

# MORNING REPORT

As at 9.00 a.m. 14/06/2021

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## Top News

### US MARKETS

In the week ahead investors will be focussing on the Federal Reserve's monetary policy meeting next week as a "Goldilocks" market environment that has helped lift stocks to record highs and tamed a bond selloff is faced by rising inflation.

Stocks now stand at fresh records, with the S&P 500 gain 13% this year and nearly 90% 2020's March low. U.S. government bonds have also risen after their first-quarter selloff, with the benchmark 10-year Treasury yield at 1.46%, markets are choosing to follow The Federal Reserve's view that rising inflation is transitory and that the economy is not close to overheating with employment 7.6 million jobs its February 2020 peak.

However, some investors worry that markets have grown too complacent on inflation and other risks that could derail the current rally such as potentially higher taxes. Some of the biggest banks led by Morgan Stanley, have been warning in recent months that the market is primed for a sharp pullback.

### NZX AND ASX

Rakon today announced strong improvements in revenue and earnings for the year to 31 March 2021, as sustained demand from the global telecommunications sector for its industry-leading frequency control and timing solutions helped to offset the significant disruptions of the Covid-19 pandemic.

Based on its earnings guidance for FY21, SkyCity expects to comfortably meet its financial covenants for the 30 June 2021 testing period and pay a final dividend during September 2021, consistent with the revised dividend policy announced at the time of its 1H21 result. SkyCity intends to release its FY21 result on 25 August 2021. However, SkyCity Entertainment Group Limited (SkyCity) has also been informed by AUSTRAC's Regulatory Operations Team that it has identified potential serious non-compliance by SkyCity Adelaide Pty Limited (SkyCity Adelaide) with the Australian Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1). This is likely to dampen the positive news of its earnings guidance.

The ASX200 closed higher than 7300 points reaching a new record high after a broad - based rally. This was led by property and technology stocks as they rose by more than 2%.

NZX Index				
Index	Last		Change	
S&P/NZX All Index	13,688.73	36.41	▲	0.27%
S&P/NZX 50 Portfolio Index	8,025.77	5.93	▲	0.07%
S&P/NZX MidCap Index	35,805.66	37.53	▲	0.10%
S&P/NZX SmallCap Index	89,994.69	42.81	▲	0.05%

ASX Index				
Index	Last		Change	
ASX All Ordinaries	7,577.20	18.40	▲	0.24%
S&P/ASX 200	7,312.30	9.80	▲	0.13%
ASX Small Ordinaries	3,379.20	22.30	▲	0.66%
S&P/ASX MIDCAP 50	8,951.30	71.30	▲	0.80%
S&P/ASX 20	4,115.00	2.70	▲	0.07%

Foreign Markets Index				
	Last		Change	
S&P 500	4,247.44	8.26	▲	0.19%
Dow Jones	34,479.60	13.40	▲	0.04%
NASDAQ Composite	14,069.42	49.12	▲	0.35%
FTSE	7,134.06	45.88	▲	0.65%
ASX All Ordinaries	7,577.20	18.40	▲	0.24%
NIKKEI 225	28,948.73	9.87	▼	0.03%
HANG SENG INDEX	28,842.13	103.23	▲	0.36%

Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9257	0.0006	▲	0.06%
USD	0.7134	0.0006	▲	0.08%
CNY	4.5615	0.0000		0.00%
EUR	0.5891	0.0004	▲	0.07%
CAD	0.8675	0.0009	▲	0.10%
GBP	0.5057	0.0004	▲	0.08%
JPY	78.2074	0.0434	▲	0.06%

US 10 Year Treasury Yield	
US 10YR	1.45%

NZ Interest Rates	
	Last
NZ OCR	0.25
90-day Bank Bill	0.26
5y Bank Bill	0.34
10y Bank Bill	0.70
Swap rate spread close (bps)	58

Commodities Futures (Spot Price \$USD)				
	Last		Change	
Gold	1,879.50	0.10	▼	0.01%
Silver	28.05	0.10	▼	0.34%
Crude Oil	70.78	0.13	▼	0.18%

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