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EQUITY INVESTMENT ADVISERS LTD

MORNING REPORT

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Web: www.equity.co.nz / E-mail: Info@equity.co.nz / Tel: +64 (9)304 0145 / Address: Level 8, 115 Queen Street, Auckland, NZ

Top News

KEY FACTORS IMPACTING KEY OVERSEAS

US stocks fell after, Federal Reserve officials indicated they expect to raise interest rates by late 2023, which is sooner than they initially expected in March. The Fed Chair Jerome Powell also discussed a tapering of the Fed's bond buying programme, but stated that the timing of such action is still uncertain. The 10 - year Treasury yield was slightly higher. The Dow Jones Industrial Average fell 0.8%, the S&P by 0.5% and Nasdaq Composite by 0.2%

Balanced against the improving economic terrain, the US is still 7.5 million jobs short of where it was in early 2020, and the reopening of schools, and other public areas are still very much a work in progress. Consequently, actual change in monetary policy is likely months down the road as the Fed balances a variety of risks, but the key is the Fed has signalled that change is coming to monetary policy but in such manner that avoids any rapid shift in sentiment among investors or consumers that could endanger the economic recovery.

SOME KEY FACTORS IMPACTING NZX & ASX YESTERDAY

The NZX50 closed 0.9% lower as the market awaited the outcome of the US Federal Reserve overnight. The biggest price movements were negative with GTK down 3.1%, THL down 3.1%and FSF and CNU each dropped 3%. ATM also declined 2.3%.

The ASX reached another all - time high, despite mining shares falling sharply. BHP, RIO and FMG were lower after news that Chinese authorities instructed Chinese firms to buy less overseas commodities. The Chinese state also indicated that they would be selling down commodity stock - piles to reduce commodities inflationary pressures that have increased materially in recent times.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	13,724.93	119.60	▼	0.86%
S&P/NZX 50 Portfolio Index	8,035.36	72.22	▼	0.89%
S&P/NZX MidCap Index	35,882.25	203.60	▼	0.56%
S&P/NZX SmallCap Index	90,882.30	258.13	▲	0.28%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	7,633.40	0.40	▲	0.01%
S&P/ASX 200	7,386.20	6.70	▲	0.09%
ASX Small Ordinaries	3,366.60	8.40	▼	0.25%
S&P/ASX MIDCAP 50	8,943.30	47.20	▼	0.52%
S&P/ASX 20	4,176.50	10.80	▲	0.26%
Foreign Markets Index				
	Last	Change		
S&P 500	4,223.70	22.89	▼	0.54%
Dow Jones Industrial Average	34,033.67	265.66	▼	0.77%
NASDAQ Composite	14,039.68	33.17	▼	0.24%
FTSE 100	7,184.95	12.47	▲	0.17%
ASX All Ordinaries	7,633.40	0.40	▲	0.01%
NIKKEI 225	29,291.01	150.29	▼	0.51%
HANG SENG INDEX	28,436.84	201.69	▼	0.70%
Currencies (per NZ$ 1.00)				
	Last	Change		
AUD	0.9259	0.0005	▼	0.05%
USD	0.7047	0.0072	▼	1.01%
CNY	4.5152	0.0474	▼	1.04%
EUR	0.5872	0.0001	▼	0.02%
CAD	0.8651	0.0028	▼	0.32%
GBP	0.5038	0.0018	▼	0.36%
JPY	78.005	0.3810	▼	0.49%
US 10 Year Treasury Yield				
US 10YR	1.55%			
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	1,821.70	34.70	▼	1.87%
Silver	27.28	0.41	▼	1.49%
Crude Oil	71.82	0.30	▼	0.42%

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E-mail: Info@equity.co.nz Tel: +64 (9)304 0145 / NZ: 0800 474 669