

# MORNING REPORT

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Top News

KEY FACTORS IMPACTING US MARKETS

U.S. stocks rallied yesterday with the Dow Jones Industrial Average up by more than 500 points, as shares across the board moved higher.

The Dow rose 1.8%, the S&P 500 1.4% and the Nasdaq Composite 0.8%.

It was a stark reversal from last week, which was characterised by profit taking on the back of the Fed’s hawkish signals on monetary policy triggered the worst weekly performance for the Dow and the S&P 500 in months.

Overall, there is a tug of war in the market as some want easy money while others want tight money. The market is juggling fears of an overheating economy with optimism about a strong economic rebound, and this is what is causing the swings from week to week now as the market assesses new data in the light fear and optimism.

This week the market will focus on U.S. factory activity surveys and home sales data, while Fed Chair Jerome Powell testifies before Congress on Tuesday.

Cryptocurrency stocks, fell between 1% and 4% on China’s growing crackdown on bitcoin mining.

Fund managers will also likely be cautiously defensive ahead of the Friday’s FTSE Russell annual rebalancing of its indexes, potentially affecting trillions of dollars in investments.

KEY FACTORS IMPACTING NZX AND ASX

The S&P/NZX 50 Index fell 0.4%, 30 stocks lower, 18 higher and two flat. The drop in the market was primarily to falls in A2 Milk (3.7%), Chorus (3.6%) and Pushpay 3.3%. Air NZ also dropped 2.2% as more investors and analysts saw the company as over – valued and remained concerned ahead of up-coming dilution effect of the capital raising later towards end of the year or early next year.

Australian stocks had their worst day in more than a month, as investors began taking more seriously the warnings of higher rates in a year or two. The ASX200 fell 1.81 per cent, with financial stocks down 3.42 per cent.

NZX Index		
Index	Last	Change
S&P/NZX All Index	13,638.54	52.28 ▼ 0.38%
S&P/NZX 50 Portfolio Index	7,958.34	45.57 ▼ 0.57%
S&P/NZX MidCap Index	35,603.41	141.80 ▼ 0.40%
S&P/NZX SmallCap Index	90,419.97	198.30 ▼ 0.22%
ASX Index		
Index	Last	Change
ASX All Ordinaries	7,485.20	139.10 ▼ 1.82%
S&P/ASX 200	7,235.30	133.60 ▼ 1.81%
ASX Small Ordinaries	3,320.20	66.00 ▼ 1.95%
S&P/ASX MIDCAP 50	8,776.70	156.70 ▼ 1.75%
S&P/ASX 20	4,074.00	80.60 ▼ 1.94%
Foreign Markets Index		
	Last	Change
S&P 500	4,224.79	58.34 ▲ 1.40%
Dow Jones Industrial Average	33,876.97	586.89 ▲ 1.76%
NASDAQ Composite	14,141.48	111.10 ▲ 0.79%
FTSE 100	7,062.29	44.82 ▲ 0.64%
ASX All Ordinaries	7,485.20	139.10 ▼ 1.82%
NIKKEI 225	28,010.93	953.15 ▼ 3.29%
HANG SENG INDEX	28,489.00	312.27 ▼ 1.08%
Currencies (per NZ\$ 1.00)		
	Last	Change
AUD	0.9269	0.0002 ▼ 0.02%
USD	0.699	0.0052 ▲ 0.75%
CNY	4.5218	0.0501 ▲ 1.12%
EUR	0.5865	0.0015 ▲ 0.26%
CAD	0.8641	0.0001 ▲ 0.01%
GBP	0.5019	0.0003 ▲ 0.06%
JPY	77.096	0.6360 ▲ 0.83%
US 10 Year Treasury Yield		
US 10YR	1.50%	
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	1,783.20	14.20 ▲ 0.80%
Silver	26.00	0.03 ▲ 0.12%
Crude Oil	73.54	1.90 ▲ 2.65%

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