

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

The Nasdaq and S&P 500 hit all-time highs on Monday, fuelled by big tech stocks as investors expect a robust earnings season while interest rates remain low. The S&P 500 recorded its third record high in a row, after logging its best weekly performance in 20 weeks last Friday. However, cyclical sectors dropped sharply amid fears over a spike in COVID-19 cases across Asia. Financials and energy posted the biggest sectoral loss on S&P 500, down by 0.81% and 3.33%, respectively. Some investors were rotating out of energy into tech.

The market is expecting the new earnings season to deliver year-over-year earnings growth for S&P 500 companies to top 60%. However, some leading investors are suggesting that market may be overdue for a significant pullback. Some key U.S. economic reports such as jobs data will be released later this week, so some investors will remain cautious as they await the data.

European shares closed lower, led by lower travel stocks on concerns over bans on British tourists, while a spike in Asian COVID-19 infections hit crude prices and saw energy stocks tumble more than 2%. The STOXX600 WAS 0.6% lower China's blue-chip index ended higher on Monday, supported by tech gains. The CSI300 index rose 0.2%, while the Shanghai Composite index was unchanged. The Nikkei slipped 0.28% by the end of the morning session.

SOME KEY FACTORS IMPACTING NZX & ASX YESTERDAY

Australian shares closed flat on Monday, with heavy losses in travel and tourism stocks offset e-commerce firms after more population movement restrictions were introduced amid rising COVID-19 cases. The S&P/ASX 200 index was flat.

Supermarkets and online retailers advanced on the the Covid bad news.

New Zealand followed the overseas trend of lower travel and tourism stocks due the worsening Australian covid situation. The S&P/NZX50 closed 0.2% lower.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	13,750.56	22.37	▼	0.16%
S&P/NZX 50 Portfolio Index	8,007.27	26.34	▼	0.33%
S&P/NZX MidCap Index	35,702.71	122.30	▼	0.34%
S&P/NZX SmallCap Index	90,563.26	75.52	▲	0.08%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	7,572.50	6.10	▼	0.08%
S&P/ASX 200	7,307.30	0.70	▼	0.01%
ASX Small Ordinaries	3,375.60	27.80	▼	0.82%
S&P/ASX MIDCAP 50	8,947.60	25.50	▼	0.28%
S&P/ASX 20	4,112.50	11.60	▲	0.28%
Foreign Markets Index				
	Last	Change		
S&P 500	4,290.61	9.91	▲	0.23%
Dow Jones Industrial Average	34,283.27	150.57	▼	0.44%
NASDAQ Composite	14,500.51	140.12	▲	0.98%
FTSE 100	7,072.97	63.10	▼	0.88%
ASX All Ordinaries	7,572.50	6.10	▼	0.08%
NIKKEI 225	29,048.02	18.16	▼	0.06%
HANG SENG INDEX	29,268.30	19.92	▼	0.07%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9309	0.0001	▲	0.01%
USD	0.7043	0.0020	▼	0.28%
CNY	4.5456	0.0186	▼	0.41%
EUR	0.5906	0.0012	▼	0.20%
CAD	0.8693	0.0009	▲	0.10%
GBP	0.5076	0.0008	▼	0.16%
JPY	77.9	0.3928	▼	0.50%
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	1,779.40	1.60	▲	0.09%
Silver	26.19	0.10	▲	0.39%
Crude Oil	72.78	1.27	▼	1.72%

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