

# MORNING REPORT

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

## Top News

### KEY FACTORS IMPACTING KEY OVERSEAS

U.S. consumer confidence jumped in June to its highest level in almost -1/2 years, on the back of growing labour market optimism, amid a reopening economy that offset concerns about higher inflation. The Conference Board's consumer confidence index reached a reading of 127.3 this month, the highest level since February 2020. Economists polled had forecast the index at 119.0. Consumers' inflation expectations over the next 12 months increased to 6.7% marginally higher than the previous month. Economists are forecasting a double-digit rise in consumer spending this quarter and expect the economy to grow at an 10% annualized rate. Gross domestic product expanded at a 6.4% pace in the first quarter.

On the back of this positive economic news stocks on Wall Street rose, with the S&P 500 hitting a record high for the fourth straight session. The dollar rose against a basket of currencies and U.S. Treasury prices were lower.

European shares ended higher on Tuesday after data showed economic sentiment improved sharply in June. The pan-European STOXX 600 rose 0.3% higher. Asian markets were lower in the fear that the Delta virus variant could impede global economic recovery. The Chinese CS1300 index closed 1.2% lower on the fear that the Delta virus variant could impede global economic recovery. The Shanghai Composite Index was down 0.9%. The Nikkei fell 0.81% to 28,812.61, while the broader Topix lost 0.82%.

### SOME KEY FACTORS IMPACTING NZX & ASX YESTERDAY

The S&P/NZX 50 closed at 12,639, 0.3% up, on reasonable volume of \$194 volume. So far this year the NZX is 5.4% down. The market was led by Skellerup and Contact Energy which rose 2.9% and 2.8% respectively. After an initial sharp fall, tourism stocks recovered following the NZ government decision to partially open the border to parts of Australia. Air New Zealand rose 1.6% on this news. Kathmandu dropped 2.5%, after it announced its sales would be adversely affected by the last covid travel restrictions, with many of its Australian stores closed for between 4 days and 2 weeks. Stride Property increased 2% following positive commentary from some brokers.

Australian shares closed marginally lower, with real estate, miners, and energy stocks sliding on negative sentiment following its increasing COVID-19 restrictions. The S&P/ASX 200 index closed down 0.08% at 7,301.2, recovering from 0.9% drop during the session. Mining stocks were 0.6% lower with Iron ore futures 3% lower due to demand concerns from China. Tech stocks were 0.7% higher, with Afterpay jumping 2.4%

NZX Index				
Index	Last		Change	
S&P/NZX All Index	13,787.45	36.03	▲	0.26%
S&P/NZX 50 Portfolio Index	8,032.95	25.68	▲	0.32%
S&P/NZX MidCap Index	35,880.75	178.04	▲	0.50%
S&P/NZX SmallCap Index	90,427.96	251.50	▼	0.28%

ASX Index				
Index	Last		Change	
ASX All Ordinaries	7,565.50	7.00	▼	0.09%
S&P/ASX 200	7,301.20	6.10	▼	0.08%
ASX Small Ordinaries	3,355.30	20.30	▼	0.60%
S&P/ASX MIDCAP 50	8,939.70	7.90	▼	0.09%
S&P/ASX 20	4,117.50	5.00	▲	0.12%

Foreign Markets Index				
	Last		Change	
S&P 500	4,291.80	1.19	▲	0.03%
Dow Jones Industrial Average	34,292.29	9.02	▲	0.03%
NASDAQ Composite	14,528.33	27.83	▲	0.19%
FTSE 100	7,087.55	14.58	▲	0.21%
ASX All Ordinaries	7,565.50	7.00	▼	0.09%
NIKKEI 225	28,812.61	235.39	▼	0.81%
HANG SENG INDEX	28,994.10	274.20	▼	0.94%

Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9308	0.0005	▲	0.05%
USD	0.6994	0.0037	▼	0.53%
CNY	4.5195	0.0264	▼	0.58%
EUR	0.5876	0.0027	▼	0.46%
CAD	0.8669	0.0016	▼	0.18%
GBP	0.505	0.0021	▼	0.41%
JPY	77.3095	0.4980	▼	0.64%

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	1,761.00	19.70	▼	1.11%
Silver	25.84	0.38	▼	1.44%
Crude Oil	73.45	0.54	▲	0.74%

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