

MORNING REPORT

As at 9.00 a.m. 14/07/2021

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

U.S. equity markets closed marginally lower as investors weighed the strongest inflation reading in over a decade against strong earnings from Wall Street banks. The Dow Jones Industrial Average fell 0.31%, while the S&P 500 and the Nasdaq Composite lost 0.35% and 0.38%, respectively. Consumer prices rose 0.9% month over month in June and 5.4% annually. This was the highest prices growth since August 2008, with core prices (exclude food and energy) increased, also increased 0.9% last month and 4.5% on an annual basis, the largest increase since November 1991. The bond market hardly reacted hot inflation data but came under pressure after the tepid 30-year bond auction. The benchmark 10-year treasury yield closed at 1.42%.

JPMorgan Chase & Co. reported earnings and revenue that exceeded forecasts, boosted by deal-making and the release of reserves set aside to protect against COVID-19-related losses. Slowing loan growth was seen as a worry among investors. Deal-making and a strong initial public offering market also favoured Goldman Sachs Group Inc. Its investment banking division generated \$3.61 billion in revenue, the second highest all time revenue performance.

Other leading overseas markets were mixed. In Europe, Britain's FTSE 100, Germany's DAX 30 and France's CAC 40 all were marginally down by 0.01%. Asian bourses were higher across the board with Hong Kong's Hang Seng index climbing 1.63% while China's Shanghai Composite and Japan's Nikkei 225 advanced 0.53% and 0.52%, respectively.

West Texas Intermediate crude oil increased marginally \$75.25 a barrel, the highest since October 2018, and gold reached \$1,809.40 an ounce.

KEY FACTORS IMPACTING ASX AND NZX

Australian shares closed flat, as major banks limited the advances made by heavyweight miners, with the possibility of a coronavirus-led lockdown being extended in the country's largest city. The S&P/ASX 200 index fell 0.02% to 7,332.1 points. The Commonwealth Bank of Australia and Westpac were down 0.8% and 0.5%, respectively. Mining stocks closed 0.04% higher with iron ore advancing more than 3% due to concerns about a tight supply of the steelmaking raw material despite a possible slowdown in Chinese steel demand. Rio Tinto and Fortescue Metals advanced as much as 1.6% and 2.6%, respectively.

New Zealand's benchmark S&P/NZX 50 index increased 0.2% to 12784.9. Harmony closed 10.1% higher to close at \$2.18. Tourism Holdings and My Food Bag both increased 3.8%. The latter's performance was underpinned by Hello Fresh's offer to pay significantly above market price for ASX listed ready-made meal company Youfoodz. Serko was down 3%.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	13,933.62	75.98	▲	0.55%
S&P/NZX 50 Portfolio Index	8,163.31	43.55	▲	0.54%
S&P/NZX MidCap Index	36,415.18	137.46	▲	0.38%
S&P/NZX SmallCap Index	92,364.86	132.53	▲	0.14%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	7,612.20	7.30	▲	0.10%
S&P/ASX 200	7,332.10	1.40	▼	0.02%
ASX Small Ordinaries	3,372.20	21.30	▲	0.64%
S&P/ASX MIDCAP 50	8,955.00	15.40	▲	0.17%
S&P/ASX 20	4,129.80	5.40	▼	0.13%
Foreign Markets Index				
	Last	Change		
S&P 500	4,369.21	15.42	▼	0.35%
Dow Jones Industrial Average	34,888.79	107.39	▼	0.31%
NASDAQ Composite	14,677.65	55.59	▼	0.38%
FTSE 100	7,124.72	0.70	▼	0.01%
ASX All Ordinaries	7,612.20	7.30	▲	0.10%
NIKKEI 225	28,718.24	149.22	▲	0.52%
HANG SENG INDEX	27,963.41	448.17	▲	1.63%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9328	0.0007	▼	0.07%
USD	0.6946	0.0035	▼	0.50%
CNY	4.494	-0.0291	▼	0.64%
EUR	0.5896	0.0008	▲	0.14%
CAD	0.869	0.0007	▼	0.08%
GBP	0.5028	0.0003	▼	0.06%
JPY	76.85	0.1965	▼	0.26%
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	1,807.70	1.80	▲	0.10%
Silver	26.06	0.18	▼	0.68%
Crude Oil	75.21	1.11	▲	1.50%

Disclaimer: The above information is provided on a best endeavours basis and Equity Investment Advisers Ltd does not accept any liability under any circumstances for errors or omissions. Parties should recheck the information before using it in any decision-making process. Acknowledgements: Equity Investment Advisers (EIA) sincerely expresses its gratitude to the following sources for the contribution of valuable information in the production of EIA morning reports: Yahoo New Zealand, ANZ securities, ASX, Nikkei Indexes, NZX, NYSE, and NASDAQ.

Struggling to achieve good income yield? Click [here](#) for possible assistance.

Need help with precious metals? Click [here](#) www.equity.co.nz
 E-mail: Info@equity.co.nz Tel: +64 (9)304 0145 / NZ: 0800 474 669

