

MORNING REPORT

As at 9.00 a.m. 15/07/2021

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Top News

KEY FACTORS IMPACTING KEY OVERSEAS

U.S. stocks closed marginally higher after Federal Reserve Chairman Jerome Powell Congress that inflation will moderate and that the central bank plans to stick to its current monetary policies.

All three major indexes were higher with the S&P 500, the Dow Jones Industrial Average and the Nasdaq Composite up 0.1%, 0.1% and 0.2% respectively. The S&P 500 is up about 16% so far this year, leading many investors to be concerned that the stock market rally may run out of steam. They are hoping increased earnings will potentially provide more fuel to support markets.

Mr. Powell said in testimony that inflation "has been higher than we've expected and a little bit more persistent than we had expected and hoped." However, he added that price increases should partially reverse as the effects of bottlenecks and supply constraints unwind.

European shares slipped from record highs as global investor are concerned about signs of increasing inflationary pressure. The pan-European STOXX 600 index fell 0.3% and UK's FTSE 100 dropped 0.4 after data showed British inflation increased to 2.5% in June, above the Bank of England's target and hitting its highest since August 2018.

Asian markets finished mixed. The Shanghai Composite gained 1.14%, while the Nikkei 225 and the Hang Seng fell 2.07% and 0.27% respectively.

SOME KEY FACTORS IMPACTING NZX & ASX

Australian shares closed higher with heavyweight gold miners helping offset turmoil in the buy-now, pay-later sector. Gold miners closed 2.8% higher, as the precious metal firmed overnight after U.S. consumer price data increased the most in 13 years last month. Mining stocks overall were 0.6% higher.

The S&P/ASX 200 index rose 0.31% to 7,354.7 points. Afterpay plunged 9.7%, while Z1P Co dropped 11.4% on fears that they faced tough competition from Apple's entry into their market.

New Zealand's benchmark S&P/NZX 50 index fell 0.5% to 12,719.68, after the central bank left the cash rate the same. NZ listed banking stocks, WBC, ANZ and HGH were down 1.6%, 1.8% and 2% respectively. Property stocks were also under pressure with PCT and IPL 2.9% and 2.4% down respectively. Power stocks were also under pressure with CEN down 2.5%.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	13,886.67	68.69	▼	0.49%
S&P/NZX 50 Portfolio Index	8,128.53	42.19	▼	0.52%
S&P/NZX MidCap Index	36,339.86	119.40	▼	0.33%
S&P/NZX SmallCap Index	91,859.71	367.00	▼	0.40%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	7,631.80	19.60	▲	0.26%
S&P/ASX 200	7,354.70	22.60	▲	0.31%
ASX Small Ordinaries	3,382.30	10.10	▲	0.30%
S&P/ASX MIDCAP 50	9,012.50	57.50	▲	0.64%
S&P/ASX 20	4,134.50	4.70	▲	0.11%
Foreign Markets Index				
	Last	Change		
S&P 500	4,374.30	5.09	▲	0.12%
Dow Jones Industrial Average	34,933.23	44.44	▲	0.13%
NASDAQ Composite	14,644.95	32.70	▼	0.22%
FTSE 100	7,091.19	33.53	▼	0.47%
ASX All Ordinaries	7,631.80	19.60	▲	0.26%
NIKKEI 225	28,608.49	109.75	▼	0.38%
HANG SENG INDEX	27,787.46	175.95	▼	0.63%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9402	0.0072	▲	0.77%
USD	0.7034	0.0086	▲	1.24%
CNY	4.548	0.0541	▲	1.20%
EUR	0.5942	0.0043	▲	0.73%
CAD	0.8796	0.0104	▲	1.20%
GBP	0.5075	0.0046	▲	0.91%
JPY	77.346	0.4920	▲	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	1,828.70	18.80	▲	1.04%
Silver	26.33	0.19	▲	0.75%
Crude Oil	72.91	2.34	▼	3.11%

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