

# MORNING REPORT

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## Top News

### KEY FACTORS IMPACTING KEY OVERSEAS

The Dow Jones Industrial Average hit a new historic milestone on Friday, when it closed above 35,000 on good solid corporate earnings results, after registering its worst drop of 725.81 points, since October, last Monday, on the back of sharply rising Covid -19 cases. So far, 88% of S&P 500 companies have reported better-than-expected second-quarter profits. The Dow's impressive performance lifted both the S&P 500 and the Nasdaq Composite.

The markets are now looking to see what the Federal Reserve will announce on Wednesday, regarding interest rates and stimulus pullback. Powell promised there will be no surprises when it comes to "tapering."

Other overseas markets closed mixed.

European stocks also closed at all-time highs on Friday, as optimism about the earnings season and the European Central Bank's pledge of continued monetary support outweighed risks of a resurgence in COVID-19 cases. The European STOXX 600 index reached a new record high of 461.75, an increase of 1.1%. The weekly rise of 1.5% was the biggest gain, since early May.

However, Asian markets were mixed. Chinese shares ended lower on Friday, shrinking gains for the week. The CSI300 index fell 1.2% to 5,089.23, while the Shanghai Composite Index lost 0.6% to 3,550.40 points. The Hang Seng index also fell 1.5% to 27,321.98, while the Japanese 225 Index closed 0.58% higher.

### SOME KEY FACTORS IMPACTING NZX & ASX YESTERDAY

Australian shares closed at record highs. The S&P/ASX 200 index closed 0.1% higher at 7,394.4, a new record, led by healthcare stocks, but in particular by CSL which closed 1.5% higher. Teck stocks closed 1% higher, while mining and energy stocks closed lower.

New Zealand's benchmark NZX 50 index gained after two weeks of losses, ending up 0.5%. It closed 0.1% higher on Friday at 12,736.32 points.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	13,910.91	19.77	▲	0.14%
S&P/NZX 50 Portfolio Index	8,086.33	15.44	▼	0.19%
S&P/NZX MidCap Index	36,048.98	83.18	▼	0.23%
S&P/NZX SmallCap Index	92,466.51	291.33	▲	0.32%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	7,670.90	12.00	▲	0.16%
S&P/ASX 200	7,394.40	8.00	▲	0.11%
ASX Small Ordinaries	3,402.60	14.40	▲	0.43%
S&P/ASX MIDCAP 50	9,027.90	47.70	▲	0.53%
S&P/ASX 20	4,168.10	1.30	▲	0.03%
Foreign Markets Index				
	Last	Change		
S&P 500	4,411.79	44.31	▲	1.01%
Dow Jones Industrial Average	35,061.55	238.15	▲	0.68%
NASDAQ Composite	14,836.99	152.39	▲	1.04%
FTSE 100	7,027.58	59.28	▲	0.85%
ASX All Ordinaries	7,670.90	12.00	▲	0.16%
NIKKEI 225	27,548.00	159.80	▲	0.58%
HANG SENG INDEX	27,321.98	401.82	▼	1.45%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9474	0.0008	▲	0.08%
USD	0.6977	0.0005	▲	0.07%
CNY	4.5234	0.0000		0.00%
EUR	0.5926	0.0000		0.00%
CAD	0.8765	0.0000		0.00%
GBP	0.507	0.0003	▼	0.06%
JPY	77.072	0.0090	▼	0.01%
US 10 Year Treasury Yield				
US 10YR	1.50%			
NZ Interest Rates				
	Last			
NZ OCR	0.25			
90-day Bank Bill	0.32			
5y Bank Bill	1.07			
10y Bank Bill	1.54			
Swap rate spread close (bps)	93			
Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,802.10	0.30	▲	0.02%
Silver	25.24	0.01	▲	0.03%
Crude Oil	72.17	0.10	▲	0.14%

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