

MORNING REPORT

As at 9.00 a.m. 27/07/2021

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. stock markets closed at record highs Monday, as investors awaited further earnings reports and the latest policy decision from the Federal Reserve. Many of the key tech stocks will be reporting this week.

The Dow Jones Industrial Average closed 88 points or 0.25% higher, while the S&P 500 and the Nasdaq Composite advanced 0.24% and 0.03%, respectively.

Chinese stocks that trade in the U.S. were sharply lower as Chinese regulators continued to tighten controls over them via licencing restrictions and other controls.

Crypto-linked companies surged as bitcoin topped \$39,000 a coin following speculation, that Amazon was gearing up to accept the digital token. Bitcoin has rallied 31% since closing below \$30,000 on July 19.

Overseas markets were on balance weaker.

Germany's DAX 30 declined 0.32%, Britain's FTSE 100 slipped 0.03% and France's CAC 30 was 0.15% higher. In Asia, Hong Kong's Hang Seng index plunged 4.13% and China's Shanghai Composite tumbled 2.34%, following Chinese regulators' continued clamp down. Meanwhile Japan's Nikkei 225 closed 1.04% higher.

In commodities, West Texas Intermediate crude oil slid 16 cents to \$71.57 a barrel and gold lost \$2.70 to \$1,798.70 an ounce.

KEY FACTORS DRIVERS OF THE ASX AND NZX

Australian stocks ended flat on Monday, as mining gains were offset by losses in energy and gold stocks. The S&P/ASX 200 index closed flat at 7,394.3 points, close to its all-time peak. Global miners BHP Group and Rio Tinto closed 1.3% and 2.5% higher, respectively. Lynas Rare Earths was the biggest gainer of the mining stocks after a record quarterly revenue.

Oil & gas shares Woodside Petroleum and Santos lost 1.4% and 1.9%, respectively. Gold stocks fell to their lowest since April 7, hurt by weak bullion prices. Newcrest closed 1.5% lower.

New Zealand's S&P/NZX 50 index fell 0.5%. ATM tumbled 6.4% following selling recommendations by some analysts that are concerned that ATM will struggle to regain its market losses due to the covid-19 disruption. There are also concerns about whether the company will be able to renew its registration in China as a baby formula supplier. Other large stocks that closed lower were SKC, NPH and SML closing 2.5%, 1.8% and 1.6% lower. AIA also closed 1.4% lower. SKL and FSF were up 1.8% and 1.9% respectively.

NZX Index				
Index	Last		Change	
S&P/NZX All Index	13,843.58	67.32	▼	0.48%
S&P/NZX 50 Portfolio Index	8,045.23	41.09	▼	0.51%
S&P/NZX MidCap Index	36,023.72	25.25	▼	0.07%
S&P/NZX SmallCap Index	92,197.04	269.40	▼	0.29%

ASX Index				
Index	Last		Change	
ASX All Ordinaries	7,670.50	0.40	▼	0.01%
S&P/ASX 200	7,394.30	0.10	▼	0.00%
ASX Small Ordinaries	3,398.20	4.40	▼	0.13%
S&P/ASX MIDCAP 50	9,040.60	12.70	▲	0.14%
S&P/ASX 20	4,172.00	3.90	▲	0.09%

Foreign Markets Index				
	Last		Change	
S&P 500	4,422.30	10.51	▲	0.24%
Dow Jones Industrial Average	35,144.31	82.76	▲	0.24%
NASDAQ Composite	14,840.71	3.72	▲	0.03%
FTSE 100	7,025.43	2.15	▼	0.03%
ASX All Ordinaries	7,670.50	0.40	▼	0.01%
NIKKEI 225	27,833.29	285.29	▲	1.04%
HANG SENG INDEX	26,192.32	1,129.66	▼	4.13%

Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9481	0.0006	▲	0.06%
USD	0.7001	0.0023	▲	0.33%
CNY	4.5357	0.0122	▲	0.27%
EUR	0.593	0.0003	▲	0.05%
CAD	0.8779	0.0016	▲	0.18%
GBP	0.5065	0.0005	▼	0.10%
JPY	77.2755	0.2123	▲	0.28%

US 10 Year Treasury Yield	
US 10YR	1.50%

NZ Interest Rates	
	Last
NZ OCR	0.25
90-day Bank Bill	0.33
5y Bank Bill	1.07
10y Bank Bill	1.54
Swap rate spread close (bps)	93

Commodities Futures (Spot Price \$USD)				
	Last		Change	
Gold	1,798.10	3.70	▼	0.21%
Silver	25.26	0.03	▲	0.13%
Crude Oil	72.16	0.09	▲	0.12%

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