

# MORNING REPORT

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## Top News

### KEY FACTORS IMPACTING KEY OVERSEAS

U.S. share markets indexes rallied Thursday, with the Dow Jones Industrial Average rose 0.44%, while the S&P 500 and the Nasdaq Composite advanced 0.42% and 0.11%, respectively. US GDP growth was disappointing at a seasonally adjusted annualized rate of 6.5% in the second quarter 6. The figure fell short of the 8.5% that the majority of analysts expected. Supply-chain disruptions and labour shortages due to Covid -19 impacted the growth.

Robinhood the lasted large IPO fell more than 8% on their debut. It closed with a market value of \$32 billion! Facebook reported earnings and sales that exceeded Wall Street estimates but warned revenue growth would slow. The CEO Mark Zuckerberg the company would transition in coming years from a social media company to metaverse company.

Other overseas markets rallied to higher levels from the previous closes. In Europe, Britain's FTSE 100 advanced 0.88%, France's CAC 30 climbed 0.45% and Germany's DAX 30 was up 0.37%.

Hong Kong's Hang Seng index surged 3.3%, while China's Shanghai Composite index and Japan's Nikkei 225 rallied 1.49% and 0.73%, respectively.

West Texas Intermediate crude oil rose \$1.23 to \$73.62 a barrel and gold jumped \$31.50 to \$1,831.20 an ounce.

### SOME KEY FACTORS IMPACTING NZX & ASX YESTERDAY

Sydney reported its highest daily count of fresh COVID-19 cases, despite the lock-down. The feeling in the market is that Australian central bank will likely reverse its decision to trim its bond buying programme, as it faces the negative economic consequences of the lock-downs. Australian shares rallied on Thursday, buoyed by miners. Fortescue Metals reported record quarterly iron ore shipments. The S&P/ASX 200 index closed 0.52% higher at 7,417.4, after Wednesday's 0.7% drop. BHP Group and Rio Tinto climbed 1.6% and 1.5%, respectively. Yesterday Rio Tinto paid to investors approximately \$9bn in total dividends. The market saw this as an indicator of what Fortescue and BHP are likely to give their investors. Tech stocks closed 2.9% higher to hit a three-week high, boosted by a more than 16% surge in Iress Ltd., after the software provider rejected two take-over bids from private equity firm EQT. Gold stocks were higher, helped by a higher bullion price on the back of U.S. Federal Reserve chairman's dovish tone after a policy meeting. Australian Pharmaceutical Industries also rejected a A\$680m bid from retail conglomerate Wesfarmers.

New Zealand's benchmark S&P/NZX 50 index rose more than 1%, boosted by healthcare and industrial stocks on turnover of \$144m. The star performers were MFT, RYM, PEB and ATM up 4.6%, 3.9%, 2.5% and 2.4% respectively.

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NZX Index				
Index	Last		Change	
S&P/NZX All Index	13,896.99	140.70	▲	1.02%
S&P/NZX 50 Portfolio Index	8,085.53	83.17	▲	1.04%
S&P/NZX MidCap Index	36,092.62	156.38	▲	0.44%
S&P/NZX SmallCap Index	91,525.84	14.21	▼	0.02%
ASX Index				
Index	Last		Change	
ASX All Ordinaries	7,695.20	45.60	▲	0.60%
S&P/ASX 200	7,417.40	38.10	▲	0.52%
ASX Small Ordinaries	3,406.60	41.70	▲	1.24%
S&P/ASX MIDCAP 50	9,107.30	79.10	▲	0.88%
S&P/ASX 20	4,186.60	16.70	▲	0.40%
Foreign Markets Index				
	Last		Change	
S&P 500	4,419.15	18.51	▲	0.42%
Dow Jones Industrial Average	35,084.53	153.60	▲	0.44%
NASDAQ Composite	14,778.26	15.68	▲	0.11%
FTSE 100	7,078.42	61.79	▲	0.88%
ASX All Ordinaries	7,695.20	45.60	▲	0.60%
NIKKEI 225	27,782.42	200.76	▲	0.73%
HANG SENG INDEX	26,315.32	841.44	▲	3.30%
Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9479	0.0045	▲	0.48%
USD	0.7011	0.0071	▲	1.02%
CNY	4.5272	0.0113	▲	0.25%
EUR	0.5898	0.0024	▲	0.41%
CAD	0.8725	0.0012	▲	0.14%
GBP	0.5021	0.0016	▲	0.32%
JPY	76.7375	0.4620	▲	0.61%
US 10 Year Treasury Yield				
US 10YR	1.50%			
NZ Interest Rates				
	Last			
NZ OCR	0.25			
90-day Bank Bill	0.43			
5y Bank Bill	1.26			
10y Bank Bill	1.67			
Swap rate spread close (bps)	76			
Commodities Futures (Spot Price \$USD)				
	Last		Change	
Gold	1,832.60	28.00	▲	1.55%
Silver	25.61	0.74	▲	2.97%
Crude Oil	73.39	1.00	▲	1.38%