

# MORNING REPORT

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## Top News

### KEY FACTORS IMPACTING KEY OVERSEAS

U.S. securities markets closed at record highs after the July jobs report totally surpassed expectations. The Dow Jones Industrial Average rose 0.41%, while the S&P 500 closed 0.17% higher and the Nasdaq Composite slipped 0.4%. The U.S. economy added 943,000 jobs in July as the unemployment rate fell to 5.4%. For June, job additions were revised higher to 938,000 while the unemployment rate remained at 5.9%. The strong job numbers unleashed selling in the U.S. Treasury market, with the yield on the 10-year note closing near 1.29%.

Big banks were in focus after the Federal Reserve announced new capital requirements based on how well each performed during the stress tests conducted earlier this year. Goldman Sachs Group Inc. and Morgan Stanley had the highest capital ratios at 13.4% and 13.2%, respectively. Didi shares lost a total of 33% since its IPO so far. It is under pressure to appease Chinese regulators to give up control of its valuable data. The plant meat company, Beyond Meat Inc. reported a bigger-than-expected loss and said restaurants were taking a conservative approach to orders due to uncertainty over COVID-19.

Other overseas markets were somewhat volatile with European bourses up with France's CAC 40 rising 0.53%, Germany's DAX 30 gaining 0.11% and Britain's FTSE 100 up 0.04%. Japan's Nikkei 225 closed 0.33% higher, while Hong Kong's Hang Seng index and China's Shanghai Composite declined 0.1% and 0.24%, respectively. West Texas Intermediate crude oil slide 81 cents to \$68.28 a barrel and gold tumbled \$45.10 to \$1,760 an ounce.

### SOME KEY FACTORS IMPACTING NZX & ASX YESTERDAY

Australian stocks were mixed with banks between 0.3 to 0.1% higher. The benchmark S&P/ASX 200 index closed up 0.4% at a record high of 7,538.4. It was 2% up for the week, its biggest weekly increase since May 28. In the BNPL sector, the market was expecting further takeover activity, after Aterpay's successful deal with Square Inc. Zip Co had a big week on the back of these expectations. The financial sub-index gained more than 3% for the week - its best weekly performance one since early March. However, miners closed 1.3% lower, losing about 2.4% for the week. Rio Tinto and BHP Group fell 1.6% and nearly 2.0%, respectively.

In New Zealand, the S&P/NZX 50 index closed Friday 0.1% higher at 12,770.0, with fuel supplier Z Energy Ltd., ending 5.5% higher after shareholders vote in favour of a refinery conversion. Both Briscoes and the Warehouse closed 4.4% and 1.7% higher, respectively.

NZX Index				
Index	Last		Change	
S&P/NZX All Index	13,933.73	13.49	▲	0.10%
S&P/NZX 50 Portfolio Index	8,097.16	15.45	▲	0.19%
S&P/NZX MidCap Index	36,071.15	228.62	▲	0.64%
S&P/NZX SmallCap Index	90,836.18	301.50	▼	0.33%

ASX Index				
Index	Last		Change	
ASX All Ordinaries	7,806.50	26.90	▲	0.35%
S&P/ASX 200	7,538.40	27.30	▲	0.36%
ASX Small Ordinaries	3,464.70	18.00	▲	0.52%
S&P/ASX MIDCAP 50	9,171.00	22.80	▲	0.25%
S&P/ASX 20	4,260.40	12.90	▲	0.30%

Foreign Markets Index				
	Last		Change	
S&P 500	4,436.52	7.42	▲	0.17%
Dow Jones Industrial Average	35,208.51	144.31	▲	0.41%
NASDAQ Composite	14,835.76	59.34	▼	0.40%
FTSE 100	7,122.95	2.52	▲	0.04%
ASX All Ordinaries	7,806.50	26.90	▲	0.35%
NIKKEI 225	27,820.04	91.94	▲	0.33%
HANG SENG INDEX	26,179.40	25.30	▼	0.10%

Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.952	0.0010	▼	0.10%
USD	0.7009	0.0000		0.00%
CNY	4.5455	0.0000		0.00%
EUR	0.5957	0.0002	▼	0.03%
CAD	0.8796	0.0004	▼	0.05%
GBP	0.5049	0.0004	▼	0.08%
JPY	77.3377	0.0477	▲	0.06%

US 10 Year Treasury Yield	
US 10YR	1.31%

NZ Interest Rates	
	Last
NZ OCR	0.25
90-day Bank Bill	0.45
5y Bank Bill	1.13
10y Bank Bill	1.50
Swap rate spread close (bps)	73

Commodities Futures (Spot Price \$USD)				
	Last		Change	
Gold	1,758.40	1.60	▼	0.09%
Silver	24.33	0.00	▲	0.02%
Crude Oil	67.83	0.45	▼	0.66%

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