

MORNING REPORT

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Top News

KEY OVERSEAS

U.S. stock markets recorded new highs Friday as investors ignored a sharp drop in consumer confidence. The University of Michigan's preliminary index of consumer sentiment last month fell sharply from 81.2 in June to 70.2. The drop was one of the steepest on record, following concerns over inflation and the continuing covid problem. The sharp drop in confidence sparked a flight into the safety of U.S. Treasuries, pushing the yield on the 10-year note down to 1.297%, the lowest in a week. The Dow Jones Industrial Average increased 0.05%, while the S&P 500 index and the Nasdaq Composite index advanced 0.16% and 0.04%, respectively. Banks closed lower due to economic concerns. Walt Disney Co. reported earnings and revenue that exceeded Wall Street estimates on the back of strong demand recovery for its products and the continued growth of its Disney+ streaming service. Airbnb Inc.'s net loss narrowed by 88% from a year ago as revenue and bookings exceeded analysts' expectations.

Other overseas markets with strength in Europe and weakness in Asia. European stock exchanges were all higher with Germany's DAX 30, Britain's FTSE 100, and France's CAC 40 all gaining between 0.2% and 0.4%. In Asia, Japan's Nikkei 225, China's Shanghai Composite and Hong Kong's Hang Seng index lost 0.14%, 0.24% and 0.48% respectively.

West Texas Intermediate crude oil dropped to \$68.44 a barrel and gold jumped \$26.20 to \$1,775.20 an ounce.

NZX & ASX

Australian shares closed at a record high on Friday, driven by healthcare stocks. The S&P/ASX 200 index ended 0.5% higher at 7,628.9, the fourth record close for the week. CSL Ltd rose 2.4%. Technology stocks were also up 0.8% after mega-cap tech stocks drove Wall Street higher overnight. Financials increased 3% this week, after the three largest insurers reported recovering earnings which highlighted improving market conditions for their businesses. Commonwealth Bank, pulled back after analysts concerns about its revenue growth going forward. Major miners fell marginally 0.1% after iron ore futures dropped overnight on concerns over concerns about an economic slowdown in the world's top metal consumer. BHP and Fortescue Metals Group were down 0.3% and 0.8%, respectively.

In New Zealand, the benchmark S&P/NZX 50 index closed 0.5% lower at 2,682.81 on volume of \$255m. FPH fell a further 2.8% a total of 6% for the week. On the positive side AMP jumped 5.4% after reporting a first half underlying net profit of A\$181 million, up 57% on the similar period last year. Vista was also up 4.4%. Investors await a monetary policy statement from the Reserve Bank, which will allow the markets to assess the direction of interest rates and quantum changes over the next few months.

NZX Index				
Index	Last		Change	
S&P/NZX All Index	13,928.13	85.65	▲	0.62%
S&P/NZX 50 Portfolio Index	8,129.68	40.75	▲	0.50%
S&P/NZX MidCap Index	36,289.14	67.58	▲	0.19%
S&P/NZX SmallCap Index	91,818.92	173.06	▲	0.19%

ASX Index				
Index	Last		Change	
ASX All Ordinaries	7,897.70	37.20	▲	0.47%
S&P/ASX 200	7,628.90	40.70	▲	0.54%
ASX Small Ordinaries	3,518.00	10.10	▲	0.29%
S&P/ASX MIDCAP 50	9,301.10	104.70	▲	1.14%
S&P/ASX 20	4,301.00	16.50	▲	0.39%

Foreign Markets Index				
	Last		Change	
S&P 500	4,468.00	7.17	▲	0.16%
Dow Jones Industrial Average	35,515.38	15.48	▲	0.04%
NASDAQ Composite	14,822.90	6.60	▲	0.04%
FTSE 100	7,218.71	25.48	▲	0.35%
ASX All Ordinaries	7,897.70	37.20	▲	0.47%
NIKKEI 225	27,977.15	37.85	▼	0.14%
HANG SENG INDEX	26,391.62	126.18	▼	0.48%

Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9554	0.0003	▲	0.03%
USD	0.7042	0.0000		0.00%
CNY	4.5595	0.0000		0.00%
EUR	0.5969	0.0002	▼	0.03%
CAD	0.8815	0.0001	▲	0.01%
GBP	0.5085	0.0006	▲	0.12%
JPY	77.2239	0.0534	▲	0.07%

US 10 Year Treasury Yield	
US 10YR	1.28%

NZ Interest Rates	
	Last
NZ OCR	0.25
90-day Bank Bill	0.67
5y Bank Bill	1.36
10y Bank Bill	1.71
Swap rate spread close (bps)	63

Commodities Futures (Spot Price \$USD)				
	Last		Change	
Gold	1,781.50	3.30	▲	0.19%
Silver	23.74	0.04	▼	0.16%
Crude Oil	68.03	0.41	▼	0.60%

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