

# MORNING REPORT

As at 9.00 a.m. 2021/8/18

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Top News		NZX Index				
KEY FACTORS IMPACTING KEY OVERSEAS		Index	Last	Change		
<p>U.S. stock Markets fell Tuesday as investors reacted to disappointing retail sales numbers that decreased 1.1% in July worse than the expected 0.3% drop. The slowdown is attributed to the resurgence in COVID-19 infections. The Dow Jones Industrial Average dropped 0.79%, while the S&amp;P 500 and the Nasdaq Composite declined 0.7% and 0.93%, respectively. The Dow and the S&amp;P 500 ended their five-day streaks of closing at record highs.</p> <p>Other key overseas markets were mostly lower, with European bourses closing mixed with Germany's DAX 30 and France's CAC 40 losing 0.02% and 0.28%, respectively, while Britain's FTSE 100 was 0.38%. In Asia, Japan's Nikkei 225 and Hong Kong's Hang Seng index lost 0.36%, 1.66% respectively and China's Shanghai Composite fell 2%.</p> <p>West Texas Intermediate crude oil was 70 cents down at \$66.59 a barrel and gold sank \$1.90 to \$1,785 an ounce.</p>		S&P/NZX All Index	13,789.71	93.68	▼	0.67%
		S&P/NZX 50 Portfolio Index	8,020.37	102.40	▼	1.26%
		S&P/NZX MidCap Index	35,496.10	564.90	▼	1.57%
		S&P/NZX SmallCap Index	90,752.47	824.80	▼	0.90%
SOME KEY FACTORS IMPACTING NZX & ASX YESTERDAY		ASX Index				
<p>Australian shares ended lower yesterday as investors were concerned over the economic impact of rising COVID-19 cases even as lockdowns continue, with losses in miners and banks impacting the benchmark index. The S&amp;P/ASX 200 index closed 0.94% lower at 7,511 after dropping as much as 1.2% during the session. The rapid increase of the Delta COVID-19 infections continues with Sydney expecting a substantial rise despite a prolonged lockdown, raising concerns of a second recession, which together with declining iron ore prices is having an impact on investor confidence. Financial stocks were the biggest drag on the index, losing 1.7%. The big four banks dropped between 1% and 3.5%. Magellan Financial Group Ltd and Zip Co Ltd. lost 10.2% and 3.78% respectively. The ASX 300 metals and mining index slumped 1.4%, driven by Piedmont Lithium Inc and Lynas Rare sharp declines of 8.7% and 7.9% respectively. The giant miners fell between 1.3% and 1.8%, while Energy stocks slipped 1.3%.</p> <p>New Zealand's benchmark S&amp;P/NZX 50 index fell 0.7% to close at 12,635.32 on turnover of \$251 million. The bond yields were much lower, indicating the market expected the Reserve Bank to maybe follow a more conservative approach and not increase interest rates as was previously expected. with travel stocks losing momentum in the mid afternoon as the covid news hit headlines. NZ stocks closed lower with SKC dropping over 13% and travel related stocks closing lower because of the lock-down. Fisher &amp; Paykel Healthcare rose 4.5% on the Delta variant announcement.</p>		Index	Last	Change		
		ASX All Ordinaries	7,773.30	76.30	▼	0.97%
		S&P/ASX 200	7,511.00	71.50	▼	0.94%
		ASX Small Ordinaries	3,459.70	38.50	▼	1.10%
		S&P/ASX MIDCAP 50	9,169.20	73.90	▼	0.80%
		S&P/ASX 20	4,219.60	46.80	▼	1.10%
		Foreign Markets Index				
		Index	Last	Change		
		S&P 500	4,448.08	31.63	▼	0.71%
		Dow Jones Industrial Average	35,343.28	282.12	▼	0.79%
		NASDAQ Composite	14,656.18	137.58	▼	0.93%
		FTSE 100	7,181.11	27.13	▲	0.38%
		ASX All Ordinaries	7,773.30	76.30	▼	0.97%
		NIKKEI 225	27,424.47	98.72	▼	0.36%
		HANG SENG INDEX	25,745.87	435.59	▼	1.66%
		Currencies (per NZ\$ 1.00)				
		Index	Last	Change		
		AUD	0.9537	0.0001	▲	0.01%
		USD	0.6919	0.0000		0.00%
		CNY	4.487	0.0033	▲	0.07%
		EUR	0.5909	0.0001	▲	0.02%
		CAD	0.8734	0.0006	▼	0.07%
		GBP	0.5035	0.0000		0.00%
		JPY	75.832	0.0205	▲	0.03%
		US 10 Year Treasury Yield				
		US 10YR	1.26%			
		NZ Interest Rates				
		Last				
		NZ OCR	0.25			
		90-day Bank Bill	0.67			
		5y Bank Bill	1.42			
		10y Bank Bill	1.74			
		Swap rate spread close (bps)	63			
		Commodities Futures (Spot Price \$USD)				
		Index	Last	Change		
		Gold	1,787.90	0.10	▲	0.01%
		Silver	23.66	0.00	▲	0.00%
		Crude Oil	66.62	0.03	▲	0.05%

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