

MORNING REPORT

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Top News

KEY OVERSEAS MARKETS

U.S. markets fell Thursday after the two explosions at Kabul airport. The Dow Jones Industrial Average lost 0.54%, while the S&P 500 and the Nasdaq Composite fell 0.58% and 0.64%, respectively. Twelve US soldiers were killed, with more than dozen injured. The markets await FED chair Powell's speech on Friday, when he may signal, as to when the FED will begin to scale back asset purchases and increase interest rates. Member of the Fed board Esther George, commented that on the back of a continued labour market recovery and strong inflation numbers it "would suggest that there's an opportunity to begin to dial back on asset purchases" and that "the conversation about that is already underway". Other overseas markets were mostly lower, with Germany's DAX 30 sliding 0.42%, France's CAC 40 moderately down 0.16% and Britain's FTSE 100 falling 0.35%. Hong Kong's Hang Seng index and China's Shanghai Composite lost 1.08% and 1.09%, respectively, while Japan's Nikkei 225 eked out a 0.06% gain. South Korea's Kospi lost 0.58% after the the bank of Korea increased interest rates.

West Texas Intermediate crude oil was 94 cents down to \$67.42 a barrel and gold ticked was marginally up by \$4 to \$1792.20 an ounce.

NZX & ASX YESTERDAY

The Australian market closed lower driven by losses in mining and gold stocks and with daily covid-19 cases topping 1000 for the first time reported. The benchmark ASX 200 index lost 0.54% to close at 7,491.2. Miners declined 1.6% on weaker copper prices, with global miners Rio Tinto, BHP Group and Fortescue Metals losing around 1% each. Gold stocks declined 2.3% on lower bullion prices. Financials fell 0.2%. National Australia Bank closed 0.5% lower after it was fined A\$18.5 million for incorrect fee disclosure statements 3 years ago. Tech stocks lost 1.2%.

The S&P/NZX 50 dropped 1.1% to close at 13,051.62.16 on turnover of \$302m. The biggest decline on the market was ATM, the infant formula exporter, which tumbled 11.33%, after it reported sharp declines in both revenue and profit and suggested recovery would take time. SML also dropped 6% on the back of ATM's poor performance, its biggest client. Other stocks that suffered relatively large losses were MOV (-7.22%), POT (-2.72%) and AIR (-2.28%). AIR reported a loss of \$440m and 50% drop in revenue. It stated that were it not for the for the government subsidy, the loss could have been close to a billion dollars. Thl also warned the market that revenue and profits recovery would be slower than expected. It closed 0.9% higher.

The best performing stocks were HMY (+7.14%), ALF (+6.9%), DGL (+6.75%) and WDT (+6.72%). CVT also had a good day up 4.39% after a reasonable results announcement.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	14,240.74	157.60	▼	1.10%
S&P/NZX 50 Index	13,051.62	152.90	▼	1.16%
S&P/NZX MidCap Index	37,607.70	67.64	▼	0.18%
S&P/NZX SmallCap Index	92,642.52	539.58	▲	0.59%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	7,770.40	39.20	▼	0.50%
S&P/ASX 200	7,491.20	40.70	▼	0.54%
ASX Small Ordinaries	3,529.80	19.60	▼	0.55%
S&P/ASX MIDCAP 50	9,250.00	85.70	▼	0.92%
S&P/ASX 20	4,171.50	14.80	▼	0.35%
Foreign Markets Index				
	Last	Change		
S&P 500	4,470.00	26.19	▼	0.58%
Dow Jones Industrial Average	35,213.12	192.38	▼	0.54%
NASDAQ Composite	14,945.81	96.05	▼	0.64%
FTSE 100	7,124.98	25.14	▼	0.35%
ASX All Ordinaries	7,770.40	39.20	▼	0.50%
NIKKEI 225	27,742.29	17.49	▲	0.06%
HANG SENG INDEX	25,415.69	278.26	▼	1.08%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9601	0.0016	▲	0.17%
USD	0.695	0.0025	▼	0.36%
CNY	4.5048	0.0125	▼	0.28%
EUR	0.5912	0.0012	▼	0.20%
CAD	0.8816	0.0036	▲	0.41%
GBP	0.5073	0.0006	▲	0.12%
JPY	76.4685	0.2685	▼	0.35%
US 10 Year Treasury Yield				
US 10YR	1.35%			
NZ Interest Rates				
	Last			
NZ OCR	0.25			
90-day Bank Bill	0.45			
5y Bank Bill	1.35			
10y Bank Bill	1.68			
Swap rate spread close (bps)	65			
Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,793.50	2.50	▲	0.14%
Silver	23.52	0.25	▼	1.05%
Crude Oil	67.74	0.62	▼	0.91%

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