

MORNING REPORT

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Top News

KEY OVERSEAS MARKET

U.S. share markets slipped Friday on the back of a disappointing preliminary reading of the University of Michigan consumer sentiment index for September and as jittery investors awaited to this week's Federal Reserve meeting which could pave the way for the central bank to begin tapering its asset purchases later this year. Stocks experienced heightened volatility, with the volatility index spiking more than 10%. Traders unloaded Treasuries, sending the yield on the 10-year note up 4 basis points to 1.37%, an almost two-month high. The Dow Jones Industrial Average declined 0.48%, while the S&P 500 index and Nasdaq Composite index slid 0.91% and 0.92%, respectively. Big Tech lagged, as growth companies came under pressure.

Other key foreign markets were mixed with European exchanges lower across the board with Germany's DAX 30 down 1.03%, Britain's FTSE 100 declining 0.91% and France's CAC 40 falling 0.79%. In Asia, Hong Kong's Hang Seng index jumped 1.03%, Japan's Nikkei 225 rose 0.58% and China's Shanghai Composite closed marginally higher 0.19%.

West Texas Intermediate crude oil declined 64 cents to \$71.97 a barrel and gold slipped \$5.20 to \$1,749.40 an ounce.

NZX & ASX

Australian shares ended lower on Friday, the second straight weekly lower close, with miners leading the losses dropping 4.4% on the back of lower Chinese iron futures. Fortescue slumping as much as 12%. Tightening Chinese stimulus measures and Evergrande's risk of default worried investors that Chinese property activity would slow down, putting further pressure on the iron ore prices. Surging coronavirus cases across parts of the country continued to raise concerns about the pace of economic recovery. The country's second-largest state Victoria reported its second-highest daily rise in new infections this year. The S&P/ASX 200 index dropped 0.76% to close at 7,403.7, after ending 0.58% higher on Thursday. Energy stocks declined 1.29% as more Gulf of Mexico oil production came on stream after the last two hurricanes. However, technology stocks were up 2.08%, with pay later giant Afterpay surging 3.9%.

New Zealand's benchmark S&P/NZX 50 index climbed 1.2% to end at 13,234.55 on higher than usual turnover of \$883m as fund managers that track the indices aligned and rebalanced their portfolios.

Among the best stock performers were: PPH (+4.84%), MHM (+4.76%), PX1 (+3.28%), HLG (3.19%), (KPG (+3.03%), PEB (+2.78%) and FPH (+2.58%). The worst performers were: (-5.1%), DGC (-4.48%), ASR (-3.76%), SPG (-3.14%), GXH (-2.5%), THL (-2.48%) and CNU (-1.84%).

NZX Index				
Index	Last	Change		
S&P/NZX All Index	14,449.78	164.01	▲	1.15%
S&P/NZX 50 Index	13,234.56	155.04	▲	1.19%
S&P/NZX MidCap Index	38,179.79	406.71	▲	1.08%
S&P/NZX SmallCap Index	94,319.67	100.40	▼	0.11%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	7,702.90	56.90	▼	0.73%
S&P/ASX 200	7,403.70	56.50	▼	0.76%
ASX Small Ordinaries	3,519.60	20.90	▼	0.59%
S&P/ASX MIDCAP 50	9,352.60	45.80	▼	0.49%
S&P/ASX 20	4,067.50	36.10	▼	0.88%
Foreign Markets Index				
	Last	Change		
S&P 500	4,432.99	40.76	▼	0.91%
Dow Jones Industrial Average	34,584.88	166.42	▼	0.48%
NASDAQ Composite	15,043.97	137.93	▼	0.91%
FTSE 100	6,963.64	63.84	▼	0.91%
ASX All Ordinaries	7,702.90	56.90	▼	0.73%
NIKKEI 225	30,500.05	176.75	▲	0.58%
HANG SENG INDEX	24,920.76	252.96	▲	1.03%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9686	0.0005	▼	0.05%
USD	0.7035	0.0036	▼	0.51%
CNY	4.5493	0.0041	▼	0.09%
EUR	0.5997	0.0008	▼	0.13%
CAD	0.8978	0.0013	▼	0.14%
GBP	0.5117	0.0009	▼	0.18%
JPY	77.352	0.0586	▼	0.08%
US 10 Year Treasury Yield				
US 10YR	1.36%			
NZ Interest Rates				
	Last			
NZ OCR	0.25			
90-day Bank Bill	0.68			
5y Bank Bill	1.55			
10y Bank Bill	1.86			
Swap rate spread close (bps)	61			
Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,753.90	2.50	▲	0.14%
Silver	22.42	0.13	▲	0.58%
Crude Oil	71.96	0.01	▼	0.01%

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