

# MORNING REPORT

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## Top News

### KEY OVERSEAS MARKETS

US stock markets closed mixed on Monday. The Dow Jones Industrial Average ended 0.29% up, while the S&P 500 index slipped 0.21% and the Nasdaq Composite index slid 0.71%.

It will be a busy week on Capital Hill, as lawmakers will be voting both on President Biden's \$3.5 trillion spending plan and on raising the debt ceiling. The US 10 - year bond note rose to 1.49%, following a strong increase in durable goods orders of 1.8%. as opposed to the 0.7% that the market was expecting. This coupled to continued serious concerns about supply chain disruption due to COVID-19 in key production zones in Asia, raised concerns of inflationary pressures ahead.

Other key overseas markets were mixed. European markets were choppy. Germany's DAX 30 ended 0.21% up after the centre-left Social Democrats narrowly beat outgoing Chancellor Angel Merkel's conservatives. France's CAC 30 closed 0.22% higher, while Britain's FTSE 100 slid 0.08%. In Asia, China's Shanghai Composite index and Japan's Nikkei 225 declined 0.84% and 0.03% respectively, while Hong Kong's Hang Seng index was marginally up 0.07%.

West Texas Intermediate crude oil climbed \$1.37 to \$75.35 a barrel. WTI has not closed above \$75 since July.

### ASX AND NZX

The Australian market ended higher on Monday, on the expectation that the COVID-19 lockdown would be lifted in New South Wales between Oct. 11 and Dec. 1 as vaccination rates rise.

The S&P/ASX 200 index closed 0.57% higher at 7,384.2. Travel and tourism stocks surged with Qantas up 4.3%, Flight Centre jumping 7.48% and Webjet up 5.21%. The energy sector also did well with energy stocks up 1.81% with Beach Energy Ltd and Woodside Petroleum Ltd the top energy performers on the sub-index, rising 4.22% and 3.2%, respectively. Financial rose 1.52% led by Commonwealth Bank which ended 3.2% up.

New Zealand's benchmark S&P/NZX 50 index fell 0.2% to end at 13227.7, on volume of \$150 million, after local bond yields rose on the back of higher bond yields in key overseas markets, following higher inflation expectations and expected tightening of liquidity over the next few years. Synlait put in a very strong performance after surging almost 8%. It announced it would likely return to profitability in 2022. A2 Milk was also up 2.9%. Some of the worst performers among the bigger stocks were Z Energy and Oceania Healthcare down 1.2% and 3.3% respectively. Travel and tourism stocks mimicked the Australian travel and tourism stocks, with Air NZ up 3.5%, Auckland International Airport rising 0.5% and Serko closing 0.7% higher.

NZX Index				
Index	Last	Change		
S&P/NZX All Index	14,433.22	35.69	▼	0.25%
S&P/NZX 50 Index	13,227.70	31.84	▼	0.24%
S&P/NZX MidCap Index	37,852.30	296.70	▼	0.78%
S&P/NZX SmallCap Index	93,120.42	81.31	▼	0.09%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	7,690.70	41.40	▲	0.54%
S&P/ASX 200	7,384.20	41.60	▲	0.57%
ASX Small Ordinaries	3,515.70	22.20	▲	0.64%
S&P/ASX MIDCAP 50	9,333.20	45.00	▲	0.48%
S&P/ASX 20	4,059.60	25.10	▲	0.62%
Foreign Markets Index				
	Last	Change		
S&P 500	4,450.20	5.28	▼	0.12%
Dow Jones Industrial Average	34,911.22	113.22	▲	0.33%
NASDAQ Composite	14,998.09	49.61	▼	0.33%
FTSE 100	7,063.40	11.92	▲	0.17%
ASX All Ordinaries	7,690.70	41.40	▲	0.54%
NIKKEI 225	30,240.06	8.75	▼	0.03%
HANG SENG INDEX	24,208.78	16.62	▲	0.07%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9628	0.0032	▼	0.33%
USD	0.7021	0.0006	▲	0.09%
CNY	4.5333	0.0013	▲	0.03%
EUR	0.6001	0.0025	▲	0.42%
CAD	0.8858	0.0008	▼	0.09%
GBP	0.5123	0.0005	▼	0.10%
JPY	77.9277	0.3571	▲	0.46%
US 10 Year Treasury Yield				
US 10YR	1.48%			
NZ Interest Rates				
	Last			
NZ OCR	0.25			
90-day Bank Bill	0.63			
5y Bank Bill	1.53			
10y Bank Bill	1.91			
Swap rate spread close (bps)	74			
Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,750.90	0.80	▼	0.05%
Silver	22.68	0.26	▲	1.14%
Crude Oil	75.29	1.31	▲	1.77%

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