

MORNING REPORT

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Top News

KEY OVERSEAS MARKET

U.S. stock markets came under pressure Tuesday as Federal Reserve Chairman Jerome Powell voiced concerns on inflation and following a sharp drop in consumer confidence. Powell told the Senate Banking Committee on Tuesday morning that inflation is higher and more enduring than anticipated and that the central bank will use available tools, if required. The Conference Board said consumer confidence fell to 109.3 in September from an upward revision of in August. The reading was the lowest since February and below the level of 114.5 which analysts were expecting. The selling of U.S. Treasuries continued, with the yield on the 10-year bond up 5 basis points to 1.54% and was on track to close at a more than 1.54%. The Dow Jones Industrial Average dropped 529 points, or 1.52%, while the S&P 500 index and the Nasdaq Composite index fell 1.97% and 2.66%, respectively. Financials outperformed after benefiting from the steeper yield curve. The rising trend in treasury yields drove technology stocks lower as rising rates is negative for grow the and growth companies.

NZX & ASX

Australian shares closed lower on Tuesday, driven down by heavyweight miners, as investors weighed the potential impact of a widening power shortage in China is in the grip of a power crunch, which has halted production at several factories, including many that supply components to Apple and Tesla. This led to major Australian miners falling 2.6%, as iron ore and base metal prices dropping on worries about demand. The S&P/ASX 200 index declined 1.47% to end at 7,275.6 points, wiping out nearly all the gains made last week. Major Australian miners declined 2.6% as iron ore and base metal prices slipped on worries about demand. The big mining triumvirate, BHP Group, Rio Tinto, and Fortescue Metals, dropped between 2.3% and 5.6%. Technology stocks fell 2.85%, tracking the tech-heavy Nasdaq Composite which declined 0.52% overnight. Xero Ltd led losses on the tech sub-index, dropping 6.4% and NEXTDC Ltd lost 4.8%. However, Energy stocks soared 4.34% as oil prices extended their six - day rally on the back of tight oil supply. Beach Energy Ltd and Oil Search Ltd advanced 10.5% and 7.1%, respectively.

The S&P/NZX 50 Index declined 0.4%, to close at 13,174 on turnover was \$167 million. The slid was led FPH, which dropped on the back of falling Australian Healthcare stocks. Other large stocks that ended in negative territory were MFT (-2.15%), FBU (-1.39%), SKC (-1.24%), ARG (1.23%) and GNE (-0.91%). Smaller stocks that closed lower were PEB (-3.21%), PX1 (-8.96%), CGF (-4.65%) and SCT (-3.39%). On the plus side of the larger stocks AMP performed best, up (+4.90%). Other big stocks that performed positively were WHS (+3.55%), ATM (+ 3.30%), TEMP (+2.90%), KMD (+1.92%), AIR (+1.52%). Small counters that outperformed were CBD (+6.58%), RUA (+6.41%) and SCL (+4.01%).

NZX Index				
Index	Last	Change		
S&P/NZX All Index	14,379.10	54.11	▼	0.37%
S&P/NZX 50 Index	13,174.38	53.31	▼	0.40%
S&P/NZX MidCap Index	37,905.23	52.94	▲	0.14%
S&P/NZX SmallCap Index	93,334.42	214.00	▲	0.23%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	7,581.10	109.60	▼	1.43%
S&P/ASX 200	7,275.60	108.60	▼	1.47%
ASX Small Ordinaries	3,472.70	43.00	▼	1.22%
S&P/ASX MIDCAP 50	9,229.20	104.00	▼	1.11%
S&P/ASX 20	3,994.40	65.20	▼	1.61%
Foreign Markets Index				
	Last	Change		
S&P 500	4,364.89	78.22	▼	1.76%
Dow Jones Industrial Average	34,376.79	492.58	▼	1.41%
NASDAQ Composite	14,590.88	379.08	▼	2.53%
FTSE 100	7,028.10	35.30	▼	0.50%
ASX All Ordinaries	7,581.10	109.60	▼	1.43%
NIKKEI 225	30,183.96	56.10	▼	0.19%
HANG SENG INDEX	24,500.39	291.61	▲	1.20%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9609	0.0015	▼	0.16%
USD	0.6955	0.0060	▼	0.86%
CNY	4.493	0.0372	▼	0.82%
EUR	0.5956	0.0041	▼	0.68%
CAD	0.8819	0.0041	▼	0.46%
GBP	0.514	0.0020	▲	0.39%
JPY	77.6064	0.2795	▼	0.36%
US 10 Year Treasury Yield				
US 10YR	1.54%			
NZ Interest Rates				
	Last			
NZ OCR	0.25			
90-day Bank Bill	0.64			
5y Bank Bill	1.56			
10y Bank Bill	1.94			
Swap rate spread close (bps)	74			
Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,733.80	18.20	▼	1.04%
Silver	22.46	0.23	▼	1.03%
Crude Oil	74.85	0.60	▼	0.80%

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