

MORNING REPORT

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Top News

KEY OVERSEAS MARKETS

U.S. stock markets were sharply lower on the last day of the September quarter, as a deal was reached in the senate to avoid a government shutdown. The Senate reached a stopgap deal overnight, that would fund the government until early December. Lawmakers must still raise the debt ceiling by Oct. 18 to prevent the U.S. from defaulting on its debt. Democrats are still struggling to reach a compromise among themselves to bring both the bipartisan infrastructure bill and the \$3.5 trillion spending plan to a vote in the House. However, the Democratic Senator Joe Manchin of West Virginia said, the spending plan would need to be reduced to around \$1.5 trillion to get his vote. He has the swing vote for the Democrats.

The yield on the 10-year note was unchanged at 1.52%.

The Dow Jones Industrial Average fell 430 points, or 1.1%, while the S&P 500 index dropped 0.96% and the Nasdaq Composite index slid 0.38%. In other key overseas markets, trading was choppy, with Germany's DAX 30 down 0.68% while France's CAC 40 and Britain's FTSE 100 fell 0.62% and 0.31%, respectively. China's Shanghai Composite index rose 0.9%, Japan's Nikkei 225 slid 0.31% and Hong Kong's Hang Seng index declined 0.36%.

West Texas Intermediate crude oil was up 56 cents to \$75.39 a barrel and gold rose \$36.70 to \$1,759.60 an ounce.

ASX AND NZX

The Australian Market ended September a positive note though September was the worst month of the year. The ASX 200 closed 1.88% higher at 7,332.1 points. However, it is up nearly 10% in 2021 and nearly 25% in the last 12 months. All sectors closed in positive territory with resources, energy, consumer staples and healthcare all gaining over 2%. The worst sector was utilities which increased 0.27%.

The S&P/NZX 50 closed 1.2% higher at 13,275.76 on turnover of \$220.9 million, on the back of a strong Australian market and as fund managers rebalanced their portfolios at the end of the month. Among the best performers were A2 Milk Company up 4.3% to \$6.43, Pacific Edge rising 3.4% to \$1.53, and Westpac Bank ending 3.4% higher at \$27.16. Gentrack surged 20%, after it upgraded its revenue guidance by more than \$2m due to new business secured. Summerset was up 1.3% after it announced it had secured a fifth site in Melbourne.

On the downside, Hallenstein Glasson fell 1% after it applied for rent relief from landlords due to the lockdowns. Steel & Tube declined 2.8% due to a sharp drop in sales caused by the lockdown.

NZX Index				
Index	Last		Change	
S&P/NZX All Index	14,486.62	163.05	▲	1.14%
S&P/NZX 50 Index	13,275.76	154.06	▲	1.17%
S&P/NZX MidCap Index	37,912.78	250.20	▲	0.66%
S&P/NZX SmallCap Index	93,853.88	615.74	▲	0.66%
ASX Index				
Index	Last		Change	
ASX All Ordinaries	7,629.70	129.50	▲	1.73%
S&P/ASX 200	7,332.20	135.50	▲	1.88%
ASX Small Ordinaries	3,472.90	42.50	▲	1.24%
S&P/ASX MIDCAP 50	9,260.90	137.80	▲	1.51%
S&P/ASX 20	4,031.20	83.90	▲	2.13%
Foreign Markets Index				
	Last		Change	
S&P 500	4,335.99	23.47	▼	0.54%
Dow Jones Industrial Average	34,038.18	352.54	▼	1.03%
NASDAQ Composite	14,539.78	27.34	▲	0.19%
FTSE 100	7,086.42	21.74	▼	0.31%
ASX All Ordinaries	7,629.70	129.50	▲	1.73%
NIKKEI 225	29,452.66	91.63	▼	0.31%
HANG SENG INDEX	24,575.64	87.86	▼	0.36%
Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9554	0.0013	▼	0.14%
USD	0.6911	0.0047	▲	0.68%
CNY	4.4553	0.0130	▲	0.29%
EUR	0.5965	0.0045	▲	0.76%
CAD	0.8748	0.0010	▼	0.11%
GBP	0.5127	0.0013	▲	0.25%
JPY	76.9718	0.0880	▲	0.11%
US 10 Year Treasury Yield				
US 10YR	1.52%			
NZ Interest Rates				
	Last			
NZ OCR	0.25			
90-day Bank Bill	0.65			
5y Bank Bill	1.55			
10y Bank Bill	1.97			
Swap rate spread close (bps)	82			
Commodities Futures (Spot Price \$USD)				
	Last		Change	
Gold	1,757.50	34.60	▲	2.01%
Silver	22.17	0.68	▲	3.19%
Crude Oil	75.13	0.30	▲	0.40%

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