

MORNING REPORT

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Top News

KEY OVERSEAS MARKETS

The U.S. stock indices jumped on Thursday in a broad-based rally led by heavyweight technology shares, after a truce in the debt-ceiling standoff lowered concerns of a government debt default this month. Markets now await the closely watched monthly U.S. jobs report, which is due on Friday.

The S&P 500's 11 sectors were all higher. Materials led the way, rising 2.1%, with consumer discretionary and healthcare also among the top performers. The Dow Jones Industrial Average rose 499.26 points, or 1.45%, to 34,916.25. The S&P 500 increased 1.38% to 4,423.65 and the Nasdaq Composite was also up 1.66%, to 14,742.96. Mega-cap stocks, led by Apple Inc, Amazon.com Inc and Microsoft Corp, provided the biggest boosts to the S&P 500. Early this week, heavyweight high-growth stocks fell sharply as Treasury yields rose. Next week investors will turn their attention to third-quarter earnings reports that start to arrive in earnest. Meanwhile, oil prices are trading at their highest levels in seven years, other energy forms, like coal, LNG, natural gas electricity and uranium, are holding at or near all-time highs. Many energy experts are seeing the oil price at \$100 a barrel. Some see it well over \$100 at \$130 to \$150 a barrel in the first quarter of next year.

West Texas Intermediate crude oil rose yesterday to about \$77 per barrel, up from around \$48 at the beginning of this year. The 10-year note yield reached 1.56% and the 2-year treasury rate was at 0.307%.

Other key overseas markets were all up with the FTSE 100 +1.17%, the DAX +1.85%, Stoxx600 +1.60%, the CAC40 +1.65%, Nikkei 225 +0.54%, the Hang Seng +3.07% and Shanghai +0.90%.

NZX & ASX

Australian shares closed higher yesterday, as technology stocks followed Wall Street gains for a second session and banks rebounded. The S&P/ASX 200 ended 0.7% higher at 7,256.7. Domestic technology stocks were 2.3% higher, with buy-now-pay-later giant Afterpay up 3.1%. Heavyweight financials rose nearly 1% with three of the "Big Four" banks - National Australia Bank Ltd, Australia and New Zealand Banking Group and Westpac Banking Corp - up between 1.0% and 1.6%. Energy stocks ended 0.8% lower.

New Zealand's benchmark S&P/NZX weakened for the third straight session, closing 0.5% lower at 13,104.61 on turnover of \$130 million as negative sentiment continued to prevail. Among the worst large cap stocks were: FSF (-3.02%), ATM (-2.19%), HGH (-2.14%), MCY (-2.01%) and CEN (-1.58%). Some of the best large cap performers were: AMP (+3.74%), TEMP (+1.78%), KPG (+1.17%), GNE (+1.67%) and WBC (+1.64%).

NZX Index				
Index	Last		Change	
S&P/NZX All Index	14,306.95	68.44	▼	0.48%
S&P/NZX 50 Index	13,104.61	61.83	▼	0.47%
S&P/NZX MidCap Index	37,722.63	100.30	▼	0.27%
S&P/NZX SmallCap Index	93,827.20	321.10	▼	0.34%
ASX Index				
Index	Last		Change	
ASX All Ordinaries	7,551.20	55.00	▲	0.73%
S&P/ASX 200	7,256.70	50.20	▲	0.70%
ASX Small Ordinaries	3,431.70	58.30	▲	1.73%
S&P/ASX MIDCAP 50	9,151.60	55.10	▲	0.61%
S&P/ASX 20	3,984.20	24.70	▲	0.62%
Foreign Markets Index				
	Last		Change	
S&P 500	4,407.61	44.06	▲	1.01%
Dow Jones Industrial Average	34,804.66	387.67	▲	1.13%
NASDAQ Composite	14,686.26	184.35	▲	1.27%
FTSE 100	7,078.04	82.17	▲	1.17%
ASX All Ordinaries	7,551.20	55.00	▲	0.73%
NIKKEI 225	27,678.21	149.34	▲	0.54%
HANG SENG INDEX	24,701.73	735.24	▲	3.07%
Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9485	0.0022	▼	0.23%
USD	0.6936	0.0021	▲	0.30%
CNY	4.4714	0.0128	▲	0.29%
EUR	0.6004	0.0020	▲	0.33%
CAD	0.8703	0.0004	▼	0.05%
GBP	0.5093	0.0003	▲	0.06%
JPY	77.4289	0.3710	▲	0.48%
US 10 Year Treasury Yield				
US 10YR	1.57%			
NZ Interest Rates				
	Last			
NZ OCR	0.50			
90-day Bank Bill	0.65			
5y Bank Bill	1.50			
10y Bank Bill	2.00			
Swap rate spread close (bps)	82			
Commodities Futures (Spot Price \$USD)				
	Last		Change	
Gold	1,756.30	5.50	▼	0.31%
Silver	22.62	0.09	▲	0.39%
Crude Oil	78.74	1.31	▲	1.69%

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