

# MORNING REPORT

As at 9.00 a.m. 2021/10/18

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Top News					
<b>KEY OVERSEAS MARKET</b>					
<p>U.S. stocks rallied Friday following both the unexpectedly blockbuster earnings from Goldman Sachs and a rise in retail sales. Retail sales increased 0.7% in September, rather than the 0.2% decline that analysts expected. Retail sales were driven primarily by back – to- school shopping and more workers returning to the office. The Dow Jones Industrial Average closed 382 points, up1.1%, while the S&amp;P 500 index and the Nasdaq Composite ended higher by 0.75% and 0.5%, respectively.</p> <p>Other key overseas markets were broadly higher, with FTSE 100 up 0.37% while Germany's DAX 30 rose 0.63% and France's CAC 40 closed 0.81% higher. The Shanghai Composite index ended 0.4% higher while Hong Kong's Hang Seng index and Japan's Nikkei 225 both closed 1.48% and 1.81% higher, respectively.</p> <p>Bitcoin closed just under \$60,000 a token after a report that the U.S. Securities and Exchange Commission will allow bitcoin futures exchange-traded funds.</p> <p>West Texas Intermediate crude oil rose ninety-seven cents to \$82.28 a barrel while gold slid \$29.50 to \$1,767.20 an ounce.</p>					
<b>ASX AND NZX</b>					
<p>Despite recent choppy months for markets, The Australian market ended in positive territory for the second week running, with the ASX 200 and the All Ordinaries closing 0.69% and 0.71% higher respectively. The Australian market ended up 0.57% for the week. Technology and materials shares were the best performing sectors. Copper rose to a four-month high of more than \$US4.50/lb, while zinc has taken off to seven-year highs. Copper has averaged \$US4.16/lb, so far this year compared with last year's \$US2.80/lb average. It was last quoted at \$US4.58/lb, which is well ahead of the \$US3.20/\$3.60/lb investors like to see before investing in the sector. Zinc has rocketed in recent days. It has averaged \$US1.31/lb so far this year compared with last year's average of \$US1.03/lb. It was at \$US1.60/lb on Friday. Normally, anything above \$1.10/lb is exciting.</p> <p>The S&amp;P/NZX 50 declined 0.3%, to close at 13,012.19 on turnover of \$227 million. Energy stocks declined after the S&amp;P rebalanced its clean energy index. Renewable electricity generators fell as funds tracking the S&amp;P Clean Energy Index rebalanced their portfolios. Both Meridian and Contact energy were allotted lower S&amp;P weightings in this rebalance. Both A2 Milk and Mainfreight closed lower at 1.9% and 2.3% respectively</p>					
<b>NZX Index</b>					
Index	Last	Change			
S&P/NZX All Index	14,223.28	34.50	▼	0.24%	
S&P/NZX 50 Index	13,012.19	36.30	▼	0.28%	
S&P/NZX MidCap Index	37,494.67	145.63	▲	0.39%	
S&P/NZX SmallCap Index	95,498.12	428.55	▲	0.45%	
<b>ASX Index</b>					
Index	Last	Change			
ASX All Ordinaries	7,674.20	54.00	▲	0.71%	
S&P/ASX 200	7,362.00	50.30	▲	0.69%	
ASX Small Ordinaries	3,526.40	24.50	▲	0.70%	
S&P/ASX MIDCAP 50	9,333.60	62.00	▲	0.67%	
S&P/ASX 20	4,042.20	34.20	▲	0.85%	
<b>Foreign Markets Index</b>					
	Last	Change			
S&P 500	4,471.37	33.11	▲	0.75%	
Dow Jones Industrial Average	35,294.76	382.20	▲	1.09%	
NASDAQ Composite	14,897.34	73.91	▲	0.50%	
FTSE 100	7,234.03	26.32	▲	0.37%	
ASX All Ordinaries	7,674.20	54.00	▲	0.71%	
NIKKEI 225	29,068.63	517.70	▲	1.81%	
HANG SENG INDEX	25,330.96	368.37	▲	1.48%	
<b>Currencies (per NZ\$ 1.00)</b>					
	Last	Change			
AUD	0.952	0.0010	▲	0.11%	
USD	0.7063	0.0025	▲	0.36%	
CNY	4.5456	0.0029	▲	0.06%	
EUR	0.6089	0.0004	▲	0.07%	
CAD	0.8739	0.0003	▲	0.03%	
GBP	0.5134	0.0016	▼	0.31%	
JPY	80.708	0.0269	▼	0.03%	
<b>US 10 Year Treasury Yield</b>					
US 10YR	1.58%				
<b>NZ Interest Rates</b>					
	Last				
NZ OCR	0.50				
90-day Bank Bill	0.68				
5y Bank Bill	1.62				
10y Bank Bill	2.09				
Swap rate spread close (bps)	84				
<b>Commodities Futures (Spot Price \$USD)</b>					
	Last	Change			
Gold	1,768.10	29.80	▼	1.66%	
Silver	23.35	0.13	▼	0.54%	
Crude Oil	82.66	1.35	▲	1.66%	

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