

MORNING REPORT

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Top News

KEY OVERSEAS MARKET

Global market strategist at JP Morgan Asset Management, Hugh Gimber summed up the mood in the market perfectly, with the following comment "what we've heard from the Fed yesterday is that next year central banks are going to be easing off the accelerator, but they won't be hitting the brakes." U.S. stocks were mixed Thursday, with the DJIA down 0.31%, while the S&P 500 and the NASDAQ were up 0.21% and 0.63% respectively. With the Fed news out of the way, US equities investors have turned their attention back to corporate profits, with a strong earnings season thus far.

Other overseas markets were broadly higher. European shares closed at record highs yesterday, after the U.S. Federal Reserve indicated it was in no hurry to hike interest rates. The Bank of England also left its rates unchanged. France's CAC 40 rose 0.35% and Germany's DAX 30 increased 0.51%, while Britain's FTSE 100 ticked up 0.43%. Asian stocks put in relatively good performances, with Japan's Nikkei up 0.93%, while Hong Kong's Hang Seng index and China's Shanghai Composite rose 0.8% and 0.81%, respectively.

West Texas Intermediate crude was down 2.47% this morning at \$78.86 a barrel and gold was 1.66% up, at \$1,793.10 an ounce.

NZX & ASX

The Australian market ended almost half a per cent on Thursday, with most market sectors up. The benchmark S&P/ASX200 index closed higher by 0.48%, at 7428, while the All Ordinaries also ended up 0.43% at 7746.3. Technology was the best performing sector, driven by increases in Appen (+3.2pc) and Afterpay (+2.3pc). Financials added 1% as Australia's 'Big Four' banks advanced between 0.2% and 1.4%. Gold stocks ended 0.5% up, on a higher gold price. However, energy shares fared the worst, losing 2% after the oil price fell. Beach Energy declined 5.2%, while Worley lost 3.2%, with Woodside Petroleum and Santos slipping 2.7 and 3.1 per cent. Domino's Pizza plunged by 18.4 per cent after being derated by brokers due to rising variable and fixed costs. Australian retail sales declined by 4.4 per cent in the September quarter to \$85.3 billion (compared to the previous quarter), according to the Bureau of Statistics. Over the past year, sales are down 2.2%.

The S&P/NZX 50 declined 0.4%, to 12,943.94 on turnover of \$149 million. All property stocks were down, after Precinct's chief executive said that rent abatements was costing the group \$0.5m per week equating to 3% of its rental income. The following property stocks were down: ARG -2.27%, GMT -1.84%, PCT -0.93%, PFI -0.86%. The five worst performing stocks were NZA -3.61%, GEO -2.86%, MEE -2.74%, GFL -2.67% and NZME -2.38%. The top 5 performers were GFI +5.45%, PYS+4.92%, MOV+2.94%, DGL+2.67% and SKL+2.07

NZX Index				
Index	Last	Change		
S&P/NZX All Index	14,160.45	51.88	▼	0.37%
S&P/NZX 50 Index	12,943.94	49.89	▼	0.38%
S&P/NZX MidCap Index	36,940.03	247.90	▼	0.67%
S&P/NZX SmallCap Index	96,115.96	62.82	▲	0.07%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	7,746.30	33.30	▲	0.43%
S&P/ASX 200	7,428.00	35.30	▲	0.48%
ASX Small Ordinaries	3,565.20	24.90	▲	0.70%
S&P/ASX MIDCAP 50	9,424.30	24.10	▼	0.26%
S&P/ASX 20	4,078.80	20.00	▲	0.49%
Foreign Markets Index				
	Last	Change		
S&P 500	4,670.38	9.81	▲	0.21%
Dow Jones Industrial Average	36,046.95	110.63	▼	0.31%
NASDAQ Composite	15,911.02	99.43	▲	0.63%
FTSE 100	7,279.91	31.02	▲	0.43%
ASX All Ordinaries	7,746.30	33.30	▲	0.43%
NIKKEI 225	29,794.37	273.47	▲	0.93%
HANG SENG INDEX	25,225.19	200.44	▲	0.80%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9602	0.0021	▼	0.22%
USD	0.7106	0.0060	▼	0.84%
CNY	4.5458	0.0484	▼	1.05%
EUR	0.615	0.0023	▼	0.37%
CAD	0.8856	0.0026	▼	0.29%
GBP	0.5262	0.0023	▲	0.44%
JPY	80.8438	0.9024	▼	1.10%
US 10 Year Treasury Yield				
US 10YR	1.52%			
NZ Interest Rates				
	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			
Commodities Futures (Spot Price \$USD)				
	Last	Change		
Gold	1,794.50	30.60	▲	1.73%
Silver	23.85	0.62	▲	2.66%
Crude Oil	79.08	1.78	▼	2.20%

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