

MORNING REPORT

As at 9.00 a.m. 2021/11/11

Web: www.equity.co.nz / E-mail: Info@equity.co.nz / Tel: +64 (9)304 0145 / Address: Level 8, 115 Queen Street, Auckland, NZ

Top News

KEY OVERSEAS MARKETS

US stock markets were trading in negative territory, as surging consumer prices, fuelled fears of a longer-than-expected wave of high inflation, which dampened investor risk appetite. The consumer price index rose 0.9% on the prior month. Analysts were expecting a 0.6% jump in October. The year-on-year rise was 6.2%, the largest jump in 31 years. Fears are that the persistent supply chain constraints would result in inflation taking longer to abate and that inflation is going to be long lasting, with structural inflation has become more significant. Concern is rising that, if the high inflation numbers persist, the Fed will have to accelerate the pace of tapering. The CBOE Volatility index a gauge of investor anxiety, touched its highest level in nearly one month. The yield on the 10-year note rose to 1.48%.

The Dow Jones Industrial Average fell 0.74%, to 36,049.88 the S&P 500 declined 1.0%, to 4,638.56 and the Nasdaq Composite dropped 1.90%, to 15,585.46. Declining stocks outnumbered advancing ones on both the and the Nasdaq by a 1.89-to-1 and 2.18-to-1 ratio respectively.

Other key overseas markets were mostly lower, with Germany's DAX 30 and France's CAC 40 falling 0.11% and 0.21%, respectively, while Britain's FTSE 100 rose 0.44%. Hong Kong's Hang Seng closed 0.74% higher, while China's Shanghai Composite fell 0.42% and Japan's Nikkei 225 declined 0.61%.

West Texas Intermediate crude oil slid six cents to \$84.09 a barrel and gold jumped \$25.20 to \$1,856 an ounce.

ASX & NZX

The ASX closed 0.1% lower, at 7423.9. The materials and energy sectors led the declines. The ASX 200 lost ground in the afternoon to finish 0.14% lower. The resources dragged the index down, with the major miner losing ground. Financials, however, climbed 0.72%. Iron ore prices declined by 1.6% to \$US92.30 a tonne.

S&P/NZX 50 declined 0.52 % to close at 13,022.46. on turnover of \$142 million. There were sixty-eight stocks that declined and sixty-four closed higher. Ryman Health and Pushpay delivered disappointing results for this earnings season and were the primary driver of the lower market. Pushpay and Ryman Healthcare dropped 12.97% and 2.18% respectively. Pushpay downgraded its guidance for financial year 2022. Other large stocks that were down were Pacific Edge (-2.78%), A2 Milk (-1.83%), Fisher & Paykel (-1.52%), Contact Energy (-1.37%), Summerset (-1.35%) and Ebos (11.23%). Among the large cap stocks that ended the day positively were Goodman Property Trust (+2.08%), Port of Tauranga (+1.60%), Kiwi Property (+1.32%), Kathmandu (+1.28%), Spark (+1.10%) and Mainfreight (+1.10%)

| NZX Index | | | | |
|--|-----------|--------|---|-------|
| Index | Last | Change | | |
| S&P/NZX All Index | 14,243.59 | 72.68 | ▼ | 0.51% |
| S&P/NZX 50 Index | 13,022.46 | 68.12 | ▼ | 0.52% |
| S&P/NZX MidCap Index | 36,918.01 | 232.90 | ▼ | 0.63% |
| S&P/NZX SmallCap Index | 96,250.16 | 75.46 | ▼ | 0.08% |
| ASX Index | | | | |
| Index | Last | Change | | |
| ASX All Ordinaries | 7,737.40 | 18.90 | ▼ | 0.24% |
| S&P/ASX 200 | 7,423.90 | 10.30 | ▼ | 0.14% |
| ASX Small Ordinaries | 3,550.60 | 32.90 | ▼ | 0.92% |
| S&P/ASX MIDCAP 50 | 9,419.40 | 41.90 | ▼ | 0.44% |
| S&P/ASX 20 | 4,081.00 | 2.60 | ▲ | 0.06% |
| Foreign Markets Index | | | | |
| | Last | Change | | |
| S&P 500 | 4,638.56 | 46.69 | ▼ | 1.00% |
| Dow Jones Industrial Average | 36,049.88 | 270.10 | ▼ | 0.74% |
| NASDAQ Composite | 15,585.46 | 301.09 | ▼ | 1.90% |
| FTSE 100 | 7,340.15 | 66.11 | ▲ | 0.91% |
| ASX All Ordinaries | 7,737.40 | 18.90 | ▼ | 0.24% |
| NIKKEI 225 | 29,106.78 | 178.68 | ▼ | 0.61% |
| HANG SENG INDEX | 24,996.14 | 183.01 | ▲ | 0.74% |
| Currencies (per NZ\$ 1.00) | | | | |
| | Last | Change | | |
| AUD | 0.9639 | 0.0027 | ▼ | 0.28% |
| USD | 0.7074 | 0.0059 | ▼ | 0.83% |
| CNY | 4.5193 | 0.0409 | ▼ | 0.90% |
| EUR | 0.6154 | 0.0002 | ▲ | 0.03% |
| CAD | 0.8838 | 0.0035 | ▼ | 0.39% |
| GBP | 0.5269 | 0.0009 | ▲ | 0.17% |
| JPY | 80.5127 | 0.0016 | ▼ | 0.20% |
| US 10 Year Treasury Yield | | | | |
| US 10YR | 1.54% | | | |
| 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 | 1,827.60 | 10.80 | ▲ | 0.59% |
| Silver | 24.58 | 0.43 | ▲ | 1.77% |
| Crude Oil | 81.90 | 0.63 | ▲ | 0.78% |

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E-mail: Info@equity.co.nz

Tel: +64 (9)304 0145 / NZ: 0800 474 669