

MORNING REPORT

As at 9.00 a.m. 2021/11/12

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Top News

KEY OVERSEAS MARKETS

U.S. stock markets were mixed after Wednesday's sell-off, that came after an inflation reading hit a three-decade high. The S&P 500 was up 0.19% in recent trading. The technology-heavy Nasdaq Composite rose 0.74%. The Dow Jones Industrial Average pulled back 0.38%. Growth and technology stocks, which tend to perform poorly in an inflationary environment, rebounded.

Other key overseas markets rallied across the board, with France's CAC 40 and Germany's DAX 30 rising marginally 0.07% and 0.13%, respectively, while Britain's FTSE 100 ended 0.44% up. Japan's Nikkei 225 closed 0.59 higher, the Hong Kong's Hang Seng rose 1.01% and China's Shanghai Composite index jumped 1.15%, after indications that Beijing might moderate its tough property-sector rules. China Evergrande Group made another set of last-minute bond payments, averting default.

The US 10 - year note was at 1.57%.

West Texas Intermediate crude oil was marginally up 29 cents at \$81.63 a barrel and gold rose \$15.30 to \$1,863.60 an ounce.

ASX AND NZX

The Australian stock market recorded their biggest slump in a week, as unexpected soft jobs data, dented risk appetite on Thursday. The S&P/ASX 200 index closed 0.57% lower at 7,381.9, extending losses for the fourth consecutive session. The main theme in the market remains, that inflation is probably not as transitory, as many commentators think. Australian financials ended 0.9% lower, with all major banks recording losses between 0.1% and 1.6%. Energy stocks were 2% down, tracking softer crude prices. Mining stocks was the only sector up, recording the best session in two months, after debt-laden China Evergrande Group was reported to have made a coupon payment to several bondholders. Gold stocks rose 3.6%, as U.S. inflationary concerns encouraged investors to add to their inflation hedges.

The S&P/NZX 50 ended a choppy session flat at 13,026.91, on turnover of \$138 million. Concerns among professional investors about world inflation drove market bond rates higher. The NZ 10- year bond rate rose sharply to 2.6%. The best performing large cap stocks yesterday were MFT (+2.76%), SKL (+2.53%), DGL (+2.07%), GMT (+1.22%) and MCY (+1.17%). Among the worst larger cap stocks were PEB (-2.14%), WHS (-1.70%), SKC (-1.55%), ARV (-1.50%), VSL (-1.37%) and PCT (-0.94%).

NZX Index				
Index	Last	Change		
S&P/NZX All Index	14,245.90	1.35	▲	0.01%
S&P/NZX 50 Index	13,026.91	3.54	▲	0.03%
S&P/NZX MidCap Index	36,881.61	42.99	▼	0.12%
S&P/NZX SmallCap Index	95,974.10	276.00	▼	0.29%
ASX Index				
Index	Last	Change		
ASX All Ordinaries	7,701.20	36.20	▼	0.47%
S&P/ASX 200	7,381.90	42.00	▼	0.57%
ASX Small Ordinaries	3,536.10	14.50	▼	0.41%
S&P/ASX MIDCAP 50	9,406.20	13.20	▼	0.14%
S&P/ASX 20	4,060.10	20.90	▼	0.51%
Foreign Markets Index				
	Last	Change		
S&P 500	4,655.37	8.66	▲	0.19%
Dow Jones Industrial Average	35,943.97	135.97	▼	0.38%
NASDAQ Composite	15,737.96	115.26	▲	0.74%
FTSE 100	7,384.18	44.03	▲	0.60%
ASX All Ordinaries	7,701.20	36.20	▼	0.47%
NIKKEI 225	29,277.86	171.08	▲	0.59%
HANG SENG INDEX	25,247.99	251.85	▲	1.01%
Currencies (per NZ\$ 1.00)				
	Last	Change		
AUD	0.9621	0.0015	▼	0.16%
USD	0.7019	0.0040	▼	0.57%
CNY	4.4854	0.0246	▼	0.55%
EUR	0.613	0.0020	▼	0.33%
CAD	0.8832	0.0007	▲	0.08%
GBP	0.525	0.0017	▼	0.32%
JPY	80.0602	0.3511	▼	0.44%
US 10 Year Treasury Yield				
US 10YR	1.57%			
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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