

MORNING REPORT

As at 9.00 a.m. 2021/11/22

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Top News

KEY OVERSEAS MARKETS

Oil prices tanked on Friday as rising COVID-19 lockdowns in Europe spooked investors. U.S. stocks markets closed mixed as the markets were weighed down by the increasing numbers of lockdowns in Europe. The Nasdaq Composite closed at a record high above 16,000 for the first time, while the Dow Jones Industrial Average ended 0.75% lower and the S&P 500 fell 0.14%.

In Europe all the leading market ended lower, with the leading indices ending as follows: FTSE100 (-0.45%), CAC (-0.42%) and DAX30 (-0.38%).

In Asia the situation was mixed with the Shanghai Composite up 1.13%, Nikkei 225 also higher at 0.5%, while the Hang Seng fell -1.07%. Japan announced a US\$490 billion stimulus package to jumpstart its economy, which has struggled as a result of the COVID-19 pandemic.

The USA 10 - year note yield ended at 1.54%, while the 2 - year treasury yield closed at 0.513%.

West Texas Intermediate crude tumbled over 5.8% to \$76.10 per barrel, the biggest drop since late March 2020. Gold ended flat at US\$1815.60 per ounce

ASX & NZX

The ASX finished the day in the green. The ASX 200 closed at 7,397 which was 0.23 higher than the previous day. The best sectors were resources, consumer staples and healthcare while telcos and industrials were the worst sectors.

The S&P/NZX 50 declined 0.5% to 12740.12 on turnover of \$123 million on Friday. The retirement sector came under pressure on Friday after Ryman Healthcare reported underwhelming first half profit growth and ended the day 8.5% lower. The other two giants in the sector Arvida and Summerset were also down 3.08% and 1.79% respectively. The market perception is that that sector is over-valued in the main and that some of its stocks' high debt levels are worrying.

Other large cap stocks that had a poor day on Friday were Auckland International Airport (-2.7%), PushPay (-2.03%), Mercury (-1.94%), Restaurant Brands (1.86%) and Meridian (-1.71%). The best large cap performers were Argosy (+2.42%), Vector (+1.51%), Sky City (+1.26%) and A2Milk (+1.10%). Of the smaller stocks Steel and Tube rose 4.1% after its latest earnings guidance indicated that profits are likely to more than double compared to the previous year.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	13,956.71	57.68	▼ 0.41%
S&P/NZX 50 Index	12,740.12	60.21	▼ 0.47%
S&P/NZX MidCap Index	36,240.39	91.95	▼ 0.25%
S&P/NZX SmallCap Index	97,091.20	650.15	▲ 0.67%
ASX Index			
Index	Last	Change	
ASX All Ordinaries	7,729.90	16.70	▲ 0.22%
S&P/ASX 200	7,396.50	17.30	▲ 0.23%
ASX Small Ordinaries	3,569.00	6.20	▼ 0.17%
S&P/ASX MIDCAP 50	9,612.10	24.10	▲ 0.25%
S&P/ASX 20	4,024.70	7.50	▲ 0.19%
Foreign Markets Index			
	Last	Change	
S&P 500	4,697.96	6.58	▼ 0.14%
Dow Jones Industrial Average	35,601.98	268.92	▼ 0.75%
NASDAQ Composite	16,057.44	63.74	▲ 0.40%
FTSE 100	7,223.57	32.39	▼ 0.45%
ASX All Ordinaries	7,729.90	16.70	▲ 0.22%
NIKKEI 225	29,745.87	147.17	▲ 0.50%
HANG SENG INDEX	25,049.97	269.73	▼ 1.07%
Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9691	0.0000	0.00%
USD	0.7014	0.0030	▼ 0.43%
CNY	4.48	0.0000	0.00%
EUR	0.6218	0.0000	0.00%
CAD	0.8864	0.0000	0.00%
GBP	0.5216	0.0000	0.00%
JPY	79.9688	0.0000	0.00%
US 10 Year Treasury Yield			
US 10YR	1.59%		
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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