

MORNING REPORT

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Top News

Stocks Tumble 4%, Bonds Surge on Coronavirus Fears

U.S. stocks tumbled as volatility sparked by the spread of the coronavirus woes continued to grip financial markets. Treasury yields sank to record lows as haven assets surged.

The S&P 500 fell 4%, erasing nearly all of Wednesday's steep gains, as wild swings piled up. The benchmark has had the most volatile week since S&P Global Ratings cut the U.S. debt rating in 2011. Banks and tech shares led losses.

Investor confidence has been shaken as cases of the virus continue to multiply across the U.S. despite efforts by authorities to contain the outbreak. The 10-year yield sank to as low as 0.90%, while the dollar plunged against the yen. Gold climbed and oil slid.

"If you think about what market volatility means, it's lots of people moving at the same time. When you have a 4.5% up day and a 2% down day -- what does that mean?" Kathryn Kaminski, chief research strategist at AlphaSimplex Group LLC, said on Bloomberg Television. "It means we don't know what's going on."

Risk assets have whipsawed this week, with traders still on edge amid a rise in virus cases around the world and governments extending quarantines and travel restrictions. An industry association warned the outbreak could cost airlines as much as \$113 billion in lost revenue. The S&P 500 has rebounded since the Federal Reserve pledged action on Friday, but it remains more than 10% below last month's all-time high.

In Asia, the main equities benchmark headed for a fourth straight gain. Surging Chinese stocks have now erased the last of their declines triggered by the outbreak.

Supplies of the Hottest Smartphones Could Soon Run Out

As Chinese factories hit by the coronavirus look to restart production, the pain is only beginning for carriers that rely on steady shipments of Asian smartphones.

AT&T Inc. is bracing for handset shortages across the U.S. A carrier in the U.K. and one in France are already dealing with supply disruption and could run out of some popular models, people familiar with the matter said.

British network operators may even resort to using stockpiles of phones they'd built up in case of a Brexit-related supply crunch, said one of the people, a company executive who asked not to be identified as the information is private.

The supply chain chaos may last only a few weeks, but it's already wiping out the smartphone industry's hopes for sales growth this year.

Worldwide device sales are set to fall 4.3% in 2020, with European sales tumbling 7.4%, according to industry consultancy Canalys. It was forecasting global growth of 3.6% before the virus brought much of Chinese industry to a juddering halt.

NZX Index			
Index	Last	Change	
S&P/NZX All Index	12,558.97	236.15	▲ 1.92%
S&P/NZX 50 Portfolio Index	7,021.65	139.39	▲ 2.03%
S&P/NZX MidCap Index	31,650.01	633.79	▲ 2.04%
S&P/NZX SmallCap Index	60,345.43	760.22	▲ 1.28%

ASX Index			
Index	Last	Change	
ASX All Ordinaries	6,472.40	73.90	▲ 1.15%
S&P/ASX 200	6,395.70	70.30	▲ 1.11%
ASX Small Ordinaries	2,720.90	26.00	▲ 0.96%
S&P/ASX MIDCAP 50	6,810.20	76.60	▲ 1.14%
S&P/ASX 20	3,562.30	37.40	▲ 1.06%

Foreign Markets Index			
	Last	Change	
S&P 500	2,999.83	130.29	▼ 4.16%
Dow Jones Industrial Average	25,944.01	1,146.85	▼ 4.23%
NASDAQ Composite	8,678.37	339.72	▼ 3.77%
DAX PERFORMANCE-INDEX	11,944.72	182.97	▼ 1.51%
ASX All Ordinaries	6,472.40	73.90	▲ 1.15%
NIKKEI 225	21,329.12	229.06	▲ 1.09%
HANG SENG INDEX	26,767.87	545.80	▲ 2.08%

Currencies (per NZ\$ 1.00)			
	Last	Change	
AUD	0.9549	0.0045	▲ 0.47%
USD	0.63	0.0003	▼ 0.05%
CNY	4.3670	0.0080	▲ 0.18%
EUR	0.56	0.0036	▼ 0.64%
CAD	0.8451	0.0021	▲ 0.25%
GBP	0.49	0.0030	▼ 0.62%
JPY	66.9750	0.7470	▼ 1.12%

NZ Interest Rates			
	Last	Change	
NZ OCR	1.00		
3m Bank Bill	0.82		
5y Swap	0.79		
10y Swap	1.09		

Commodities Futures (Spot Price \$USD)			
	Last	Change	
Gold	1,674.30	31.30	▲ 1.91%
Silver	17.44	0.20	▲ 1.15%
Crude Oil	45.84	0.94	▼ 2.01%

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