



# MORNING REPORT

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Web: [www.equity.co.nz](http://www.equity.co.nz) / E-mail: [Info@equity.co.nz](mailto:Info@equity.co.nz) / Tel: +64 (9)304 0145 / Address: Level 7, 12-26 Swanson Street, Auckland, NZ

## Top News

### Technology Shares Climb on Tax Accord, Oil Tumbles

Technology shares rallied on the back of upbeat earnings and after the U.S. and France struck a deal on digital taxation. Oil tumbled on concern the market is oversupplied.

The Nasdaq Composite Index headed for a record and the S&P 500 edged higher after France agreed to delay collecting a tax on multinational digital companies, possibly averting a transatlantic trade war. Gains were limited by concern about the potential impact of a deadly respiratory virus that originated in China, even as the country moved to contain the outbreak. IBM gained after revenue beat estimates. Tesla Inc.'s market value soared past \$100 billion.

With stocks trading near records, investors are on alert for any developments that could derail the momentum and had taken a cautious stance amid concern the virus that originated in China and has already killed 17 people could turn into a global pandemic that dents economic growth. A sense that China is coming to grips with containing the illness gave traders the chance to hunt for bargains following yesterday's declines.

"The market seemingly wants to look at the positive and recover quickly as soon as it gets a chance," Ann Miletti, head of active equities at Wells Fargo Asset Management, said in an interview at Bloomberg's New York headquarters. "Clearly fiscal and monetary policy set us up pretty well for the growth that we will likely see in earnings for 2020."

Bob Prince, co-chief investment officer at Bridgewater Associates, discusses the end of the boom-bust cycle, finding opportunity in market stability, and the firm's investment strategy. He speaks at the World Economic Forum's annual meeting in Davos, Switzerland. (Source: Bloomberg)

Elsewhere, Chinese shares eked out a gain and the yuan steadied after Beijing said it will start a nationwide screening effort to tackle the outbreak of the Wuhan virus. The Stoxx Europe 600 Index dipped as Italian banks slumped amid a fresh bout of political turmoil.

West Texas oil fell below \$58 a barrel as ample global supplies offset the loss of exports from Libya. The pound strengthened after Prime Minister Boris Johnson's Brexit deal cleared its final hurdles in Parliament.

### Travel From Chinese City at Center of Virus Outbreak Halted

The Chinese city at the center of a widening respiratory-virus outbreak suspended outbound flights and rail service, as China ramps up efforts to contain an illness that's killed at least 17 people and infected hundreds.

The travel halt by the city of Wuhan was reported by state broadcaster CCTV. The city also suspended travel by bus, subway and ferry. Citizens shouldn't leave the city without special reasons, the report said.

CCTV reported earlier that the death toll has nearly doubled from a previous total of nine. There were two "preliminary positive" reports of the pneumonia-causing virus in Hong Kong, with one diagnosis in the U.S. and patients under examination in Mexico and Russia.

NZX Index				
Index	Last		Change	
S&P/NZX All Index	12,863.57	85.23	↑	0.67%
S&P/NZX 50 Index	11,889.68	84.53	↑	0.72%
S&P/NZX MidCap Index	33,462.48	131.61	↑	0.39%
S&P/NZX SmallCap Index	67,148.50	257.84	↓	0.38%

ASX Index				
Index	Last		Change	
ASX All Ordinaries	7,249.00	68.50	▲	0.95%
S&P/ASX 200	7,132.70	66.40	▲	0.94%
ASX Small Ordinaries	3,073.20	27.90	▲	0.92%
S&P/ASX MIDCAP 50	7,662.50	81.20	▲	1.07%
S&P/ASX 20	3,920.70	32.70	▲	0.84%

Foreign Markets Index				
	Last		Change	
S&P 500	3,324.02	3.23	▲	0.10%
Dow Jones Industrial Average	29,209.63	13.59	▲	0.05%
NASDAQ Composite	9,394.84	24.03	▲	0.26%
DAX PERFORMANCE-INDEX	13,515.75	40.12	▼	0.30%
ASX All Ordinaries	7,249.00	68.50	▲	0.95%
NIKKEI 225	24,031.35	166.79	▲	0.70%
HANG SENG INDEX	28,341.04	355.71	▲	1.27%

Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9637	0.0000	▲	0.00%
USD	0.66	-0.0002	▼	0.03%
CNY	4.5510	-0.0030	▼	0.07%
EUR	0.59	-0.0008	▼	0.13%
CAD	0.8667	0.0046	▲	0.53%
GBP	0.50	-0.0035	▼	0.70%
JPY	72.4510	-0.0165	▼	0.02%

NZ Interest Rates		
	Last	Change
NZ OCR	1.00	
3m Bank Bill	1.27	
5y Swap	1.32	
10y Swap	1.63	

Commodities Futures (Spot Price \$USD)				
	Last		Change	
Gold	1,557.80	0.10	▼	0.01%
Silver	17.84	0.03	▲	0.18%
Crude Oil	56.72	1.66	▼	2.84%

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[www.equity.co.nz](http://www.equity.co.nz) [E-mail: Info@equity.co.nz](mailto:Info@equity.co.nz)

Contact Equity Investment Advisers today.  
Tel: +64 (9)304 0145 / NZ: 0800 474 669