

MORNING REPORT

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Top News

KEY FACTORS IMPACTING KEY OVERSEAS

US Shares rallied to record highs Wednesday, as investors took solace in the minutes from the latest Federal Reserve policy meeting, that indicated the central bank was in no hurry to raise rates. The bond market showed no signs of concern about inflation with the yield on the 10-year treasuries falling to 1.321%.

The Dow Jones Industrial Average closed 0.3%, higher while the S&P 500 and the Nasdaq Composite advanced 0.34% and 0.01%, respectively. Both the S&P 500 and the Nasdaq finished in record territory.

Overseas markets were mostly higher. European bourses were up with France's CAC 0.31%, Britain's FTSE 100 0.71% and Germany's DAX 30 1.17% respectively.

In Asia, China's Shanghai Composite gained 0.67% while Hong Kong's Hang Seng index and Japan's Nikkei 225 declined 0.4% and 0.96%, respectively.

West Texas Intermediate crude slipped \$1.16 to \$72.21 a barrel. Gold rose to \$1,801.50 an ounce.

SOME KEY FACTORS IMPACTING NZX & ASX YESTERDAY

In New Zealand, the S&P/NZX 50 index was marginally down by 0.09% to 12,747.8. Freightways led the market lower dropping 2.7% to \$12.71. GMT fell 2.4%. Some of the gainers were: ATM 3.8%, SCL 3% and AIA 2.4%. NZ's benchmark index has been in a sideways fluctuation for approximately the last 4 months and funds have been rotating from very expensive stocks to cheaper stocks that suffered from the impact of Covid-19. Some of the biggest gainers today included agribusiness Scales which rose 3% to \$4.81, Napier Port Holdings up 2.7% at \$3.46 and Auckland Airport which gained 2.4% to \$7.55.

The increasing probability that the Reserve Bank of New Zealand will raise the official cash rate sooner than previously thought is also weighing on the market. Some commentators are predicting as early as November this year.

Australian shares closed higher, as technology and health stocks rallied, though the gains were capped by losses in oil and gas companies. The S&P/ASX 200 index ended up 0.9% at 7,326.9. Tech stocks jumped 2.8%, tracking a record-high close on the Nasdaq overnight. Buy-now-pay-later firm Afterpay, led gains on the tech sub-index, surging 4.6%. The health index rose 1.7%, with hearing implant maker Cochlear Ltd finishing 4.4% higher to be the biggest health gainer and CSL was 1.4%. Energy stocks fell 1.9%, led by Whitehaven Coal Ltd which shed 4.23%. Worley also dropped 2.93%

NZX Index				
Index	Last		Change	
S&P/NZX All Index	13,918.05	6.46	▼	0.05%
S&P/NZX 50 Portfolio Index	8,157.49	1.96	▼	0.02%
S&P/NZX MidCap Index	36,424.22	207.20	▼	0.57%
S&P/NZX SmallCap Index	92,519.68	696.68	▲	0.76%

ASX Index				
Index	Last		Change	
ASX All Ordinaries	7,599.30	67.90	▲	0.90%
S&P/ASX 200	7,326.90	65.10	▲	0.90%
ASX Small Ordinaries	3,360.50	29.80	▲	0.89%
S&P/ASX MIDCAP 50	8,998.80	77.30	▲	0.87%
S&P/ASX 20	4,120.20	36.90	▲	0.90%

Foreign Markets Index				
	Last		Change	
S&P 500	4,358.13	14.59	▲	0.34%
Dow Jones Industrial Average	34,681.79	104.42	▲	0.30%
NASDAQ Composite	14,665.06	1.42	▲	0.01%
FTSE 100	7,151.02	50.14	▲	0.71%
ASX All Ordinaries	7,599.30	67.90	▲	0.90%
NIKKEI 225	28,366.95	276.26	▼	0.96%
HANG SENG INDEX	27,960.62	112.24	▼	0.40%

Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9374	0.0021	▲	0.22%
USD	0.7012	0.0001	▲	0.01%
CNY	4.536	0.0060	▼	0.13%
EUR	0.5947	0.0018	▲	0.30%
CAD	0.8755	0.0022	▲	0.25%
GBP	0.5082	0.0001	▲	0.02%
JPY	77.581	0.0080	▲	0.01%

US 10 Year Treasury Yield	
US 10YR	1.50%

NZ Interest Rates	
	Last
NZ OCR	0.25
90-day Bank Bill	0.26
5y Bank Bill	0.34
10y Bank Bill	0.70
Swap rate spread close (bps)	58

Commodities Futures (Spot Price \$USD)				
	Last		Change	
Gold	1,804.20	10.00	▲	0.56%
Silver	26.23	0.05	▲	0.19%
Crude Oil	72.18	1.19	▼	1.62%

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