

MORNING REPORT

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Top News

KEY OVERSEAS MARKETS

The Dow Jones Industrial Average closed 0.04% higher, while the S&P 500 index and the Nasdaq Composite index finished 0.29% and 0.35% higher, respectively. Both the Dow and S&P 500 closed in record territory for a third straight day. Despite the producer price index for July increasing at a 7.8% annual pace, the fastest since recordkeeping began in November 2010, U.S. stock markets rallied to record highs. Jobless claims for last week fell to 375,000, matching estimates. Continuing claims, continue to fall and are at a pandemic-era low of 2.866m.

Infrastructure and drugmakers and some technology stocks like EBAY, Bumble and the big data provider Palantir Technologies showed closed higher.

Other overseas markets ended mixed with Britain's FTSE 100 declining 0.37% while France's CAC 40 and Germany's DAX 30 climbed 0.36% and 0.7%, respectively. Asian markets finished lower with Japan's Nikkei 225 slipping 0.2%, China's Shanghai Composite down 0.22% and Hong Kong's Hang Seng index falling 0.53%.

West Texas Intermediate crude oil slipped 16 cents to \$69.09 a barrel and gold slumped \$1.40 to \$1,749 an ounce.

ASX & NZX

Australian shares closed at a new record, for the seventh time since the start of August. The ASX 200 index finished trading relatively flat at 7,588. It climbed as high as 7,609 earlier in the day, before losing most of the gains. Reporting season is under way with key companies reporting. NAB announced a sharp rise in quarterly profit. Some of the best performers were Downer, Insurance Australia Group and Premier Investments, 4.2%, 6% and 3% up respectively. Graincorp jumped 11.7%. and QBE also had a strong day, increasing 8.1% after posting a profit after the previous year's loss. On the other side, Rio Tinto, Redbubble Goodman Group and Xero suffered losses.

The S&P/NZX 50 Index closed 0.5% lower at 12,681.81 on turnover of \$255 million. Fisher & Paykel Healthcare had another negative day down 2.8% to \$30.90. The stock has lost over 6% this week. The market is bracing for interest rate increases and investors are cautious. Growth stocks tend to be hit harder by rising interest rates, as the valuation models adjust discount net cashflows for rising interest rates.

The focus now will be on the outlook statements that companies deliver, as this together with potential rising interest rates in the next few weeks, will determine the investor confidence and investment appetite, especially in riskier stocks in the months ahead.

NZX Index				
Index	Last		Change	
S&P/NZX All Index	13,842.48	67.73	▼	0.49%
S&P/NZX 50 Portfolio Index	8,088.93	24.15	▼	0.30%
S&P/NZX MidCap Index	36,221.56	55.87	▼	0.15%
S&P/NZX SmallCap Index	91,645.87	209.64	▲	0.23%

ASX Index				
Index	Last		Change	
ASX All Ordinaries	7,860.50	5.90	▲	0.08%
S&P/ASX 200	7,588.20	3.90	▲	0.05%
ASX Small Ordinaries	3,507.90	6.50	▲	0.19%
S&P/ASX MIDCAP 50	9,196.40	43.50	▲	0.48%
S&P/ASX 20	4,284.50	7.50	▼	0.17%

Foreign Markets Index				
	Last		Change	
S&P 500	4,460.83	13.13	▲	0.30%
Dow Jones Industrial Average	35,499.85	14.88	▲	0.04%
NASDAQ Composite	14,816.26	51.13	▲	0.35%
FTSE 100	7,193.23	26.91	▼	0.37%
ASX All Ordinaries	7,860.50	5.90	▲	0.08%
NIKKEI 225	28,015.02	55.49	▼	0.20%
HANG SENG INDEX	26,517.82	142.34	▼	0.53%

Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9541	0.0009	▼	0.09%
USD	0.7001	0.0040	▼	0.57%
CNY	4.5352	0.0266	▼	0.58%
EUR	0.5965	0.0033	▼	0.55%
CAD	0.8765	0.0039	▼	0.44%
GBP	0.5071	0.0008	▼	0.16%
JPY	77.3182	0.4403	▼	0.57%

US 10 Year Treasury Yield	
US 10YR	1.37%

NZ Interest Rates	
	Last
NZ OCR	0.25
90-day Bank Bill	0.68
5y Bank Bill	1.37
10y Bank Bill	1.72
Swap rate spread close (bps)	65

Commodities Futures (Spot Price \$USD)				
	Last		Change	
Gold	1,754.70	1.40	▲	0.08%
Silver	23.17	0.31	▼	1.33%
Crude Oil	68.94	0.31	▼	0.45%

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