

MORNING REPORT

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Top News

KEY OVERSEAS MARKET

U.S. stock markets closed higher on a broad rally as investors weighed the Fed's tapering timetable versus tax hikes to help pay for President Biden's ambitious 3.5 trillion spending package. The Dow Jones Industrial Average closed 0.68% higher, while the S&P 500 index and the Nasdaq Composite index were up marginally 0.85% and 0.82%, respectively. The gains came a day after the Dow and the S&P both fell for the sixth time in seven sessions amid concerns a slowdown in inflation could cause the Fed to begin tapering later this year. Investors also fretted over proposed tax hikes that would help pay for Biden's \$3.5 trillion spending package. Energy stocks led the market higher on higher oil prices.

Other key overseas markets were broadly lower with France's CAC 40 tumbling 1.04%, Germany's DAX 30 declining 0.68% and Britain's FTSE 100 slipping 0.25%. Hong Kong's Hang Seng index dropped 1.84%, Japan's Nikkei 225 fell 0.52% and China's Shanghai Composite index slid 0.18%.

West Texas Intermediate crude oil surged by \$2.15 to \$72.61 a barrel, closing at its highest level since July 30.

ASX and NZX

Australian shares closed lower on yesterday, as energy stocks declined, and weak iron ore prices weighed on heavyweight miners. The market had previously closed higher for three consecutive sessions. The market seemed to have no sense of strong direction. The S&P/ASX 200 index ended 0.27% down at 7,417.

Leading miners fell 1.53%, tracking benchmark iron ore futures which plunged to a more than 9-month low on continued drop in Chinese steel production. BHP Group Ltd led losses on the sub-index, down 3.52% and Champion Iron Ltd., lost 3.19%. However, lithium prices continued to increase, with lithium miner Pilbara Minerals and Orocobre recording new highs. Uranium stocks were also up with uranium development firm Banner Energy jumping 22.58% and Boss Energy rising 10.71%. The uranium is a key factor in the green energy equation as countries continue to reduce their emission targets. Energy stocks fell 2.21% despite higher oil prices. Heavyweight Worley Ltd and Beach Energy Ltd lost 4.3% and 4.04% respectively. Financials slid 0.28% with Westpac the only "Big Four" bank to close higher at 0.3%.

New Zealand's benchmark S&P/NZX 50 closed 0.07% lower at 13,099.3. Again, like the ASX, the NZX seemed to follow wall street. Among the best performers were Harmony (+5.13%), Eroad (+4.28%), Briscoes (+3.28%), Gentrack (3.14%), Serko (+3.09%) and Skellerup (+2.6%). Among the worst performers were Evolve (-6.33%), Marlborough Wine (-4.00%), GEO (-3.52%), Rua (-2.44%), Hallenstein Glasson (-2.3%) and Synlait Milk (-2.2%).

NZX Index				
Index	Last		Change	
S&P/NZX All Index	14,306.07	8.14	▼	0.06%
S&P/NZX 50 Index	13,099.30	9.31	▼	0.07%
S&P/NZX MidCap Index	37,801.91	53.29	▼	0.14%
S&P/NZX SmallCap Index	94,254.06	210.68	▲	0.22%
ASX Index				
Index	Last		Change	
ASX All Ordinaries	7,723.20	17.10	▼	0.22%
S&P/ASX 200	7,417.00	20.30	▼	0.27%
ASX Small Ordinaries	3,539.00	5.50	▲	0.16%
S&P/ASX MIDCAP 50	9,386.60	8.90	▼	0.09%
S&P/ASX 20	4,074.40	16.60	▼	0.41%
Foreign Markets Index				
	Last		Change	
S&P 500	4,480.70	37.65	▲	0.85%
Dow Jones Industrial Average	34,814.39	236.82	▲	0.68%
NASDAQ Composite	15,161.53	123.77	▲	0.82%
FTSE 100	7,016.49	17.57	▼	0.25%
ASX All Ordinaries	7,723.20	17.10	▼	0.22%
NIKKEI 225	30,511.71	158.39	▼	0.52%
HANG SENG INDEX	25,033.21	469.02	▼	1.84%
Currencies (per NZ\$ 1.00)				
	Last		Change	
AUD	0.9696	0.0003	▲	0.03%
USD	0.7111	0.0013	▲	0.18%
CNY	4.574	0.0035	▲	0.08%
EUR	0.6017	0.0006	▲	0.10%
CAD	0.8982	0.0025	▼	0.28%
GBP	0.5137	0.0004	▼	0.08%
JPY	77.7719	0.0670	▼	0.09%
US 10 Year Treasury Yield				
US 10YR	1.31%			
NZ Interest Rates				
	Last			
NZ OCR	0.25			
90-day Bank Bill	0.54			
5y Bank Bill	1.49			
10y Bank Bill	1.80			
Swap rate spread close (bps)	70			
Commodities Futures (Spot Price \$USD)				
	Last		Change	
Gold	1,794.80	12.30	▼	0.68%
Silver	23.80	0.04	▼	0.18%
Crude Oil	72.66	2.20	▲	3.12%

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