

MORNING REPORT

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Top News		NZX Index				
KEY OVERSEAS MARKET		Index	Last	Change		
<p>After a tumultuous week US stock markets ended Friday lower on an ominous note, with a broad technology-sector selloff sending the major U.S. stock indices sharply lower and treasury yields declining to levels not seen since some of the worst days of the pandemic last year. Traders weighed a mixed jobs report and the hawkish comments from Federal Reserve Bank of St. Louis President James Bullard, which highlighted the "unexpected inflation shock in the U.S." while monetary policy remains "very accommodative". He feels strongly that on balance the Federal Open Market Committee should remove monetary policy accommodation. Federal Reserve Bank of Atlanta President Raphael Bostic expressed similar sentiments wanting the Fed to accelerate the pace of tapering. The Labour Department reported that the U.S. economy added just 210,000 new non-farm jobs in November, which is much lower than October's of 546,000 jobs.</p> <p>The Dow Jones Industrial Average fell 0.17%, while the S&P 500 and Nasdaq Composite declined 0.8% and 1.9% respectively, after a volatile week. Oil climbed over 2% to \$66 per barrel level. The new Omicron variant, which has triggered fresh restrictions in many places across the globe has raised market volatility. Investors were already faced the risks of inflation and the rising tensions in Eastern Europe and the South China Sea.</p> <p>The S&P 500 and Dow fell around 1.2% and 0.9%, respectively, this week. Many investors rushed to the Treasury market, as stocks fell on Friday, sending the yield on the 10-year Treasury note below 1.4%. This highlights that some investors have increasing concern that the end of Federal Reserve stimulus could mark the beginning of an economic slowdown next year.</p> <p>The 10-year Treasury note fell as low as 1.342% this week, recording the biggest one-week yield decline since June 2020. Yields have now fallen for three consecutive weeks.</p> <p>The US 10 - year Note ended at 1.356% while the US 2- year note was at 0.595%. The WTI oil price fell 0.42% to US\$66.22 per barrel while gold closed at \$1783.90 per ounce up 1.2%.</p>		S&P/NZX All Index	13,929.11	198.58	▲	1.45%
		S&P/NZX 50 Index	12,676.50	0.26	▼	0.00%
		S&P/NZX MidCap Index	35,727.20	336.26	▲	0.95%
		S&P/NZX SmallCap Index	96,126.58	684.30	▲	0.72%
				ASX Index		
		Index	Last	Change		
		ASX All Ordinaries	7,587.40	24.90	▲	0.33%
		S&P/ASX 200	7,256.00	16.20	▲	0.22%
		ASX Small Ordinaries	3,489.40	50.50	▲	1.47%
		S&P/ASX MIDCAP 50	9,386.60	52.60	▲	0.56%
		S&P/ASX 20	3,952.60	4.30	▼	0.11%
		Foreign Markets Index				
			Last	Change		
		S&P 500	4,577.99	77.28	▼	1.66%
		Dow Jones Industrial Average	34,540.90	595.04	▼	1.69%
		NASDAQ Composite	15,535.14	247.69	▼	1.57%
		FTSE 100	7,059.45	50.50	▼	0.71%
		ASX All Ordinaries	7,587.40	24.90	▲	0.33%
		NIKKEI 225	27,821.76	462.16	▼	1.63%
		HANG SENG INDEX	23,475.26	376.98	▼	1.58%
		Currencies (per NZ\$ 1.00)				
			Last	Change		
		AUD	0.9579	0.0032	▲	0.34%
		USD	0.6817	0.0002	▼	0.03%
		CNY	4.3385	0.0156	▼	0.36%
		EUR	0.6026	0.0012	▼	0.20%
		CAD	0.8725	0.0040	▲	0.46%
		GBP	0.5134	0.0016	▲	0.31%
		JPY	77.1572	0.2661	▼	0.34%
		US 10 Year Treasury Yield				
		US 10YR	1.36%			
		NZ Interest Rates				
			Last	Change		
		NZ OCR	0.75			
		90-day Bank Bill	0.80			
		5y Bank Bill	2.31			
		10y Bank Bill	2.58			
		Swap rate spread close (bps)	59.00			
		Commodities Futures (Spot Price \$USD)				
			Last	Change		
		Gold	1,777.10	8.10	▼	0.45%
		Silver	22.82	0.02	▲	0.07%
		Crude Oil	66.62	3.33	▼	4.76%

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