



ASX soars for second day as banks hit highs; Equities

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Body

Commonwealth Bank shares hit a record price of \$119.37 yesterday, helping send the sharemarket higher for a second day.

Investors also sent National Australia Bank to a post-GFC high and Westpac to its highest level since 2015. The record-breaking banks helped lift the benchmark S&P/ASX 200 up 0.4 per cent to 7763.7 points. Nine of the 11 industry groups finished higher.

The financials sector climbed 0.6 per cent as CBA pared earlier gains to finish up 0.8 per cent at \$119.25. The advance means Australia's largest bank has now climbed around 22 times in value (excluding dividends) since its initial public offer at \$5.40 per share in 1991.

"Investors think interest rates have peaked, and the outlook is for lower rates, so people seem happy to buy at a 4 per cent yield for premium banks," said Sean Sequeira, the chief investment officer of Australian Eagle Asset Management.

NAB climbed 0.7 per cent to \$34.32 with Westpac up 0.2 per cent to \$27.

Technology stocks got a lift from Wall Street overnight, as the tech-heavy Nasdaq Index added 0.6 per cent and semiconductor giant Nvidia rose to a new all-time high of \$US887 (\$1348) per share and \$US2.2 trillion valuation.

On the local sharemarket, WiseTech added 1.1 per cent to \$1.06 and NextDC rose 2.5 per cent to \$17.37.

In the mining sector, market heavyweights BHP, Rio Tinto and South32 all traded ex-dividend and lost value, keeping a lid on the market's gains. Woodside Energy was also ex-dividend, sending the energy sector down 1.2 per cent.

Gold miners, meanwhile, extended a week-long rally as the precious metal hit a new record high of \$US2168.10 an ounce. Perseus Mining jumped 5.9 per cent to \$2.07, Newmont added 0.6 per cent to \$51.32 and Evolution Mining climbed 2.8 per cent to \$3.29.

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"Gold has flirted with record highs for a while, there's demand coming out of China and Russia as a store of wealth," said Mr Sequeira.

"The local gold stocks have lagged significantly though as a result of a few mishaps from the miners, and we've had large increases to cost bases which has really hurt earnings."

In other company news, gold miner **Ramellius Resources** entered a trading halt at \$1.545 per share after The Australian Financial Review's Street Talk column reported it would bid \$700 million to \$1 billion for Toronto-listed West Australian gold miner Karora **Resources**. The best performer on the S&P/ASX 200 was nickel miner Chalice Mining. It jumped 9.9 per cent to \$1.33 on the hope the nickel price rout may have bottomed.

Elsewhere, bitcoin fetched \$US66,230 at the closing bell and the Australian dollar climbed 0.3 per cent to buy US65.9¢ as the US dollar retreated across a basket of major currencies, after Federal Reserve chairman Jerome Powell said he still expected to cut borrowing rates in 2024.

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