



Bourse toys with a record high

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Body

The sharemarket flirted with record highs on Tuesday as it notched its seventh consecutive day of gains, marking its longest winning streak in 10 months.

The S&P/ASX 200 Index rose as much as 0.7 per cent to be just 2.3 points shy of its August 2021 intraday record of 7632.8 points, before paring its gains after weaker-than-expected retail sales data.

The benchmark index closed 0.3 per cent higher at 7600.2, still short of its August 2021 record close of 7628.9 points.

The broader All Ordinaries Index rose 0.3 per cent to 7835 points. Josh Gilbert, markets analyst at eToro, said the ASX 200 fell away from record levels but "stayed within touching distance".

Retail sales fell by 2.7 per cent in December, more than reversing the Black Friday-driven bump in November and the weakest monthly result since the height of Covid-19 lockdowns in August 2020.

Mr Gilbert said the data backed up the view that rate cuts by the Reserve Bank were on the horizon in the middle of the year. "This is what the RBA wanted to see; sales weakening, and we're likely to see further signs of weakening in the months ahead," he said.

Investors were focusing on Wednesday's consumer price index data, expected to show that inflation had eased to 0.8 per cent in the December quarter, with the annual rate falling to a two-year low of 4.3 per cent.

"A reading under expectations, after (Tuesday's) dismal retail print, will see the rate cut expectations brought forward, which could be the catalyst the local market needs to take out that record-high close," Mr Gilbert said.

The dollar ignored the retail data and was trading near US66.15c at 5pm AEDT. The tech sector was the strongest ASX performer, with Megaport rocketing almost 28 per cent to \$12.48 after a stronger-than-expected trading update.

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Healthcare stocks also gained as biotech giant CSL rose 1.2 per cent to \$296.74 and ResMed lifted 1.8 per cent to \$28.95.

Market and mining heavyweight BHP was up 0.4 per cent at \$47.05, while Fortescue hit a record high, closing with a 1.5 per cent gain at \$29.70.

Nickel Industries jumped almost 21 per cent to 72.5c on the back of record quarterly earnings and production, a higher dividend and a \$US100m share buyback.

Gold miner Northern Star **Resources** rose 2.9 per cent to \$13.33, and **Ramelius** advanced 2.9 per cent to \$1.58 after raising its production guidance.

Energy stocks declined after oil prices fell, having reached their highest level since November on Monday amid an escalation in Middle East tensions.

Woodside Energy dipped 0.1 per cent to \$31.87 and Santos lost 0.5 per cent to \$7.76.

Australia's biggest bank, Commonwealth Bank, reached a record high before ending with a 0.1 per cent lift at \$116.05.

Westpac fell 0.5 per cent to \$23.82, ANZ dropped 0.2 per cent to \$26.79 and NAB was flat, dipping 0.03 per cent to \$32.13.

Clothing retailer City Chic soared 26.4 per cent to 55c as it flagged a better-than-expected interim earnings loss and the potential sale of its North American business. The local sharemarket's rise followed gains on Wall Street as the S&P 500, up 0.8 per cent, and Dow Jones Industrial Average, up 0.6 per cent, both hit fresh records.

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