



FED:Australian shares rally on renewed hopes for Fed cuts

AAP Newsfeed

January 16, 2025 Thursday 5:25 PM AEST

Copyright 2025 Australian Associated Press Pty. Ltd.



Section: FINANCIAL NEWS

Length: 509 words

Dateline: SYDNEY Jan 16

Body

The local share market has rallied after US government data showed inflation cooled more than expected in December, raising hopes the Federal Reserve would continue cutting interest rates in 2025.

The benchmark S&P/ASX200 index on Thursday gained 113.7 points, or 1.38 per cent, to 8,327.0, while the broader All Ordinaries had climbed 112.3 points, or 1.33 per cent, to 8,569.1.

The gains came after US core inflation cooled to 3.2 per cent in the year from December, after remaining at 3.3 per cent for three months in a row.

GSFM investment specialist Stephen Miller said while the readout wasn't good enough to bring a January rate cut back into favour, it was good enough to erase any thought the Fed might not ease in 2025, a notion that had airplay in recent days.

Closer to home, a strong domestic jobs report was seen as reducing odds the Reserve Bank would cut Australian interest rates in February.

Employment picked up by 56,300 in December, the Australian Bureau of Statistics reported on Thursday and, while unemployment ticked it up, it was still low at 4.0 per cent.

"Today's release reinforces our long-running position that the RBA is unlikely to make the first rate cut until later in the year," VanEck portfolio manager Cameron McCormack said.

Ultimately every sector of the ASX ground, with financials the biggest gainer, rising 2.6 per cent after US banking giants JPMorgan, Citigroup, Wells Fargo and Goldman Sachs all delivered strong fourth-quarter earnings reports overnight.

CBA jumped 3.0 per cent to \$155.75, Westpac rose 2.5 per cent to \$32.66, NAB climbed 2.8 per cent to \$38.45, ANZ advanced 2.7 per cent to \$29.98 and Macquarie gained 3.2 per cent to \$231.34

Zip soared 10 per cent to \$3.09 and Afterpay owner Block rose 3.4 per cent to \$138.38.

In the heavyweight mining sector, goldminers were up as the precious metal neared a five-week high of \$US2,700 an ounce.

FED:Australian shares rally on renewed hopes for Fed cuts

Evolution was up 2.8 per cent, Newmont rose 3.0 per cent and **Ramellius Resources** climbed 5.0 per cent.

BHP rose 0.5 per cent to \$39.98, Fortescue added 0.3 per cent to \$18.89 and Rio Tinto edged 0.1 per cent higher at \$119.61 after releasing four-quarter production results.

In health care, Neuren jumped 11.5 per cent to \$12.28 after the Melbourne-based biotech's drug partner, Acadia Pharmaceuticals, asked European regulators to approve Neuren's treatment for the rare genetic disorder known as Rett syndrome.

The Australian dollar was near a one-week high against the greenback, buying 62.02 US cents, from 61.88 US cents at close of business Wednesday.

ON THE ASX:

* The benchmark S&P/ASX200 index on Thursday gained 113.7 points, or 1.38 per cent, to 8,327.0

* The broader All Ordinaries rose 112.3 points, or 1.33 per cent, at 8,569.1.

CURRENCY SNAPSHOT:

One Australian dollar buys:

* 62.02 US cents, from 61.88 at close of business Wednesday

* 96.83 Japanese yen, from 97.35 yen

* 60.31 euro cents, from 61.88 euro cents

* 50.79 British pence, from 50.72 pence

* 110.72 NZ cents, from 110.50 NZ cents

Load-Date: January 16, 2025