



FED:Australian shares rally to reach another all-time high

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Body

The Australian share market has closed above 7,800 points for the first time, on signals rate cuts in Europe and the US could come sooner rather than later.

The S&P/ASX200 on Friday finished at 7,847.0, up 83.3 points, or 1.1 per cent for the day and up 1.3 per cent for the week.

The broader All Ordinaries climbed 80.8 points, or 1.01 per cent, to 8,107.5.

The gains came after European Central Bank president Christine Lagarde and US Federal Reserve chairman Jerome Powell struck a more dovish stance.

Ms Lagarde told reporters in Frankfurt that while the ECB couldn't cut rates before receiving more data on wages, it would receive that information in the next few months.

"We will know a little more in April, but we will know a lot more in June," she said.

"That was a tacit nod to a June easing, providing there are no nasty surprises in between," NAB senior market strategist Gavin Friend wrote in a client note.

Mr Powell was more definitive about monetary easing in his appearance before the US Senate on Thursday than he had been in his comments to the House on Wednesday.

The powerful central banker told the Senate Banking Committee the Fed was "not far" from being able to cut rates and if trends continued the Fed "can and will" begin cutting them this year.

The S&P500 rallied one per cent on the news and that enthusiasm carried over domestically, with the Australian market steadily rising much of Friday to close near the highs of the day.

Every sector finished in the green except for industrials, which were basically flat.

The heavyweight financial sector was the biggest gainer, rising 2.0 per cent and the Big Four banks hit their highest levels in years.

Westpac rose 2.6 per cent to a four-year high of \$27.70, NAB advanced 2.3 per cent to a nine-year high of \$35.11, CBA climbed 1.8 per cent to an all-time high of \$121.45 and ANZ added 1.7 per cent to a near-seven year high of \$29.81.

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Virgin Money UK also soared 32.9 per cent to a five-year high of \$4.08 after the UK's sixth-largest bank - a 2016 spinoff from NAB - tentatively agreed to be taken over by Nationwide building society for 2.9 billion British pounds (\$A5.6 billion) in a tie-up that would remove it from the ASX.

Australian shareholders would receive 2.20 pence (\$4.26) per Chess Depository Interest.

The mining sector had a quieter day, rising 0.1 per cent, with BHP adding 0.2 per cent to \$43.95 while Rio Tinto dropped 0.6 per cent to \$119.89 and Fortescue dipped 0.3 per cent to \$25.96.

Ramelius Resources rose 1.0 per cent to \$1.56 after the mid-tier gold producer confirmed it was in exclusive talks to acquire Toronto Stock Exchange-listed, WA-focused goldminer Karora **Resources**.

Ramelius has a market cap of \$1.8 billion while Karora is worth \$C841 million (\$A943 million).

The discussions remain incomplete and uncertain, **Ramelius** said.

The Australian dollar jumped above 66 US cents for the first time since mid-January, buying 66.33 US cents, from 65.78 cents at Wednesday's ASX close.

ON THE ASX:

* The benchmark S&P/ASX200 index finished Friday up 83.3 points, or 1.07 per cent, to 7,847.0

* The broader All Ordinaries rose 80.8 points, or 1.01 per cent, to 8,107.5.

CURRENCY SNAPSHOT:

One Australian dollar buys:

* 66.33 US cents, from 65.78 US cents at Thursday's ASX close

* 98.08 Japanese yen, from 97.42 yen

* 60.58 Euro cents, from 60.35 Euro cents

* 51.78 British pence, from 51.66 pence

* 107.43 NZ cents, from 107.08 NZ cents.

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