



Big four send ASX higher; Cettire tumbles; Equities

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Body

The Australian sharemarket finished higher yesterday when a late rally in financial stocks helped reverse the trading session's earlier losses.

The benchmark S&P/ASX 200 Index swung between gains and losses to finish up 0.1 per cent, or 9.3 points, to 7733.5 after six out of the 11 sectors finished in the green. The All Ordinaries were flat, while the Australian dollar held just below US65¢.

Financial markets largely shrugged off the December-quarter GDP report that showed Australia's economy had barely expanded in the final three months of the year as consumers refrained from spending amid higher borrowing costs.

Real gross domestic product increased by 0.2 per cent in the fourth quarter, just under forecasts of 0.3 per cent. Annual growth was a touch firmer than expected at 1.5 per cent, against forecasts of 1.4 per cent, but in line with the Reserve Bank of Australia's projections.

"For the RBA, we expect today's figures will be seen as suggesting that the economy continues to move slowly in the right direction for achieving its inflation target," said HSBC chief economist Paul Bloxham.

The bond market is now fully priced for the first RBA rate cut in September. It is nearly fully positioned for a follow-up move by Christmas.

The financial sector was the best performing on the ASX 200 as all the major banks recorded gains. Index heavyweight Commonwealth Bank climbed 1.2 per cent to \$118.31, National Australia Bank rose 1 per cent to \$34.10, and Westpac gained 1.1 per cent to \$26.94.

ANZ finished up 1 per cent to \$29.02. In separate news, the bank agreed to sell a 16.5 per cent of a stake in AMMB Holdings via a block trade at a price of 3.85 Malaysian ringgit (\$1.25) apiece. The sale reduces ANZ's shareholding in the banking group from 21.7 per cent to 5.2 per cent.

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The tech sector, meanwhile, was the worst performing, finishing down 1.4 per cent. WiseTech dropped 2.6 per cent to \$93.16 and Xero lost 0.9 per cent to \$133.30. That's after the Nasdaq Composite overnight dropped 1.7 per cent as investors took profits in the mega cap tech stocks.

In commodities, gold rose as much as 1.3 per cent to \$US2141.79 an ounce, before losing its gains. Gold producers were paced by **Ramelius Resources**, which climbed 1 per cent to \$1.59. Perseus rose by 1.8 per cent to \$1.955.

Magellan Financial Group rallied by 7.9 per cent to \$9.21 after total funds management increased to \$37.2 billion last month, up from the \$36.3 billion booked in January.

Online luxury retailer Cettire tumbled 14.4 per cent to \$3.99. The shares plunged more than 20 per cent at the start of trade after an investigation by The Australian Financial Review that examined the company's handling of duties payable to the federal government.

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