

Global markets gain big as Fed kicks off easing cycle

AGENCIES
September 19

WALL STREET'S MAIN indexes soared on Thursday with the S&P 500 and the Dow hitting intraday record highs after the Federal Reserve kicked off its monetary easing cycle with half-a-percentage point reduction and forecast more interest rate cuts were on the horizon.

Rate-sensitive growth stocks that have led much of this year's gains climbed, with top players such as Microsoft adding 1.9%, Tesla gaining 7.1% and Apple advancing 3.4%.

Semiconductor stocks such as Nvidia jumped 5.3%, while Advanced Micro Devices gained 6% and Broadcom added 4.7%, sending the Philadelphia SE Semiconductor Index up 4.8%.

The Russell 2000 index, which tracks small caps, also trended 1.8% higher with the broader market, as a lower interest environment boosted prospects of lower operating costs and greater profits.

The Dow Jones Industrial Average rose 428.60 points, or 1.03%, to 41,931.70, the S&P 500 gained 97.47 points, or 1.73%, to 5,715.73 and the Nasdaq Composite gained 488.76 points, or 2.78%, to 18,062.06.



Eight out of the 11 S&P 500 sectors gained, led by tech stocks with a 3.4% rise, while defensive sectors like utilities and consumer staples trended lower.

European shares advance

European stocks jumped on Thursday after the Fed move and flagged that further easing would be measured, raising hopes of a soft landing for the American economy.

The continent-wide STOXX 600 index closed 1.4% up, its highest closing level in more than two weeks. UK's blue-chip FTSE 100 ended 0.9% higher, while the pound strengthened 0.5% against the dollar. Norway's central bank also held its policy interest rate unchanged at a 16-year high of

4.50% and said any cuts must wait until the first quarter of next year. Most local bourses also clocked sharp gains, with Germany's blue-chip benchmark jumping 1.6% to 19002.38 points, an all-time closing high. Growth-sensitive technology stocks jumped 3.5%, in tandem with tech giants on Wall Street, while miners added 3% after prices of most base metals rose with the long-awaited Fed rate cut and weakened the dollar.

Asian markets cheer

In Asian trading, Tokyo's Nikkei 225 index rose 2.1% to 37,155.33, lifted by major export manufacturers' shares. Toyota Motor Corp. surged 5.1%, Sony Group Corp. added 2.9% and Hitachi climbed 5.8%.