

The Sydney Morning Herald

BusinessDay

# ASX soars above 5000 in rally ahead of US Federal Reserve decision

December 16, 2015

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Shares soared above the key 5000 level on Wednesday on a bounce in oil prices ahead of the historic US Federal Reserve decision. *Photo: Michel O'Sullivan*

The Australian sharemarket snapped its six-day losing streak with its biggest rally in nearly four months, following a bounce in oil prices a day out from the historic US Federal Reserve decision.

Taking its lead from Wall Street, which closed higher after a rout in junk-bond funds reversed as investor tensions eased ahead of [Thursday morning's decision in which the Fed is expected to raise interest rates](#) for the first time since 2006.

The benchmark [S&P/ASX 200 rose 118.8 points, or 2.4 per cent](#), to the day's high of 5028.4, reversing all of the previous two day's losses and positioning the market over the key 5000 level as it awaited the decision and the accompanying comments from Fed chair Janet Yellen.

The broader All Ordinaries closed 114.8 points or 2.3 per cent higher to 5078.7. Similar strong results were posted on the Asian region bourses.

The week's volatility had swirled around four key concerns, that of commodities, currencies, junk bonds and interest rates, Prime Value Asset Management joint chief investment officer ST Wong said.

"If the Fed is able to address market concerns in the conference call and how the outlook statement is worded, all these concerns may be short term-ish in nature," he said.

That an interest rate hike came from a stronger US economy was ultimately a positive for investors, he said.

Wednesday's broad based rally included some strong results in the big four banks and the miners.

Commonwealth Bank rose 2.9 per cent to \$79.09, Westpac Banking Corporation rose 2.8 per cent to \$31.46, ANZ Banking Group added 2.7 per cent to \$26.01 and National Australia Bank rose 2.6 per cent to \$28.38.

BHP Billiton was among the day's top stocks, adding 5.6 per cent to \$17.18 as commodities, including iron ore and Brent crude oil prices improved overnight.

"BHP's assurances of further capital cuts to their US oil projects to continue their dividend policy were

taken very well by the market," IG market analyst Angus Nicholson said.

Rival miner Rio Tinto climbed 3 per cent to \$43.02. Fortescue Metals Group rose 5.3 per cent to \$1.90.

Fellow blue chips Telstra rose 1.9 per cent to \$5.33, Woolworths rose 3.4 per cent to \$23.26 and Wesfarmers rose 4 per cent to \$38.80.

Energy stocks enjoyed a bounce along with the 2.5 per cent lift in Brent oil prices, the sector the best performing, up 3.4 per cent. Origin Energy rose 4 per cent to \$4.53 and Santos climbed 5.2 per cent to \$3.45.

In company news, shares in Whitehaven Coal soared 6.6 per cent to 64.5¢ after its earnings for the first half may exceed \$100 million, almost doubling the earnings before interest, tax, depreciation and amortisation on the previous corresponding period.

Domino's Pizza Enterprises shares jumped 8.2 per cent to \$53.44 after it [upgraded its profit guidance for the second time this year](#) and announced a joint venture with its UK counterpart to acquire Germany's largest pizza chain, Joey's Pizza in a deal worth \$121 million.

Shares in Crown Resorts rallied 10.5 per cent to \$11.77 after it was revealed James Packer's Consolidated Press Holdings was holding talks with private equity firms and pension funds to privatise some of Crown's assets. It was the day's best performing stock.

The worst performing sector for the day was healthcare with shares in healthcare stocks continuing their sharp selloff following Tuesday's mid-year economic and fiscal outlook in which the federal government said it [planned to save \\$650.4 million over four years by cutting bulk-billing incentive payments](#) for certain tests.

The worst performing stock was GP clinic-exposed Primary Healthcare, falling 9.7 per cent to \$2.33, followed by Sonic Healthcare, down 5.6 per cent to \$17.46.

**HOW THE MARKET MOVED**

**YESTERDAY (%)**

Energy	3.42
Cons staples	3.38
Materials	3.17
Financial	2.78
Cons disc	2.29
Telecoms	1.88
Industrials	1.43
Utilities	0.44
IT	-0.14
Health	-0.15

These are the percentage moves in the 10 sectors that make up the S&P/ASX 200 Index. SOURCE: BLOOMBERG


**S&P/ASX 200 YESTERDAY**



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