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Business/ Markets

Hong Kong stocks join global rally as US Federal Reserve signals end to interest rate rises

Hong Kong's benchmark gauge jumped on Thursday morning after the Federal Reserve left interest rates unchanged at its latest meeting

The city's de facto central bank kept its rate unchanged in lockstep with the US, bringing some relief to local businesses and homeowners

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Hong Kong stocks joined a global rally after the Federal Reserve signalled an end to its aggressive hikes. Photo: Mia Castagnone

Hong Kong [stocks](#) joined a global rally after the Federal Reserve left interest rates unchanged at its latest meeting and signalled an end to its aggressive hikes.

The Hang Seng Index jumped 1.1 per cent to 16,408.26 at the noon trading break on Thursday, the biggest gain since November 20. The Tech Index climbed 1.1 per cent while the Shanghai Composite Index added 0.3 per cent.

Sun Hung Kai Properties surged 4 per cent to HK\$81.10, Henderson Land jumped 3.4 per cent to HK\$23.05 and HSBC added 0.5 per cent to HK\$60.85, leading gains among local property developers and banks. Electric vehicle maker BYD added 1.1 per cent to HK\$205.60 and JD.com added 0.9 per cent to HK\$98.75.

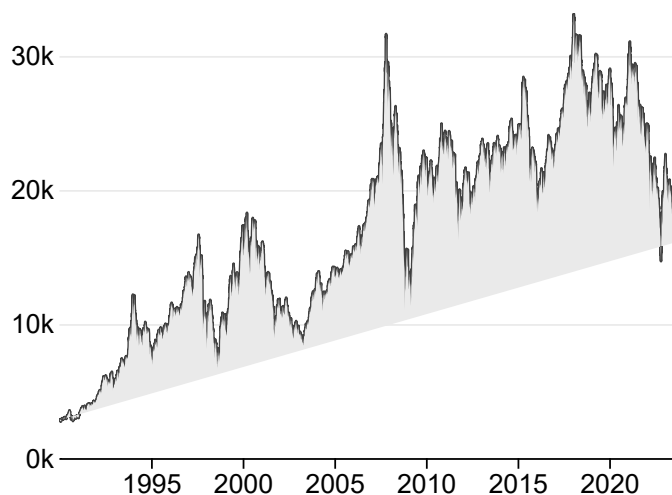
The US Federal Reserve [left its key policy rate unchanged](#) in the 5.25 per cent to 5.5 per cent range overnight, the fourth pause since it began lifting borrowing costs in March 2022. Officials lowered the median interest rate projection for 2024, with the midpoint forecast to decline by three-quarters of a percentage point from the current range.

Hong Kong's de facto central bank [kept the rate unchanged](#) in lockstep with the US, avoiding further pressure on local businesses and homeowners.

What moved the Hang Seng Index?

December 14, 2023

This is today's latest Hang Seng Index value. Flick back through some of the major milestones of the Hong Kong stock exchange and see how it has been impacted since 1990.



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“The dovish signal from the Fed this round provides room and time for risk assets to perform,” said Ray Sharma-Ong, investment director of multi-asset at abrdn. Asian equities are likely to improve as US growth moderates while Asian growth remains resilient, he added.

Further lifting sentiment, embattled property developer Country Garden Holdings jumped 2.6 per cent to HK\$0.79 after averting what would have been its first onshore default by [repaying a 800 million yuan \(US\\$111 million\) bond](#). The company [sold a minority stake](#) in Dalian Wanda’s shopping mall manager for US\$428 million, in a bid to help repay mounting debt and ease a liquidity crunch.

Even with today’s gains, the Hang Seng Index has still lost 3 per cent in December to extend its slide in the previous four months. The benchmark’s 17 per cent drop makes it the worst performing major global stock index this year and puts it on track to post an unprecedented fourth year of losses, according to Bloomberg data.

Elsewhere, Zhuhai Pilot Technology surged 162 per cent to 30.20 yuan per share on its first day of trading in Beijing.

Asian markets were mixed on Thursday morning. Japan’s Nikkei 225 lost 0.9 per cent, Korea’s Kospi index rose 1.1 per cent and Australia’s S&P/ASX 200 added 1.6 per cent.