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## ASX Hits Record High as Miners Rally

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– Categories: Economics



Australian shares surged to fresh all-time highs on Wednesday, driven by strong inflows into mining stocks amid rising commodity prices. The S&P/ASX200 climbed 1.2% to close at 8,910 points, eclipsing last month's peak as iron ore and copper prices rebounded. Materials stocks led gains, with BHP and Rio Tinto advancing 3.1% and 2.8% respectively, while gold miners benefited from safe-haven demand.

The rally reflects renewed optimism about global industrial demand, particularly from China's latest stimulus measures targeting infrastructure spending. Energy stocks also performed strongly as oil prices stabilized above \$85 per barrel, with Woodside Petroleum and Santos gaining 2.3% and 1.9%. Trading volumes exceeded the 30-day average by 18%, indicating robust institutional participation. Market analysts note the resources sector now accounts for 32% of the ASX200's market capitalization, its highest weighting since 2022.

Financials contributed to the broad-based advance, with the 'Big Four' banks adding 56 index points collectively. The Australian dollar strengthened to US68 cents on improved risk sentiment, while bond yields remained steady ahead of key US inflation data. The rally comes despite lingering concerns about domestic consumption, with retailers underperforming the broader market amid signs of weakening discretionary spending.



As the ASX extends its record-breaking run, investors face growing valuation questions. While mining stocks benefit from cyclical tailwinds, the sustainability of gains depends on China's economic stabilization and the Federal Reserve's policy trajectory. With the earnings season approaching, the market's resilience will be tested against corporate profit realities in an environment of elevated interest rates and moderating global growth.