

ASX Recovers as Banks Lead Gains

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Australia’s sharemarket steadied on Wednesday, bouncing back after a sharp sell-off triggered by healthcare giant CSL’s record one-day fall. Gains in banking and real estate stocks supported the rebound, providing some relief to investors following two volatile trading sessions.

The S&P/ASX 200 closed 21.8 points higher, or 0.25 percent, at 8,918. The broader All Ordinaries index added 3.6 points to finish at 9,177.4. Over the past five days, the benchmark has gained 1.03 percent and now sits just 0.5 percent below its 52-week high.

The Australian dollar slipped slightly, trading at 64.7 US cents.

All four of Australia's major banks recorded solid gains. Commonwealth Bank rose 0.79 percent to \$172.40, Westpac jumped 2.47 percent to \$38.23, NAB surged 3.68 percent to \$42.03, and ANZ climbed 1.95 percent to \$33.41.

Market analyst Tony Sycamore from IG said the financial sector remains a pillar of strength for the ASX. "The ASX 200 is insulated because we don't have the concentration of tech stocks that hit the US markets," he explained. "One of the reasons why we're seen as a more defensive market is because we've got the banks, and the banks have done well again today."

Seven of the 11 major sectors ended the session higher. The real estate sector rose 1.80 percent, consumer discretionary stocks gained 1.93 percent, and financials added 1.43 percent.

Healthcare remained under pressure, dragged down by CSL, which fell 16.89 percent on Tuesday and continued to weigh on the index. The sector slipped a further 1.28 percent. Information technology dropped 2.32 percent, materials declined 1.16 percent, and energy fell 1.23 percent.

"Elsewhere, we saw some fall in CSL extent today, so there is certainly an exodus which continues from that particular stock," Sycamore noted. "It was certainly a shock yesterday, and in terms of early-season bombshells, probably the biggest one I can recall in recent memory."

Several companies posted strong gains. HMC Capital surged 17.74 percent to \$3.85, Centuria Capital Group climbed 11.63 percent to \$2.40, Synlait Milk advanced 8.11 percent, Service Stream rose 7.92 percent, and Strickland Metals added 7.69 percent.

At the other end, James Hardie dropped sharply by 27.83 percent to \$32. Other notable losses included Arafura Rare Earths (-13.64 percent), Elsieht (-13.53 percent), and Electro Optic Systems (-13.09 percent).

Sycamore said investor sentiment is increasingly favoring safer, more defensively priced stocks. "The lure of the banks is proving to be appealing," he said. "Given recent uncertainty, investors are moving towards stocks with cheaper valuations. For example, CBA is trading

at \$172 now, compared to \$192 a couple of months ago, which makes it look more attractive.”

Mining stocks also experienced selling pressure. BHP, which rallied earlier in the week, gave back gains in Wednesday’s session. “Big mining stocks had a bad day today, but their valuations aren’t expensive by any stretch,” Sycamore added.

He noted that stock selection is becoming more focused on value rather than momentum, reflecting a cautious stance among investors navigating earnings shocks and global market jitters.