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# The 'Everything' Rally Rolls On. Thank You, Central Banks.

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Traders react on the floor at the New York Stock Exchange as the Dow Jones industrials approach 40,000. BRENDAN MCDERMID/REUTERS

How now, Dow Jones 40,000? The doughty blue-chip index is knocking on another big, millennial number, but it's just one of the records being set throughout world equity markets. Megacap tech stocks have powered the benchmark [S&P 500](#) ↓ [SPX](#) -0.14% and [Nasdaq Composite](#) ↑ [COMP](#) 0.16% to records, along with South Korea's [Kospi](#) ↓ [180721](#) -0.23%. Even the [Stoxx 600](#) ↓ [SXXP](#) -0.03% in Europe was lifted to highs, along with Japan's [Nikkei 225](#)

▲ [SPX](#) 0.10%

What a wonderful world, indeed. And thanks also should go to the world's central banks, led by the [U.S. Federal Reserve](#), which have all but green-lighted lower policy interest rates in coming months in the expectation that inflation will continue to make downward progress without triggering recessions.

## See Also

[The Swiss Surprise](#)

The Fed's counterparts at the European Central Bank and the Bank of England similarly signaled lower rates ahead, while the [Swiss National Bank made a surprise cut](#) this past

week. Although the [Bank of Japan](#) finally exited negative interest rates, monetary conditions there remained lax, with zero rates and a weak yen. Meanwhile, major Latin American central banks, led by Brazil and Mexico, are well along in their rate cuts, having been much prompter in raising their rates to fight inflation starting in 2021, a year or more ahead of the Group of 10.