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WALL STREET

Stocks rise after the Fed cuts rates

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NEW YORK>> The U.S. stock market rose to the edge of its record on Wednesday after the Federal Reserve cut its main interest rate to bolster the job market, and hopes strengthened for more cuts to come in 2026.

The S&P 500 climbed 0.7% and finished just shy of its all-time high, which was set in October. The Dow Jones Industrial Average jumped 497 points, or 1%, and the Nasdaq composite rose 0.3%.

Wall Street loves lower interest rates because they can boost the economy and send prices for investments higher, even if they potentially make inflation worse.

In the bond market, Treasury yields eased as hopes rose for additional cuts to interest rates in 2026.

Traders are now betting on a 71% chance that the Fed will cut the federal funds rate at least twice next year. That's up from the 64% chance seen shortly before the Fed announced its decision, according to data from CME Group.

The Fed also announced a program where it will buy shorter-term Treasuries to help keep the financial system running smoothly. It's not a large-scale program like past efforts by the Fed to buy bonds to keep interest rates low and stimulate the economy, but it helps keep shorter-term rates lower than they otherwise would be.

The yield on the 10-year Treasury fell to 4.15% from 4.18% late Tuesday. The two-year yield fell more and sank to 3.53% from 3.61%.

On Wall Street, GE Vernova flew 15.6% higher after the energy company raised its forecast for revenue by 2028, doubled its dividend and increased its program to buy back its own stock.

Palantir Technologies added 3.3% after saying the U.S. Navy will use its artificial-intelligence platform as part of a \$448 million program.

Cracker Barrel Old Country Store rose 3.5%. The restaurant chain caught up in a furor around its logo design reported better results for the latest quarter than analysts expected but also cut its forecast for revenue this fiscal year, as well as for an underlying measure of earnings.

On the losing end of Wall Street was GameStop, which fell 4.3% after reporting weaker revenue for the latest quarter than analysts expected. The video-game retailers' profit, however, topped forecasts.