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Fed boost sends European shares to 14-mth high

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* FTSEurofirst 300 up 1.3 pct to 14-mth high

* Euro STOXX 50 up 1.8 pct, implied volatility tumbles

* Fed stimulus boosts cyclical stocks, miners rally

* Strategists warn of inflation risk

By Francesco Canepa

LONDON, Sept 14 (Reuters) - European stocks jumped to a 14-month high on Friday as the launch of a new monetary stimulus programme from the U.S. Federal Reserve boosted stocks exposed to economic growth and momentarily eased concerns about Europe's crisis.

After the European closing bell on Thursday, the Fed said it would pump cash into the U.S. economy each month until it saw a sustained upturn in the weak jobs market and pushed back expectations for when it would raise interest rates.

Basic resources stocks soared 5.7 percent on the prospect of growing demand for metals, with Kazakh-focused copper miner Kazakhmys leading gainers with a 12.9 percent jump.

"There is an almost synchronized policy stimulus and central banks in the U.S and Europe are at maximum dovishness, which is driving...multiple re-rating," Emmanuel Cau, a strategist at JPMorgan, said.

"In a blue sky scenario, there can be another 15 percent or so rerating of the market, but beyond that you need to have clear signs that the economy is accelerating and so far we're not seeing this at all."

JPMorgan expects European financial shares to outperform the other cyclical sectors and has a preference for insurers over banks, given the latter sector's capital shortfall and exposure to a deteriorating credit market.

Among commodity-related stocks the bank preferred energy to miners, which face oversupply issue as the economy in China, the world's largest consumer of metals, slow.

Cau highlighted greater upside potential in European stocks, which trade at lower multiples and have been shunned by global investors, than on Wall Street.

A STOXX index of Europe's 600 largest stocks was trading at just over 10 times its expected earnings for the next 12 months, compared to a 10-year average of 11.79 and a 12.56 multiple for the U.S. Standard & Poor's 500 index.

The STOXX, up 1.3 percent at 275.89 by 1034 GMT, sent a bullish technical signal on Friday by opening higher than Thursday's high of 272.75, in what is referred to as a 'bullish gap'.

"Should the gap be closed and the trading session end below the previous resistance at 273.4, then we would have a trap," Valerie Gastaldy, head of Paris-based technical analysis firm Day-By-day, said in a note.

"The index would be at risk of correcting the whole rally since June's bottom, and join 264.6 or less. As long as we keep this gap open, probabilities are in favor of more strength for the coming days, and the coming weeks.

The pan-European FTSEurofirst 300 index was up 1.3 percent to 1,120.96 points, a level not seen since July 2011, in volume 60 percent the 90-day average.

In a further sign of the revived appetite for risky assets, the Euro STOXX 50 volatility index, Europe's widely-used measure of investor risk aversion, tumbled 9.5 percent to a near 2-month low.

The VSTOXX, which measures the cost of protecting stock holdings against potential pull-backs and it usually moves in an opposite direction to equities, fell to 21, while the euro zone Euro STOXX 50 index was up 1.8 percent to 2,589.43.

The Euro STOXX 50 was up roughly 20 percent since late July, when the ECB head Mario Draghi said the central bank was ready to take all necessary measures to save the euro - a stance which he confirmed last week by announcing a bond-buying programme to aid countries that apply for bailouts.

INFLATION RISK

Strategists warned coordinated intervention by the world's largest central banks, including the Bank of England and, possibly, the People's Bank of China, would likely result in higher inflation, posing a threat to consumers' disposable income.

"Quantitative easing tends to be positive for financial assets but on the downside it eats into the disposable income of consumers so household spending may suffer as a results," Edmund Shing, head of European equity strategy at Barclays Capital, said.

Shing expected the effect of a rise in oil prices to become visible in corporate earnings in the next three to four months, benefitting energy and chemical shares and hitting consumer stocks in the auto and travel & leisure sectors.