

FTSE 100 hits record high as economy fears ease

The FTSE 100 hit a new record high on Friday as global inflation and interest rate fears continued to ease.

The index of the UK's largest publicly-listed firms briefly touched a new record high of 7,906.58 points.

It pushed the index to levels it had not seen in nearly five years. The previous record was set on May 22, 2018 when the FTSE briefly hit 7,903.5.

By the time markets had closed, the FTSE had fallen back slightly to 7,901.8 – which is the highest score the index has ever ended the day on.

The previous record high close was 7,877.45 on the same day in 2018.

Read More

- [FTSE 100 hits record as traders celebrate easing recession fears](#)
- [Are we going to hell in a handcart? Only if you ignore these green shoots](#)
- [Mortgage hammer blow of £5,000 a year for London homeowners](#)
- SPONSORED

[Top UK schools and educational centres to consider this year](#)

Global markets have been buoyant in recent weeks due to optimism that central banks will halt recent interest rate

increases and a slowdown in inflation across key global economies.

On Thursday, the Bank of England hinted that UK interest rates could be nearing a peak as it hiked them for the 10th time in a row.

The Bank's Monetary Policy Committee (MPC) said it would only raise rates further if it sees evidence of more persistent inflationary pressures.

In the US, the [Federal Reserve](#) increased the base rate by 0.25 percentage points on Wednesday, the smallest increase since last March.

Shares in [London](#) have also been boosted in recent weeks by the relaxation of Covid-19 rules in [China](#), which have supported improvements for commodity stocks as the prices of raw materials improve.

It comes after a turbulent 2022 which saw the FTSE rise by less than 1% despite the easing of pandemic restrictions, as the UK's economic recovery was impacted by rampant inflation, higher interest rates and labour shortages.

Danni Hewson, [AJ Bell](#) financial analyst, said: "You might be forgiven for wondering why champagne corks are popping after what's been a pretty gloomy week for the UK economy, but markets aren't mired in the here and now, they're forward facing and investors like what they're seeing on the horizon.

"Interest rates might have risen for the 10th time, inflation might take until the autumn to appreciably cool, but the fact that the Bank of England is forecasting that the oncoming recession won't last as long as they'd feared is cause for celebration.

"But hold your horses, because it's the FTSE 100 that shot up past its previous closing high from May 2018, and not the more

domestically focussed FTSE 250.

“London’s blue-chip index is home to some of the world’s biggest companies and those companies don’t just make their money in the UK.”