

FTSE 100 jumps as City embraces New Year optimism

The City began the year on the front foot today, with [shares](#) enjoying a decent rise and commentators predicting that new [Covid](#) cases will be manageable.

While [Omicron](#) seems to be surging across the country, investors chose to take heart from signs that this strain of the virus is far less likely to cause death than previous types.

Yesterday in New York saw record highs for both the S&P 500 and the Dow Jones.

Today the [FTSE 100](#) gained 75 points to 7460. That's a gain of about 900 points on a year ago, a rise worth £250 billion. Including dividend payments, the main [market](#) has returned £320 billion to investors in the last year.

Richard Hunter, head of markets at interactive investor, commented "New Year [optimism](#) fed through to a jaunty January start for markets, as investors accentuated the positives. Despite continually rising cases of Omicron, there is a growing belief that the variant is less deadly if more transmissible, particularly when coming up against the wall of triple-jabbed individuals."

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London took its cue from Asian markets, which followed the US upwards. Supply chain issues appear to be easing, a good harbinger for economic growth.

Big UK companies will start revealing their fourth quarter results next week and there is genuine hope they weathered the most recent storms fairly well.

Ipek Ozkardeskaya, senior analyst at Swissquote, said: “The imminent reporting season will add further colour to the impact of both the variant and inflationary pressures on earnings, although the early signs are that the consequences may be less detrimental than in previous cases of lockdowns and restrictions. In the meantime, the premier index remains well placed on valuation grounds to attract further international buying interest.”

The biggest gainers today were travel, [oil](#) and leisure shares. BA owner IAG was the top riser in the footsie, up 12p at 155p. BP jumped 11p to 342p, while hotel groups Whitbread and InterContinental also got a nice bump.

Yesterday [Apple](#) became the first company to see its market value top \$3 trillion – roughly the same as the UK’s entire GDP for a year. Apple’s market cap is up by \$1 trillion in 16 months, despite a chip shortage.

Analysts predict it will soon launch an Apple Car to compete with Tesla, whose shares also jumped more than 13% yesterday.

Electric might be the future, but oil hasn’t run out yet. Brent Crude rose a little to \$79.24 as traders predicted a return for global travel before long.