

FTSE 100 jumps to pre-Covid highs as Bitcoin takes another tumble

The [FTSE 100](#) was today set to jump after [USmarkets](#) posted yet more record highs last night but [Bitcoin](#) has tumbled more than 3% today.

Futures markets were indicating the blue chip index to leap 18 points to 7142 at the opening of trading this morning. If it closes at those levels it would mark its highest point since last February.

Central [banks](#) have been winning [investors](#) round to the idea that they will not be raising [interest rates](#) despite the rising [inflation](#) warned about by newly-departed [Bank of England](#) governor [Andy Haldane](#).

With rates stuck at near-zero and the economy set to surge, share prices look a dead cert to global investors. The UK is seen as particularly attractive due to the drag on prices since the Brexit referendum, which now make equities here seem cheap.

Some economists in the Haldane camp urge caution over what could happen to asset prices like shares if interest rates rise in the coming years. Stock markets and house prices would be the first to suffer.

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For now, though it feels like a “risk on” time, with big and small investors prepared to take a punt on riskier assets like shares.

That sentiment clearly lies behind the most famous retail broker, Robinhood’s decision to float on Wall Street.

The firm which has successfully managed to make stock market investing feel like a video game for its users like online poker launched its prospectus last night, highlighting how revenues per user leaped 65% in the first three months of 2021 to \$137.

Controversially, 75% of its revenue last year – almost \$720 million – came from payment for order flow (PFOF), where it sells details of its customers’ trades to market makers in advance. The practice is banned in the UK because of the perception that it means big professional traders make money trading at the customer’s expense.

Robinhood’s prospectus also showed it made 17% of its revenues in the first quarter of this year from cryptocurrencies, much of which came from Dogecoin, the joke currency.

Today, Bitcoin was back on the slide, having stemmed some of the losses it made in a dramatic tumble last week. The currency has fallen 4% in the past 24 hours to stand at \$32,924.

Plenty of investors in the US are seeing the current highs in markets there as a big, flashing warning sign that the bubble is set to burst. The S&P 500 is up 16% so far this year, and the Robinhood float feels to some like one of those moments

that will be looked back on the peak of the madness.

Little wonder, as the FT reports today, that investors are now buying into derivatives that protect against falling share prices. The so-called Skew index – which rises when the cost of such insurance increases relative to bets that the S&P will rise – has hit record highs, surging in the last month.