

FTSE 100 nudges up on higher Fed rate cut hopes



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The FTSE 100 ticked up on Friday as investors looked forward to an expected interest rate cut at the US Federal Reserve next week.

The blue-chip index rose 32.12 points, or 0.39%, to end the day at 8273.09.

The session came amid hopes of a larger rate cut in the US, of 50 basis points, rather than 25 basis points as expected.

Kathleen Brooks, research director at XTB, said: “The Fed has already signalled that they are willing to make several cuts to interest rates as the jobs market cools.

“However, the debate seems to have shifted and the Fed is getting more nervous about keeping interest rates too high for too long, lest a soft landing slips out of their grasp.”

She added: "A 50 basis point rate cut next week would be a gutsy move, however, if the Fed signal that they will front load rate cuts, then it could see fewer rate cuts down the line, which could take the market by surprise and weigh on risk sentiment.

"The market is still expecting the Fed to cut by 25 basis points next week, however, the chance of a 50bp move has increased in the last 24 hours. The chance of a 50 basis point move is now 40%, this was 30% a week ago, according to the CME's Fedwatch tool."

At the end of the day in [Europe](#), Frankfurt's Dax index rose 0.92%, while the Cac 40 in Paris had closed up 0.41%.

In New York a little while after markets had closed in Europe, the S&P 500 had gained 0.59%, while the [Dow Jones](#) was 0.98% higher.

On currency markets the pound had gained 0.06% against the dollar at 1.3132 and was level against the euro at 1.1851.

In company news, the UK's competition watchdog found that a major merger planned between networks [Vodafone](#) and Three UK could lead to higher bills for tens of million of customers or give mobile users a reduced service.

The businesses say they disagree with the [Competition and Markets Authority](#) (CMA), which has been investigating the £15 billion deal since it was announced last summer.

A tie-up would create the UK's largest mobile phone network with some 27 million customers, something the firms argue would allow them to increase investment and better compete with major rivals.

[Investors](#) were unfazed, with Vodafone's shares rising 1.1% on Friday.

Brent crude oil futures were up 0.431% to 72.280 US dollars as

markets were closing in London.

The biggest risers on the FTSE 100 were Endeavour Mining, up 175p to 1,836p, Fresnillo, up 30.5p to 568p, Entain, up 20.4p to 734.6p, JD Sports, up 4p to 148.9p, and Airtel Africa, up 2.8p to 118.5p.

The biggest fallers on the FTSE 100 were Sainsbury plc, down 6p to 289.8p, Diageo, down 36p to 2,470p, Tesco, down 4.5p to 364.5p, AstraZeneca, down 122p to 11,928p, and Sage Group, down 7p to 1,031p.