

# FTSE 100 set for flat start as concerns rise over end to Covid lockdown restrictions

The FTSE 100 Index was set for a slow start today amid conflicting expectations of how the end to lockdown will impact on [UK companies](#).

While the ending of [Covid restrictions](#) on July 19 is widely expected to accelerate the improvement in the UK [economy](#) as [life](#) returns to a more normal state, some business leaders have warned it will trigger a surge in virus cases that could cause [chaos](#) in workplaces.

Employers are concerned that if cases rise to 100,000 new cases a day, as health secretary [Sajid Javid](#) has admitted could happen, so many [people](#) will be forced to self-isolate that running [businesses](#) could prove impossible.

Groups such as UK Hospitality are urging the government to end self-isolation rules early, enabling employees to keep turning up to work. Currently, the rules are due to be lifted on 16 August – nearly a month after lockdown restrictions end.

Data today showed the economic recovery lost momentum in June as a rise in infections resulted from the easing of restrictions. Google mobility data for June showed visits to retail and recreation centres dropped more recently after surging following the lifting of restrictions since January. Retail consultant Springboard also said footfall in retail centres declined through June to 25% below June 2019's levels.

## READ MORE

- [FTSE 100 set to fall as row over private equity takeovers gathers pace](#)
- [FTSE 100 set to rise as Morrisons bid shows UK stocks are undervalued](#)
- [Spend on London offices reaches £4 bn, as investor confidence improves](#)
- [How the London melting pot can be the ideas factory of the world](#)

Against that backdrop, the FTSE 100 was set to gain 9.2 at 7107 according to futures markets. The index is more of a proxy for the global economy, but the UK experience is increasingly seen as a guide for how other nations will fare during the Covid crisis as Britain appears to have born the brunt first of the Indian and Kent variants.

In the US, investors are still putting more money into bond funds than shares despite fears of rising inflation, according to the Investment Company Institute. Analysts said investors were concerned share prices had got too high in the jubilant sentiment that followed the advent of Covid vaccines.

Bitcoin also looks set for a calmer session, having traded flat for most of the past 24 hours despite reports in the Financial Times that hedge fund giant Marshall Wace was planning to make investments in the infrastructure around cryptocurrencies.

Marshall Wace is planning to invest some of its funds in blockchain technology, payments systems for digital currencies and stablecoins, the FT reported. It is planning to launch a portfolio to buy stakes in late-stage digital finance companies and has been hiring staff with expertise in the sector.

Hedge funds including Renaissance Technologies and Brevan

Howard have already made their move on crypto.

The bid battle for Morrisons will continue to dominate retail investors' minds as one property adviser said the company's portfolio of stores was drastically undervalued, risking it being sold on the cheap to its private equity bidders. The group has 87% freehold on its properties which are valued at £5.78 billion on its books, but Atrato Partners told the Times it could be worth as much as £9 billion.

Legal & General has already insisted Morrisons give more details to shareholders on such valuations so investors can more accurately assess the value of takeover bids.

Attention has inevitably moved to Sainsbury as a possible bid target despite its new chief executive Simon Roberts declining to comment much on the idea on its results day yesterday.

Shares in Sainsbury have fared better over the past year than Morrisons' did before it got takeover interest but analysts point out Sainsbury shares are still at a multiple to earnings of 12.6 times vs the Morrisons bid price of 18 times. Food for thought for private equity bidders, maybe.