

FTSE 100 set to gain as oil hits highs and Morrisons bid keeps takeover hopes alive

The [FTSE 100](#) was set to build on yesterday's gains after the [oil](#) price hit two year highs amid hopes the [US Federal Reserve](#) would keep up its [Covid](#) support measures.

The UK [index](#) was expected to jump 21 points to 7085 with BP and [Shell](#) likely to do much of the heavy lifting, although share gains on Wall Street last night indicated a wider-ranging gain was likely.

Fed chairman Jay Powell helped global [stocks](#) along yesterday when he said the central bank would "do everything we can to support the economy for as long as it takes to complete the recovery."

Futures markets suggested the S&P 500 would be in for a 0.1% rise when trading opens this afternoon.

Brent crude went up through \$75 a barrel for the first time since April 2019 on the back of Powell's words as investors figured the Fed actions would continue feeding through into global economic growth, and all the demand for oil and energy that requires.

UK markets will continue responding to US private equity giant Clayton, Dubilier & Rice's takeover offer for [Morrisons](#), which is widely expected to see an increased offer price soon.

Shares across the supermarket sector jumped in hope that the CD&R interest could revive a sector that has been unloved despite its cash generative and property-rich status.

While Morrisons naturally raced up to the [bid](#) price,

Sainsbury, Tesco and even Ocado also rose strongly yesterday.

Today is likely to see more moves as investors take bets on how likely a wave of consolidation might be.

The Morrisons deal is almost certainly about rinsing the group's large property portfolio – selling it, pocketing the proceeds, and leasing it back from the buyers.

While Morrisons owns more property than Sainsbury and Tesco, those rivals also have large owned store portfolios.

Sainsbury, in particular, could attract private equity players because its relatively lowly £6 billion valuation would make it affordable to a PE firm willing to put up £1 billion and borrow the rest.

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- [Morrisons future isn't entirely out of its hands – it could asset strip itself](#)
- [Morrisons shares surge after takeover offer despite doubts over prospect of rival Amazon bid](#)

Some are more cynical about the ease of making money in such a deal, querying who the buyout group would sell these firms to in four or five years time when they look to exit their investments.

Others are still clinging to hopes Amazon may bid for Morrisons, which it partners on as food wholesaler to its handful of London stores. Others are less sure the Silicon Valley powerhouse will opt to totally shift its strategy to target Morrisons' less wealthy, largely northern clientele.

Bitcoin fell below \$32,000 for the first time since June 8 as

The People's Bank of China ordered a crackdown on crypto trading. Reports said numerous bitcoin mining operations in Sichuan were shut down after China put a stop to crypto mining.

As always with Bitcoin, those reports remain difficult to verify and nobody really knows why will-o-the-wisp cryptos move as they do. The price of Bitcoin is currently \$32,523.70, having crashed from April's peak of \$65,000. Go figure.