

FTSE market report: Shop shares in focus ahead of Christmas updates – and a ‘conspiracy’ at THG

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HOPS and [bonds](#) were being closely watched today ahead of a key week for [retailers](#) and inflation watchers.

On Wednesday we’ll find out how much [prices](#) are rising in both the [US](#) and [China](#), figures that will move interest rate expectations and bond prices.

Today the UK five-year gilt yield rose two basis point to 1.01%, the first time it has passed 1% since March 2019.

There will be Christmas trading updates from Sainsbury, Tesco, Marks & Spencer and Asos among others this week.

The market was today betting that Sainsbury might be a festive winner – the shares rose 4p to 279p. Primark owner ABF also got a bump, up 17p to 2068p.

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[M&S](#) shares are up more than 80% in the last year and added another 6p to 263p this morning.

That gives it a market cap of more than £5 billion, which means a return to the [FTSE 100](#) this year is possible.

The lead index was down 27 points to 7458 today, but it has had a strong couple of weeks.

Other retailers of interest include Asos, once thought to be eclipsing M&S, but now in the sites of short-sellers betting against retail. Retail Gazette reckons there are £1 billion worth of short positions against Asos and others – Ocado is also a target.

Asos shares fell 13p to 2184p leaving its own market value at a thin £2.2 billion.

The Hut Group has gone so far as to complain to regulators of a City “conspiracy” to drive its shares down. THG, led by Matt Moulding, has had a miserable time of it on the stock market, where it may not belong.

Today those supposed conspiracists sent the shares down another 8p to 186.5p. Moulding presumably would not object to City plots that would send the beleaguered shares up.

Tesco shares were rather subdued today, basically flat at 289p ahead of its own trading update on Thursday.

Some in the City fear it is struggling to live with price promises made by the German giants [Aldi](#) and Lidl.

Today Aldi claimed it had had its “best ever” Christmas, with sales up 0.4% in December compared to the same month a year ago. A cost-of-living crisis could help the discounters this year, say analysts.