

Hopes of rate cut in US boost markets as FTSE 100 rises



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The FTSE 100 rose on Friday after US [Federal Reserve](#) chairman Jerome Powell signalled that he will cut interest rates at the central bank's next meeting.

The blue chip index rose 39.78 points, or 0.48%, to end the day at 8,327.

Mr Powell said: "The time has come for policy to adjust. The direction of travel is clear, and the timing and pace of rate cuts will depend on incoming data, the evolving outlook, and the balance of risks."

The speech gave a firm signal of the Fed's policy at its next meeting on September 18, as Mr Powell said the battle has been won against inflation.

The chairman of the Fed was speaking at the Jackson Hole Symposium on Friday.

At the end of the day in [Europe](#) Frankfurt's Dax index rose 0.77%, while the Cac 40 in [Paris](#) closed up 0.69%.

Stateside, after markets had closed in Europe the S&P 500 had gained 0.84%, while the [Dow Jones](#) was 0.91% higher.

On currency markets the pound had gained 0.77% against the dollar at 1.3192 and had risen 0.18% against the euro at 1.1802.

Also speaking at Jackson Hole is Bank of England governor [Andrew Bailey](#), who will signal more caution on potential future rate cuts in a speech on Friday, saying monetary policy will remain "steady" in the coming months.

Speaking at the US Federal Reserve's annual symposium in Jackson Hole, Wyoming, Mr Bailey will say it is "too early to declare victory" against inflation.

He will say: "Recent experience leads me to be cautiously optimistic that inflation expectations are better anchored as a result of the regimes we have in place.

"The second round inflation effects appear to be smaller than we expected. But it is too early to declare victory."

Brent crude oil futures were up 1.84% to 77.42 US dollars as markets were closing in London.

The biggest risers on the FTSE 100 were JD Sports, up 7.4p to 149.25p, B&M European, up 13.5p to 452.5p, Antofagasta, up 49p to 1878p, Howden Joinery, up 24p to 942.5p, and Airtel Africa, up 2.8p to 115.4p.

The biggest fallers on the FTSE 100 were Melrose Industries, down 36.3p to 474.7p, Sage Group, down 20.3p to 996.2p, Relx, down 21p to 3499p, Rentokil, down 2.4p to 483.6p, and Rio Tinto, down 22.5p to 4761.5p.