

Rate cut hopes drive UK stocks higher after weak economic data



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Investors' hopes of future interest rate cuts were buoyed on Friday by weak UK economic data, pushing the FTSE 100 upwards.

London's blue-chip index gained 112.81 points, or 1.38%, to end the day at 8,262.08.

It came after a business survey showed activity across the UK's private sector contracted in the first weeks of November, amid a slump in optimism in the period following the Budget.

The S&P Global flash UK composite purchasing managers' index (PMI) reported activity hit a 13-month low.

But the news had a positive effect on UK stocks, which rose on hopes of faster cuts to the base interest rate by the [Bank](#) of England.

Elliott Jordan-Doak, an analyst at the consultancy Pantheon Macroeconomics, said that rising inflation and risks from Donald Trump's election in the US "leaves only a low chance of another rate cut in December".

"Signs of weaker growth, however, make a February rate cut a slam dunk, we think.

"Accordingly, the market repriced closer to our call after the [PMI](#) release, now pricing three rate cuts over the next 12 months."

At the end of the day in [Europe](#) Frankfurt's Dax index rose 0.83%, while the Cac 40 in Paris gained 0.58%.

In [New York](#) a little while after markets had closed in Europe the S&P 500 had gained 0.27%, while the Dow Jones was 0.76% higher.

On currency markets the pound was trading 0.54% lower against the dollar at 1.2516 and had risen 0.14% against the euro at 1.2037.

In company news, National World shareholder Media Concierge has said it tabled a £56.2 million takeover approach for the Yorkshire Post owner.

Media Concierge, which runs a raft of newspapers in Ireland as well as direct mail and advertising operations, put forward a potential offer of 21p per share for National World on October 31.

This represents a 40% premium against the firm's share price at the close of trading on Thursday November 21.

[Shares](#) in National World rose 25.67% on Friday.

Brent crude futures were up 0.92% to 74.91 US dollars at the close of trading.

The biggest risers on the FTSE 100 were Diploma, up 244p to 4466p, Spirax, up 280p to 6790p, Hikma Pharmaceuticals, up 78p to 1950p, AstraZeneca, up 412p to 10474p, and Melrose Industries, up 18.6p to 526.8p.

The biggest fallers on the FTSE 100 were NatWest Group, down 9.8p to 390.7p, Barclays, down 5.45p to 257.2p, JD Sports, down 1.98p to 93.46p, Antofagasta, down 25p to 1664.5p, and Standard Chartered, down 13.4p to 945.6p.