

FTSE 100 reaches all-time high

London's FTSE 100 Index has reached an all-time high at 7905 earlier this afternoon.

The Financial Times Stock Exchange list of the 100 most valuable companies on the London stock exchange beat the previous record of 7,903.5 set in May 2018.

It comes as central banks – including the Bank of England and the US Federal Reserve – have this week signalled that their programmes of interest rate rises may be moderating as they believe inflation to have peaked.

On Thursday the bank presented a less gloomy economic forecast despite reiterating its prediction that the UK economy is headed for a technical recession, when an economy experiences two quarters of economic contraction. It also signalled that the latest rise – which brought the interest rate to 4%, thereby making borrowing more expensive – may be the last for some time.

The latest bout of good news for the global economy came in the form of the US jobs announcement, 517,000 jobs were added to the labour market in January, more than doubling the 185,000 expected.

At the same time the rate of inflation appears to have peaked and stood at 6.5% in January.

The blue-chip index, considered to be financially sound, has been buoyed by the comparatively positive statements from monetary policy authorities.

More from Business



Why the problem of prepayment meters won't go away for vulnerable energy customers



Apple, Amazon and Google all offer gloomy outlooks in quarterly results



Cost of living latest: Nurses call off strike after pay offer; cheapest supermarket revealed

Further boosting the FTSE is China's eased lockdown restrictions.

The new, looser COVID-19 measures effectively reopened the economy to the world. It raised hopes of global economic recovery, as travel to and from the world's second largest economy has been made more easy and factory lockdowns – which have caused supply chain woes – are hoped to be a thing of the

past.

Advertisement

Members of the FTSE 100 are a variety of powerful companies that operate globally and are not solely reliant on the health of the UK economy.

They include oil giant Shell, drinks behemoth Coca-Cola and British Gas owner Centrica.

Multinational banks such as HSBC also form the index alongside pharma companies including GSK and fashion company Burberry.

Companies comprising the index have the highest market capitalisation on the London stock exchange: the greatest total value of shares issued.

The index was launched in 1984 with a starting score of 1,000.