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### The FTSE's latest record

The FTSE 100 of leading **blue chip companies** has passed through many record highs over the last 12 months - **albeit** with some swings along the way.

Analysts have attributed the rise to the weaker pound - which benefits companies with earnings overseas - as well as gains in global stock markets and faster growth in the world economy. The index initially got off to a sluggish start to the year, having finished 2017 at a record high. But gains today for shares in commodity firms - helped by rising oil prices - and a US-led rally in world stock markets helped the FTSE 100 finish at a fresh record high of 7,695.88 points.

### But it's not all good news...

UK stocks are at a record high, but there are fresh signs that Britain's 'real' economy is slipping behind.

The UK is set to fall to seventh in the world economy, behind France and India, according to Andrew Sentance, a senior economic adviser at **PWC**. Analysing data from the International Monetary Fund, he found that India's rapidly expanding economy is likely to overtake the UK's earlier than many had expected.

### Dow Jones hits 25,000 for first time

US stock markets opened at new highs on Thursday (Jan. 4), with the blue chip **Dow Jones Industrial Average** crossing 25,000. The gains extended an **eye-popping run** for Wall Street, which has **surged** over the last 12 months amid growth in the US and global economies.

On Thursday, markets got another boost after the ADP National Employment report estimated that employers added 250,000 jobs in December.

In early trade the Dow Jones increased 146 points or 0.59% to 25,070.86. Thursday's trading puts the index on track for its fastest 1,000-point gain in history.

The Dow already climbed about 25% last year, adding nearly 5,000 points and crossing the 24,000-mark at the end of November.

Greg McBride, chief financial analyst for Bankrate.com, said: "Dow 25,000 is a mere 4.2% up from 24,000 at the end of November. With the positive fundamentals - an expanding economy, continued job growth, still low interest rates and tax reform that promises to boost corporate earnings - it's no surprise to see the market continuing to climb."

The **S&P** and **Nasdaq** have also **hit milestones** in recent days.

The tech-heavy Nasdaq closed above 7,000 in the first day of 2018 trading on Tuesday. The index was up 17.7 points or 0.25% to 7,083.2.

The wider S&P 500, which topped 27,000 on Wednesday, climbed 12.8 points or 0.48% to 2,726 in morning trade on Thursday.

Analysts have predicted additional stock market gains in 2018, though not **at last year's pace**. In 2017, prices were lifted by a **rebound** in economic growth and optimism that new corporate tax cuts would translate into bigger dividends and share buybacks. Relatively low interest rates are also expected to continue to make stocks an attractive investment. On Thursday morning, financial companies were among the winners, while real estate and telecommunications stocks were lower.

### Analysis: Samira Hussain, New York business correspondent

In the past, the Dow passing a milestone like 25,000 points would **elicit** many cheers from traders on the floor of the New York Stock Exchange. And of course, many, many baseball caps. But that wasn't the case on Thursday. There was cheering but you'd be hard pressed to find someone wearing a hat or showing that kind of **exuberance**. And that's because these milestones have stopped being news, given just how quickly we are crossing them. It was only in January 2017 the Dow crossed the 20,000 mark. In 2016, the only record the Dow broke was when it crossed 19,000 points in November.

What this milestone really shows is that the absolute tear that markets were on in 2017 is continuing in to 2018.

1. What do analysts say the reasons are for the FTSE 100 hitting a record high in 2017?
2. What are Andrew Sentance's predictions for the British economy?
3. What contributed to the US stock markets rise throughout 2017?
4. Why does Samira Hussain say Dow Jones hitting 25,000 points was far from awesome?