

## FT 100 Index, trend 2015-2018

**Development of the FT 100 Index during the four year period from the beginning of 2015 till the end of 2019.**

The information contained in this report has been researched and compiled by Knud Møller at **KVM Research**. If you want to know more please look at my website [www.kvmresearch.co.uk](http://www.kvmresearch.co.uk), give me a ring on 01782 499384 or send me an email on [knudvmoller@gmail.com](mailto:knudvmoller@gmail.com). © 2020

### Introduction

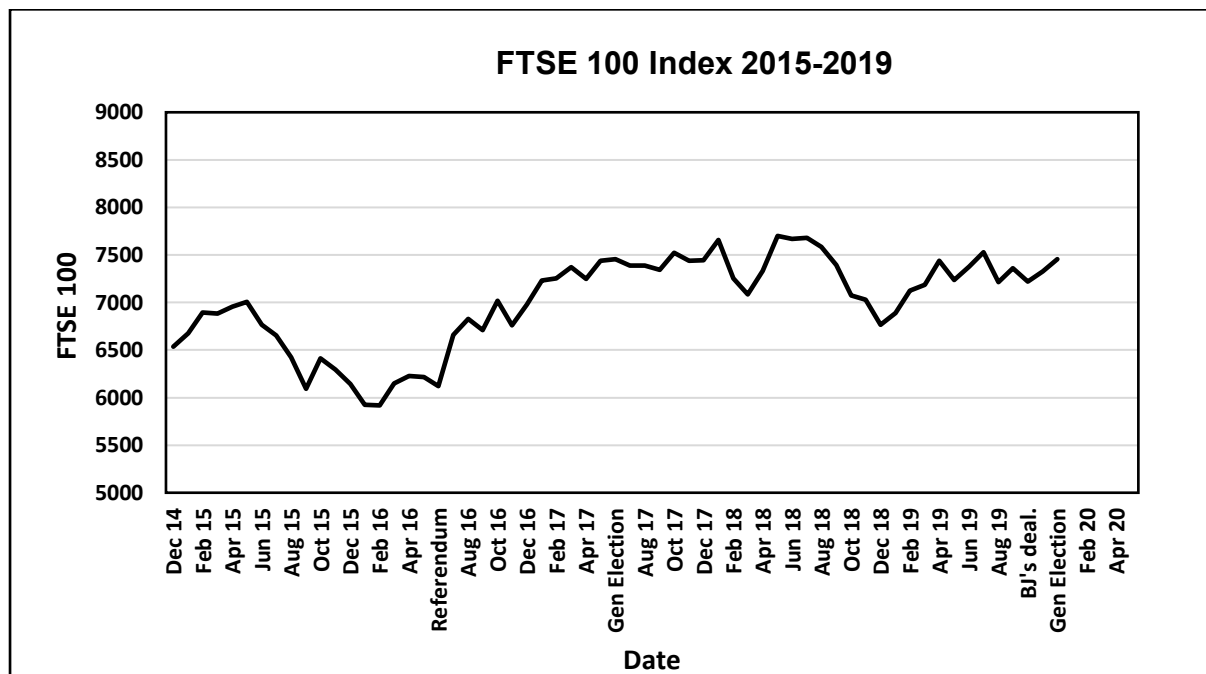
The graph in the diagram below represents the development of the FT 100 Index during the four year period from the beginning of 2015 till the end of 2019.

The value at close of trading on the last day of trading each week is recorded and at the end of each month an average for the month is added to the graph.

This monitoring exercise was commenced in order to use the FT Index as a variable in a model for forecasting commercial property prices, but this model has yet to be developed.

### FT 100 Index

There is, however, a general interest in following this trend to see how the index responds to the developing outlook in the relationship between the UK and the EU, the so-called Brexit.



The FT 100 index reflects the share value of 100 companies listed on the London Stock Exchange and is subjected to inflationary pressures and can therefore generally be expected to rise.

From time to time the index is also subject to revisions whereby some companies are deleted from the list of 100 and new ones are added. At any one time there may also be several factors that at each of which could influence the trend of the indicator.

As an indicator of long term economic trends it should therefore only be considered with some caution, but in the short term it may reflect how the people behind the financial markets view contemporary political developments.

Upward movements of the index trend is likely to indicate approval while downward movements will indicate rejection or at least some nervousness.

In the period between the general election in May 2015 and the referendum in June 2016 the FTSE 100 index was falling and this may be interpreted as an indicator of uncertainty over the possible outcome of the referendum and subsequent Brexit negotiations.

Another period of interest is the final six months of 2018 when the then primeminister, Theresa May, summoned her ministers to a meeting at 'Chequers' when a deal was hammered out, later presented to and finally agreed with the EU negotiators in November of that year. It would seem that the markets were viewing this process with some nervousness, but in the end had hope of a conclusion.

However, if that hope existed it was dashed with the rejection by the UK parliament in three so-called 'final' votes.

At the time of writing we now have a new primeminister, new parliament and is leaving the EU by 31<sup>st</sup> of January 2020. Which way the FTSE 100 will go in this unknown and uncharted is anybody's guess!

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