

FTSE 100 Index, trend 2017-2023

Development of the FTSE 100 Index during the six year period from the beginning of 2017 till January 2023.

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, give me a ring on 01782 499384 or send me an email on knudvmoller@gmail.com. © 2023

Introduction

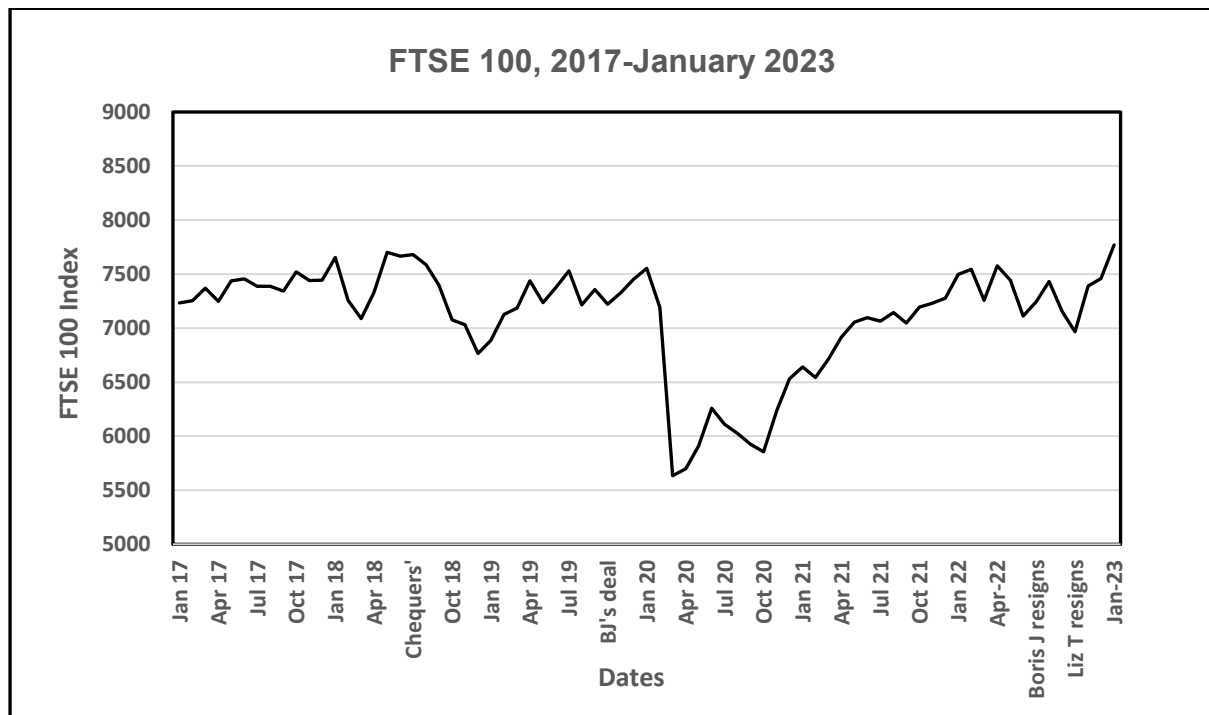
The graph in the diagram below represents the development of the FTSE 100 Index month by month from the beginning of 2017 until and including January 2023, a period of unprecedented dramas within the body politics and in the wider world.

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 purpose of the exercise has been to illustrate how the FTSE 100 Index has changed in response to major political events (repeated changes of Prime Minister) and other events affecting the very foundations of society as we know it (the outbreak of war).

FT 100 Index

There is, however, a general interest in following this trend to see how the index responds to the developing relationship between the UK and the EU, the so-called Brexit. Secondly it is of interest to see how the index is responding to the crisis created by the outbreak of war in Eastern Europe.



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 each of which could influence the trend of the indicator.

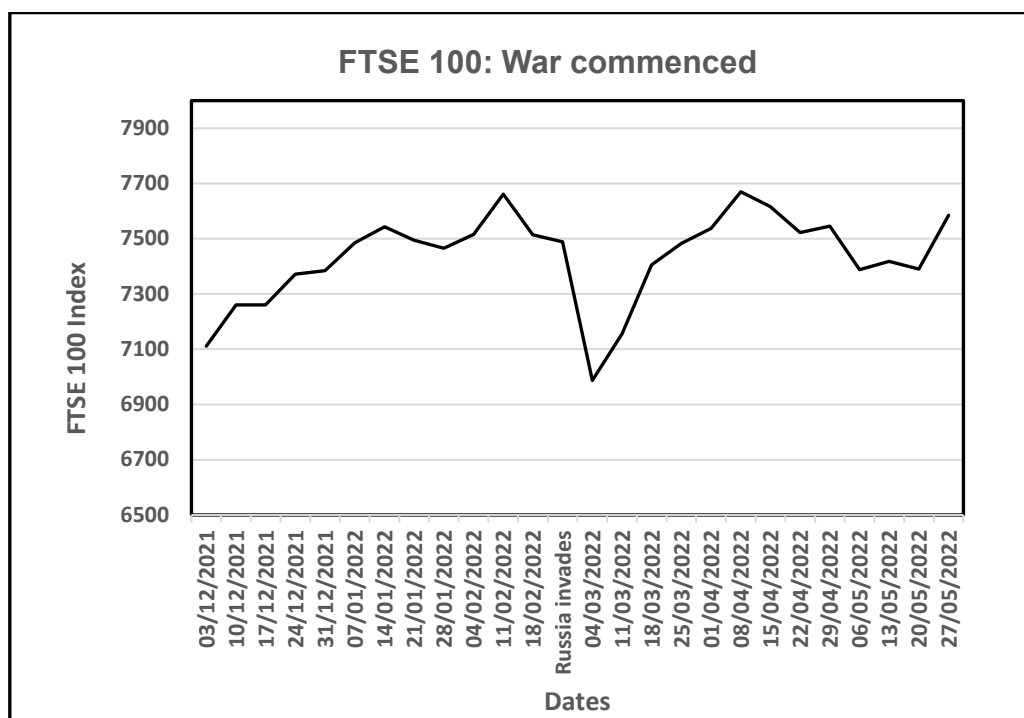
As an indicator of long term economic trends it should therefore only be considered with caution, but in the short term it may reflect how the people behind the financial markets view contemporary political and social developments.

Upward movements of the index trend will indicate a positive outlook by decision makers in the financial markets. Downward movements will indicate rejection or at least some nervousness.

A period of interest is the final six months of 2018 when the then prime minister, Theresa May, summoned her ministers to a meeting in July at 'Chequers' where 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 in January and March of 2019.

Boris Johnson became prime minister in July 2019 and obtained an absolute majority for his Conservative government of about 80. The UK did leave the EU at the 31st of January 2020, but a trade agreement still needed to be negotiated and agreed. This at the time seemed to have been achieved by the end of December, but misgivings about the deal, especially with regards to the provisions for Northern Ireland, still exists and have become more prominent in recent months. However, other events on the world stages have intervened.



Nature intervened early in 2020 with the spread of an initially unknown virus dubbed COVID-19 (corona virus disease 2019). It was first felt in the UK in February 2020 and more forcefully in March leading to the FTSE index losing just over a quarter of its value from 7500 to 5500. The index subsequently regained its value by the end of 2021. However, this time a man-made crisis erupted in the form of the Russian invasion of Ukraine.

The invasion happened on the morning of Thursday the 24th of February 2022 and caused what seemed to be just a minor 'blip' in the FT100 index as shown in the above graph. It quickly recovered and at the time of writing has climbed to just over 8,000.

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