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European Markets Edge Up as UK Political Turmoil Sends Bond Yields Higher

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European stock markets saw modest gains despite pressure from the United Kingdom's FTSE 100 Index, as political instability pushed British government bond yields higher.

European stock markets made modest gains on Wednesday, but the FTSE 100 lagged as political uncertainty in the UK unsettled investors.

Concerns over leadership tensions within the ruling Conservative Party pushed UK government bond yields higher, with the 10-year gilt hitting recent highs. Investors fear

internal party divisions could disrupt future economic policy, especially as inflation and interest rate concerns linger.

While UK equities struggled, the broader European market held steady. The STOXX 600 rose slightly, supported by easing inflation across the eurozone and optimism around corporate earnings. Gains in technology, industrials, and consumer goods helped offset weaker energy stocks.

The British pound dropped against the euro and the US dollar, reflecting nervousness around UK political risk. Still, analysts say the UK's instability isn't yet dragging down the wider European market.

Investors are keeping a close eye on the UK for now, but remain confident in the eurozone's relative stability.