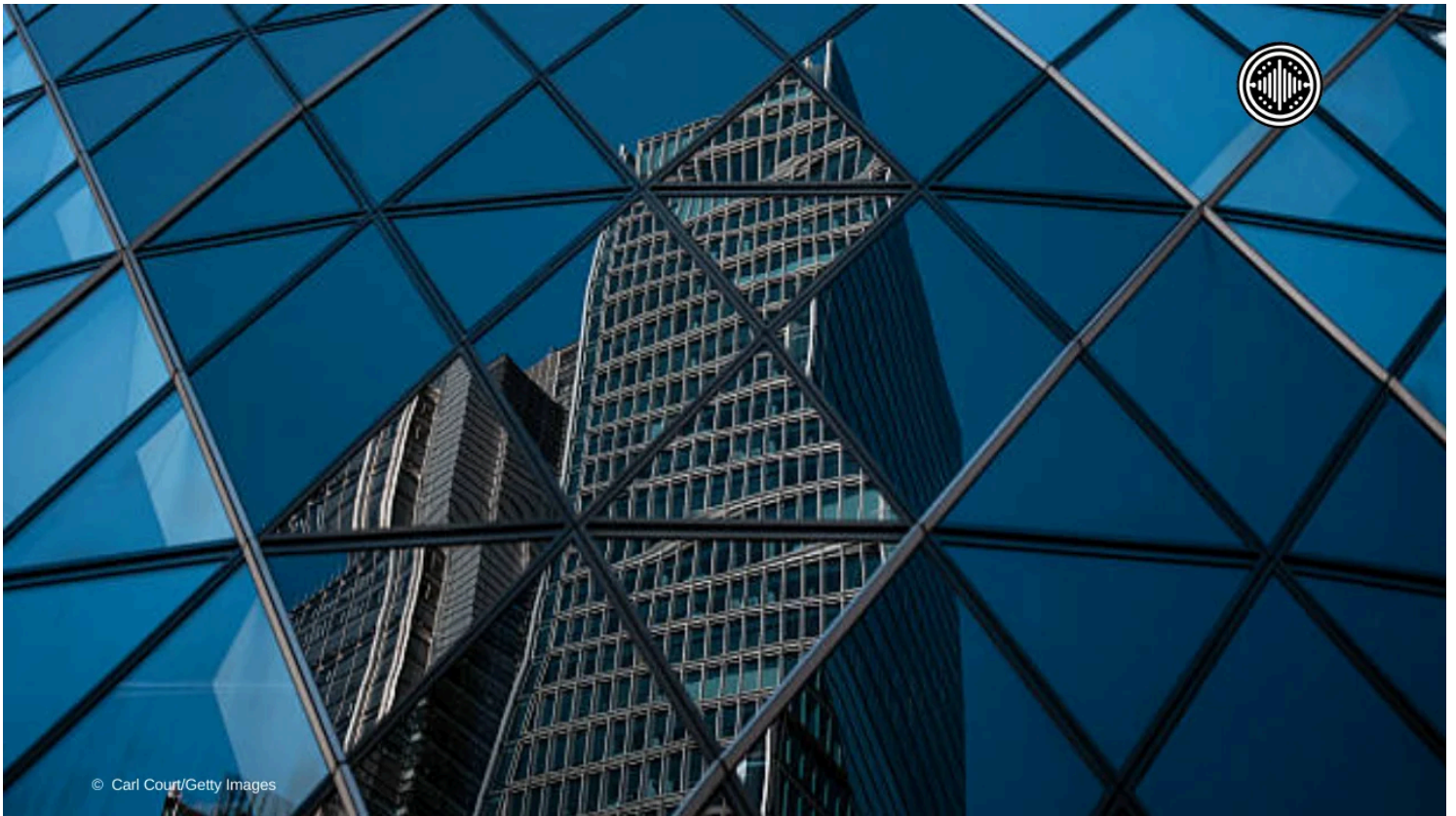


## FTSE 100 Gains on Healthcare and Defence Amid Ukraine Peace Talks

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The FTSE 100 gained 0.2 percent on Monday, 18 August 2025, led by healthcare and defense stocks, with investor attention focused on peace talks concerning the Ukraine conflict. The index closed 0.2 percent higher at 9,157.74, remaining below last week's intraday record high of 9,222.07.

Healthcare shares rose around 1.2 percent, supported by sector-specific developments. Defense stocks also rose, aligning with gains in defensive sectors such as healthcare and utilities. Babcock International Group gained around 5.2 percent, following RBC Capital Markets' upgrade to 'outperform'.

In contrast, the energy sector fell about 0.5 percent amid sensitivity to possible US signals on secondary sanctions targeting Russian oil. Traders remain alert to potential shifts in supply dynamics and the broader implications for energy companies with international exposure.

The FTSE 250 ended little changed, reflecting cautious investor sentiment among mid-cap sectors. Investors are also watching the upcoming Jackson Hole symposium, where Fed Chair Jerome Powell is expected to offer insights into interest-rate policy.. Signals from the Federal Reserve continue to influence UK equity markets due to the interconnected nature of global financial conditions.

Geopolitical developments, notably US-brokered Ukraine peace talks, remain central to investor sentiment. Discussions aim to negotiate a comprehensive settlement to the conflict, and markets are closely monitoring any signs of progress or delays. While optimism surrounding potential agreements has supported defensive stocks, uncertainties persist regarding the terms and broader economic implications.

Analysts note that the FTSE 100's emphasis on healthcare and defence reflects a broader market preference for companies with stable revenues and lower geopolitical sensitivity. Defensive investments often attract capital during periods of international uncertainty, serving as a hedge against more volatile sectors such as energy and commodities.

Despite a cautious backdrop, market commentators suggest that selective gains in specific sectors highlight investor confidence in companies with strong fundamentals and growth potential. Firms that maintain robust balance sheets, consistent cash flows, and strategic positioning in resilient sectors continue to attract attention from both institutional and private investors.

Overall, the FTSE 100's performance demonstrates a careful balance between optimism around corporate performance and caution regarding external geopolitical and economic risks. As the week progresses, investor focus is expected to remain on the pace and outcomes of Ukraine peace negotiations, developments in U.S. monetary policy, and sector-specific earnings announcements.

The ongoing interplay of geopolitical developments, central bank guidance, and corporate performance will continue to shape UK equity markets. Analysts advise that while selective sector gains provide opportunities, maintaining diversified portfolios and monitoring defensive sectors remains critical in managing risk amid a complex global landscape.