

FTSE 100 Hits Record High Again

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Britain's FTSE 100 closed at a record high for the third consecutive day on Thursday, as resilience in the UK economy and renewed investor confidence helped drive the index higher.

The blue-chip index rose 0.2%, reversing earlier losses, while the mid cap FTSE 250 slipped 0.3%. Heavyweight healthcare firms were the biggest contributors to the gains, rising 0.4%, with aerospace and defence stocks also posting a sharp 1.6% climb.

The energy sector added 0.4%, buoyed by rising oil prices as strong demand in the United States and ongoing uncertainty around the war in Ukraine lifted sentiment. Industrial and precious metals mining companies also advanced, up 0.8% and 1.9% respectively, helping sustain the broader rally.

This week's surge has highlighted how the FTSE 100's limited exposure to technology, often seen as a weakness, has worked in its favour. Tech-heavy Wall Street indices have come under pressure from investor rotation away from high growth stocks, but London's market has benefited from its heavier weighting in healthcare, commodities, and energy.

"It's not too often that the FTSE 100's lack of technology exposure is a virtue, but it has been this week," said Dan Coatsworth, investment analyst at AJ Bell.

Adding to investor optimism, fresh economic data signalled that British businesses are enjoying their strongest month in a year, driven by a rebound in the dominant services sector. At the same time, the Treasury reported that public borrowing for the current financial year is in line with forecasts, supporting government tax and spending plans.

While the UK has faced persistent inflation pressures and weak consumer sentiment in recent years, Thursday's data reinforced the view that the economy remains more resilient than expected, particularly in services, energy, and exports.

Globally, attention is now shifting to the annual Jackson Hole symposium in Wyoming, where US Federal Reserve Chair Jerome Powell will address central bankers and investors on Friday. Markets are hoping for signals of a September interest rate cut, which could ripple across international markets and support further gains in equities.

Among individual stocks, WH Smith slumped 42.3% after cutting its annual profit outlook, marking its worst single-day fall on record. InterContinental Hotels, Schroders, Entain, and Mondi also traded lower, each losing over 1% as they went ex-dividend.

Despite these setbacks, the FTSE 100's strong performance this week underlines the robustness of London's financial markets at a time when global economic uncertainty continues to weigh heavily elsewhere.