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## FTSE 100 Dips Amid Shell's Slump and US Tariff Concerns

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The Financial Times Stock Exchange 100 Index (FTSE 100) closed lower on Wednesday, weighed down by a sharp decline in Shell's share price and mounting unease over potential new trade tariffs from the United States. The combination of a faltering energy sector and global trade uncertainties has left investors on edge, casting a shadow over the UK's premier stock index.

Shell, a titan within the FTSE 100, saw its shares slide following a gloomy forecast for oil prices. The energy giant's weaker outlook stoked fears about future profitability, sending ripples through the market. Given Shell's substantial influence on the index, its downturn was a key driver of the FTSE 100's overall decline. The energy sector, already grappling with volatile commodity prices, faces heightened scrutiny as investors reassess the sustainability of earnings in a softening oil market.

Adding to the market's woes, whispers of new US tariffs have amplified investor caution. With trade tensions simmering and geopolitical frictions showing no signs of abating, the prospect of fresh barriers to global commerce has rattled confidence. Such policies could disrupt supply chains and squeeze margins for UK firms with significant exposure to international markets. Investors are particularly wary of how these tariffs might target critical industries, further clouding the economic outlook.

The broader market mood reflects this hesitancy. While pockets of resilience emerged in sectors like technology and pharmaceuticals, trading volumes remained subdued. Many investors are holding back, awaiting firmer signals on corporate earnings and the direction of US trade policy. "Markets are in a wait-and-see mode," noted Sarah Thompson, a senior analyst at City Capital Partners, in a recent interview with The Telegraph. "Until there's clarity on tariffs and energy price trends, expect this cautious approach to persist."

Economic data from across Europe has done little to lift spirits. Slower growth in key economies, coupled with persistent inflation pressures, has fuelled concerns about a challenging road ahead. The UK, under the current Labour government's stewardship, faces additional scrutiny as its economic policies struggle to inspire confidence among investors.

Rather than providing a steady hand, the government's approach has been viewed by some as lacklustre, failing to counterbalance external pressures on the market.

Despite these challenges, some market observers remain cautiously optimistic. Sectors such as technology and healthcare continue to demonstrate resilience, offering a glimmer of hope amid the gloom. Analysts point to the adaptability of these industries as a potential buffer against broader economic turbulence. However, without stronger domestic catalysts or a resolution to global trade uncertainties, the FTSE 100 is likely to remain at the mercy of external forces.

In conclusion, the FTSE 100's dip underscores the delicate state of investor sentiment. Shell's struggles and the looming threat of US tariffs have tilted the balance towards caution, leaving the market in a holding pattern. As traders navigate this uncertain terrain, the coming weeks will be critical in determining whether the index can regain its footing or face further headwinds.