

# FTSE 100 Market Report

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## FTSE 100 Index falls as UK manufacturing slumps

Markets opened lower on Friday as UK manufacturing activity nosedived following the 'Brexit' EU referendum result.

The FTSE 100 Index was 15.32 points adrift at 6684.57 and the FTSE 250 was off 29.2 points at 17018.21, although the small-cap FTSE AIM All-Share gained 1.38 points to 739.65.

UK manufacturing purchasing managers' index (PMI) figures showed activity in the sector in July falling to its lowest level since April 2009.

The flash composite PMI reading declined to 47.7 from 52.4 in June, below the consensus of 49, which is still below the 50 threshold indicating growth.

Samuel Tombs at Pantheon Macroeconomics said: "The collapse in the composite PMI to its lowest level since April 2009 provides the first major evidence that the UK is entering a sharp downturn."

In small-caps, CSF Group PLC (LON:CSFG) soared 80% to 1.13p as the South East Asian-focused data centre and service provider reduced annual gross losses to £300,000 from £5.1m a year earlier.

Edenville Energy PLC (LON:EDL) powered up 17.65% to 0.025p after a positive meeting between the Tanzanian coal-to-power project developer and government officials.

But news of a fall in copper cathode production at its Tschudi pit knocked shares in Namibia-focused miner Weatherly International plc (LON:WTI) by 39.1% to 0.35p.

Turkey-focused precious metal explorer Ariana Resources plc (LON:AAU) lost 7.7% to 1.5p as it launched a share placing to raise £445,000.

In the top flight, mobile phone giant Vodafone Group plc (LON:VOD) was the top riser after reporting better than expected first-quarter revenue. Shares rang up 3.7% to 233.5p.

Irish building material company CRH PLC (LON:CRH) also strengthened 3.2% to 2265p as it forecast better-than-expected first-half profits.

The biggest loser was Marks & Spencer Group Plc (LON:MKS), down 2.5% to 320.2p. The retailer recalled a number of food items over health concerns.

Preview at 6.49am

FTSE 100 is tipped to go lower on the open after Asian and US stocks fell overnight.

The blue chip benchmark closed yesterday down 0.43% or 29 points at 6,699 but today is called to open around 30 points lower still.

It comes after yesterday markets were disappointed by the ECB's decision yesterday to stand pat on stimulus measures, namely do nothing, and left its interest rate level on hold.

### Share Information

#### MarketTopic Synopsis:

*A report on the major benchmarks and notable risers and fallers in London. &nbsp;*

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President of Europe's Central Bank Mario Draghi said it was too early to determine the fallout of the UK referendum, but did note that financial markets, had shown resilience.

Michael Hewson, at CMC Markets, said in a note this morning: "The decision by the ECB to "wait and see" wasn't too much of a surprise given concerns about the effects that low rates are already having on bank profitability and the fact that broader economic data hasn't been that bad, though it is becoming apparent that Mr Draghi may be becoming frustrated at the lack of structural reform from European governments."

Also yesterday, it emerged UK retail sales excluding petrol and diesel sales, fell by 0.9% in June - a faster pace than forecast at down 0.6%.

June's wet weather was blamed and although the period encompassed the European Union "Brexit" referendum, economists said it was too soon to speculate what impact the decision to quit the EU will have on the economy.

Meanwhile, In the US on Thursday, the Dow Jones closed 77 down at 18, 517, while in Asia, Japan's Nikkei crashed over 1.3% in the session to 16,588, while the Shanghai Composite Index shed 0.64% to 3,019.

On the UK corporate front today, Vodafone PLC (LON:VOD) sales were better than expected in this morning's trading update.

Sales grew by 2.2% against predictions of 1.9%, with emerging markets leading the way though the UK was weak with sales down 3%.

Broadband subscriptions rose by 348, 000 or a 32% increase.

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