

## Market comment 24th February 2015 - Poised on the brink

Closing above 6900 at last, our own FTSE 100 Share Index came the closest it ever has to establishing a new high. Indeed, it briefly rose above the previous closing peak, though not above the intraday high it once attained. Not before time. Both the highest closing level and the absolute peak achieved during a day's trading occurred on the last business day of the last millennium – more than fifteen years ago. Perhaps by the time you read this, a new high has been established.

As it happens, some disappointing results from Britain's biggest bank, HSBC, knocked the stuffing out of the market back below the 6900 level. Still, it wasn't a bad result, given the fact that the ceasefire in Ukraine is barely holding, while Greece is far from being out of the woods yet. You have to marvel at the resilience of this market.

After all, we had some further disappointing news from retail sales, with volumes coming in under expectations. But the market does seem to have developed a degree of momentum and investors are evidently taking a glass half full approach to their portfolios. Perhaps the fact that share prices are not running away should be taken as a positive development. Bear in mind that the faster and further the market rises, the more the chance of a setback.

So a steady further improvement should be the best to hope for. For this is to continue, we need the continuation of a good news flow and an absence of unpleasant surprises. On the corporate front matters do seem to be running well. Most results published have generally proved in line with, or better than, expectations – HSBC being a recent notable exception, which also brought down the shares of regional rival, Standard & Chartered Bank.

Looking ahead, a positive plethora of results are due from companies reporting for the year to the end of December 2014 over the course of the next few weeks. Covering all manner of industries, we should gain a good feel for the strength of the corporate world and perhaps also a steer on where in the world is doing well. Let us hope that surprises like HSBC are few and far between.

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