Why International Investors Should be Racing to Buy The FTSE 100 Today

Description

The last year has been tough on the UK, as the shock Brexit result tears the country in two.

British negotiators are now being given the runaround by scornful EU officials, with little progress on a deal.

Worse, the UK economy is slowing, while the pound is down around 15% against a basket of global currencies since the referendum.

Many now think the UK will leave the EU without any deal at all. Others fear it will surrender to EU demands and hand over billions of euros in compensation. Some even see a second referendum, with the people begging to be let back in.

Who would invest in a country like this? Well, *you* should.

Toxic Brexit

The fallout from Brexit was expected to be much worse. During the referendum campaign, pro-Remain campaigners warned of 500,000 jobs lost and more than 5 per cent off GDP if Britons voted to leave the EU.

The worst-case scenario hasn't happened, although there is still time.

However, there are clear signs that the UK is falling behind the rest of the world and, adding insult to injury, a resurgent Europe.

Falling behind

The British economy grew just 1.7% year-on-year in the second quarter, against 2.1% for the US and 2.2% for the Eurozone, according to Eurostat.

British stock markets have also underperformed. Although the UK All Companies index grew 14.6%

per cent over the last year, according to TrustNet.com, North America grew 17.6%, Europe grew 24.7% and China soared almost 30%.

Britain is falling behind, which is why you should invest in it.

Cheap as fish and chips

The UK benchmark **FTSE 100** index is cheap as foreign investors get up to 15% more for their money thanks to the sharp drop in the pound.

A flood of takeover bids are now pouring in as foreign competitors look to take advantage, with top companies such as **Burberry**, **Jimmy Choo** and **Unilever** all targeted lately.

However, this window of opportunity may quickly close. The pound has picked up over the last week amid speculation that the Bank of England might finally hike interest rates in November. The Footsie may not always be this cheap.

Global exposure

There is another compelling reason to buy the FTSE 100. This is a truly global index, listed companies generate more than three quarters of their revenues overseas, shielding them from domestic worries.

Combined with the weaker pound, this makes the UK a tempting way to play the global economy.

Recovery play

If the UK does strike some kind of Brexit deal, with a transition period giving it access to the single market and customs union, then sentiment could quickly reverse. If that happens the FTSE 100 and pound could both fly, giving you a double benefit.

If you believe in investing at a time of crisis and holding on for the long-term, as we do at The Motley Fool, the stricken UK looks like the perfect place.

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Date
2025/07/08
Date Created
2017/09/16

Author
harveyjones