# FTSE 100 rises as Rolls-Royce shares soar, while WPP sees significant losses



On Thursday, London's FTSE 100 index recorded modest gains, rising by 24.75 points, or 0.28%, to close at 8,731.46, outperforming other major European stock markets amidst varied performance from individual companies. The index's buoyancy was notably supported by Rolls-Royce, whose shares surged more than 15% after the aerospace and defence manufacturer raised its profit forecast and announced plans to buy back approximately £1 billion of stock from investors.

This recent upward momentum comes on the heels of an announcement regarding increased defence spending in the UK, which has fostered positive investor sentiment towards companies within that sector. Rolls-Royce’s Chief Executive Officer stated that higher defence expenditures will bring more employment opportunities and stimulate economic growth. Chris Beauchamp, Chief Market Analyst for IG, commented on the situation, stating, “Rolls-Royce’s astonishing gains have been a major theme for investors for around two years,” adding that "today saw the stock hit stratospheric levels after a resoundingly bullish set of figures."

While the FTSE 100 saw gains, European counterparts like the Cac 40 in Paris fell by 0.51%, and the Dax in Frankfurt dropped 1.07%. In parallel, the US markets had mixed results, with the S&P 500 down about 0.1% and the Dow Jones up 0.7% by the time European markets closed. Meanwhile, the British pound fell 0.4% against the US dollar, trading at approximately 1.262, but gained 0.3% against the euro, trading at around 1.213.

However, the day was marked by significant losses for advertising giant WPP. Shares plummeted by 16.2% to 645.2p after the company revealed a 0.7% decline in revenues for 2024 and cautioned investors about a difficult year ahead in 2025. In a statement, Chief Executive Mark Read noted that the dip in revenues was largely attributed to weaker discretionary spending from clients, though there was a reported 2% growth from its top 25 clients. Despite this, WPP's operating profits also suffered, falling by 2.5%.

In addition to WPP’s struggles, the FTSE 250 index saw a decrease of 0.9%, or 181.17 points, closing at 20,414.13. Meanwhile, other notable company performances included insurance firm Aviva, which saw its operating profit increase by 20% to £1.8 billion in 2024, surpassing analysts’ expectations. Shares in Aviva rose by 4.2% following this announcement. The day's major risers on the FTSE 100 included Rolls-Royce, London Stock Exchange, and Hiscox, while WPP, Howden Joinery, and Endeavour Mining led the decline.

Overall, the varied performance across the indices and individual companies reflects a complex landscape influenced by corporate earnings, macroeconomic factors, and investor expectations.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.sharesmagazine.co.uk/news/shares/ftse-sees-earnings-boost-pound-hurt-by-tariffs> - This article supports the claim that the FTSE 100 index closed higher, with Rolls-Royce being a major contributor due to its impressive earnings and share buyback announcement. It also mentions the performance of other indices like the FTSE 250 and AIM All-Share.
* <https://www.tradingview.com/news/mtnewswires.com:20250227:G2473502:0-ftse-100-closes-higher-rolls-royce-shares-take-off/> - This news piece corroborates Rolls-Royce's significant share price increase following its earnings report, which included a dividend reinstatement and a share buyback program. It highlights Rolls-Royce as the biggest gainer on the FTSE 100.
* <https://www.marketscreener.com/quote/index/FTSE-100-7392/news/Stocks-down-but-Rolls-Royce-starts-share-buyback-49180653/> - This article provides details about Rolls-Royce's share buyback program and its impact on the stock price, as well as the overall performance of the FTSE 100 and other UK indices.
* <https://www.sharesmagazine.co.uk/news/shares/ftse-sees-earnings-boost-pound-hurt-by-tariffs> - It also mentions the decline of the British pound against the US dollar and the mixed performance of US markets, which aligns with the article's description of macroeconomic influences.
* <https://www.marketscreener.com/quote/index/FTSE-100-7392/news/Stocks-down-but-Rolls-Royce-starts-share-buyback-49180653/> - This article further supports the varied performance across the FTSE 100, highlighting both the gains of companies like Rolls-Royce and the losses of others like WPP.
* <https://www.sharesmagazine.co.uk/news/shares/ftse-sees-earnings-boost-pound-hurt-by-tariffs> - It provides additional context on the performance of other companies, such as Aviva and London Stock Exchange Group, which saw positive movements in their stock prices due to strong earnings reports.