

Market Preview

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FTSE 100 troubled by continued tensions in Ukraine

The FTSE 100 is expected to open 60 points lower as the investing world continues to fret about the instability in the Ukraine.

Russia's G8 partners have condemned Moscow's move to protect its interests in the Crimea as it strengthened its hold on the peninsular.

Vladimir Putin has so far rejected calls to pull back an estimated 6,000 troops, which he says are protecting his country's interests and those of ethnic Russians.

The effect on the financial markets was most marked in Japan where the Nikkei 225 fell 2%, with exporters hardest hit.

Hong Kong's Hang Seng was off by 0.9% and the ASX was 0.4% lower, while the Shanghai Composite rose 0.4%.

Gold, up 10% in the year to date, regained its safe-haven status as it hit a session high of US\$1,344 an ounce earlier.

"The situation in the Ukraine is evolving seemingly by the hour and is at critical juncture," said Chris Weston of the spread betting group IG.

"Ultimately the market wants to know to what extent the West will impose economic sanctions on Russia if there is bloodshed and further deterioration.

"From what we seeing right now, the scene has been set and the key personnel are in place; the orders just need to be given."

Here in the UK, the FTSE 100 is expected to open up 60 points lower at 6,751.7.

BP is expected to be the big corporate newsmaker this week as it posts fourth quarter and annual results.

And after the banks it is the turn of the insurers to bear their financial scars, with flood news expected to be top of the agenda for the mainline operators.

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