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## ITV, Unilever gains help FTSE steady within tight range

Thu, Jun 12 2014

- \* FTSE 100 up 0.1 percent
- \* ITV up on report of Omnicom windfall
- \* Unilever boosted by M&A talk
- \* Miners under pressure on China demand concerns

By Francesco Canepa

LONDON, June 12 (Reuters) - Britain's top share index was a shade higher on Thursday, helped by gains in media group ITV and mergers and acquisitions speculation in the consumer goods sector.

Sharp falls in mining stocks, however, capped gains on the index as concerns over demand in China, the world's top metals consumer, sent copper to a one-month low.

Shares in ITV rose 2.7 percent to top the FTSE 100, with traders citing a Brandrepublic report suggesting that advertising group Omnicom would redirect 30 million pounds (\$50.37 million) worth of ad spending to the British broadcaster from rival Channel 5.

"An extra 30 million pounds in an operationally geared business like ITV could see a high flow-through of that into profits, so that's certainly good news for ITV," Paul Richards, an analyst at Numis Securities, said.

Volume on the stock was nearly 80 percent of its full-day average, compared to FTSE 100 volume of less than a quarter of the index's own average.

The broader FTSE 100 was up 4.38 points, or 0.1 percent, at 6,843.25 points at 1042 GMT.

Consumer goods group Unilever, up 1.2 percent, added 1.5 points to the index, with traders citing speculation in the British press about a bid for the Anglo Dutch firm from private equity firms.

Companies dealing in basic materials, however, knocked 10 points off the FTSE, with global miner Rio Tinto off 2.9 percent and Anglo American down 3.5 percent to the bottom of the FTSE.

"Industrial metals are weak, they are not bouncing convincingly. No real medium-term strength, just short-term improvements that do not last," Valerie Gastaldy, who heads up technical analysis firm Day By Day, said, adding that there were "plenty of reasons" for miners to be falling.

Evaporating confidence in the strength of global growth, as evidenced by a cut in World Bank estimates earlier this week, has dented the FTSE 100's performance this year.

The index has traded in a tight 130-point range since the beginning of May, while other European indexes have pushed up to new multi-year highs, buoyed by stimulus from the European Central Bank.

The FTSE 100 is down 0.3 percent this week, marking the third time it has failed to break out of the range in the last six weeks.

"The UK FTSE remains locked in a tight ... range, with catalysts lacking for a break either way," Mike van Dulken, head of research at Accendo Markets, said in a note.

"Another failure to regain the prior highs ... adds to the trend of recent falling highs." (\$1 = 0.5956 British pounds) (Additional reporting by [Alistair Smout](#); Editing by Susan Fenton)

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