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UK's FTSE hits 8-month high as emerging markets' growth lifts earnings

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- * FTSE 100 up, near multi-year intraday high of 6,875
- * Unilever jumps on forecast-beating results, helped by EM
- * SABMiller hit by poor developed markets
- * Charts suggest FTSE to push higher despite miners' pause

By [Alistair Smout](#)

LONDON, Jan 21 (Reuters) - Britain's top shares edged higher on Tuesday, boosted by corporate results that revealed a return of strong demand in emerging market economies even as the consumption picture in Europe remained weak.

Consumer goods firm Unilever rose 3.8 percent, the top FTSE gainer, after it unveiled better-than-expected 2013 results, helped by a rebound in emerging markets.

Brewer SABMiller, however, slipped 0.9 percent despite price increases and volume growth in emerging markets, after sales disappointed estimates having been plagued by weak consumer sentiment in Europe and North America.

In the latest sign of weak sentiment in the region, German investor morale unexpectedly fell in January, according to a survey by the Mannheim-based ZEW economic think tank.

"What's common across the consumer products area is that Europe and the euro zone are in difficulty ... Unilever really received its push ahead from emerging markets, because the growth in Europe has been sluggish," David Madden, market analyst at IG, said.

"That's been evident in SABMiller also. It's not surprising that companies are looking to emerging markets to get their growth, because well-established markets in Europe are stagnant."

Optimism over emerging markets boosted Asia-focused lender Standard Chartered, up 2.8 percent after China's central bank moved to head off another destabilising liquidity squeeze on Tuesday with a big injection of cash.

In all, consumer staples and financials combined to add 18 points to the blue-chip FTSE 100 index, enough to take it into positive territory by the middle of the session.

The FTSE was up 13.96 points, or 0.2 percent, at 6,850.69 points by 1135 GMT, breaking through a multi-year closing high of 6,840 points hit last May.

The index remained just 0.3 percent off May's intraday high at 6,875, which was its highest level since December 1999.

Valerie Gastaldy, head of technical analysis firm Day-By-Day, was targeting that level for the FTSE 100, despite seeing resistance in the mining and oil and gas sectors, which were in negative territory on Tuesday after strong run-ups last week.

UK miners posted their best week in 18 months last week.

"Miners may show some hesitation as they have reached their resistance area ... but it is only a matter of a little patience, they are bullish," Gastaldy said.

"The FTSE100 is climbing slowly, but climbing, and we maintain our target at 6,875."

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