

Falling pound helps FTSE avoid global sell-off

Shares in London's top index closed Friday in the green, capping off a positive week as the falling pound put wind in the sails of shares.


While [European](#) and US shares were hammered, the FTSE 100 managed to stand out from a sea of red.

It finished up 0.1%, or 8.52 points, to 7,550.37.

The resurgence in the dollar seen this week serves to highlight the growing feeling that we are on the cusp of another slump, as investors prepare to head for the exit doors once again

“European equities have been hit hard today, as markets start to show signs of a potential impending bearish reversal coming into play,” said Joshua Mahony, a senior market analyst at IG.

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“Fortunately for UK investors, the FTSE 100 has managed to perch itself on an island of green, with a collapse in the pound helping to avoid the seemingly inevitable drop into the surrounding red sea

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highlight the growing feeling that we are on the cusp of another slump, as investors prepare to head for the exit doors once again.”

When markets were just about to close across Europe, the pound was down 1.1% against the dollar at 1.1800. When compared to the euro it fell 0.6% to 1.1753.

[CMC Markets](#) analyst Michael Hewson said: “After four weeks of gains, European markets appear to have run out of puff this week, spooked in some part perhaps by the big jumps in inflation we’ve seen.”

He added: “This has been another week that has seen European and UK gas prices trade at record highs, and the penny appears to have dropped that central banks are likely to have to go much harder on rates if they are to have any chance of getting on top of the inflation genie.”

For the FTSE it was health care companies that outperformed. [AstraZeneca](#) and GSK, which earn most of their revenues in dollars, were close to the top of the index.

In Europe, Germany’s DTax index closed down 1.1%, while the Cac 40 in Paris had lost 0.9%.

In New York, the S&P 500 was trading down 1.2% shortly after European markets closed, while the Dow Jones was 0.8% lower.

In [London](#) on Friday concerns were raised for the future of Cineworld. The company might be one of the biggest cinema chains in the world, but it is still on the brink of failure, a new report claimed.

The Wall Street Journal said that the chain is preparing for a bankruptcy that could come in just a few weeks.

The company declined the comment on the report, which said it has hired lawyers and consultants to help with the process.

Shares in the company closed down by more than 58% after the news. It has 127 cinemas in the UK, and employs 28,000 people in 10 countries.

The biggest risers on the FTSE 100 were Reckitt, up 160p to 6,674p, AstraZeneca, up 236p to 11,250p, Avast, up 11.6p to 698.8p, Unilever, up 66p to 4,004p, and GSK, up 23.2p to 1,425.2p.

The biggest fallers on the FTSE 100 were IAG, down 6.06p to 112.56p, Persimmon, down 71p to 1,670p, Entain, down 53p to 1,319p, Howden Joinery, down 24p to 634.6p, and Segro, down 38p to 1,018p.