

FTSE 100 recovers ground after market jitters



Our unmissable weekly email of all the gossip, rumours and covert goings-on inside the Square Mile

Sign up

I would like to be emailed about offers, event and updates from Evening Standard. Read our [privacy notice](#).

London's equity markets recovered significant ground after Thursday's sell-off linked to higher yields on gilts.

Gilts, UK government bonds, settled in value over the day after traders digested the impact of increased government borrowing and spending.

This helped support demand for UK stocks, aiding the FTSE 100 to one of its strongest days in recent months.

The top London index was also supported by a bumper session for consumer goods giant [Reckitt Benckiser](#), following a victory in a key trial linked to baby formula.

The FTSE 100 finished 67.05 points, or 0.83%, higher to end the day at 8,177.15.

Elsewhere in [Europe](#), the Cac 40 ended 0.8% higher for the day

and the Dax index was up 0.92%.

Stateside, stocks were higher at the start of trading as weaker-than-expected hiring data suggested there was scope for more interest rate cuts.

It came as traders' attentions moved towards a key period for rates, with the US and UK central banks both likely to reveal another cut.

Axel Rudolph, senior technical analyst at IG, said: "This week's late October rout in stock indices was followed by a positive start to the month as bargain hunters stepped in and the US 10-year yield slumped after an extremely weak US non-farm payrolls jobs report.

"[Next](#) week's 0.25 percentage point Fed rate cut after the US presidential election is now seen as a foregone conclusion, with the Bank of England also expected to cut by the same amount as the [Reserve Bank of Australia](#) is likely to leave rates unchanged."

Meanwhile, sterling ticked higher but was still firmly lower for the week.

The pound was up 0.41% at 1.295 US dollars and up 0.73% at 1.193 euros.

In company news, Reckitt Benckiser was among the day's strongest performers as investors reacted to a favourable court ruling in the US.

A court hearing in Missouri rejected claims that had linked baby formula from its Mead Johnson subsidiary to bowel inflammation in the case of a child.

Shares rose by 6.6% to 4,994p, helping it regain ground after being knocked by the case earlier in the year.

Boohoo shares were in the green after the online fashion

retailer appointed the chief executive of Debenhams as its new boss.

The online retailer said Dan Finley would take over with immediate effect, after Boohoo rebuffed efforts by major shareholder Frasers Group to have Mike Ashley made its new chief executive.

Boohoo shares were 3.3% higher at 30.6p.

[Tesco](#) was also higher after it said it will hand £700 million back to shareholders using the proceeds of a now-completed sale of its banking business to Barclays.

Shares in Tesco moved 1.7% higher to 348p as shareholders welcomed the move.

Elsewhere, the price of oil climbed amid fears of an escalation of tensions between Israel and Iran, which could impact oil supply.

A barrel of Brent crude oil was up by 0.84% to 73.13 dollars (£56.44) as markets were closing in London.

The biggest risers on the FTSE 100 were Reckitt, up 310p to 4,994p, Schroders, up 14.8p to 358.8p, Intermediate Capital, up 68p to 2,130p, AB Foods, up 62p to 2,283p, and Melrose Industries, up 12.5p to 487.5p.

The biggest fallers on the FTSE 100 were Vistry, down 15p to 894.5p, Entain, down 10.6p to 734.4p, DS Smith, down 6.5p to 539p, Fresnillo, down 4p to 735.5p, and Sainsbury's, down 1.4p to 264.8p.