

Investor anxiety lingers as European markets finish week in the red

A dramatic week for [European](#) markets has ended on a low, with a number of interventions from global banks failing to calm the nerves of jittery investors.

London's FTSE 100 closed firmly in the red despite seeing gains in early trading on Friday.

It followed a group of US banking giants injecting 30 billion US dollars (£25 billion) into First Republic Bank, a mid-sized lender that had suffered sharp drops in its share price in recent days.

But worries about the stability of the wider banking sector prevailed and investors continued their sell-off of shares in First Republic as well as troubled Swiss bank Credit Suisse.

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Shares in British banks [Barclays](#), Lloyds and HSBC were all down, although the biggest drag on the FTSE 100 came from telecoms giant BT Group.

The blue-chip index closed 74.63 points lower, or 1.01%, at 7,335.4.

Confidence in the UK economy was also dented by damning new analysis from the OECD, which predicted that the UK would be the only country in the G20, bar Russia, to see its economy shrink this year.

The economic group is predicting a 0.2% fall in gross domestic product (GDP) this year, followed by a rise of 0.9% next year.

Craig Erlam, senior market analyst for OANDA, said: "A frantic week in financial markets draws to a close and it's clear that investors are feeling very anxious about carrying risk into the weekend.

"We all saw how fast things can move over the weekend and risk-averse trade at the end of this week highlights how nervous investors are about further fallout.

"If we can get through the weekend without more drama, Monday's open could look very different but it's going to take time for the wounds to heal.

"Even with all of the measures undertaken by the Federal Reserve, Treasury, Bank of England, Swiss National Bank, and US banks to stabilise the situation this week, we're still seeing distress in the markets.

"Credit Suisse is down 10% today and not far from Wednesday's lows, while First Republic is off 23% and down almost 80% in a little over a week."

Other major European stock markets also closed in the red, with the German Dax down 1.33% and the French Cac down 1.43%.

Trading started on the backfoot in the US as well. The S&P 500 was down 0.9% and Dow Jones seeing declines of 1% by the time European markets closed.

The pound, however, was holding firm when the week drew to a close. [Sterling](#) was up 0.5% to 1.2170 against the US dollar, and flat against the euro to 1.1406.

In company news, shares in BT Group declined after the UK's communication regulator said it had delayed the conclusion of its investigation into a new [Openreach](#) pricing plan.

Openreach, which is owned by telecoms giant BT Group, may be forced to defer its wholesale broadband offer pending a probe by Ofcom into whether it breaches competition rules.

BT sunk to the bottom of the FTSE 100 and its share price closed 6% lower.

Meanwhile, shares in Rolls Royce dipped on Friday, even though the business revealed it had received funding from the UK Space Agency to deliver a nuclear reactor for a Moon base.

The engineering giant plans to have a reactor ready to send to the Moon by 2029. But the announcement wasn't enough to excite investors and share price closed 4.1% lower.

The biggest risers on the FTSE 100 were Endeavor Mining, up 42p to 1,760p, Glencore, up 9.45p to 432.65p, [London](#) Stock Exchange Group, up 144p to 7,470p, Fresnillo, up 12.1p to 710p, and Imperial Brands, up 22p to 1,884.5p.

The biggest fallers on the FTSE 100 were BT Group, down 8.9p to 137.75p, Aardon, down 11.7p to 199.3p, Hiscox, down 53p to 1,042p, Ocado Group, down 19.5p to 416.1p, Rolls-Royce, down 6p to 140.3p.