

London markets lose earlier gains as jitters return to banking sector

The flurry of optimism in [London](#) markets on Friday morning after a 30 billion dollar (£25 billion) cash injection into a struggling US bank dissipated towards the afternoon as global markets continue to feel the fallout from a series of failures.

The FTSE 100 had initially gained exactly 100 points in the early hours of trading on Friday morning.

It came as a series of US banking giants got together to pour cash into First Republic Bank – another mid-sized US lender that had been struggling in recent days.

But by mid-afternoon the gains had been reversed and London's top index was instead trading down by exactly 100 points – a drop of around 1.3%.

When markets closed, it had shed nearly 75 points, or 1%, to 7,335.

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It came as First Republic's share price began to slide again when markets opened in the US. [Shares](#) dropped by around a quarter.

[Credit Suisse](#) – the Swiss banking giant which has also been struggling – was also down, by 10%.

The bank was given £45 billion by the Swiss central bank to help it keep running earlier this week.

It meant that all the gains that the FTSE 100 made on Thursday were wiped out, while markets in the US and [Europe](#) were also heavily in the red.

First Republic's shares had cratered by nearly three quarters in just a week as it reverberated from the failure of three other banks in the US and the weakness in Credit Suisse.

On Thursday evening, JP Morgan Chase, [Citigroup](#) and other major US players deposited 30 billion US dollars (£25 billion) into the struggling lender.

Chris Beauchamp, chief market analyst at online trading platform IG, said: "Hopes that the banking crisis would continue to fade have themselves grown weaker, as stocks fell again, reversing much of yesterday's move higher.

"Credit Suisse continues to be the bugbear for Europe, while in the US First Republic worries are still the main driver of losses.

"This week has been a liquidity crisis, but it seems that the moves by authorities to remedy the situation have not completely reassured wary investors."