Pound leaps further as European markets boosted by US job figures

T
he FTSE swung back higher on Friday as improved US economic data offset the impact of the strong pound.

In London, some multinationals were impacted by the currency concerns of the buoyant pound but found extra confidence in better-than-expected jobs figures from the US.

The FTSE 100 moved 0.98%, or 75.74 points, higher to finish at 7,778.38.

Elsewhere in Europe, the mood was similarly improved as a result of the economic data.

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The Dax rose by 1.42% and the Cac 40 increased by 1.31% at the

close as a result.

Michael Hewson, chief market analyst at CMC Markets UK, said: “It’s been a difficult start to the month for markets in Europe, although after today’s US payrolls report, we look set to finish the week on an upbeat note.

“After spending the week being buffeted by concerns about the US banking system, the latest US jobs numbers showed a US economy that is still creating jobs at a decent clip, with 253,000 jobs added, comfortably beating expectations.

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Worries about turbulence in the banking sector, particularly in the US, weighed on stocks earlier in the week but calmed significantly on Friday.

The main US markets were all higher on the opening bell as the strong jobs data offset some lingering worries over regional banking stocks.

Meanwhile, sterling moved higher again to reach a new peak against the dollar for the past year as economists continue to predict an increase to interest rates next week.

The pound was up 0.61% to 1.264 US dollars and rose by 0.55% to 1.147 euros at market close in London.

In company news, British Airways’ parent firm, International Airlines Group (IAG), was in the green at the close after it returned to an operating profit between January and March for the first time since before the pandemic.

The group said its first quarter operating profit reached nine million euros (£7.9 million), up from a loss of 718 million

euros (£629 million) in the same period last year.

As a result, shares lifted to finish 3.4p higher at 150.5p.

Meanwhile, Holiday Inn firm IHG dropped in share value after chief executive Keith Barr announced he would step down from his role. He intends to return to the US with his family.

Shares were down 106p at 5,412p after the hospitality firm also reported that revenues have been boosted by the post-pandemic reopening in China.

The price of oil lifted on reports that OPEC+ might consider further production cuts but remained firmly lower for the week.

Elsewhere, Brent crude oil increased by 3.59% to 75.1 US dollars per barrel when the London markets closed.

The biggest risers on the FTSE 100 were: Antofagasta, up 50p at 1,469.5p; Barclays, up 5p at 153.24p; BP, up 15.8p at 492.3p; Anglo American, up 70p at 2,447p; and WPP, at 24.8p at 889p.

The biggest fallers of the session were: IHG, down 106p at 5,412p; Endeavour, down 36p at 2,068p; Compass, down 31p at 2,069p; Hargreaves Lansdown, down 8p at 792.4p; and Reckitt Benckiser, down 46p at 6,434p.