Pound falls after chancellor unveils autumn statement

Jeremy Hunt's autumn statement has failed to offer much cheer to markets, with both stock indexes and the pound all below their opening mark.

Sterling had already fallen around 0.5% – going from $1.193 to $1.1850 – by the time the chancellor rose to his feet in the Commons.

But after he had finished, it had fallen to the $1.183 mark – down about 0.6% – and continued to fall to $1.180 (down almost 0.9%) by 12.45.

The FTSE 100 was down 0.65% at 12.15pm, while the more domestically-focused FTSE 250 had fallen almost 0.3% during the day, from an earlier loss of 0.4%.

However, both indexes started to claw back some of their losses after Mr Hunt's speech concluded.

Shares in Shell and BP were down marginally following news that the energy profits levy would be increased from 25% to 35% from next year.

A Shell spokesperson said: "As well as raising revenues to support people, taxes should be designed to provide incentives for investment to address the underlying supply problems that are causing high prices now, and to drive the vital, longer term transition to a low-carbon energy system.

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"To deliver the very significant investment needed, which for Shell UK will be up to £25bn in the next 10 years, the energy sector needs to have confidence that there will now be a stable investment climate following a period of considerable uncertainty."

Government bonds edged lower, while bond yields — which were already up before Mr Hunt's statement — rose further.

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The benchmark 10-year gilt yield was last up seven basis points to 3.21%, while the two-year yield rose 12 basis points to 3.104% having traded at around 3.07% just before Mr Hunt started speaking.