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FTSE waits for interest rate decisions

Markets

by Peter
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MARKETS continued to tread water yesterday ahead of interest rate decisions this week from the Bank of England, European Central Bank and the United States Federal Reserve.

The FTSE 100 index eked out a 10.7 point rise to 6,570.95 despite heavy falls for blue-chips stocks such as **Barclays** and **BP**.

Shares in Barclays dropped 5.7 per cent or 17.75p to 291.3p after the bank unveiled a £5.8 billion rights issue to help plug a £12.8bn hole in its finances.

Oil giant BP fell 15.95p or 3.4 per cent to 451.45p after its second-quarter profits missed City expectations and it set aside more money to pay for the Gulf of Mexico oil spill.

Brenda Kelly, a technical analyst at IG Index, said: "The revelation of a £12.8bn shortfall in Barclays' balance sheet, and the

sell-off which ensued, tends to negate this blind optimism and does not necessarily bode well for Lloyds and RBS, who report earnings later this week."

Royal Bank of Scotland fell 8.2p or 2.5 per cent to 317.4p, while **Lloyds Banking Group** dipped 1.05p to 67.65p.

ITV expects net advertising revenues to jump by 12 per cent in July and 20 per cent in August, pushing shares up 6.3 per cent or 9.9p to 167p as Scots-born chief executive Adam Crozier's five-year turnaround plan for the broadcaster continues to make progress.

Car and plane parts maker **GKN** was the biggest top flight riser, up 21.4p to 348.5p, after its first-half results also beat City expectations.


On the Alternative Invest-

ment market (AIM), drug developer **Hutchison China Mediatech** – better known as Chi-Med – climbed 5.4 per cent or 26p to 508.5p after continued growth in China's healthcare sector boosted the company's half-year performance.


NEW YORK: US stocks ended mostly higher following gains in technology shares and stronger-than-expected earnings from Pfizer, but a sell-off in the potash sector limited the advance.

The Dow Jones industrial average wavered at the close – initially showing a gain of 3.07 points before dipping to close at 15,520.59, down 1.38 points. The Standard & Poor's 500 index rose just 0.63 of a point to 1,685.96. The Nasdaq Composite index advanced 17.33 points to close at 3,616.47.

MOVERS

 **+12%**
Pace 310.9p +33.2p

THE set-top box maker raised its interim dividend by just over 27 per cent.

 **-15.9%**
Galileo 13.25p -2.5p

THE African miner took a tumble after strategic update failed to satisfy investors.