

# London stocks hit record as Samsung sinks



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The London Stock Exchange (AFP Photo/Facundo Arrizabalaga)

The weaker pound propelled Britain's stock market to an intra-day record Tuesday, while shares in Samsung Electronics plunged after the company junked its [Note 7](#) smartphone.

The London rally came as major US indices fell more than one percent amid concerns about the just-started third-quarter earnings season following weak results from Alcoa.

Equity markets in Paris and Frankfurt both dipped, while Tokyo climbed 1.0 percent in first day of trade after a three-day holiday.

Oil prices eased after climbing steadily for three weeks on skepticism about an OPEC deal to cut production.

The pound, flailing in the wake of Britain's June vote to quit the European Union, helped push London's FTSE 100 index of top blue-chip companies to 7,129.83 points, beating the previous record high set on April 27, 2015, before profit-taking set in to push the index lower at the close.

"Sterling is over four percent lower in the last week thanks to mounting worries about the impact of a 'hard Brexit' on the UK economy," said Omer Esiner, analyst at Commonwealth Foreign Exchange.

A weak pound helps British exporters, and also boosts profits when foreign currency earnings are converted back into sterling.

The pound has lost nearly 18 percent since British voters narrowly approved Brexit in a referendum in June.

- Samsung slumps -

South Korean giant Samsung plummeted more than eight percent after the group halted production of the Galaxy Note 7 on Tuesday and announced it was scrapping the model, warning people who bought it already to stop using it.

The announcement came a little over a month after Samsung announced a recall of 2.5 million Note 7s following complaints that its lithium-ion battery could catch fire.

City Index analyst Ken Odeluga said Samsung's tumble had a big impact on overall sentiment because of its huge market capitalisation of more than \$200 billion.

"If Samsung catches a cold, so do the region's equities," he said.

Apple shares continued to rally in the wake of its South Korean rival's travails, climbing 0.3 percent on expectations of a bump to iPhone sales.

But US investors were perturbed by a disappointing earnings report from aluminum-maker Alcoa, which opened third-quarter reporting season by missing earnings-per-share expectations and offering a lackluster forecast for its value-added aluminum businesses, which will be renamed "Arconic" when the company splits in two on November 1.

The market is "very cautious" on earnings after five straight quarters in which the S&P 500 reported declining profits, said David Levy portfolio manager at Republic Wealth Advisors.

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