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## STOCKS & SHARES

### FTSE powers through resistance after US data

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By Francesco Canepa

LONDON (Reuters) - Upbeat U.S. jobs data helped top share index stretch gains into a third straight session on Friday, sending a bullish signal as the gauge broke through a major technical resistance.

Stocks rose in the afternoon after better-than-expected U.S. employment data showed the world's largest economy was gaining momentum, raising expectations for global demand for goods and services and compensating for weak growth in Europe.

The FTSE 100 (**.FTSE**) index rose 27.76 points, or 0.5 percent, to 5,887.49, breaking above a major technical resistance zone at 5,859.85-5,884.43.

The index, which traded 95.8 percent of its 90-day volume average, extended gains in late trade, with traders and chartists pointing to some short-covering after it had become clear the market had gained sufficient momentum to break above the resistance.

"Into the close, short traders began to cover their positions aggressively once it was clear that bullish traders were bidding up the market," said James A. Hyerczyk, an analyst at Autochartist.

Also supporting sentiment on Friday was Greece's success in averting the immediate threat of an uncontrolled default by securing a bond swap deal with its private creditors, clearing the way for a new euro zone bailout.

Friday's rise helped the FTSE limit its weekly loss to 0.4 percent and showed sentiment towards British equities was still positive, after a stormy start to the trading week had led some to believe the recent, three-month rally was drawing to an end.

## VOLATILITY FALLS

The FTSE 100 Index Volatility index (**.VFTSE**), regarded as a gauge of investor 'fear', closed 13 percent lower, falling for a second straight session after hitting a three-week closing high on Tuesday.

"Investors were very hedged, so once we broke the 5,090 support earlier this week there were no sellers anymore," said Valerie Gastaldy, general manager of Paris-based Technical analysis firm Day by Day.

"That's why the market stopped going down, and as buyers came back little by little, shorts had to cut more and more."

Power provider Aggrego (**AGGK.L**) was the top FTSE gainer, rising 4 percent on volume 265 percent its 90-day average after reporting an increase in full-year profit and guiding for further growth this year.

Miner Fresnillo .FRES.L was among the biggest drags on the index after a Deutsche Bank downgrade prompted some profit-taking in the stock after a strong run.

Shares in the world's largest primary silver producer fell 1.3 percent in volume 225 percent of the average. They had risen nearly 20 percent since the start of the year.

(Editing by Will Waterman)

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