

BUSINESS & FINANCIAL OVERVIEW

European Markets End Weak On Trade Worries, Political Tensions

European markets ended lower on Monday with investors largely staying cautious and refraining from doing any significant buying amid rising concerns about U.S.-China trade dispute.

Trade worries resurfaced last week after U.S. President Donald Trump said that he is "not ready to make a deal" with China and suggested the U.S. could skip the next round of trade talks in September.

"We'll see whether or not we keep our meeting in September. If we do, that's fine. If we don't, that's fine," Trump said. "But it's time that somebody does what we're doing."

Political uncertainty in Italy and the anti-government protests in Hong Kong that resulted in the Hong Kong International Airport canceling all departures on Monday also weighed on investor sentiment.

Meanwhile, China's central bank on Monday set the official midpoint reference for the yuan at a stronger-than-expected level.

Italian bond yields fell from five-week highs as Fitch Ratings left the country's rating unchanged.

The pan European Stock 600 declined 0.31%. Among the major indices, Germany's DAX ended down 0.12%, while the U.K.'s FTSE 100 and France's CAC 40 declined 0.37% and 0.33%, respectively. Switzerland's SMI edged up 0.1%.

Among other markets in Europe, Austria, Belgium, Denmark, Finland, Greece, Italy, Norway, Poland, Portugal and Spain all ended notably lower.

Czech Republic, Russia, Sweden, Turkey and Ukraine closed modestly higher, while Iceland and Netherlands ended flat.

In Germany, Deutsche Bank shares plunged more than 5%. Thyssenkrupp, Continental, Lufthansa, Wirecard and Bayer ended lower by 1.3 to 3%, while Linde and Henkel both gained about 1.75%.

Shares of Osram rose sharply after AMS made an all-cash takeover offer for the company.

French stocks Societe Generale, Louis Vuitton, Credit Agricole, ArcelorMittal, Technip, Renault, BNP Paribas, Kering and Dassault Systemes shed 1 to 2.2%.

In the UK market, Rolls-Royce Holdings declined on reports that engine parts from a Norwegian Boeing 787 Dreamliner fell shortly after take-off from Rome Fiumicino.

NMC Health declined more than 5.5%. Schroders, Hargreaves Lansdown, Burberry Group, EasyJet, Associated British Foods, British Land Company, Johnson Matthey and Standard Chartered also ended notably lower.

