

BUSINESS & FINANCIAL OVERVIEW

European Markets Close Lower On Profit Taking, Italian Political Uncertainty

European markets ended mostly lower on Tuesday, weighed down by political uncertainty in Italy and on profit taking after two successive days of solid gains.

Brexit jitters weighed as well after U.K. Prime Minister Boris Johnson reaffirmed his position that the EU would need to compromise for a Brexit deal to happen.

The mood was cautious right through the session with traders looking ahead to the release of the minutes of the U.S. Federal Reserve's July meeting. Markets were also digesting a mixed batch of eurozone economic data.

The pan European Stock 600 declined 0.68%. Among the major markets in Europe, the U.K. ended with sharp losses with its benchmark FTSE 100 going down by 0.9%. Germany's DAX and France's CAC 40 shed 0.55% and 0.5%, respectively. Switzerland's SMI ended 0.56% down.

Austria, Belgium, Czech Republic, Finland, Ireland, Italy, Netherlands, Norway, Portugal, Spain and Sweden ended weak.

Denmark, Greece, Poland and Russia closed on a positive note, while Iceland ended flat.

In London, Kingfisher, United Utilities, BT Group, BHP Group, Centrica, Tui, NMC Health and National Grid lost 2 to 3.1%.

Rentokil, Direct Line Insurance, Intertek, Severn Trent, Ferguson, IAG and British American Tobacco also declined sharply.

J Sainsbury moved up nearly 3%, extending recent strong gains.

In the German market, Vonovia shed more than 3% and E.ON declined 2.2%. HeidelbergCement, Lufthansa, Daimler, Henkel, Continental, RWE, SAP and BMW ended lower by 1 to 1.6%.

In the French market, ArcelorMittal, Publicis Groupe, Michelin, Veolia Entertainment, Credit Agricole, Technip, Sodexo, Peugeot, Societe Generale and Capgemini lost 1.2 to 2.1%, while Airbus Group shares gained about 1.15%.

Italian politics remained a key focus today. Italy's Prime Minister Giuseppe Conte announced he will resign and came down harshly on Deputy Prime Minister Matteo Salvini for pushing for a no-confidence vote.

Conte said Salvini's decision could bring about institutional and financial uncertainty in the country.

