

**BUSINESS & FINANCIAL OVERVIEW**

## European Shares Extend Gains On Trade Deal And Brexit Optimism

European stocks rose on Monday to extend gains from the previous session as trade worries and Brexit uncertainty appeared somewhat eased and a string of Chinese data topped forecasts.

The British pound continued its rally as Prime Minister Boris Johnson prepares to appoint top ministers to his cabinet. The MPs' first job will be to vote on the Withdrawal Agreement Bill (WAB) on leaving the European Union (EU) that Johnson intends to bring back before Christmas.

The pan-European Stock 600 climbed 1.1 percent to 416.64 after rallying 1.1 percent on Friday. The German DAX gained 0.6 percent and France's CAC 40 index added 0.8 percent while the U.K.'s FTSE 100 was up more than 2 percent.

Swedish home appliances giant Electrolux AB slumped 12 percent after it warned of a bigger-than-expected financial hit from its North American business. Fashion retailer Hennes & Mauritz AB advanced 1.8 percent as it reported a 9 percent rise in its fourth-quarter net sales.

French media conglomerate Lagardere shed 0.7 percent. The company on Sunday said it would continue as planned to proceed with the broader, more encompassing arbitration on merits to obtain compensation from The Confederation of African Football following the cancellation of agreement.

Asia-focused lender HSBC Holdings rallied 2.5 percent while miners Anglo American, Antofagasta and Glencore jumped 2-4 percent. Aston Martin Lagonda shares soared almost 8 percent. Responding to press speculation, the manufacturer of luxury cars confirmed that it is engaged in early stage discussions with potential strategic investors in relation to building longer term relationships which may or may not involve an equity investment.

Retailing group Sports Direct jumped 18 percent after it reported a big jump in half-year profit and said that it was beginning to see the "green shoots of recovery" at House of Fraser.

Cineworld Group tumbled 3 percent. The cinema chain has signed an agreement to acquire Cineplex Inc. (CGX.TO) for C\$34 in cash per share.

In economic releases, the euro zone private sector logged a moderate growth in December, rounding off a fourth quarter in which output rose at the weakest pace since the economy started recovery in the second half of 2013, flash survey data from IHS Markit showed.

The composite output index held steady at 50.6 in December, signaling a very modest growth across manufacturing and service sectors. The score was slightly above the forecast of 50.5. The U.K. private sector activity contracted the most since mid-2016, flash survey results from IHS Markit and Chartered Institute of Procurement & Supply revealed.

The composite output index fell to 48.5 in December from 49.3 in November. The rate of decline was the fastest since July 2016. Economists had forecast the score to rise to 49.5.

