

BUSINESS & FINANCIAL OVERVIEW

European Shares Rally As Coronavirus Fears Ebb

European stocks were sharply higher on Wednesday as investors cheered reports of breakthrough in coronavirus treatment.

A leading British scientist has made a significant breakthrough in the race for a coronavirus vaccine by reducing a part of the normal development time from "two to three years to just 14 days", Sky news reported. The vaccine will be too late for this current outbreak but it will be crucial if there is another one, Sky said.

Meanwhile, the day's economic reports proved to be a mixed bag. PMI data out of the Eurozone pointed to an improvement in the economy and a measure of the U.K. service sector rebounded at a faster-than-estimated pace in January, while Eurozone retail sales declined more than expected in December on weak food and non-food product sales.

The pan European Stock 600 was up 1.1 percent at 423.12 after rallying 1.6 percent in the previous session. The German DAX climbed 1.3 percent, France's CAC 40 index rose about 1 percent and the U.K.'s FTSE 100 was gaining 0.7 percent.

Vestas Wind Systems A/S jumped 4.5 percent. The Danish company reported that its profit for full year 2019 rose to 700 million euros from 683 million euros in the prior year.

Swiss engineering firm ABB rallied 3 percent as it reported its first profit growth for three quarters. Rio Tinto climbed 1.1 percent. The mining giant said it has shortened its payment terms to 20 days for 90 percent of its Australian suppliers.

Smurfit Kappa Group shares jumped as much as 8 percent. The packaging company swung to an annual profit in 2019 and upped its final payout.

Budget airline Ryanair Holdings rallied 2.5 percent as China's stimulus measures helped ease worries surrounding the coronavirus outbreak.

Marks and Spencer rose over 1 percent after saying the Finance director of its food division, Nick Hewitt, stepped down last month.

Halma shares rose over 2 percent after the environmental technology group acquired Sensit Technologies, LLC, a gas leak detection company based in Indiana, USA.

Home builder Barratt Developments jumped 3.2 percent after posting healthy first-half results. Tobacco company Imperial Brands slumped 8.5 percent after issuing a profit warning.

Infineon Technologies, a manufacturer of semiconductors and system solutions, jumped almost 10 percent as it posted in-line results and confirmed guidance. Lender BNP Paribas rose 1.4 percent. The French bank trimmed its outlook for 2020 after posting slightly better-than-expected profits for its fourth quarter.

