

BUSINESS & FINANCIAL OVERVIEW

European Stocks See Another Big Sell-off, Settle Sharply Lower

European stocks tanked on Friday, extending losses to another session, amid mounting worries about the spread of the novel coronavirus and its imminent impact on global growth.

With the focus on news about the spread of the dreaded virus, investors pressed sales, ignoring economic data, earnings and other corporate news. New Zealand and Nigeria have confirmed their first coronavirus cases. The World Health Organization has warned that the fast-spreading disease could soon reach most, "if not all" countries around the world.

WHO director-general Tedros Adhanom Ghebreyesus recently said the organization has raised its assessment of the risk of spread and the risk of impact of the coronavirus to "very high." In addition to the confirmed cases in new countries, the number of cases in countries like China, South Korea and Iran continue to rise.

According to reports, officials in the northern island of Hokkaido, Japan, declared a state of emergency because of the pace of new infections there. South Korean officials are said to be rushing to test thousands of members of a church at the center of that country's outbreak.

It was broad based selling in the entire region. The pan European Stock 600 tumbled 3.54%. The U.K.'s FTSE declined 3.18%, Germany's ended down 3.86%, France's CAC 40 lost 3.38% and Switzerland's SMI shed 3.67%, recording one of their biggest single-session losses in several years.

Among other markets in Europe, Austria, Belgium, Czech Republic, Denmark, Finland, Iceland, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Russia, Spain, Sweden and Turkey lost 1 to 5%, while Greece plunged more than 6%.

In economic news, Germany's consumer price inflation was unchanged in February, while the EU measure of price growth rose, preliminary estimates from the statistical office Destatis showed on Friday.

The consumer price index rose 1.7% year-on-year, same as in January, which was the highest since July, when it was at the same level. The inflation rate was in line with economists' expectations.

German unemployment declined unexpectedly in February, the Federal Employment Agency revealed Friday. The number of people out of work decreased 10,000 in February, confounding expectations for an increase of 5,000.

France's economic growth for 2019 was upwardly revised on robust consumption and investment, detailed results from the statistical office Insee showed. Another report showed a slowdown in consumer price inflation in February driven by energy and food prices. Gross domestic product grew 1.3% in 2019 instead of 1.2% estimated initially.

A leading indicator of the turning points in Switzerland's economy rose for a third straight month in February, defying expectations for an easing, showed the survey data that were largely collected before the news of the coronavirus outbreak in northern Italy came to light.

