

BUSINESS & FINANCIAL OVERVIEW

European Stocks Close Weak On Geopolitical Tensions

European markets ended mostly lower on Friday amid an escalation in tensions in the Middle East after a U.S. airstrike killed Iranian commander Qasem Soleimani late Thursday.

Crude oil's sharp uptick following the killing of the Iranian military commander triggered strong buying in oil and gas stocks, but the overall mood in the markets was bearish.

The pan European Stock 600 ended down 0.33%. Among the major indices, Germany's DAX tumbled 1.25%. The U.K.'s FTSE 100 gained 0.24% and France's CAC 40 edged up 0.04%, while Switzerland's SMI gained 0.78%. Among other markets in Europe, Austria, Belgium, Czech Republic, Denmark, Finland, Greece, Iceland, Ireland, Italy, Netherlands, Poland, Portugal, Spain, Sweden and Turkey all ended weak.

Norway and Russia closed higher. In the U.K. market, EasyJet declined more than 3%. RBS, Antofagasta, Halma, Standard Life, DCC and IAG ended lower by 1.7 to 2.5%.

On the other hand, BP, British American Tobacco, Royal Dutch Shell, Fresnillo, Just Eat, Imperial Brands, BAE Systems and Burberry Group gained 1 to 3%.

In the French market, ArcelorMittal declined by about 3.6%. Peugeot, Saint Gobain, Renault, BNP Paribas and Societe Generale lost 1 to 2.5%, while Total, Technip, Danone, Dassault Systemes, Orange and Sanofi closed on a positive note.

In Germany, Lufthansa declined more than 6.5%. HeidelbergCement, Linde, Volkswagen and Continental shed 2 to 2.7%. Siemens, Daimler, BASF, Infineon, Deutsche Post and Deutsche Bank also ended sharply lower.

Merck gained about 1.2%, while Wirecard and Vonovia posted modest gains. In economic news, Germany's unemployment grew far more-than-expected in December, partly erasing the decline in the previous month, data from the Federal Employment Agency showed Friday.

The number of people out of work rose by a seasonally adjusted 8,000 persons, which was double the increase of 4,000 economists had predicted.

Data from the Federal Statistical Office showed Germany's consumer price index climbed 1.5% year-on-year in December, the highest level in five months. Economists had forecast an inflation rate of 1.4 percent. France consumer prices grew at the fastest pace in a year in December, rising 1.4% year-on-year, flash data from the statistical office Insee showed. This was the fastest increase since December 2018,

UK house price index rose 1.4% year-on-year in December, survey data from the Nationwide Building Society showed. In November, the index was up 0.8%. A report from IHS Markit said the UK construction sector contracted further in December. The IHS Markit/Chartered Institute of Procurement & Supply construction Purchasing Managers' Index fell unexpectedly to 44.4 in December from 45.3 in November. The reading was forecast to rise to 45.8.

