

**BUSINESS & FINANCIAL OVERVIEW**

## European Markets Close Lower As Geopolitical Tensions Hurt Sentiment

European markets ended lower on Monday as investors chose to stay away from riskier assets amid rising geopolitical tensions.

Iran vowed "severe revenge" against the U.S. for killing top commander Qassem Soleimani last Thursday, and said that it would no longer abide by the limits contained in the 2015 nuclear deal. Some reports from Baghdad say the U.S. embassy compound in Baghdad was targeted in an attack on Sunday evening.

The U.S. President Donald Trump threatened to strike back if Tehran were to retaliate. Trump also threatened Iraq with harsh sanctions if the country forced out U.S. troops, after the Iraq parliament voted in favor of a resolution calling for an end to the foreign military presence in the country. That includes an estimated 5,200 troops stationed to help fight Islamic State extremists.

Meanwhile, a Chinese Foreign Ministry spokesman has criticized U.S. for aggravating tension in the Middle East through its use of force in the standoff between Washington and Tehran, and urged all parties to exercise restraint to ensure peace and stability.

Shares from almost all sectors were under pressure as the mood was quite bearish with investors fearing further escalation in tensions in the Middle East.

The pan European Stock 600 ended down 0.41%. The FTSE 100 declined 0.62%, Germany's DAX ended down 0.7% and France's CAC 40 shed 0.51%, while Switzerland's SMI closed 0.32% down.

Among other markets in Europe, Austria, Belgium, Czech Republic, Denmark, Iceland, Ireland, Italy, Netherlands, Norway, Portugal and Turkey ended weak, while Russia closed flat.

In the U.K. market, NMC Health, Hikma Pharma, Hargreaves Lansdown, Morrison Supermarkets, Hiscox, IAG and Schroders declined 2 to 4.5%.

Standard Chartered, Rio Tinto, HSBC and Ferguson also declined sharply, while BP, BAE Systems and Coca Cola closed with sharp to moderate gains.

In France, Accor, STMicroElectronics, Unibail Rodamco, ArcelorMittal, Kering, Capgemini, Vivendi, Peugeot and Bouygues declined 1.4 to 2.3%.

In the German market, Covestro declined about 4.8% following a profit warning. Infineon, Lufthansa, BASF, RWE, Bayer and Continental ended lower by 1 to 1.7%.

In economic news, eurozone investor confidence rose for third successive month in January, and at a faster-than-expected pace, to its highest level in over a year amid signs of an easing in the US-China trade dispute, survey data from the behavioral research institute Sentix showed.

