

BUSINESS & FINANCIAL OVERVIEW

Major European Markets Fail To Hold Gains, End Slightly Weak

The major European markets failed to hold early gains and ended lower on Friday, as investors made cautious moves at higher levels after the U.S. imposed fresh sanctions on Iran.

U.S. Secretary of State Mike Pompeo and Treasury Secretary Steven Mnuchin announced new sanctions on Iran's metal exports and eight senior Iranian officials.

U.S. President Donald Trump had said earlier this week that he would not respond militarily to the Iranian missile strikes on Iraq bases housing U.S. troops. Trump, who had earlier threatened harsh responses to any attack by Iran, said later that he will only impose new sanctions on Iran's already struggling economy.

Meanwhile, in a significant development, the House of Representatives on Thursday approved a resolution that would force Trump to seek consent from Congress before taking new military action against Iran.

In the U.K., lawmaker approved a legislation that will allow Britain to exit the European Union on January 31 with a withdrawal deal.

Optimism about U.S.-China phase one trade deal, set to be signed next week, aided sentiment earlier in the session. Chinese Vice Premier Liu He is scheduled to visit Washington in the middle of next week to sign the interim trade deal with U.S.

The pan European Stock 600 declined 0.12%. Among the major indices, the U.K.'s FTSE 100 ended down 0.14%, while Germany's DAX and France's CAC 40 both ended lower by 0.09%, and Switzerland's SMI edged down 0.11%.

Other markets in Europe turned in a mixed performance. Belgium, Greece, Netherlands, Spain and Sweden declined. Austria, Czech Republic, Denmark, Finland, Iceland, Ireland, Poland, Portugal, Russia, Turkey and Ukraine closed higher, while Italy and Norway ended flat.

Shares of EasyJet gained more than 4%, riding on higher earnings guidance by rival Ryanair. Shares of Ryanair rallied sharply thanks to the earnings update. The budget air carrier upgraded its profit guidance for the year to March 2020, saying the festive period was "characterized by higher than expected close-in bookings at better than expected yields."

Shares of British Airways parent IAG gained as nearly 5%. Shares of fashion brand Superdry plunged sharply after the company issued a profit warning. B&M European Value Retail plunged on slowing sales growth in the Christmas quarter.

In economic news, UK hiring conditions improved at the end of the year with an increase in permanent job placement, the Report on Jobs from IHS Market showed Friday.

