

BUSINESS & FINANCIAL OVERVIEW

European Stocks Retreat After Some Early Gains, Settle Mostly Lower

European stocks failed to hold early gains and settled lower on Monday as investors were largely cautious as they awaited the signing of the phase one trade deal by the U.S. and China, and quarterly earnings reports from major U.S. banks. Investors also tracked the developments in Iran, where there were protests after the government admitted to have unintentionally shot down a Ukrainian passenger plane in Teheran last week.

The pan European Stock 600 ended down 0.18%. Among the major indices in the region, France's CAC 40 edged down 0.02%, Germany's DAX declined 0.24% and Switzerland's SMI ended lower by 0.16%, while the U.K.'s FTSE 100 moved up 0.39%. Among other markets in Europe, Austria, Belgium, Greece, Iceland, Ireland, Italy, Netherlands, Spain and Ukraine ended weak.

Czech Republic, Denmark, Finland, Norway, Poland, Russia, Sweden and Turkey closed higher, while Portugal ended flat. In the German market, Continental declined about 2.7%. Lufthansa, Deutsche Bank, BMW and Daimler lost 1 to 2.2%.

Thyssenkrupp ended stronger by about 2.3%. According to reports, Thyssenkrupp has stepped up its efforts to sell its ailing factory-building business. Wirecard also ended nearly 2.3% up. The company announced that Wulf Matthias has resigned as Chairman of the Supervisory board for personal reasons.

In the U.K. market, Evraz gained about 5.5% and BAE Systems notched up a gain of 3.6%, while Antofagasta, United Utilities and Severn Trent gained 2.4 to 2.7%. NMC Health declined nearly 7%. Lloyds Group and Flutter Entertainment declined 2.6% and 2%, respectively. Associated British Foods and St James Place lost 1.75% and 1.7%, respectively.

In France, Publicis Groupe, Pernod Ricard and ArcelorMittal gained 2 to 3%, while Technip, Saint Gobain and Capgemini ended higher by 1 to 1.3%. Renault and Valeo closed lower by 2.85% and 2.7%, respectively. Essilor and Atos also ended notably lower.

In economic news, the UK's gross domestic product contracted 0.3% on month in November, driven by falls in services and production, data from the Office for National Statistics showed. GDP had advanced 0.1% in both September and October.

Data from Destatis showed Germany's wholesale prices continued to decline in December, falling 1.3% year-on-year, but slower than the 2.5% decline seen a month earlier. This was the sixth consecutive fall in wholesale prices. The annual fall was largely driven by an 8.5% decrease in petroleum product prices.

On a monthly basis, wholesale prices remained unchanged following a 0.1% drop each in October and November, the data showed.

On the U.S.-China trade front, Chinese Vice Premier Liu He is scheduled to visit Washington this week to sign the phase one trade deal, which is said to include reduced tariffs on Chinese goods in exchange for increased Chinese purchases of U.S. agricultural products.

