

BUSINESS & FINANCIAL OVERVIEW

European Stocks Close Mostly Higher After U.S.-China Trade Deal

European markets ended mostly higher on Thursday with investors reacting positively to the U.S. and China signing the phase one trade agreement on Wednesday.

The minutes of the European Central Bank's December 11-12 policy session that revealed the central bank's policymakers were mildly optimistic regarding the euro area economic outlook aided sentiment.

The pan European Stock 600 advanced 0.22%. France's CAC 40 ended up 0.11% and Switzerland's SMI gained 0.21%. The U.K.'s FTSE 100 declined 0.43%, while Germany's DAX edged down 0.02%.

Among other markets in Europe, Austria, Belgium, Finland, Greece, Iceland, Italy, Poland, Russia, Spain and Sweden ended on a positive note. Denmark and Ireland closed weak, while Czech Republic, Netherlands, Norway, Portugal, Turkey and Ukraine ended flat.

According to ECB minutes, policymakers said existing stimulus measures must be given more time to exert themselves on the economy. Policymakers reiterated the need for a highly accommodative monetary policy stance for a prolonged period of time, the minutes said.

Traders also digested data from the European Automobile Manufacturers' Association which said Europe's passenger car demand increased for the fourth straight month to log the highest December total on record.

Passenger car sales surged 21.7% year-on-year, but this was partially due to low base effect, as registrations decreased 8.4% in December 2018. The agency said specific market changes also contributed to the exceptional growth in December.

In the U.K. market, Pearson shares plunged nearly 9% after the company said it expects profits to fall next year amid another drop in demand for U.S. college textbooks.

Whitbread declined 5% after it said it would continue to be hit by economic uncertainty and higher costs in the U.K. Hikma Pharma, DCC, Smurfit Kappa, Compass, Hargreaves Lansdown, Kingfisher, RBS and AstraZeneca also declined sharply.

On the other hand, NMC Health rallied more than 7%. Associated British Foods and Berkeley closed stronger by about 4% and 3%, respectively. Marks & Spencer, Fresnillo, Persimmon and 3i Group also closed with strong gains. In France, Orange, Carrefour, Renault, Societe Generale and Technip declined 1 to 1.4%, while Kering, Danone, Safran, Thales and Veolia Environment ended notably higher.

In the German market, Wirecard shares climbed more than 5%. RWE advanced 2%, while MTU Aero, Covestro and Vonovia gained 1 to 1.4%. Deutsche Bank, E.ON and HeidelbergCement also closed on a positive note.

Germany's consumer price inflation rose in December as initially estimated, final data from the Federal Statistical Office showed on Thursday.

