

**BUSINESS & FINANCIAL OVERVIEW**

## European Shares Rally As China Virus Worries Abate

European stocks rose sharply on Friday as coronavirus-related worries seem to have abated for now. The World Health Organization acknowledged that the pneumonia-like respiratory disease is an emergency in China, but said the virus did not yet constitute a so-called 'global health emergency. On the data front, the euro area private sector grew at the same moderate pace as seen in the final month of 2019, survey data from IHS Markit showed today.

The composite output index held steady at 50.9 in January while the score was expected to rise to 51.1. The services PMI fell to 52.2 from 52.8 in the previous month. The manufacturing PMI rose to 47.8 from 46.3 a month ago.

The survey showed that the combined growth of the 'big-2' eurozone economies picked up, but this was offset by near-stagnation across the rest of the single-currency area. Elsewhere, the U.K. manufacturing PMI jumped to a nine-month high of 49.8 in January versus 48.9 expected. The services PMI came in at a 16-month high of 52.9.

The pan European Stock 600 climbed 1.2 percent to 425.18 after four consecutive sessions of declines. The German DAX jumped as much as 1.4 percent, France's CAC 40 index soared 1.5 percent and the U.K.'s FTSE 100 was up 1.3 percent.

Givaudan, a Swiss manufacturer of fragrance and flavor products, declined 1.8 percent despite confirming its 2020 guidance.

Swedish telecoms equipment group Ericsson plunged 7.8 percent after it reported a smaller than expected rise in fourth-quarter core earnings.

Virgin Money UK soared 4.6 percent. The mortgage lender said that Jim Pettigrew plans to retire as Chairman by September 2021.

Medical technology business Smith+Nephew rose more than 2 percent. The company has acquired Tusker Medical, Inc., a California-based developer of the Tula System. The commercial terms have not been disclosed. Supermarket chain Wm Morrison Supermarkets rallied 2.4 percent on reports that it plans to cut 3,000 management roles across its stores as part of a major restructuring.

Just Eat shares fell 3.4 percent after the competition watchdog launched a last-minute investigation into the proposed merger between Just Eat and Takeaway.com. Rémy Cointreau shares slumped 8.5 percent. After reporting a sharp fall in third-quarter sales, the spirits group said it has decided to hold off on the previously provided annual and mid-term objectives.

Bayer rallied 3.2 percent after reports that it is in talks to create what might become a \$10 billion settlement of tens of thousands of cancer lawsuits.

