

BUSINESS & FINANCIAL OVERVIEW

European Stocks Settle Notably Lower On Coronavirus Worries

European markets tumbled on Thursday as stocks plunged on heavy selling amid mounting worries about the likely impact of the rapidly spreading coronavirus on the global economy.

According to an update by China's National Health Commission, the virus outbreak has taken more than 170 lives and infected about 7,700 people in China alone.

It is reported that the virus has already spread to about 12 countries. Markets in Asia closed weak and U.S. stocks are exhibiting weakness as well. Investors also digested a slew of economic data and the Bank of England's monetary policy announcement. They also digested the U.S. Federal Reserve's decision to hold interest rates.

The pan European Stock 600 declined 1.01%. The U.K.'s FTSE 100, Germany's DAX and France's CAC 40 shed 1.36%, 1.41% and 1.4%, respectively. Switzerland's SMI ended lower by 1.02%.

Among other markets in Europe, Austria, Belgium, Czech Republic, Denmark, Greece, Iceland, Ireland, Italy, Netherlands, Norway, Poland, Russia and Spain ended notably lower.

Portugal and Sweden ended with modest gains, while Finland and Turkey edged up marginally. In the U.K. market, BT Group plunged more than 7% and Carnival declined by about 5%. Royal Dutch Shell ended 4.3% down after the company's first-quarter results missed estimates. Hikma ended 4.1% down.

Avast shares ended more than 13% down. Micro Focus, Intu Properties, Hammerson and Schroder ended lower by 5 to 7.2%.

Unilever gained more than 2% after saying it would carry out a strategic view of its global tea business. Whitbread gained 1.8%. Polymetal, St. James Place and United Utilities also ended sharply higher. Centamin, Balfour, Amigo, Fresnillo, Network International, Puretech and Card Factory too ended with strong gains.

In France, Technip declined nearly 7%. Sodexo, ArcelorMittal, Total, Atos, Louis Vuitton, Dassault Systemes, Saint Gobain, Renault, Capgemini and Peugeot shed 1 to 3.2%. In the German market, Volkswagen, Fresenius, Infineon, Siemens, Deutsche Post, Bayer, HeidelbergCement, BASF, SAP and BMW declined sharply.

Deutsche Bank shares moved up more than 4% despite the bank posting its fourth annual loss in five years. In economic news, the Bank of England today kept its interest rate and quantitative easing unchanged, as widely expected, as the economy showed early signs of picking up.

The interest rate now stands at 0.75% and the quantitative easing at GBP at 435 billion. The BoE expects inflation to remain below the 2% target throughout this year. It is then expected to rise towards the target over 2021 and reach 2% in the first quarter of 2022.

Germany's unemployment rate remained unchanged in December, at a seasonally adjusted 3.2%, the labor force survey from Destatis showed.

