

BUSINESS & FINANCIAL OVERVIEW

European Markets Close On Firm Note As U.S.-China Trade Tensions Ease

European markets ended on a bright note on Monday, with investors reacting positively to news that the United States and China have agreed to hold off on further tariffs against each other's products and resume trade talks. The news about U.S.-China trade truce outweighed some weak economic data from the eurozone.

The pan European Stocks 600 closed 0.78% up. Among the major markets, France ended moderately higher with its benchmark CAC 40 adding 0.52%. The U.K.'s FTSE 100 and Germany's DAX ended stronger by 0.97% and 0.99%, respectively. Switzerland's SMI finished with a gain of 0.72%.

Among other markets in Europe, Austria, Belgium, Denmark, Finland, Greece, Ireland, Netherlands, Portugal, Russia, Spain, Sweden, Turkey and Ukraine ended with sharp to moderate gains. Italy and Poland edged up marginally, while Czech Republic and Iceland closed weak.

Shares of chipmakers moved higher on news that the U.S. President has said American companies will be allowed to sell products to Chinese tech giant Huawei that do not pose national security concerns.

In Germany, Infineon climbed more than 4%. Wirecard ended nearly 3% up. Merck, Fresenius, Siemens, Adidas, Linde, SAP, HeidelbergCement, Volkswagen, Deutsche Post and RWE gained 1 to 2.6%.

In the French market, STMicroElectronics rallied more than 4%. Technip, Credit Agricole, Dassault Systems, Atos and Capgemini gained 2 to 2.5%.

In the UK market, NMC Health, Flutter Entertainment and British American Tobacco, Ocado and Smurfit Kappa gained 3 to 5%.

Intercontinental, Micro Focus, Scottish Mortgage, ITV, Imperial Brands, WPP, Intertek and Antofagasta moved up 2 to 3%.

Mining stock Fresnillo declined by about 2% after the company issued a statement regarding tax treatment of mining works.

On the economic front, eurozone manufacturing activity contracted for the fifth straight month in June, final data from IHS Markit showed. The latest pace of decline was slightly more than initially estimated.

The factory Purchasing Managers' Index fell to a 3-month low of 47.6 in June from 47.7 in May. The score was slightly weaker than the earlier flash reading of 47.8.

The euro area unemployment rate dropped to 7.5% in May from 7.6% in April while it was forecast to remain unchanged at 7.6%.

The U.K. manufacturing sector shrank at the fastest pace in over six years in June, as factories reduced production due to weaker demand leading to an erosion of business confidence, results of a survey showed.

