

BUSINESS & FINANCIAL OVERVIEW

European Stocks Close Higher On Results, Stimulus Hopes

European stocks rebounded on Friday, recovering well after posting losses in the previous session, thanks to some upbeat earnings reports from U.S. and Europe.

Most of the markets across Europe had drifted lower on Thursday after less dovish stance by the European Central Bank. The central bank held its interest rates steady and its President Mario Draghi commented that the economic outlook was getting worse, especially in manufacturing. He however added that there are signs of strength in the economy.

On Friday, investors were reacting to the results of a key survey by the ECB that said Eurozone inflation expectations continued to weaken into the third quarter amid lingering high level of uncertainties and downside risks.

The results support the easing bias adopted by the central bank on Thursday as it signaled an interest rate cut as early as September, further alterations to forward guidance and possibly a stimulus package that could include a tiering system for deposit rates and a fresh round of asset purchases.

Upbeat results from big-name U.S. companies Alphabet, Twitter and McDonald's aided sentiment.

The pan European Stock 600 ended 0.31% up. The U.K.'s FTSE 100 advanced 0.8%, while Germany's DAX and France's CAC 40 ended higher by 0.47% and 0.57%, respectively. Switzerland's SMI gained 0.92%.

Among other markets in Europe, Greece, Netherlands, Norway, Russia, Sweden and Turkey closed on a firm note.

Austria, Czech Republic, Denmark, Finland, Poland, Portugal, Ireland and Italy declined, while Belgium, Iceland, Spain and Ukraine ended flat.

In the UK market, Vodafone Group shares moved up more than 10% after the company said it would move its mobile mast operations in 10 European markets into a new company that it potentially could list.

Pearson shares rose nearly 6% after the company reported a notable jump in adjusted operating profit and raised its earnings per share target for the year.

Relx gained 3.6%. Ferguson, Rightmove, Diageo, Ocado, Berkeley, Burberry Group, DCC, Micro Focus, Ashtead Group and Just Eat gained 2 to 3%, while Intercontinental and Experian both ended higher by about 1.8%.

On the other hand, EasyJet, Antofagasta, IAG, NMC Health and Lloyds Bank ended lower by 1 to 3%. Anglo American ended lower by about 4% after Indian billionaire Anil Agarwal said he plans to sell his stake in the diversified mining company.

In the French market, Vivendi gained about 6% after reporting strong first-half results and saying it had selected banks to advise on the sale of a minority stake in Universal Music Group.

