

BUSINESS & FINANCIAL OVERVIEW

European Markets Shrug Off Early Setback, Rise On Rate Cut Hopes

European markets were mostly up with solid gains Tuesday afternoon, with investors betting on hopes the central banks would reduce interest rates in order to spur growth.

On Monday, St. Louis Federal Reserve President James Bullard said a U.S. interest rate cut "may be warranted soon" given the rising risk to economic growth posed by global trade tensions as well as weak U.S. inflation.

Across the Asia-Pacific region, Australia today reduced its key interest rate by a quarter point to historic low, aiming to create more jobs and bring inflation to target. Investors expect several other central banks across the globe to follow suit.

It was a weak start for the major European markets Tuesday morning and for several others in the region. Besides reacting to corporate news and economic data, investors were also tracking news on Brexit and trade.

Among the major markets, Germany was notably higher with its benchmark DAX gaining about 1% at 11,905.50, coming off an early low of 11,713.87.

France's CAC 40 was up 0.23% at 5,253.50, while the U.K.'s FTSE 100 was edging up 0.15%, at 7,195.75. The pan European Stoxx 600 was up 0.2%.

Switzerland, Sweden, Spain, Portugal, Italy, Austria, Belgium, Czech Republic, Ireland and Iceland are were also gaining notable ground in positive territory.

In Germany, Covestro rose nearly 4%, BASF climbed up 3.7% and Continental AG gained 3.2% and Thyssenkrupp was up 3.1%.

Daimler, Volkswagen, BMW, Lufthansa, Deutsche Bank, HeidelbergCement, Bayer, Linde and Deutsche Post were also notably higher.

In France, ArcelorMittal rebounded sharply, gaining more than 3.5%. Renault was up 3.2% and Credit Agricole was rising nearly 3%.

BNP Paribas, Valeo, Unibail Rodamco, Michelin, Peugeot, Air Liquide and Societe Generale were gaining 1 to 2.5%.

Shares of insurer AXA were up by about 1.5%. AXA Asia Pacific Ltd., a unit of the group said it would buy the financial planning business of Challenger Financial Group Ltd for \$95 million and in exchange for AXA's annuity portfolio.

Bouygues was up 0.75%. The company reported a 14% rise in first-quarter operating profit, driven by large infrastructure contracts and healthy margins at its telecoms unit.

