

BUSINESS & FINANCIAL OVERVIEW

European Shares Extend Gains On Fed Rate Cut Hopes

European stocks rose on Wednesday to extend gains from the previous session after Federal Reserve Chair Powell signaled a possible rate cut later this year to sustain growth. Investors shrugged off mixed readings on the economic front.

Eurozone private sector growth saw modest expansion in May, with the services sector expanding at a solid pace while manufacturing output fell for a fourth successive month, IHS Markit said. Eurozone retail sales fell 0.4 percent month-on-month after staying flat in March. Sales were forecast to remain flat in April.

The U.K. services PMI rose to 51 from 50.5 in April, even as uncertainty related to Brexit contributed to subdued business and consumer spending. The pan-European Stoxx 600 was up half a percent at 374.57 after rising 0.6 percent in the previous session.

The German DAX and France's CAC 40 index were up around 0.6 percent while the U.K.'s FTSE 100 was gaining half a percent. Provident Financial shares soared as much as 18 percent in London after non-Standard Finance Plc. decided to withdraw its hostile takeover bid for the British sub-prime lender.

Real estate investment trust Workspace Group dropped more than 1 percent after posting mixed set of full-year results. Want to stay ahead of FDA Decisions, Rulings, Recalls ? Signup for our Newsletter.

Heidelberger Druckmaschinen AG, a German precision mechanical engineering company, was marginally lower after it acquired German software start-up Crispy Mountain GmbH.

Norwegian aluminum maker Norsk Hydro ASA rallied 3.6 percent on reporting quarterly revenue and earnings that topped forecasts.

Austrian specialty steelmaker Voestalpine fell nearly 2 percent after cutting dividend by a fifth for its 2018/19 business year.

French automaker Groupe Renault rose half a percent. The company said it would continue to study with interest the opportunity of a proposed 50/50 merger with Fiat Chrysler Automobiles N.V. (FCAU).

Deinove shares soared nearly 12 percent. The biotechnology company has announced a collaboration with Dow Inc. (DOW) for the joint development of a cosmetic ingredient derived from its collection of bacterial extracts. Aviation company Dassault Aviation jumped 5 percent after Goldman Sachs upgraded its rating on the stock to "buy".

German business software firm SAP advanced 1.8 percent after a positive sales forecast by U.S. peer Salesforce.com.

