

BUSINESS & FINANCIAL OVERVIEW

European Markets Extend Recent Gains, Close Notably Higher

European markets closed higher on Tuesday, with investors picking up stocks on hopes of more stimulus from central banks and shrugging off a fresh threat of more tariffs on Chinese goods.

U.S. President Donald Trump said more tariffs on Chinese goods are likely in the event of China's President Xi Jinping not making it to upcoming the G20 Summit, but investors appeared not worried about the threat thanks largely to fresh stimulus announced by China to support its economy.

The move by China has raised hopes that more central banks across the globe will come up with measures to support growth. The recent decision by the U.S. government to drop its plans to tax Mexican goods continued to support the markets.

The pan European Stoxx 600 ended higher by 0.69%. Among the major markets, Germany ended notably higher again, gaining 0.92%. The U.K.'s FTSE 100 moved up 0.31% and France's CAC 40 gained 0.48%. Switzerland's SMI moved up 0.89%. Among other markets in Europe, Austria, Belgium, Denmark, Finland, Italy, Netherlands, Norway, Poland, Portugal and Sweden ended with sharp to moderat gains.

Greece, Hungary, Iceland, Ireland, Czech Republic and Russia posted modest gains, while while Spain, Turkey and Ukraine closed weak.

Shares of German fashion company Hugo Boss moved up sharply following a rating upgrade of the stock by Morgan Stanley.

Shares of British luxury clothing retailer Ted Baker plunged nearly 30% after a profit warning. Antofagasta, Anglo American Foods, Rio Tinto, BHP Group, Hikma Pharma, Old Mutual, Mondi, British American Tobacco, Travis Parkins and Hammerson gained 1.4 to 3%. Provident Financial, Capita, Centrica and Hargreaves Lansdown declined sharply.

In France, ArcelorMittal, up more than 6.5%, topped the list of gainers in the benchmark. Saint Gobain, Michelin, Atos and Valeo gained 2 to 3%. Auto stocks Renault and Peugeot also ended notably higher.

In the French market, Thyssenkrupp, Deutsche Bank, Continental, Infineon, HeidelbergCement, Wirecard, BASF, Bayer, Merck and Fresenius gained 2 to 5%.

In economic news from eurozone, investor confidence eroded sharply in June as a renewed escalation in trade tensions between the US and China hurt sentiment in the single currency bloc, survey data from the behavioral research institute Sentix showed on Tuesday. The investor confidence index for the euro area fell by 8 points to -3.3 from +5.3 in May. Economists had expected a score of +2.5.

Data from the Office for National Statistics showed UK unemployment rate remained unchanged at the lowest level since late 1974 and employment hit a record in three months to April, despite Brexit uncertainties.

