

BUSINESS & FINANCIAL OVERVIEW

European Stocks Close On High Note After Fed Cuts Interest Rate

European markets ended on a firm note on Tuesday, buoyed by an emergency rate cut announcement by the U.S. Federal Reserve, and on hopes other major central banks will follow suit and announce measures to counter the risks posted by the coronavirus outbreak.

The Federal Reserve announced its decision to lower the target range for the federal funds rate by 50 basis points to 1 to 1.25%. The accompanying statement from the Fed says the fundamentals of the U.S. economy remain strong but added that the coronavirus poses evolving risks to economic activity.

The central bank added that it is closely monitoring developments and their implications for the economic outlook and will use its tools and act as appropriate to support the economy. Earlier, finance chiefs from the world's largest economies released a statement pledging to use "all appropriate policy tools" to address the economic fallout from the deadly coronavirus outbreak.

The Reserve Bank of Australia has cut official interest rates to a new record low of 0.5% to support the economy. The Bank of Japan and the European Central Bank have indicated that they would take appropriate and targeted measures to fight the economic impact of the novel virus.

The pan European Stock 600 advanced 1.37%. The U.K.'s FTSE 100 gained 0.95%, Germany's DAX climbed up 1.08% and France's CAC 40 gained 1.12%, while Switzerland's SMI ended up 1.37%. Among other markets in Europe, Austria, Belgium, Czech Republic, Denmark, Finland, Greece, Iceland, Ireland, Netherlands, Norway, Poland, Portugal and Turkey ended on a high note, with their benchmark indices gaining between 1.5 to 6.5%.

Russia, Spain, Sweden, Italy and Ukraine ended modestly higher. In the French market, Essilor Luxottica, Airbus Group, Safran, Bouygues, Veolia Environment, Vinci, Saint Gobain, Schneider Electric and STMicroElectronics gained 2.5 to 5%.

Publicis Groupe, Dassault Systemes, Kering and Air Liquide also ended with strong gains, while Societe Generale, Credit Agricole, Renault and BNP Paribas ended sharply lower.

In Germany, Lufthansa rallied more than 8.5%. Wirecard gained about 4.2% and MTU Aero advanced 4%. Linde, E.ON, Volkswagen, RWE, Vonovia, Adidas, Merck, SAP, Infineon, Allianz and Muench.Rueckvers ended higher by 1 to 2.5%.

Deutsche Bank, Bayer, Deutsche Post and Daimler ended notably lower. In the U.K. market, International Consolidated Airlines Group gained about 7.25%. M&G Plc., Just Eat, Legal & General and Evraz gained 4 to 4.7%.

Barclays, Hargreaves Lansdown, Morrison Supermarkets, Standard Chartered and HSBC lost 2 to 2.7%. Elsewhere, shares of Qiagen NV zoomed 20% after U.S. laboratory equipment maker Thermo Fisher Scientific launched a 10.4 billion euro bid for the company.

