

BUSINESS & FINANCIAL OVERVIEW

European Stocks Close Notably Higher On Stimulus Hopes

European markets ended higher on Wednesday, extending gains from previous session, on expectations global central banks will announce stimulus measures to offset the impact of the coronavirus on the global economy.

The U.S. Federal Reserve cut interest rates by 50 basis points on Tuesday, almost two weeks ahead of the scheduled monetary policy meeting.

A positive show by U.S. stocks on the back of big victories for former Vice President Joe Biden during Super Tuesday further aided sentiment.

The pan European Stock 600 moved up 1.36%. Among the major indices, the U.K.'s FTSE 100 gained 1.45%, Germany's DAX advanced 1.19%, France's CAC 40 rose 1.33% and Switzerland's SMI gained 1.63%.

Among other markets in Europe, Belgium, Denmark, Finland, Greece, Ireland, Italy, Netherlands, Portugal, Russia, Spain, Sweden and Ukraine ended higher.

Austria, Czech Republic, Norway, Poland and Turkey closed weak. In the German market, Vonovia, Bayer, E.ON, Daimler, Henkel, Covestro, RWE and Muench.Rueckvers gained 2.5 to 4.7%. BMW, Allianz, Merck, BASF, Linde and Beiersdorf also ended sharply higher.

In France, Engie, Veolia Environment, Sanofi, Orange, Carrefour, L'Oreal, Vivendi and Louis Vuitton gained 2 to 5%, while Technip and Sodexo declined 3.4% and 3.1%, respectively. BNP Paribas ended lower by about 1.3%.

In the UK market, Reckitt Benckiser gained nearly 5.5%. Vodafone, Morrison Supermarkets, SSE and AstraZeneca gained 4 to 4.5%.

On the other hand, Rolls-Royce Holdings, TUI, Whitbread, International Consolidated Airlines Group and Ashtead Group lost 3 to 4.5%.

In economic news, a measure of Eurozone business activity grew at the fastest pace in six months in February. IHS Market's Composite Purchasing Managers' Index nudged up to 51.6 from 51.3 in January. That matched an earlier flash reading.

Britain's economy grew at its fastest rate since September 2018 last month on the back of a jump in construction activity.

The composite IHS Markit/CIPS UK Purchasing Managers' Index rose to 53.0 in February from 52.8 in January, despite small losses in momentum in the larger services and manufacturing sectors.

