

BUSINESS & FINANCIAL OVERVIEW

European Markets End Lower On Trade Worries, Brexit Uncertainty

European markets ended lower on Friday, snapping a three-session winning streak, amid an escalation in trade tensions and the collapse of Brexit talks.

The confirmation from the U.S. government about its decision to delay tariffs on European auto imports for up to six months helped limit losses in the markets.

The pan European Stoxx 600 ended down 0.36%. Germany ended notably lower, with its benchmark DAX declining 0.58%. The U.K.'s FTSE 100 and France's CAC 40 shed 0.18% and 0.07%, respectively. Switzerland's SMI edged down marginally.

Markets in Austria, Belgium, Poland, Portugal, Netherlands, Italy, Sweden, Spain and Turkey also ended on the negative side.

Automobile stocks opened lower after data showed a notable drop in car sales in the EU in April. However, most of these stocks came off lower levels after the Trump administration officially announced that its decision to delay tariffs on car imports from EU for six months.

Shares of tour operator Thomas Cook plunged 30% this morning to record their lowest level since mid 2012 after analysts downgraded the stock following the company issuing its third profit warning in less than a year. It reported a half-year loss of 1.5 billion sterling. Citigroup said the firm's shares were "worthless".

Hikma Pharma, Standard Chartered, Ferguson, Hammerson and SSE ended lower by 2 to 2.5%.

EasyJet shares gained more than 5% after the company said it would meet its target this year despite a likely fall in revenue per seat due to tough trading environment in the second half. For the first half, the airline reported a pre-tax loss of \$348.6 million.

Provident Financial, TUI, Bunzi and Burberry Group were the other major gainers in the British market.

ArcelorMittal, down nearly 4%, was the biggest loser in France's CAC index.

Dassault Systemes, Sodexo, Total and Pernod Ricard gained 1 to 2%.

In Germany, Thyssenkrupp shares ended more than 6% down. BMW shed about 5%. Vonovia, Fresenius, Daimler, Siemens, Deutsche Bank, Infineon, BASF and SAP ended lower by 1 to 3.2%, while Adidas ended stronger by about 1.6%.

A report from European Automobile Manufacturers' Association on Friday showed new car sales dropped for an eighth consecutive month, declining by 0.4% in the EU in the month of April, compared to a year ago. In March, car sales were down 3.9%.

