

BUSINESS & FINANCIAL OVERVIEW

European Shares Seen Up As Investors Digest EU Election Results

European stocks are poised to open on a firm note Monday after the Conservatives and Labour suffered heavy losses in the weekend's European Parliament elections, highlighting the deepening political fragmentation of the 28-country bloc.

The euro held firm and the pound edged higher as the results showed populist and far-right parties in some countries were unlikely to have gathered as much support as anticipated.

Shares of automakers could be in focus after U.S. President Donald Trump threatened to target Japanese automakers with high tariffs to have the balance of trade between the two countries.

Asian shares hovered near four-month lows after profits for China's industrial firms dropped in April, adding to investor fears over slowing global growth.

Trading volumes remained thin amid market holidays in the U.S. and U.K.

Oil prices continued to fall after big losses last week on data showing an unexpected jump in crude stockpiles.

Global imbalances will be discussed intensively at the G20 meeting this year, Bank of Japan Governor Haruhiko Kuroda said at the keynote speech at the T20 Summit today.

Japan is set to host G20 summit on June 28 and 29 this year. Kuroda said the ministers will analyze the trend and background of global imbalances and discuss the appropriate policy actions.

U.S. stocks rose on Friday after President Trump said he remains hopeful of a U.S.-China trade deal and that he would meet with Chinese President Xi Jinping at the G20 summit next month.

The Dow Jones Industrial Average rose 0.4 percent while the S&P 500 and the tech-heavy Nasdaq Composite index inched up around 0.1 percent.

European stocks also gained ground on Friday as fears over the U.S.-China trade dispute receded and British Prime Minister Theresa May announced her resignation as Conservative leader following the backlash against her new Brexit deal.

The pan European Stoxx 600 climbed 0.6 percent. The German DAX gained half a percent, while France's CAC 40 index and the U.K.'s FTSE 100 added around 0.7 percent each.

