

BUSINESS & FINANCIAL OVERVIEW

European Shares Seen Up On US-China Trade Optimism

European stocks are likely to open higher on Tuesday after media reports suggested that China is pushing U.S. President Donald Trump to remove some tariffs on Chinese goods as part of a "phase one" U.S.-China trade deal.

U.S. Commerce Secretary Wilbur Ross said Sunday that the two sides would reach a "Phase One" trade deal with China this month and the U.S. was "making sure that each side has a very correct and clear, detailed understanding of what each side has agreed to".

Asian markets traded higher after China's central bank cut the interest rate on its medium-term lending facility (MLF) for the first time since early 2016, in a bid to shore up liquidity amid slowing economic growth.

Investors shrugged off a private survey showing that China's services activity expanded at its slowest pace in eight months in October as new orders slowed and business confidence hit a 15-month low.

The Caixin/Markit services PMI dropped to 51.1 last month, matching February's low and edging down from September's 51.3.

Closer home, U.K. like-for-like retail sales rose unexpectedly in October, data published by the British Retail Consortium and KPMG showed earlier today.

Like-for-like sales gained 0.1 percent on a yearly basis in October, while economists had forecast a nil growth. At the same time, total retail sales advanced 0.6 percent on year.

Services Purchasing Managers' survey from the U.K. is due later in the session, headlining a light day for the European economic news.

The U.S. dollar remained supported by rising U.S. Treasury yields while oil traded flat on doubts over whether OPEC and other countries will continue to restrain output.

U.S. stocks rose overnight to reach record closing highs as hopes of a U.S.-China trade deal and news on the merger-and-acquisition front helped investors shrug off mixed economic data.

The Dow Jones Industrial Average and the S&P 500 rose around 0.4 percent, while the tech-heavy Nasdaq Composite climbed 0.6 percent.

European markets finished at their best level in more than four years on Monday as investors cheered positive trade-war headlines. The pan-European Stock Europe 600 gained 1 percent to close at its highest level since April 15, 2015.

The German DAX surged 1.4 percent, France's CAC 40 index rallied 1.1 percent and the U.K.'s FTSE 100 added 0.9 percent.

