

BUSINESS & FINANCIAL OVERVIEW

European Markets Close Higher On Mild Optimism About Trade Deal

European markets ended mostly higher on Friday as investors reacted positively to comments from U.S. President Donald Trump and Chinese Premier Xi Jinping about a trade deal between the two countries.

Concerns about a likely delay in a trade agreement, the ongoing political unrest in Hong Kong and some disappointing euro area economic data did weigh a bit on sentiment, but the mood was by and large positive.

The pan European Stock 600 ended up 0.44%. Among the major indices in Europe, the U.K.'s FTSE 100 gained 1.22%, while Germany's DAX and France's CAC 40 both closed higher by 0.2%. Switzerland's SMI ended up 0.3%.

Among other markets in Europe, Austria, Czech Republic, Denmark, Finland, Greece, Iceland, Ireland, Netherlands, Norway, Poland, Spain and Sweden closed on a firm note. Belgium, Finland, Portugal and Russia edged up marginally. Italy, Turkey and Ukraine ended slightly weak.

In the U.K. market, Centrica, Glencore, Vodafone Group, Carnival, Tui, Taylor Wimpey, Hargreaves Lansdown, Marks & Spencer, Intercontinental, Rolls-Royce Holdings, Coca Cola, BHP Group, Admiral Group, Anglo American, Rio Tinto, Antofagasta, Prudential and Barrat Developments gained 2 to 4%.

Lloyds Bank, RBS and HSBC also ended sharply higher. Fresnillo declined more than 6% and Johnson Matthey shed 4.7%. In Germany, Daimler, Infineon, Fresenius and Covestro gained 1 to 2%. In the French market, ArcelorMittal gained more than 6.5%. Atos, Societe Generale, STMicroElectronics and Renault also ended on a firm note.

In economic news, flash data from IHS Markit showed the euro area private sector remained close to stagnant for a third consecutive month in November.

The composite output index fell unexpectedly to 50.3 in November from 50.6 in October. The reading signaled the second slowest growth across manufacturing and services since the current upturn began in July 2013.

The German economy avoided a technical recession in the third quarter, as initially estimated, driven by spending and construction investment, latest data from Destatis showed. Separately, a closely watched survey revealed a moderate contraction in the German private sector as the drag from manufacturing eased in November.

Gross domestic product grew 0.1% sequentially, following second quarter's 0.2% contraction. The rate came in line with the initial estimate published on November 14. On a yearly basis, the unadjusted GDP advanced 1% in the third quarter, offsetting the 0.1% decline in the preceding period.

France private sector logged strong growth in November, flash survey data from IHS Markit showed. The composite output index rose slightly to 52.7 in November from 52.6 in October, but below the forecast of 52.8. The services Purchasing Managers' Index held steady at 52.9 in November. The score was expected to rise to 53.0.

