

BUSINESS & FINANCIAL OVERVIEW

European Markets Close Notably Lower On Growth Worries

European markets closed notably lower on Tuesday as growth concerns resurfaced after data from the U.S. and Europe showed a significant slowdown in manufacturing activity in the regions. Uncertainty about trade deal and political tensions too added to the woes.

The pan European Stock 600 ended down 1.31%. The major European markets Germany, France, the U.K. and Switzerland, all ended notably lower. The U.K.'s FTSE 100 declined 0.65%, Germany's DAX ended down 1.32% and France's CAC 40 shed 1.41%, while Switzerland's SMI ended lower by 1.25%.

Among other markets in Europe, Austria, Belgium, Czech Republic, Denmark, Finland, Greece, Italy, Netherlands, Poland, Portugal, Spain, Sweden and Turkey ended notably lower. Iceland and Ireland declined marginally. Norway and Ukraine ended flat, while Russia closed higher.

In the U.K. market, Hargreaves Lansdown, Micro Focus, Burberry Group, RBS, Glencore, Standard Chartered and Rolls-Royce Holdings declined 2 to 3.5%. On the other hand, Ferguson moved up more than 4% on better-than-expected full year profits. Next, Marks & Spencer, Imperial Brands, Pearson, EasyJet, Rightmove and Tui also closed on a firm note.

In France, Kering, L'Oreal, Technip, Essilor, Louis Vuitton, Airbus Group and Societe Generale closed lower by 2 to 3%, while Saint Gobain gained about 1%.

In the German market, Deutsche Post declined nearly 4%. Bayer shed about 3.4%. Fresenius and Deutsche Bank lost 3% and 2.8%, respectively.

In economic news from Europe, the euro area manufacturing sector contracted at the fastest pace in nearly seven years as output, new orders and purchasing fell sharply in September, final data from IHS Markit showed. The final manufacturing Purchasing Managers' Index dropped to 45.7 in September from 47.0 in August.

Germany's manufacturing sector contracted the most since the global financial crisis in 2009 while France's manufacturing activity remained broadly stable.

U.K. manufacturing purchasing managers index rose to a four-month high in the month. Eurozone inflation eased unexpectedly in September, coming in at 0.9%, compared to 1% in August, flash data from Eurostat showed. Meanwhile, core inflation rose to a 3-month high of 1% from 0.9% in August. The rate came in line with expectations.

Switzerland's retail sales declined at the fastest pace in eleven months in August, data from the Federal Statistical Office showed on Tuesday. Retail sales declined a working day adjusted 1.4% year-on-year in August, reversing a 1.5% rise in July.

In news from the U.S., a report from the Institute for Supply Management showed a continued contraction in U.S. manufacturing activity in the month of September. The ISM said its purchasing managers index dropped to 47.8 in September from 49.1 in August. Economists had expected the index to inch up to 50.1.

