

BUSINESS & FINANCIAL OVERVIEW

European Markets Close Higher On U.S. Rate Cut Hopes

European stocks ended broadly higher on Friday, with the U.S. Labor Department's monthly jobs data raising hopes of another interest rate cut by the Federal Reserve.

With several central banks too expected to continue their monetary easing to spur growth, investors picked up stocks, shrugging off fears about a recession for now.

The pan European Stock 600 ended up 0.73%. The U.K.'s FTSE 100 moved up 1.1%, France's CAC 40 gained 0.91% and Germany's DAX advanced 0.73%, while Switzerland's SMI closed stronger by 0.69%.

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

Shares of chipmakers were in demand after Apple Inc said it would increase its iPhone 11 production. In the UK market, Scottish Mortgage moved up more than 4%. Smurfit Kappa, DS Smith, Experian, Ocado, Ashtead Group, Flutter Entertainment, Micro Focus, Anglo American, Prudential, BP and Rightmove gained 2 to 3.4%.

Rolls-Royce Holdings, Royal Dutch Shell and BHP Group also ended on a firm note, while Marks & Spencer, Imperial Brands and Direct Line Insurance closed sharply lower. In Germany, Bayer, MTU Aero, RWE, Henkel, Fresenius, SAP, Vonovia, Adidas, Covestro and Merck gained 1 to 3%.

Wirecard gained 0.75%. According to a report in the Financial Times, an independent investigation of its coverage of Wirecard had found no evidence that its reporters had colluded with speculators.

Lufthansa declined more than 3%. HeidelbergCement, Deutsche Bank, BMW, Daimler and Volkswagen also closed weak. Allianz shares declined by about 0.3%. According to reports, the German company's property arm is buying residential Japan assets worth up to 1.1 billion euros from Blackstone funds.

In France, STMicroelectronics gained more than 3% and Legrand moved up 2.3%. Schneider Electric, Bouygues, Orange, Dassault Systemes, Vinci, Air Liquide, Pernod Ricard, Sodexo, Publicis Groupe, Saint Gobain and Essilor gained 1.3 to 2%.

In economic news from Europe, In economic releases, Germany's construction PMI reading for the month of September came in at 50.1, compared to a reading of 46.3 in August. U.K. car sales declined in the first nine months of 2019 as Brexit uncertainty weighed on consumers' big ticket purchases, data released by the Society of Motor Manufacturers and Traders, or SMMT, showed.

Survey results from the British Chambers of Commerce showed the U.K. economic conditions weakened in the third quarter reflecting a marked deterioration in manufacturing sector activity. In Brexit news, European Council President Donald Tusk is quoted as saying he is "open but not convinced" by British Prime Minister Boris Johnson's proposals for a Brexit deal.

