

BUSINESS & FINANCIAL OVERVIEW

European Markets End Higher Amid Fresh Optimism About Trade Talks

European markets ended mostly higher on Wednesday amid renewed optimism about the upcoming high-level U.S.-China trade negotiations beginning Thursday.

Hopes about further interest rate cuts by the Federal Reserve and easing worries about Brexit contributed as well to the positive trend in European markets.

The pan European Stock 600 ended up 0.42%. The U.K.'s FTSE 100 gained 0.33%, France's CAC 40 advanced 0.78% and Germany's DAX ended up 1.04%, while Switzerland's SMI ended 0.3% up. Among other markets in Europe, Belgium, Czech Republic, Finland, Greece, Iceland, Ireland, Italy, Netherlands, Spain and Sweden closed on firm note.

Denmark, Poland, Portugal and Russia edged up marginally. Austria, Norway and Ukraine ended modestly lower, while Turkey declined sharply. The focus shifted to earnings. Markets also reacted positively to reports about the British government signaling that it intends to bring a revised Brexit deal back to Parliament.

According to a report in The Times, the EU is ready to make a major concession on a Brexit deal by providing a mechanism for the Northern Irish assembly to leave a new Irish backstop after a set number of years.

In France, Essilor., Schneider Electric and Bouygues gained 2.3 to 3%. Unibail Rodamco, Louis Vuitton, Hermes International, ArcelorMittal, STMicroElectronics, Dassault Systemes and Atos ended higher by 1.2 to 2%.

In the German market, Adidas gained more than 3%, Wirecard ended 2.7% up and SAP advanced 2.2%. Daimler, Infineon, Bayer, Fresenius and Siemens gained 1 to 2%. In the U.K. market, London Stock Exchange shares rebounded from previous session's losses, and ended up 3.2%. Hargreaves Lansdown, Easy Jet, Anglo American, CRH, Astrazeneca, BAE Systems, Diageo and BT Group gained 1 to 2.3%. GVC Holdings shares gained more than 5% after the company upgraded its outlook for the second time in three months.

On the other hand, Rightmove declined more than 3%. Fresnillo, Halma, J Sainsbury, Marks & Spencer, Centrica, Antofagasta and Associated British Foods also declined sharply. In economic news, the World Bank forecast economic growth across Europe and Central Asia to ease this year reflecting the slowdown in both Russia and Turkey.

According to the latest World Bank Economic Update for Europe and Central Asia, released Wednesday, growth in the emerging and developing countries of Europe and Central Asia is set to ease to a four-year low of 1.8% this year from 3.2% in 2018. The growth rate is projected to improve to 2.7 percent in 2020 and to 3 percent in 2021.

The Bank of France on Wednesday retained its growth forecast for the third quarter. According to the monthly survey, the economy is set to expand 0.3% in the third quarter, unchanged from the previous estimate.

