

**BUSINESS & FINANCIAL OVERVIEW**

## European Markets Close Lower On Brexit Woes, Trade Issues

European markets ended weak on Tuesday, snapping a four-session winning run, weighed down by Brexit showdown and a lack of clarity with regard to resumption of U.S.-China trade talks after a new round of tariff hikes took effect over the weekend.

Amid political uncertainty in the U.K., the pound sterling tumbled to \$1.1960 earlier in the day, but recovered to move past \$1.2100 later on in the session.

The pan European Stock 600 ended down 0.23%. The major markets in Europe ended weak. France's CAC 40 shed 0.49%, Germany's DAX declined 0.36% and the U.K.'s FTSE 100 ended down 0.19%, while Switzerland's SMI closed lower by 0.72%.

Among other markets in Europe, Austria, Belgium, Czech Republic, Finland, Greece, Ireland, Italy, Norway, Poland and Portugal ended lower.

Netherlands, Iceland, Russia, Spain, Sweden and Ukraine ended flat, with a slightly negative bias, while Denmark and Turkey closed higher.

In Germany, Thyssenkrupp shares declined nearly 4%. Deutsche Post, HeidelbergCement, Continental, Lufthansa and BASF also ended notably lower. Automobile stock Daimler gained about 1%.

In the French market, Louis Vuitton, Unibail Rodamco, Kering, Air Liquide, Safran, ArcelorMittal and STMicroElectronics lost 1.4 to 2%.

On the other hand, Sanofi, Renault, L'Oreal and Michelin ended with sharp to moderate gains.

In London, DS Smith, Easy Jet, Informa, Just Eat, Antofagasta, Persimmon, IAG, Prudential, Lloyds Banking and AstraZeneca lost 1.4 to 3.4%, while Fresnillo, Micro Focus, Ferguson, Associated British Foods, Coca Cola, NMC Health, Unilever and Ocado moved higher.

The U.K. Prime Minister Boris Johnson today lost his majority in Parliament as conservative lawmaker Phillip Lee defected to the pro-European Liberal Democrat party. Lee said Johnson was ignoring expert advice on Brexit.

In economic news from Europe, Eurozone producer price inflation eased to the lowest since late 2016 in July largely reflecting weak energy prices, data from Eurostat showed Tuesday.

Producer prices grew 0.2% annually in July, as expected, following a 0.7% rise in June. This was the lowest inflation since November 2016, when the rate was 0.1%.

Energy prices declined 1.7% on year after easing 0.2% a month ago. Producer price inflation excluding energy came in at 0.6% versus 0.8% in June.

