

BUSINESS & FINANCIAL OVERVIEW

European Stocks Close Higher On Trade Hopes, Economic Data

European markets closed higher on Thursday thanks to positive reaction by investors to reports about U.S.-Japan trade ties and U.S. President Donald Trump's comments that a deal between the U.S. and China could happen sooner than expected.

A report showing an improvement in German consumer confidence helped as well. News about impeachment inquiry into Trump on allegation that he breached his constitutional responsibilities by calling upon a foreign power to intervene in the upcoming election did raise concerns about political uncertainty in the U.S., but that did not significantly impact price movements in European markets.

The pan European Stock 600 ended up 0.61%. The major markets Germany, France and the U.K., all ended on a firm note. The U.K.'s FTSE 100 advanced 0.84% and France's CAC 40 gained 0.66%, while Germany's DAX ended up 0.44%. Switzerland's SMI closed nearly 1% up.

Among other markets in Europe, Belgium, Czech Republic, Denmark, Finland, Iceland, Greece, Ireland, Italy, Netherlands, Poland, Portugal, Russia, Ukraine, Spain and Sweden closed on a firm note.

Norway and Austria ended flat, while Turkey closed weak. In the British market, Next, 3i Group, Severn Trent, United Utilities, National Grid, Reckitt Benckiser, Sage, Compass, Centrica, Experian, Segro, Hargreaves Lansdown, Just Eat and Informa gained 2 to 4%.

On the other hand, Pearson shares plunged about 14% after the company warned of weaker than expected third quarter performance.

Imperial Brands declined nearly 13% after a warning that the backlash against vaping and e-cigarettes in the U.S. will weigh on its revenues this year.

Carnival and IAG lost 7% and 4%, respectively. In Germany, Adidas and Vonovia ended stronger by 3.3% and 2.8%, respectively. MTU Aero, Muench.Rueckvers, Wirecard, RWE, Deutsche Post and E.ON also closed with notable gains. Lufthansa, Bayer, Deutsche Bank, Henkel, Covestro, Dalmier and BMW closed weak.

In the French market, Dassault Systemes surged up 4.7%. Capgemini, Sodexo, Veolia Entertainment, L'Oreal, Engie, Bouygues, Hermes International, Danone and Essilor also ended with strong gains. ArcelorMittal and Renault ended notably lower.

In economic releases, German consumer sentiment is set to improve in October as stimulus measures announced by the European Central Bank boosted the propensity to buy, survey data from market research group GfK showed.

The forward-looking consumer sentiment index rose to 9.9 in October from 9.7 in September. The score was forecast to drop to 9.6. A report from the European Central Bank said eurozone money supply grew at a faster pace in August and growth in private sector credit accelerated.

