

BUSINESS & FINANCIAL OVERVIEW

European Stocks Shrug Off Early Weakness, Close Mostly Higher

European stocks closed mostly higher on Monday, reacting positively to reports that U.S. Treasury spokeswoman said the Trump administration had no plans to impose restrictions on Chinese companies

Investors also noted reports about White House trade advisor Peter Navarro's claim that reports about U.S. planning to restrict Chinese companies were 'fake news.'

Traders, digesting a slew of economic data from the region, were also looking ahead to the resumption of talks between the world's two largest economies. Markets were also closely following the developments in the U.K. where Prime Minister Boris Johnson said over the weekend that he would not step down even if he fails to secure a deal to leave the European Union.

The pan European Stock 600 ended higher by 0.35%. France's CAC 40 gained 0.66%, Germany's DAX ended up 0.38% and Switzerland's SMI advanced 0.4%, while the U.K.'s FTSE 100 declined 0.24%.

Among other markets in Europe, Czech Republic, Finland, Ireland, Italy, Netherlands, Norway, Portugal and Spain ended on a firm note.

Belgium, Sweden, Turkey and Ukraine closed flat, while Austria, Denmark, Greece, Iceland, Poland and Russia ended weak.

In the French market, Engie, Saint Gobain, Bouygues, Vinci, Unibail Rodamco, L'Oreal, Essilor, Louis Vuitton, AXA, Schneider Electric, Veolia Environment and BNP Paribas moved higher, while Technip and Capgemini ended notably lower.

In Germany, Lufthansa, Deutsche Post, Covestro, HeidelbergCement, BMW, Allianz and Linde closed notably higher, while Fresenius, Wirecard, Deutsche Bank and Infineon declined.

In the U.K. market, Imperial Brands and British American Tobacco gained 3% and 2%, respectively. WPP and DS Smith also ended with strong gains.

On the other hand, Reckitt Benckiser, Whitbread, Fresnillo, Marks & Spencer, NMC Health, 3i Group and Lloyds Bank declined 1.4 to 4%. In economic news, Eurozone unemployment rate unexpectedly dropped in August to its lowest level in more than a decade, preliminary data from Eurostat showed on Monday.

The seasonally adjusted unemployment rate fell to 7.4% from 7.5% in July. Economists had expected the rate to remain unchanged. The latest unemployment rate was the lowest since May 2008, Eurostat said. In August 2018, the jobless rate was 8%.

Data from Destatis showed Germany's retail sales recovered as expected in August, growing 0.5% on a monthly basis, in contrast to 0.8% drop in July. However, on a yearly basis, retail sales growth eased to 3.2% from 5.2% in July. Nonetheless, this was the second consecutive increase and faster than the forecast of 2.9%.

