

**BUSINESS & FINANCIAL OVERVIEW**

## European Shares Plunge As Trump Escalates Trade War

European stocks went into a free fall Friday after U.S. President Donald Trump escalated his trade war with China, citing lack of progress in trade talks.

Trump's announcement on Thursday to impose a 10 percent tariff on \$300 billion of Chinese imports from September 1 extended tariffs to nearly all China's imports into the United States.

The pan European Stock 600 was down 1.9 percent at 380.23 after rising half a percent in the previous session.

The German DAX was losing 2.4 percent, France's CAC 40 index was declining 2.6 percent and the U.K.'s FTSE 100 was down 1.9 percent.

German insurance and asset management company Allianz dropped 2.7 percent despite reporting a rise in Q2 profit and confirming its 2019 operating profit outlook.

Specialty chemicals company Lanxess tumbled 6.5 percent after its second-quarter sales volumes declined in the Engineering Materials and Specialty Additives segments.

Credit Agricole Group shares slumped 4.5 percent. The bank reported that its second-quarter net income group share declined 12.7 percent to 1.81 billion euros from last year's 12.08 billion euros, hit by a weak performance at its corporate and investment banking arm.

BT Group lost over 3 percent after it reported a 36 percent fall in first-quarter cash flow.

The Royal Bank of Scotland Group plunged nearly 6 percent despite the bank posting a sharp rise in Q2 operating pre-tax profit and declaring a special dividend.

International Consolidated Airlines Group rallied 3.3 percent after its quarterly profit beat forecasts.

In economic releases, Eurozone producer price inflation eased notably in June largely due to weak energy prices, data from Eurostat showed.

Producer price inflation slowed to 0.7 percent in June from 1.6 percent in May. The rate was below the forecast of 0.8 percent.

The U.K. construction sector continued to shrink in July, survey data from IHS Markit showed.

The IHS Market/Chartered Institute of Procurement & Supply construction Purchasing Managers' Index rose to 45.3 in July from June's ten-year low of 43.1. The score was forecast to climb to 46.0.

