

BUSINESS & FINANCIAL OVERVIEW

European Shares Decline On Weakening Risk Appetite

European stocks fell on Tuesday to extend losses from the previous session as trade worries, escalating tensions in Hong Kong after months of political unrest and Argentine President Mauricio Macri's loss in primary elections dented investors' appetite for risk.

Market participants also kept a close eye on Italy, where the Senate meets today to set a crucial date for a no-confidence vote that could spell the end of Prime Minister Giuseppe Conte's populist government.

The pan-European Stock 600 was down 0.7 percent at 367.77 after declining 0.3 percent in the previous session.

The German DAX was losing 1 percent, France's CAC 40 index was declining 0.8 percent and the U.K.'s FTSE 100 was moving down 0.4 percent. Automakers BMW, Daimler, Renault and Peugeot fell 2-3 percent after industry data showed China's auto sales sank again in July, extending a yearlong contraction in the industry's biggest global market.

Henkel shares slumped 7 percent after the German consumer goods firm slashed its annual outlook for sales and earnings, citing a slowdown in China.

Meal-kit delivery firm HelloFresh soared 5 percent as it reported its first quarterly underlying operating profit since it listed in 2017.

Precious metals miner Fresnillo jumped 2.8 percent as gold prices hit over six-year high on risk-off sentiment.

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Luxury carmaker Aston Martin tumbled 4 percent. According to the Financial Times, hedge funds have taken record short positions in the debt and equity of the company.

In economic releases, Germany's investor confidence dropped sharply in August to its lowest level since the end of 2011, survey data from the ZEW - Leibniz Centre for European Economic Research showed.

The ZEW Indicator of Economic Sentiment for Germany tumbled to -44.1 from -24.5 in July, reaching its lowest level since December 2011. Economists had forecast a score of -28.

The U.K. unemployment rate increased in three months to June while average earnings grew at the fastest pace in eleven years, data from the Office for National Statistics showed.

The jobless rate increased by 0.1 percentage points sequentially to 3.9 percent in three months to June. Unemployment rose by 31,000 to 1.33 million.

In three months to June, employment increased by 115,000 to reach a record 32.81 million. But the employment rate remained unchanged at 76.1 percent.

