

**BUSINESS & FINANCIAL OVERVIEW**

## European stocks hold onto 4-month highs; Wirecard surges

European stocks finished firmer Monday, but the main index hovered at the best levels in four months as, investors continue to watch trade negotiations between the U.S. and China unfold, hoping for upbeat news. Fintech Wirecard AG jumped by 15% after Germany's financial regulator banned investors from shorting its shares.

The Stock Europe 600 SXXP, -0.37% rose by 0.2% to 369.78 on Monday, after the index finished at a four-month high on Friday, rising 3% for the week.

Italy's FTSE MIB 1945, -0.91% climbed 0.6% to 20,333.26, while Spain's IBEX 35 IBEX, -0.26% index rose 0.3% to 9,155.50 and France's CAC 40 PX1, -0.28% added 0.3% to 5,168.54.

The FTSE 100 UKX, -0.36% was down 0.3% to 7,219.47, after finishing the week up 2.3% — the largest three-week percentage gain since July 15, 2016. Germany's DAX 30 DAX, +0.00% finished flat at 11,299.20.

The euro EURUSD, -0.0442% climbed to \$1.1308 on Monday, from \$1.1298 late Friday in New York, while the pound GBPUSD, -0.0928% rose to \$1.2927 from \$1.2892.

U.S.-China trade negotiations will continue in Washington this week, fueling some hope that the two nations will soon reach a deal. However, investors are still concerned about the progress made on difficult issues such as Washington's dissatisfaction over Chinese technology and trade policies.

The auto sector was leading the downside, with shares of Volkswagen AG VOW3, -0.51% down over 1% and Daimler AG DAL, -0.12% down just under 1% after the U.S. Commerce Department on Sunday reportedly sent a national security report to President Donald Trump offering recommendations over new tariffs on imported autos and auto parts.

European Commission spokesman Margaritis Schina reportedly said at a press conference on Monday that the EU will respond quickly to any U.S. tariffs on car imports from the region. A German magazine reported that a 25% levy was still on the table last week. The U.S. auto industry is among those warning that such tariffs could cause job losses in the U.S., by hiking the price of autos, parts and repairs.

U.S. markets were closed on Monday for the President's Day holiday, meaning activity elsewhere may be light. "Markets in Europe have consistently struggled for gains since last summer, and this morning's tepid open appears to show that investors remains reluctant to pile back in en masse," said Michael Hewson, chief market analyst at CMC Markets.

In Europe, investors were on the lookout for more discussion of the European Central Bank's consideration to restart stimulus mechanism after ECB executive board member Benoît Coeuré called eurozone inflation shallow Friday and said that another round of a targeted longer-term refinancing operation, or TLTRO, which provides cheap loans, would be possible.

