

BUSINESS & FINANCIAL OVERVIEW

Major European Markets Shrug Off Early Setback, Close Higher

European stocks recovered after a weak start and closed mostly higher on Wednesday even as the mood remained cautious amid geopolitical tensions.

News about Iran firing missiles at several U.S. military bases in Iraq in retaliation for the U.S. killing of Quds Force Commander Qasem Soleimani last week triggered a sell-off in early trades in the European markets.

However, stocks recovered subsequently after U.S. President Donald Trump stated that U.S. would hit Iran with new sanctions and but not respond militarily. Trump also confirmed that there were no American casualties as a result of Iran's missile strikes on Iraqi military bases housing U.S. troops.

"All is well!" President Donald Trump tweeted earlier in the day, adding that an assessment of casualties was taking place. Iranian Foreign Minister Mohamad Javad Zarif tweeted that Iran did not seek escalation or war, but will defend against any aggression.

The pan European Stock 600 ended up 0.17%. Germany's DAX gained 0.71%, France's CAC 40 advanced 0.31% and the U.K.'s FTSE 100 edged up 0.01%, while Switzerland's SMI declined 0.32%.

Among other markets in Europe, Austria, Italy, Netherlands, Norway, Russia, Spain and Turkey closed higher. Czech Republic, Denmark, Iceland, Portugal and Sweden ended flat, while Belgium, Finland, Greece, Ireland and Poland ended weak.

In the U.K. market, NMC Health plunged nearly 16% after two big investors sold their stakes in the company. TUI shed about 4.6%. British Land Company, Morrison Supermarkets and Fresnillo declined 2 to 2.5%.

On the other hand, EasyJet, Hargreaves Lansdown, BT Group, Compass, Smiths Group, Rio Tinto, Prudential, BHP Group, Ashtead Group and Imperial Brands ended with strong gains.

In France, Sodexo, Michelin, Vinci, Airbus Group, Thales, Essilor Luxottica and Dassault Systems gained 1 to 2.5%, while Technip, Unibail Rodamco and Danone lost 2 to 2.7%.

In the German market, Deutsche Bank gained nearly 3.5%. Adidas, Bayer, Continental, Covestro, Merck, Infineon, Lufthansa and Deutsche Post gained 1 to 2.75%.

In economic news, data from Destatis said German factory orders decreased unexpectedly in November, with new orders in manufacturing declining 1.3%, as against expectations for an increase of 0.2%. In October, orders were up by a revised 0.2%.

Survey results from the Statistical Office showed French consumer confidence deteriorated for the first time in a year in December, with the index falling more than expected to a reading of 102, from revised 105 a month earlier.

