

BUSINESS & FINANCIAL OVERVIEW

European Shares Tumble As New Virus Spreads From China

European stocks fell sharply on Monday as concerns grew over the coronavirus outbreak.

The death toll from China's new coronavirus grew to 80 Sunday, with more than 2,700 people infected globally.

China's National Health Commission on Sunday said the new coronavirus is contagious even in its incubation period, which lasts up to 14 days, and that the virus' ability to spread is getting stronger.

Political events also remained on investors' radar after Matteo Salvini's attempt to trigger a crisis for Italy's coalition government by seizing control of the leftwing region of Emilia-Romagna failed.

Meanwhile, British Prime Minister Boris Johnson said that Britain will become a "global, trail-blazing country" as he unveiled the government's full plans to mark "Brexit day" this Friday. The U.K. will officially leave the European Union at 11pm on Friday 31 January.

The pan European Stock 600 fell 1.7 percent to 416.44 after hitting a record high in the previous session.

The German DAX lost 1.8 percent and France's CAC 40 index gave up 1.9 percent, while the U.K.'s FTSE 100 was down 2.2 percent.

Airline stocks and luxury goods makers were among the worst hit. British Airways owner IAG slumped 5.2 percent and luxury brand Burberry lost 5.4 percent.

German airline Lufthansa declined 4.2 percent. French luxury goods maker LVMH lost 3.6 percent and Gucci owner Kering tumbled 3.8 percent on concerns over a slowdown in Chinese demand.

Miners also succumbed to heavy selling pressure. Anglo American slumped 5.7 percent, Antofagasta lost 5 percent and Glencore gave up 4.4 percent.

TI Fluid Systems declined 2.5 percent. The company said it anticipates fiscal 2019 results to be in line with its guidance.

H&M fell over 1 percent. The fashion retailer said that data security breaches found at its German unit were unacceptable and it was cooperating with authorities.

In economic releases, German business confidence weakened in January, survey data from the ifo institute showed today.

The business climate index dropped unexpectedly to 95.9 in January from 96.3 a month ago. The reading was expected to rise to 97.

