

BUSINESS & FINANCIAL OVERVIEW

European Markets End On Upbeat Note On Lagarde's Nomination As ECB Chief

European markets ended on a buoyant note on Wednesday as investors reacted positively to news that International Monetary Fund Managing Director Christine Lagarde has been nominated as the president of the European Central Bank.

Lagarde, who will succeed Mario Draghi when his term expires at the end of October, is widely expected to be broadly dovish on monetary policy while pressing fiscal authorities to play a more active role in promoting growth.

The pan European Stocks 600 advanced 0.85%. The major markets U.K., Germany and France ended on a bright note, with their benchmarks FTSE 100, DAX and CAC 40 gaining 0.66%, 0.71% and 0.75%, respectively. Switzerland's SMI moved up 0.46%.

Among other markets in Europe, Austria, Belgium, Czech Republic, Denmark, Finland, Greece, Ireland, Italy, Netherlands, Portugal and Spain ended with sharp to moderate gains.

Poland, Norway, Iceland and Russia edged up marginally, while Turkey and Ukraine closed weak.

Vonovia, Deutsche Bank, BMW, Adidas, RWE, Volkswagen, Henkel and Wirecard were among the top gainers in the German DAX Index. These stocks moved up 1.2 to 2.8%.

Shares of Osram spurred more than 11% on takeout speculation. According to a report in Reuters, the company's supervisory board will meet on Thursday to discuss a takeover offer from private equity firms Bain and Carlyle.

In France, Pernod Ricard, Atos, Vinci, Sodexo, BNP Paribas, Engie, Credit Agricole, Thales, Sanofi, Veolia Environment, Dassault Systems and Airbus Group gained 1.3 to 2.3%.

In the British market, Flutter Entertainment soared 11.5% amid talks of a possible buyout.

Halma, Smurfit Kappa, Auto Trader Group, British American Tobacco, Imperial Brands, Ocado, IAG, Intercontinental, Admiral Group, Severn Trent and Vodafone Group gained 2 to 3.1%.

In economic news, the euro area private sector expanded at a faster than initially estimated pace in June reflecting a pick-up in economic growth in the currency bloc, survey data from IHS Markit showed Wednesday.

The final composite output index rose to 52.2 in June from 51.8 in May. The initial score was 52.1. The reading signaled the fastest growth in the private sector since November 2018.

Germany posted unchanged growth in June, while France enjoyed its best performance for seven months as both manufacturing and services showed solid output gains.

