

BUSINESS & FINANCIAL OVERVIEW

European Markets End Lower As Traders Stay Cautious Ahead Of Powell's Testimony

European markets ended weak on Tuesday as fading optimism about U.S. interest rate cuts, Deutsche Bank's decision to slash jobs and a profit warning from German chemicals major BASF hurt sentiment and drove stock prices down into negative territory.

Traders seemed quite reluctant to do any significant buying ahead of the Federal Reserve Chairman Jerome Powell's testimony to Congress on Wednesday and Thursday. Powell's comments are expected to provide some clues about the outlook for near-term interest rates.

The pan European Stock 600 ended down by 0.51%. Among the major markets in Europe, Germany ended notably lower with its benchmark DAX declining 0.85%. The U.K.'s FTSE 100 and France's CAC 40 declined 0.17% and 0.31%, respectively. Switzerland's SMI ended 0.33% down.

Among other markets in Europe, Greece, Turkey, Austria, Belgium, Finland, Ireland, Spain, Netherlands, Norway, Poland and Sweden ended with sharp to moderate losses. Italy and Czech Republic, Denmark and Portugal settled modestly lower, while Iceland and Russia edged higher.

In Germany, BASF declined 3.3% after the company issued a profit warning. Shares of Deutsche Bank tumbled more than 4%, extending losses from previous session after the bank slashed thousands of jobs across Asia, Europe and America, as part of a restructuring aimed at improving its profitability.

Fresenius, Thyssenkrupp, Covestro, Henkel, Continental, Infineon, Wirecard, Lufthansa, Daimler and HeidelbergCement were the other prominent losers in the German market.

In France, ArcelorMittal declined more than 5%. Technip, Renault, Peugeot, Michelin, Societe Generale, Saint Gobain and Legrand shed 1.3 to 2.3%, while Sodexo, Veolia Environment, Unibail Rodamco and Engie ended notably higher.

In the British market, NMC Health and Micro Focus, both ended weaker by more than 5%. Antofagasta, EasyJet, Glencore, DS Smith, Tui, ITV, British American Tobacco and Hargreaves Lansdown lost 2 to 4%. Shares of Ocado rallied 5.7%, riding on strong earnings forecast from the company.

Shares of Danish lender Danske Bank declined sharply after the bank lowered its earnings outlook for 2019, citing weak trading and higher costs. In economic news, Italy's retail sales fell 0.7% in May after staying flat in April.

Switzerland's unemployment rate remained unchanged in June, data from State Secretariat for Economic Affairs, or SECO, showed. The jobless rate came in at a seasonally adjusted 2.3% in June. Expectations were for a 2.4% unemployment.

In the U.K., like-for-like sales decreased 1.6% year-on-year in June, slightly larger than the 1.5% fall economists had expected. Total sales were down 1.3%.

