

BUSINESS & FINANCIAL OVERVIEW

European Markets Close Mostly Lower On Concerns Over Trade, Earnings

European markets closed mostly weak on Thursday, extending losses from previous session, as uncertainty about the progress in U.S.-China trade discussions and a few disappointing earnings reports weighed on sentiment and prompted traders to cut down on long positions.

The pan European Stock 600 ended lower by 0.22%. Germany's DAX declined 0.92% and the U.K.'s FTSE 100 shed 0.56%, while France's CAC 40 closed down by 0.38%. Switzerland's SMI ended 0.69% up, extending recent gains.

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

In the UK market, Fresnillo tumbled more than 9%. Johnson Matthey declined by about 5%. Ashtead Group, BP, Sage, Intertek, TUI, Rio Tinto and BHP Group also declined sharply.

Shares of fashion giant Asos plunged sharply after the company said this year's profits are likely to be much lower than expectations.

On the other hand, British American Tobacc climbed up more than 6%. EasyJet rallied 4% after its third-quarter total revenue increased 11.4% from the year-ago period to 1.76 billion pounds.

Imperial Brands, Severn Trent, ITV, Centrica and Persimmon gained 1.5 to 2.3%. In Germany, SAP declined more than 5% after reporting a 21% decline in second-quarter operating profit. The company also said that it does not expect a major improvement in margins before next fiscal.

Wirecard, Thyssenkrupp, Daimler, Volkswagen, Lufthansa and Continental also ended notably lower.

French stocks ArcelorMittal, Dassault Systemes, Credit Agricole, Renault, Schneider Electric and Atos lost 1 to 2.6%.

Swiss drug maker Novartis moved up sharply on strong FY19 outlook. Shares of fragrance and flavor products manufacturer Givaudan tumbled after the company reported lower margins from recently acquired Naturex.

In economic news, UK retail sales recovered unexpectedly in June, rising 1% month-on-month, data from the Office for National Statistics showed. Sales were forecast to fall 0.3 percent after easing 0.6 percent in May.

Likewise, sales excluding auto fuel, expanded 0.9% after falling 0.4% each in May and April. Economists had forecast a 0.2% drop for June.

On a yearly basis, growth in retail sales accelerated to 3.8% from 2.2% in May. The rate also exceeded the expected rate of 2.6%.

