

BUSINESS & FINANCIAL OVERVIEW

European Markets End Mixed As Investors Await Fed Rate Decision

European stocks turned in a mixed performance on Wednesday as investors largely made cautious moves as they looked ahead to the U.S. Federal Reserve's monetary policy statement, due later in the day.

The Fed is widely expected to leave interest rates unchanged, but traders will closely scrutinize the accompanying statement for clues about a potential rate cut in the near future.

Fed Chairman Jerome Powell's recent pledge to "act as appropriate" to sustain the U.S. economic expansion amid signs of a slowdown due to the U.S.-China trade war has led to speculation the Fed could cut rates as soon as July.

Mild optimism about a U.S.-China trade deal after U.S. President Donald Trump tweeted on Tuesday that he will meet with Chinese President Xi Jinping at the G-20 summit next week in Japan aided sentiment.

However, most of the markets ended little changed as buying interest was subdued.

The pan European Stoxx 600 ended flat at 384.77, down 0.01 point from previous close. Among the major indices in Europe, the FTSE 100 ended lower by 0.53%. Germany's DAX declined 0.19% and France's CAC 40 ended up 0.16%, while Switzerland's SMI settled lower by 0.27%.

Austria, Czech Republic, Denmark, Iceland, Italy and Netherlands closed higher. Norway, Belgium, Greece, Poland, Portugal and Spain ended weak, while Ireland, Russia, Sweden, Turkey and Ukraine ended flat.

Shares from automobile and financial sectors had a good outing, while those from the resources space were under pressure.

Shares of British airliners IAG and EasyJet declined sharply after HSBC said it is increasingly cautious towards European airlines.

A rating downgrade by UBS dragged down Just Eat shares by more than 3%.

Shares of retailer Colruyt tumbled more than 15% on disappointing results.

Another stock to plunge sharply in Wednesday's session was insurance and tourism scrip Saga. The stock plummeted after the company warned on conditions in its travel business amid political uncertainty in the U.K.

In economic news, Eurozone's current account surplus decreased for a third straight month in April to its lowest level in two years, falling to EUR 20.905 billion from Euro 24.680 billion in March, data from the European Central Bank showed on Wednesday.

