

BUSINESS & FINANCIAL OVERVIEW

European Stocks Settle Sharply Lower On Coronavirus Fears

European stocks tumbled on Thursday amid renewed worries about the impact of the rapidly spreading coronavirus outbreak on the global economy.

The mood in stock markets across the global has turned bearish once again despite the U.S. Federal Reserve, the Bank of Canada and the Reserve Bank of Australia cutting their interest rates to counter the virus impact.

The International Monetary Fund (IMF) announced a \$50 billion aid package yesterday to combat the impact of the coronavirus. The money is available right now for low-income and emerging market countries, the IMF said.

Still, investors were in no mood to create fresh long positions, and instead, appeared keen on getting out of counters.

The latest figures from the World Health Organization show more than 95,000 people have been infected by the virus and around 3,270 persons have succumbed to the infection.

The pan European Stock 600 declined 1.43%. The major European markets the U.K., Germany, France and Switzerland, all ended sharply lower. The U.K.'s FTSE ended down 1.62%, Germany's DAX slid 1.51% and France's CAC 40 declined 1.9%, while Switzerland's SMI lost 1.05%.

Infineon and Henkel lost 5.7% and 5.3%, respectively. Daimler, Lufthansa, Deutsche Bank, Covestro, Volkswagen, Deutsche Post, HeidelbergCement and Siemens declined 2 to 4%.

In the U.K. market, ITV and Evraz both ended lower by about 12%. Carnival, IAG and Rio Tinto lost 7 to 7.3%. Capita Group shares plunged more than 38% amid concerns about the company's turnaround plan.

Amigo declined 34%, HostelWorld lost 16.7% and Premier Oil ended down 14.4%. Among other markets in Europe, Austria, Belgium, Czech Republic, Finland, Greece, Iceland, Ireland, Italy, Norway, Poland, Portugal, Spain and Sweden lost 1 to 5.5%.

Denmark, Netherlands and Russia closed moderately lower, while Turkey ended on a positive note. In France, Renault ended more than 7.5% down. ArcelorMittal, Societe Generale, Publicis Groupe, Unibail Rodamco, Credit Agricole and BNP Paribas lost 4 to 6.5%.

Safran, Michelin, Accord, Airbus Group, Technip, Essilor Luxottica, Louis Vuitton, Legrand and Peugeot lost 2 to 4%. In the German market, Continental AG shares plunged 12.5% after the company reported a 1.23 billion euro (\$1.37 billion) net loss for 2019, compared with a net profit EUR2.90 billion a year earlier.

Meanwhile, Bank of England Deputy Governor Ben Broadbent said the economic impact of coronavirus will ultimately be temporary.

