

**BUSINESS & FINANCIAL OVERVIEW**

## European Stocks Tumble As Virus Fears Outweigh Stimulus Announcements

European markets tanked on Wednesday as mounting fears about an imminent recession outweighed stimulus announcements from governments and sent stock prices plunging sharply.

It was a dismal session for the markets today after a reprieve in the previous session when stocks had rebounded in reaction to a slew of stimulus measures from central banks and the U.S. government.

As worries about the spread of the dreaded coronavirus infection escalated, investors were in no mood to pick up stocks even at lower levels. A sharp plunge in oil prices that resulted in contracts falling to their lowest levels in about 18 years hurt energy stocks and added to markets' woes.

The pan European Stock 600 ended down 3.92%. The U.K.'s FTSE 100 declined 4.05%, Germany's DAX ended down 5.56%, France's CAC 40 slid 5.94% and Switzerland's SMI shed 1.82%.

Among other markets in Europe, Austria, Czech Republic, Denmark, Finland, Greece, Iceland, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Russia, Spain, Sweden, Turkey and Ukraine all ended in the red.

Auto shares BMW, Volkswagen and Daimler ended sharply lower. BMW said its fiscal 2020 profits before tax will be significantly lower than in 2019 due to the global spread of the coronavirus or Covid-19.

Volkswagen and Daimler said they have decided to suspend production in Europe, as well as work in some administrative departments for a couple of weeks due to the virus spread.

Peugeot ended lower by about 13%. Infineon shares tumbled almost 16%. Siemens, Deutsche Post, Allianz and Merck also plunged sharply.

Shares of aircraft engine manufacturer MTU Aero Engines plunged nearly 16% as airlines halt deliveries and new orders to conserve cash.

Airbus Group shares ended more than 22% down on reports the U.S. is set to boost tariffs on its planes by 50% on Wednesday.

Vinci, ArcelorMittal, Technip, BNP Paribas, Societe Generale, Bouygues, Saint Gobain, Kering, Accor and Louis Vuitton lost 7 to 11%.

European Central Bank Executive Board member Isabel Schnabel sought a strong fiscal response at the European level to deal with the economic crisis caused by the spread of the coronavirus, or Covid-19, and said the central bank is ready to do everything in its power to ease the impact.

"Monetary policy cannot solve this crisis on its own," Schnabel said in an interview to the German weekly Die Zeit, the text of which was published on the ECB website on Wednesday.

