

BUSINESS & FINANCIAL OVERVIEW

Major European Markets Gain After U.S. Eases Some Restrictions On Huawei

European markets advanced Tuesday morning, led by gains in technology stocks after the U.S. government temporarily eased some trade restrictions imposed on Chinese telecommunications equipment company Huawei Technologies.

The U.S. Commerce Department will now allow the Chinese technology major to purchase US goods in order to maintain existing networks and provide software updates to existing Huawei handsets. However, Huawei will not be allowed to buy American parts and components to manufacture new products without license approvals.

The pan European Stoxx 600 is rising 0.41%. Among the major markets in Europe, the U.K. and Germany are notably higher with their benchmarks FTSE and DAX gaining 0.52% and 0.7%, respectively. France's CAC 40 is up 0.34%.

Most of the markets across Europe ended notably lower on Monday due to an escalation in trade war tensions after the U.S. imposed restrictions on Huawei Technologies Co.

In the German market, Wirecard is rising more than 3%. Siemens, Adidas, SAP, HeidelbergCement, Allianz, Covestro, Deutsche Post and Muench.Rueckvers are rising 1 to 2%. Infineon, which closed sharply lower in the previous session, is gaining nearly 1%.

In France, shares of semiconductor manufacturer STMicroElectronics are up nearly 3%, coming back strongly after Monday's setback. Atos is gaining 2.6%. Valeo, Technip, ArcelorMittal, Veolia Environment, Sodexo, Renault and Dassault Systemes are up 1 to 2%.

Shares of natural gas distribution company Engie are declining more than 4% on reports France's finance ministry is preparing to reduce its stake in the company from 24% to around 15% within a year.

A Reuters report said French businessman Jacques Veyrat, who has a controlling stake of over 50% in renewable energy group Neoen, is likely to sell Neoen to Engie in return for a small take in Engie.

Coca Cola, J Sainsbury, Sage, Standard Life, Micro Focus and Antofagasta, gaining between 2 to 3%, are the major gainers in the U.K.'s FTSE 100 index. Lloyds Banking, Prudential, Burberry Group, Marks & Spencer and Ferguson are also climbing higher.

In economic news, the Organization for Economic Co-operation and Development downgraded the global growth outlook for 2019 as trade disputes hurt manufacturing and investment decisions. In its latest Economic Outlook, published Tuesday, the agency forecast 3.2% growth for 2019 instead of 3.3% estimated in March. The global outlook for 2020 was retained at 3.4%.

OECD cautioned that current growth rates are insufficient to bring about major improvements in employment or living standards.

