

BUSINESS & FINANCIAL OVERVIEW

European Shares Dive On Trade Tensions, Brexit Woes

European stocks tumbled on Thursday as trade worries persisted and the European Parliament elections kicked off in polls that could challenge the Brussels consensus.

British chip designer ARM joined the growing list of global companies to disengage with Huawei, raising concerns a protracted trade war could derail global economic growth.

The British pound hovered near four-month lows after a key ally resigned from May's cabinet late on Wednesday, adding to pressure on Prime Minister Theresa May to step down. A report from The Times said May is likely to announce her departure from office on Friday.

The pan European Stoxx 600 was down 1.4 percent at 373.94 after ending on a flat note the previous day.

The German DAX was down as much as 2 percent, France's CAC 40 index was losing 0.8 percent and the U.K.'s FTSE 100 was down 1.3 percent.

Miners BHP, Glencore and Antofagasta fell 2-3 percent amid an escalating cold war between the United States and China.

German automaker Daimler slumped 7.6 percent and lender Commerzbank fell 1.6 percent on going ex-dividend.

Deutsche Bank tumbled 3 percent on saying it has found a glitch in computer systems that retroactively scan corporate clients' transactions for suspicious activity.

Merlin Entertainments jumped nearly 6 percent after U.S. activist investment group ValueAct urged the owner of Madame Tussauds and Legoland to go private.

Serco Group soared over 9 percent after it agreed to buy the Naval Systems Business Unit and related contracting entities from Alion Science & Technology Corp. for \$225 million.

In economic releases, German GDP grew 0.4 percent sequentially in the first quarter, after staying flat in the fourth quarter and contracting 0.2 percent in the third quarter of 2018, detailed results from Destatis showed.

The German headline IFO business climate index dropped to 97.9 in May from 99.2 last month.

The euro area private sector expanded in May but the pace of growth remained subdued, survey data from IHS Markit showed. The composite output index rose marginally to 51.6 from 51.5 in April. The score was forecast to rise to 51.7.

