

BUSINESS & FINANCIAL OVERVIEW

European Markets End Lower On Trade War Concerns

European markets ended lower on Wednesday amid an escalation in U.S.-China trade war tensions after U.S. President Donald Trump threatened on Tuesday that he would impose even higher tariffs on Chinese goods if a trade deal is not made between the two countries.

After some positive news during the course of the previous week and over the weekend about the two countries closing in on an interim trade deal, optimism about a pact faded this Monday after it was reported that Trump is reluctant to roll out tariff cuts.

Now, with the U.S. President coming out with a threat to impose even higher tariffs on Chinese goods, investors are worried about further delays before the two countries would agree on a pact.

The ongoing protests in Hong Kong weighed as well on sentiment. Beijing is upset following the U.S. Senate passing a bill certifying Hong Kong's autonomy and issuing a warning to China against violent action against protesters. Beijing has stated that it would retaliate if the U.S. does not stop interfering in China's internal affairs.

Investors were also digesting the latest batch of economic data and corporate news from the euro area.

The pan European Stock 600 ended down 0.41%. The U.K.'s FTSE 100 declined 0.84%, Germany's DAX ended 0.48% down and France's CAC 40 shed 0.25%, while Switzerland's SMI bucked the trend and edged up 0.19%.

Among other markets in Europe, Denmark, Greece, Ireland, Netherlands, Norway, Poland, Portugal, Russia, Spain, Sweden, Turkey and Ukraine ended weak. Austria, Belgium, Finland, Czech Republic and Iceland ended flat.

In Germany, Wirecard shares plunged more than 6% in early trades before staging a recovery to cut its loss to around 3.3%. The stock fell after Ernest Young auditors refused to certify the 2017 annual balance sheet of Wirecard's Singapore subsidiary.

Lufthansa declined 2.5%. Continental, Bayer, MTU Aero, Fresenius, Vonovia and Volkswagen ended lower by 1 to 1.6%. In the French market, Accor, Unibail Rodamco, Pernod Ricard, Publicis Groupe and Bouygues ended notably lower.

On the other hand, Technip rose more than 2.5% and Thales gained about 1.5%. Dassault Systemes, BNP Paribas and ArcelorMittal also closed higher. Meanwhile, Hipay Group shares, which soared more than 12% early on in the session, ended with a gain of about 5.5%.

In the U.K. market, Aviva shed about 3.5%. Intercontinental, DCC, Hargreaves Lansdown, 3i Group, Carnival, Bunzi, Burberry Group, Admiral Group and Fresnillo ended lower by 1 to 2.8%.

