

BUSINESS & FINANCIAL OVERVIEW

European Markets Close Lower On U.S.-China Trade Worries

European markets ended mostly lower on Thursday, weighed down by uncertainty about the U.S. and China agreeing on a phase one trade deal anytime soon. A report from Reuters that completion of a phase one U.S.-China trade deal could slide into next year.

Meanwhile, Chinese Vice-Premier Liu He has reportedly invited U.S. Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin to Beijing for further negotiations.

The passage of a Senate bill supporting protesters in Hong Kong by the U.S. House of Representatives and the warning issued to China about human rights added to the tensions between the world's two largest economies. The pan European Stock 600 declined 0.4%. The U.K.'s FTSE ended down 0.33%, Germany's DAX declined 0.16%, France's CAC ended lower by 0.22%, while Switzerland's SMI closed 0.46% down.

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

In the U.K. market, Johnson Matthey declined more than 7% after first-half profit fell sharply. Fresnillo, Imperial Brands, Bunzi, United Utilities and Antofagasta lost 2 to 3.4%. Royal Mail shares plunged more than 14% after the company warned that poor industrial relations were slowing its ability to change and that its turnaround scheme was behind schedule. On the other hand, Centrica soared 9% and Direct Line Insurance gained about 6.4% on positive updates from the company. British American Tobacco ended nearly 4% up.

In France, ArcelorMittal declined more than 2.5%. STMicroElectronics, Hermes International, Kering, Legrand and Saint Gobain also ended notably lower, while Sanofi rallied nearly 2.5%. BNP Paribas, Capgemini, Atos and Bouygues ended modestly higher. In the German market, MTU Aero declined 2.4%. Infineon, Beiersdorf and Covestro lost 1 to 1.4%.

ThyssenKrupp plunged nearly 14% after the company's fiscal 2019 net loss widened. The company said it is generally cautious about the current fiscal year 2020. Dalmier ended nearly 2% up. Volkswagen, BMW and Deutsche Bank closed with modest gains.

Shares of Fiat Chrysler shed about 3.7% after General Motors sued the company, alleging its rival bribed United Auto Workers (UAW) union officials over many years to corrupt the bargaining process and gain advantages.

In economic news, the U.K. budget deficit widened more than expected in October, data from the Office for National Statistics showed. Public sector net borrowing excluding public sector banks, increased by GBP 2.3 billion from the last year to GBP 11.2 billion in October. The expected level was GBP 9.3 billion.

A measure of French manufacturing confidence index rose marginally to 100 in November, in line with expectations, from 99 in October.

