

**BUSINESS & FINANCIAL OVERVIEW**

## European Markets End Lower On Waning Optimism About Trade Talks

European markets ended lower on Tuesday as investors chose to exit counters amid waning optimism about U.S.-China trade talks after a report in the South China Morning Post (SCMP) said China is toning down expectations ahead of the high-level discussions with the U.S.

Investors were also digesting a mixed batch of economic data and reacting to news about the general manager of the Houston Rockets tweeting in support of pro-democracy protests in Hong Kong. After the tweet, Chinese media suspended the broadcast of NBA preseason games in China.

The pan European Stock 600 declined 1.1%. Markets in the U.K., France and Germany ended notably lower, with their benchmarks FTSE 100, CAC 40 and DAX settling lower by 0.76%, 1.18% and 1.05%, respectively. Switzerland's SMI ended lower by 1.15%. Among other markets in Europe, Austria, Belgium, Czech Republic, Denmark, Finland, Greece, Iceland, Ireland, Italy, Netherlands, Norway, Portugal, Russia, Spain, Sweden and Turkey lost 0.4 to 1.3%.

Poland and Ukraine closed modestly higher. In the British market, London Stock Exchange shed about 5.8% after Hong Kong's stock exchange abandoned its \$39 billion bid for the London Stock Exchange Group after failing to win over the LSE board. Easy Jet declined more than 7%. Whitbread, Flutter Entertainment, Tesco, NMC Health, RBS, Centrica, Marks & Spencer and Persimmon ended down 2 to 4%, while Fresnillo and Coca Cola gained 2.1% and 1.1%, respectively.

Shares of recruiter PageGroup plunged almost 12% after the company downgraded its profit outlook. In France, Saint Gobain, ArcelorMittal, Schneider Electric, Peugeot, STMicroElectronics, Legrand, Technip and Capgemini lost 2.2 to 3.3%.

In the German market, Wirecard declined more than 4.5%. The internet technology and financial services provider said it increased its Vision 2025, reflecting organic growth drivers and partnerships such as SoftBank.

Infineon ended down 3.4%. HeidelbergCement, Lufthansa, Deutsche Bank, Linde and Covestro lost 2.4 to 3%. In economic news from Europe, Germany's industrial production rose unexpectedly in August, after a slump in July, figures from the Federal Statistical Office showed on Tuesday.

Production grew 0.3% month-on-month in August, defying expectations for a 0.2% fall. July's decline was revised to 0.4% from 0.6%. However, industrial production decreased 4% year-on-year after a 3.9% fall in July. Switzerland's jobless rate remained stable in September, data from the State Secretariat for Economic Affairs, or SECO, showed on Tuesday.

The seasonally adjusted unemployment rate was 2.3% in September, the same rate as seen in August. On an unadjusted basis too, the jobless rate held steady, at 2.1%. In trade related news, the SCMP said Chinese Vice Premier Liu He is leading China's delegation to Washington but will not carry the title of "special envoy" for President Xi Jinping, an early indication that Liu has not been given any particular instructions from China's leader.

