

BUSINESS & FINANCIAL OVERVIEW

European Markets Close Higher Again

European markets ended mostly higher on Tuesday as investors continued to track Brexit and U.S.-China trade related news for direction. The focus was also on quarterly earnings reports. While continued optimism about a U.S.-China trade deal aided sentiment, uncertainty about Brexit weighed on stocks and limited markets' gains.

The pan European Stock 600 edged up 0.09%. Among the major markets in Europe, the U.K. ended notably higher with its benchmark FTSE 100 rising 0.68%. Switzerland's SMI and France's CAC 40 advanced 0.26% and 0.17%, respectively. Germany's DAX edged up 0.05%.

Among other markets in Europe, Austria, Czech Republic, Denmark, Finland, Greece, Iceland, Poland, Russia, Sweden and Turkey closed higher.

Belgium and Spain ended weak, while Italy, Netherlands, Norway, Portugal and Ukraine ended flat. In trade news, U.S. President Donald Trump said that negotiations over an initial trade deal with China are advancing and that the first phase of the trade deal will be signed in November.

On the Brexit front, investors await two crucial Brexit votes in parliament that will determine whether the United Kingdom can leave the European Union at the end of October. There will be a vote on whether Prime Minister Boris Johnson's exit plan should proceed through parliament in principle. The second vote is to decide whether Johnson should be allowed to get his legislation through the House of Commons by Thursday.

In the event of the prime minister failing to get a favorable mandate on Thursday, there is every likelihood of an extension to the October 31 deadline for Brexit.

Shares of British firm Just Eat climbed as much as 24% after Prosus announced a 4.9 billion pound bid for the company. Cat Rock Capital, which holds a 3% stake in Just Eat said the offer "dramatically undervalues" Just Eat. "Prosus should pay at least five times multiples of the company's fiscal 2020 revenue, offering at least 925p per share, Cat Rock Capital said.

Shares of travel major TUI declined about 7% following a rating downgrade by Morgan Stanley, which cut the stocks from "overweight" to "equal." UBS shares failed to retail early gains and ended flat. The lender reported a 16% annual drop in its third-quarter profit. The bank said recently that it is axing about 40 jobs in Asia.

Shares of Imerys plunged sharply after the company lowered its outlook for 2019. Shares of Swiss firm Logitech International, Swedish aerospace and defence company Saab moved higher after reporting higher than expected earnings in the latest quarter.

In economic news, The UK budget deficit widened in the first half of the fiscal year raising the possibility of the government overshooting the target in 2019-20, after a decade-long austerity. During the April to September period, the budget deficit climbed 21.6 percent on a yearly basis to GBP 40.3 billion, data from the Office for National Statistics showed Tuesday.

