

BUSINESS & FINANCIAL OVERVIEW

European Stocks Close Lower On Geopolitical Worries

European markets ended mostly lower on Monday, as investors stayed cautious amid rising geopolitical tensions in the Middle East after drone attacks on Saudi oil facilities.

Following the attacks on Saudi's oil industry, U.S. President Donald Trump said the U.S. is "locked and loaded depending on verification" for a potential response to the attacks. Yemen's Houthi rebels have reportedly claimed responsibility for the attacks.

Disappointing industrial output data out of China weighed as well.

The pan European Stock 600 ended down 0.58. Among the major indices in Europe, the U.K.'s FTSE 100 declined 0.63%, Germany's DAX ended down 0.71% and France's CAC 40 settled lower by 0.94%. Switzerland's SMI ended down 0.78%.

Among other markets in Europe, Belgium, Denmark, Iceland, Ireland, Italy, Netherlands, Spain, Sweden and Turkey closed weak.

Austria, Czech Republic, Greece, Norway, Poland, Portugal, Russia and Ukraine closed higher. Finland ended flat.

Oil stocks were in demand after crude prices soared 20% intraday, the biggest jump in nearly 20 years. Shares of Tullow Oil, Technipfinc, BP, BT Group, Royal Dutch Shell and Lundin Petroleum ended with impressive gains.

Reports that the World Trade Organization might rule in favor of the U.S. in the dispute with the EU over the subsidies granted to Airbus, triggered a sell-off in the airline space. Shares of Airbus, Air France KLM and Lufthansa all ended sharply lower. A sharp rise in crude oil prices too weighed on airline stocks.

Rolls-Royce Holdings declined by about 3% and IAG ended 2.7% down.

Prudential, CRH, Just Eat, Anglo American, British American Foods, Barclays, Rio Tinto, HSBC, ArcelorMittal, Louis Vuitton, BNP Paribas and Renault ended sharply lower. Heidelberg Cement, Deutsche Bank, Linde, Thyssenkrupp, Adidas and Beiersdorf also posted notable losses.

Wire card, Total, Micro Focus, Next, SSE and BAE Systems closed with strong gains. Worries about global slowdown continued to hurt sentiment. Data out of China said industrial output growth in the country unexpectedly weakened to 4.4% in August from the same period a year ago. That was the slowest pace since February 2002 and down from 4.8% in July.

Retail sales and investment figures also disappointed amid rising trade pressure and softening domestic demand. Brexit concerns and the political uncertainty in Italy were the other reasons for the largely weak trend across European markets.

