Nikolas Stylianou

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Temporary fall in European Stock Markets

European Exchanges seem to be narrower after consecutive series of record highs that were generated because of the global recession fear decreased and after the US-China trade first phase deal that has created optimism to people. Investors are now looking for a concrete evidence for the first trade deal between the two largest economies in the world. The European Index Stoxx 600 stock showed weakness after closing Friday near its highest level. Shares of the health care, industry and utilities are generally seen as defensive and have faced the biggest declines. European stock markets followed the upward trend of other stock markets in December as investors welcomed the initial US-China trade deal. However, almost the last decade passed and few updates are expected on the details of the first phase deal, which will not rise further and will not give more incentives for a significant ascent or descent shares price from their current levels. Essilor Luxottica share price dropped by 2% after announced that they discovered number of fraudulent activities at its own factory in Thailand as a result this declination will cause the firm around 190 million euro

Narrow German Economy

Shortly before the change of year, the German Institute of Economics has asked for 48 economic sectors for the upcoming year. The institute of Economic forecasting for 2020 among other things, the automotive, machinery, metals, chemicals and petroleum industry's production, employment and production showed that the German economy after ten years of stable growth will enter a period of stagnation. Opposition lawmakers in Germany call government to introduce stimulus measures and to raise public spending. As president of Institute of German Economics Michael Heather stated that the period of growth and stability for Germany ended up without indicating that Gross Domestic Product will decrease, however Germany will experience a slowdown in the industry that will result in stagnation. Another reason why European market dropped down preceding days. Additionally, according to the German economist, it has not launched long-term solutions to a range of issues such as demography, digitization and climate change. It is for this reason that forecasts for next year set growth at around 0.9%, while in 2019 growth reached 0.5%. He also stated that Even if the US-China trade dispute is resolved, the situation in the global economy remains difficult. In economic conflicts between the US, Russia and China, Europe has not yet found its role.

The factors that would affect Oil

The year is passing without big disorders however the upcoming year creates a dilemma regarding US Oil production and the strategy of the organization of the petroleum exporting countries (OPEC) will follow. The biggest nightmare of the oil market came true in 2019, an attacked that knocked out more than 50% of Saudi Arabia's total oil output, the world's largest exported of crude oil. Prices have returned in the beginning where they started and this achieved partially from the faster than expected re-establishment of the Kingdom's facilities after the attack that forces United Kingdom to shut down half of its oil production and from the opinion that fear of oil shortages are difficult to maintain in the American shale era. The market is still growing, however on average close to 100 million barrels per day for the first time, but analysts have been talking about annual growth below less than 1% for the first time since prices collapsed in 2014. Demand was not helped by the economic slowdown in India, which is the second country after China to affect overall growth in consumption. The picture of oil demand next year and to a large extent the outlook for prices will depend on the recovery of the growth rate of the global economy, as Stephen Brennock analyst at PMV Oil Associates said.