European shares fall as Dollar firm's

World shares skidded and the dollar firmed on Monday ahead of a week packed with global central bank meetings, while debt troubles at property group China Evergrande dragged Hong Kong stocks towards to a one-year low.

European shares fell to a near two-month low on Monday and Germany's benchmark index sank , as investors feared major central banks would start giving cues about tapering their pandemic-era stimulus programmes at various meetings this week.

The pan-European STOXX 600 index was down with mining stocks plunging

Asian equities also skidded following a torrid session for China Evergrande, the world's most indebted property developer.

The benchmark European STOXX 600 has now fallen for three straight weeks on worries about slowing global growth, soaring inflation, persistently high COVID-19 cases, and the spill over from tighter regulation of Chinese firms.

The U.S. Federal Reserve's policy meeting is in focus on Tuesday and Wednesday, where the central bank is expected to lay the groundwork for a tapering. Overall, 16 central banks are scheduled to hold meetings this week, including in the UK, Norway, Switzerland, and Japan.

"To be sure, the (Fed) is set to default to keeping the QE (quantitative easing) spigots open at this week's (meeting), given the sizable August jobs disappointment alongside a spotting of soft economic indicators," said Vishnu Varathan, head of economics and strategy at Mizuho.

"But this merely defers taper. By how much is the question."

German shares tumbled to their lowest since late-July as data showed a bigger-than-expected jump in producer prices last month.

In its biggest ever overhaul, the blue-chip German index began trading on Monday with an increase in the number of constituents to 40 from 30.

Holidays in Japan, China and South Korea meant trading was thin in Asia, while politics added extra uncertainty with elections in Canada and Germany bookending the week.

China-exposed luxury stocks such as LVMH, Kering Hermes and Richemont fell extending sharp losses from last week.

Daimler AG was also down as a report cited the chief of its truck division, the world's largest, as saying the unit had seen the supply of crucial chips tighten further in recent weeks.

Lufthansa, on the other hand, reversed early declines stating that it plans to pay back part of a state bailout that Germany's top airline received during the coronavirus crisis.

Source: Investing.com