

European Stocks Edge Higher

European stock markets edged higher Thursday, boosted by strong earnings from German industrial giant Siemens ahead of the release of key U.S. inflation data.

The quarterly earnings season has been the focus of trading in Europe so far Thursday, with Siemens, the largest industrial manufacturing company in Europe, leading the way. Its stock soared 7% after it reported a jump in industrial profit in the first quarter of its fiscal year, based on an “extraordinary” surge in orders from its customers.

The banking sector was busy Thursday, with Credit Agricole stock rising 1% and Societe Generale stock rose 3.8% as both French lenders posted strong fourth-quarter numbers, helped by lower pandemic-related charges.

Credit Suisse bucked the trend, with the Swiss bank’s stock falling 4% after it posted a fourth-quarter net loss of 2 billion Swiss francs (\$2.2 billion), hurt by provisions to settle its investment bank’s legal costs after a turbulent 2021.

ArcelorMittal stock fell 4.1% with investors fretting about the world’s largest steelmaker forecasting slower global steel demand growth for this year even as the company reported its biggest annual profit in more than a decade.

Unilever stock fell 2% after the consumer goods giant forecast lower margins this year as it grapples with soaring inflation, while Delivery Hero stock slumped 16% after the German online takeaway food company forecast another year of losses after finally breaking even last year.

Still, Thursday gains are relatively small with investors reluctant to push the boat out ahead of the release of the monthly U.S. inflation report later in the day, as this should offer new clues on how aggressively the Federal Reserve will tighten monetary policy this year.

Oil prices edged higher, boosted by data from the Energy Information Administration showing that U.S. crude inventories fell by 4.76 million barrels during the week ended Feb. 4, the most for a week since October 2018.

The drawdown was triple that projected by industry analysts and marked the second straight weekly drop in crude stocks.

The crude market has been pressured over the last couple of sessions by the resumption of U.S.-Iran nuclear talks that could result in the Persian Gulf country adding supplies to the global market.

In other News:

Investor calls for resignation of chair of Germany's Aareal Bank:

Activist investor Teleios, which holds a 6% stake in Germany's Aareal Bank, on Thursday called for the resignation of the lender's chairman, according to a letter.

Aareal is reeling from a \$2.1 billion buyout attempt that failed last week, and Teleios is one of the big investors that cheered the bid's demise for undervaluing the company.

The letter, addressed to the supervisory board and signed by Adam Epstein of Teleios, marks the first detailed reaction by the investor, which has long called for changes at the German real-estate lender.

The letter said that the protagonists of the buyout deal, including chair Hermann Wagner, should "acknowledge their misjudgment and resign now".

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