

European stocks edge up as traders await ECB

European stocks edged higher on Thursday, as investors braced for a rate cut from the European Central Bank and awaited hints on policy moves next year as the euro zone economy struggles with slowing growth and heightened political risks.

The pan-European STOXX 600 index rose 0.1% by 0814 GMT, up for 10 of the past 11 sessions. Economically sensitive sectors such as oil & gas, auto and mining led morning gains.

The ECB is all but certain to cut rates again, with traders pricing in a 83% chance of a 25 bps reduction as euro zone inflation is nearly back at target and the economy is faltering.

Some analysts are also debating the possibility of a large 50 bps cut, with the odds of such a move at 16%. The ECB's rate decision is due at 1315 GMT.

The Swiss National Bank (SNB) is expected to announce its rate decision at 0830 GMT, with recent market pricing pushing towards a larger 50 bps reduction, given weak Swiss inflation and the SNB's aversion to a strengthening Swiss franc.

Among stocks, STthree Plc tumbled 35% after the British recruiter warned on the current financial year profit, citing tough hiring market conditions amid increased political and macro-economic uncertainty, particularly in Europe.

Swiss contract drugmaker Lonza rose 6.3% after it confirmed its full-year outlook.

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