

European stocks rise ahead of ECB meeting

European stock markets mostly rose Thursday, as investors awaited the latest monetary policy decision by the European Central Bank as trade tensions continue to simmer.

At 03:05 ET (08:05 GMT), the DAX index in Germany climbed 0.9%, the CAC 40 in France rose 0.5%, while the FTSE 100 in the UK slipped 0.1%.

ECB set to cut

Investors focus on Thursday will be on the ECB meeting, with the central bank widely expected to cut interest rates again as policymakers contend with trade war woes and a rearmament focus in the region.

The ECB has cut borrowing costs rapidly over the past nine months as inflation retreated and economic growth faltered, reducing rates five times since June, and has telegraphed another 25 basis point reduction in the deposit rate later in the session, taking it to 2.5%.

With this in mind, investors are likely to focus on the comments from ECB President Christine Lagarde following the decision for guidance amid uncertainty over the global economic outlook.

A trade war with the United States is looming, while both Germany and the European Commission have announced changes in fiscal rules to boost defence and infrastructure spending - a move that could impact growth for years.

Goldman Sachs raised its economic growth forecast for Germany this year, citing in a note the prospect of increased military and infrastructure spending, and also upgraded the growth estimate for the broader euro area.

The U.S. investment bank now expects 0.2% growth for Europe's largest economy, up from a flat figure, while the euro area's growth is set to increase by 0.8%, up from the previously forecast 0.7%.

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