

Castings PLC

17:13 08 Nov 2019

FTSE 100 closes lower as trade optimism wanes after Trump comments

- **FTSE 100 index closes down 47 points**
- Trump says tariff removal decision not yet made
- Pound loses ground against dollar

5.15pm: FTSE closes in red

FTSE 100 closed out Friday in the red as some of this week's shiny optimism on US, China trade was rubbed off.

The UK's premier share index closed down 47.03 points at 7,359.38. On the week as a whole though, it gained some ground, nudging up 0.78%.

The midcap FTSE 250 was also lower on the day, easing 75.59 points to close at 20,357.63.

"Stocks have handed back some of this week's gains after President Trump threw cold water on the hopes that all tariffs would be rolled back should phase one of the trade deal be agreed upon," said David Madden, analyst at CMC Markets.

He added: "Dealers trimmed their equity positions as the Donald downplayed hopes of rolling back on all the tariffs, but he seemed to leave the option of a partial removal on the table, so traders aren't in full-on cut and run mode."

On Wall Street, benchmark indices were also hit due to the trade news. The Dow Jones Industrial Average shed nearly 40 points at 27,635, the S&P 500 was near flat, but the tech heavy Nasdaq was higher though, adding around 20 at 8,454.

3.30pm: US markets slide as Trump says he hasn't agreed to remove Chinese tariffs...yet

Heading into late-afternoon the FTSE 100 was sliding deeper into the red, following the lead of the US markets which tumbled as Donald Trump said he hadn't agreed to remove tariffs on Chinese goods just yet.

The US president said instead that the Chinese would like him to remove the tariffs, but had not decided whether or not to do so.

Following the comments, the Dow was 0.17% lower while the S&P 500 fell 0.14% and the Nasdaq slipped 0.1%.

Comments from Trump about possibly attending a May Day Parade in Russia also seem to have surprised some commentators.

WTAF?

TRUMP SAYS THINKING ABOUT ATTENDING RUSSIA'S MAY DAY PARADE

Price: 382

Market Cap: £166.68 m

1 Year Share Price Graph



Share Information

Code: CGS

Listing: LSE

52 week	High	Low
	452	341

Sector: Manufacturing & engineering

Website: www.castings.plc.uk

Company Synopsis:

Castings P. L. C. supplies spheroidal graphite iron castings to a variety of manufacturing industries from its fully mechanized foundries at Brownhills. The Company's subsidiaries include William Lee Limited and CNC Speedwell Limited, both of which are 100% owned and are based in the United Kingdom.

action@proactiveinvestors.com

— Neil Wilson (@marketsneil) November 8, 2019

Meanwhile, the negative turn in the US helped drive the FTSE 100 down 43 points to 7,363 at around 3.30pm.

On the company front in London, grocery delivery giant Ocado Group PLC (LON:OCDO) was at the bottom of the blue-chip fallers, sinking 6.2% to 1,201.5p in late-afternoon, while insurer Hiscox Ltd (LON:HSX) was the top riser, up 2.3% at 1,283p.

The pound, meanwhile, was ticking slowly upwards, rising 0.02% to US\$1.2816, which is likely to put more pressure on equities into the final hour of Friday's session.

2.40pm: US markets open lower amid trade uncertainty

Wall Street has started its Friday session on the back foot as traders in New York grapple with the ongoing uncertainty around a US-China trade deal.

Shortly after the opening bell, the Dow Jones Industrial Average was down 0.1% at 27,646 while the S&P 500 fell 0.16% to 3,080 and the Nasdaq dropped 0.18% to 8,419.

Meanwhile, Walt Disney Co (NYSE:DIS) continued its positive run into the main session following an earnings beat, with the stock rising 4.7% to US\$139.30 in early deals.

In London, the FTSE 100 was trading mostly sideways, down 36 points at 7,371.

1.25pm: Trade standstill sets scene for quiet open in US

Wall Street is pointing towards a quiet open, after hitting record highs on Thursday.

Reports of dissent in the White House to the proposed rollbacks on tariffs with China are likely to dent market confidence throughout the session.

The President's assistant Peter Navarro said last night: "There is no agreement at this time to remove any of the existing tariffs as a condition of the Phase One deal".

Futures markets are suggesting little movement, with S&P 500 and the Nasdaq Composite leaning a little into the red as the Dow ticks up 0.06%.

However, Walt Disney Co. (NYSE:DIS) could be a big driver of growth, with shares rising 5% to US\$139.65 in pre-market New York trading.

The media giant revealed US\$19.1bn quarterly revenues last night, up by 34% on a year earlier, as customers flocked to its amusement parks as well as new film versions of evergreen titles such as The Lion King, Toy Story and Aladdin.

Back in London, the Footsie wilted 33 points to 7,373 in the afternoon session over the trade standstill.

12.30pm: easyJet nabs Thomas Cook slots at Gatwick and Bristol

Budget airline easyJet PLC (LON:EZJ) has swooped in to fill the vacuum left by Thomas Cook at London Gatwick and Bristol airports by buying the defunct travel agent's old take-off and landing slots for £36m.

The new slots comprise 12 summer pairs and eight winter pairs at Gatwick as well as six summer pairs and one winter slot at Bristol, with more details to be announced at the firm's full-year results on 19 November.

Gatwick was one of the main bases for Thomas Cook's airline business before its collapse in September, although the slots at its other main hub, Manchester airport, are as yet unclaimed.

The news, however, was greeted with less enthusiasm by investors, as easyJet's shares descended 1.4% to 1,320p in lunchtime trading.

Meanwhile, the FTSE 100 had started its afternoon session more or less where the morning had ended and was 21 points lower at 7,385 shortly before 12.30pm.

11.40am: FTSE 100 still underwater into late-morning As midday approached the FTSE 100 had gained some lost ground but was still underwater, down 17 points at 7,389 shortly after 11.30am.

Uncertainty around the outcome of US-China trade negotiations is continuing to drive the lacklustre performance amid reports that despite hopes of a truce between the two superpowers there remains opposition to a deal in some segments of Donald Trump's administration.

Blue-chip miner Fresnillo Plc (LON:FRES) was among the index's biggest fallers in late-morning, down 3% at 663p, followed closely by its peer Evraz PLC (LON:EVR) which was 2.7% lower at 375.1p.

The biggest riser, meanwhile, was British American Tobacco PLC (LON:BATS), which rose 1.9% to 2,919.5p.

Equities are also under some pressure as sterling is holding stubbornly at around US\$1.28 as currency traders await the latest twists and turns of the UK's election campaign,

The pound was down 0.1% at US\$1.2798 shortly after 11.30am, however, analysts aren't expecting the currency to drop any lower than US\$1.27 until the outcome of the election, and most likely the UK's Brexit position, becomes clearer next month.

10.30am: US-China rumbles on, subduing London markets
The Footsie struggled to recoup losses after a weak open.

Uncertainty is still rippling across from America, where not everyone is convinced a US-China trade agreement will be coming soon.

Some within the Trump administration are reportedly questioning whether or not a rollback is in the USA's best interests from a negotiating position, with the President's assistant stating that there is no tariff agreement with China yet.

Russ Mould at AJ Bell said: "Mixed messages regarding the US/China trade war have left investors frustrated, leading to a down day" with subdued FTSE 100 and European markets.

Having stepped up yesterday on news that the US and China were going to strike a deal, the FTSE 100 miners today are looking less secure with Evraz and Anglo American among the top fallers on the FTSE 100.

The blue-chip index was down 20 points, or 0.27%, at 7386.5, a slight rise from early weakness.

Elsewhere, the domestically-focused FTSE 250 was less badly hit, down 0.25% at 20,383.08 points, with insurer Beazley giving the index a morning boost with a rise of 5.1%.

8.35am: Footsie falters

As expected, the FTSE 100 opened the session in negative territory amid confusion over the status of Sino-American trade relations.

The index of blue-chip stocks fell 22 points to 7,384.09

After encouraging noises earlier in the week, the expected announcement of the roll-back of certain tariffs failed to materialise, sending Asia's main markets into a funk.

"Stocks rally on trade optimism, dip on trade fears - rinse, repeat," said Neil Wilson, senior analyst at Markets.com. "Only in the US, at least, the market just keeps on cranking higher, seemingly no matter what."

Top of the Footsie fallers and losing altitude early on was British Airways owner International Consolidated Airlines

(LON:IAG), which nosed 2.9% lower after its latest traffic stats failed to inspire.

The miners also were on offer, led by Anglo American (LON:AAL), off 2.8%, reflecting market nervousness over the trade talks.

But showing it is possible to make money on the High Street, Games Workshop's (LON:GAW) shares soared 15% after its latest trading update exceeded expectations.

6.45am: FTSE 100 set to nose lower

The FTSE 100 is predicted to head lower on Friday morning amid confusion over whether the US and China will roll back some tariffs as part of an early trade agreement.

Spread-better IG expects the FTSE 100 to open down around 13 points after ending Thursday's session 9 points higher at 7,406.

Reports late on Thursday that the US and China had agreed to reduce existing tariffs as part of a 'phase one' trade deal drove US markets to new record highs overnight, however further revelations that the move is facing internal opposition inside the Trump administration appeared to dampen investor optimism.

The Dow ended Thursday's session 0.7% higher at 27,674, while the S&P 500 was up 0.3% at 3,085 and the Nasdaq rose 0.3% to 8,434 as the optimism washed over New York.

However, the uncertainty over internal US splits was more evident by a mixed performance in Asia on Friday, with the Japanese Nikkei 225 up 0.3% but Hong Kong's Hang Seng fell 0.7%.

On the currency markets, the pound was flat against the dollar at US\$1.2812 following the surprise dovish shift at the Bank of England yesterday, with two of the nine members of the monetary policy committee (MPC) backing interest rate cuts.

The split at the BoE had "weakened support" for the pound, said London Capital Group's Ipek Ozkardeskaya, however, she added that the "slimmed risk of a no-deal Brexit" is likely to keep sterling solid above US\$1.27.

Significant events expected on Friday 8 November:

Trading statement: Beazley PLC (LON:BEZ), Castings PLC (LON:CGS)

AGMs: Red Emperor (LON:RMP)

Economic announcements: US Michigan confidence, US wholesale inventories

Around the markets:

Sterling: US\$1.2812, no change

Brent crude: US\$61.95 a barrel, down 0.55%

Gold: US\$1,470.24 an ounce, up 0.4%

Bitcoin: US\$9,172, down 1.1%

City headlines:

Sajid Javid has rolled out a £300 billion investment plan as he tore up borrowing rules and reversed decades of Conservative policy - Telegraph

Saudi Aramco bankers woo initial public offering investors with a prospect of annual dividend that could exceed \$100 billion - Financial Times

ITV has entered the video streaming wars by launching a UK rival to Netflix. Britbox, a service developed with the BBC, Channel 4 and Channel 5, is part of chief executive Carolyn McCall's plans for reducing the broadcaster's dependence on falling advertising revenues - Daily Mail

The UK's biggest fund manager, Legal & General Investment Management, has spent nearly £300m this year increasing its shareholdings in companies it named and shamed for dragging their heels on climate action - Guardian

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