

Markets start week in reverse gear

● Wall Street also retreated from record highs

● Traders reacted to fading US-China trade deal hopes

● US President Donald Trump denied such an agreement

● Asian markets turned sharply lower

AFP | London



Donald Trump denied China's statement that the economic superpowers had agreed a plan to roll back tariffs as trade talks progress

Stock markets mostly slid yesterday as traders reacted to fading US-China trade deal hopes, renewed unrest in Hong Kong, a stronger pound and political impasse in Spain.

After heavy falls in Asia, Europe headed south with London's benchmark FTSE 100 index shedding 0.4 per cent.

Wall Street also retreated from record highs, with the Dow down 0.4pc in late morning trading.

"Stock markets are largely lower as traders are worried about the US-China trading relationship as well as the violence in Hong Kong," said David Madden, analyst at traders CMC Markets UK.

The pound was up around three-quarters of a percentage point versus the dollar, adding further downward pressure to the FTSE 100 that features sev-

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DAVID MADDEN, ANALYST AT TRADERS CMC MARKETS UK.

eral multinationals earning in the US unit.

Sterling climbed also against the euro, as official data showed Britain had dodged a recession

in the third quarter with growth of 0.3 percent and the ruling Conservatives of Prime Minister Boris Johnson received a major electoral boost.

"The pound was given a boost by Nigel Farage's announcement that the Brexit party won't stand in the 317 seats currently occupied by the Conservatives," said Oanda analyst Craig Erlam.

Farage, a leading force behind the 2016 referendum vote to leave the European Union, had faced criticism that he risked splitting the eurosceptic vote on December 12 if his party ran candidates in constituencies currently held by the Conservatives.

In the eurozone, Madrid's IBEX 35 index spent most of the

Key figures around 1630 GMT

London - FTSE 100:	▼ 0.4 pc at 7,328.54 pts (close)
Frankfurt - DAX 30:	▼ 0.2 pc at 13,198.37 (close)
Paris - CAC 40:	▲ less than 0.1 pc at 5,893.82 (close)
Madrid - IBEX 35:	▲ less than 0.1 pc at 9,399.90
EURO STOXX 50:	▲ at 3,699.35
New York - Dow:	▼ 0.4 pc at 27,561.54
Tokyo - Nikkei 225:	▼ 0.3 pc at 23,331.84 (close)
Hong Kong - Hang Seng:	▼ 2.6 pc at 26,926.55 (close)
Shanghai - Composite:	▼ 1.8 pc at 2,909.97 (close)
Pound/dollar:	▲ at \$1.2864 from \$1.2774 at 2100 GMT
Euro/pound:	▼ at 85.79 pence from 86.25
Euro/dollar:	▲ at \$1.1038 from \$1.1018
Dollar/yen:	▼ at 109.06 yen from 109.26 yen
Brent North Sea crude:	▼ 0.1 pc at \$62.44 per barrel
West Texas Intermediate:	▼ 0.2 pc at \$57.11 per barrel

day lower after Socialist premier Pedro Sanchez emerged as winner but weakened from Sunday's repeat election.

The vote also propelled the far-right Vox into third place in a result set to deepen years of political turmoil in Spain, a leading member of the eurozone.

The IBEX 35 moved into positive territory in the final minutes of trading, ending the day with a gain of less than 0.1 percent.

European markets took "the cue from Asia, whilst political deadlock in Spain is not a help", said Neil Wilson, chief market analyst at Markets.com.

Asian markets turned sharply lower on Monday as another record close on Wall Street on Friday was overshadowed by uncertainty on the China-US trade talks, while Hong Kong was hit also by fresh protests in

which at least one person was shot.

Expectations Beijing and Washington will agree a mini-pact have fuelled an equity rally for the past few weeks.

Hopes had been given an added boost Thursday after China said the two sides had agreed to roll back some tariffs as the negotiations progress.

But the US side sent out some confusing signals after that announcement, before US President Donald Trump denied such an agreement, leaving investors scratching their heads.

Still, White House trade adviser Peter Navarro provided a lift to sentiment, saying Trump could postpone tariffs on Chinese goods scheduled to take effect in December. The S&P 500 and Dow both ended at fresh all-time highs Friday.

World Bank scales back Uighur school project in China

● World Bank funding to the five schools directly supported by the project will continue, under "enhanced supervision."

Washington

The World Bank announced yesterday it was cutting back a vocational education project in China's Xinjiang province.

The World Bank launched a review of the programme in late August after Foreign Policy magazine reported that a school that benefited from a tranche of the \$50 million loan to China bought "barbed wire, gas launchers, and body armour."

The Washington-based development lender said its review "did not substantiate the allegations."

Nonetheless, as a precautionary measure, it said it was cutting funding to the scheme's "partner schools" throughout Xinjiang province that were the target of the allegations.

"In light of the risks associated with the partner schools, which are widely dispersed and difficult to monitor, the scope and footprint of the project is being reduced," the World Bank said in a statement.

Suez Canal: a stormy 150-year history

AFP | Paris

In its 150 years of operations, the Suez Canal has been through wars and high-stakes power struggles as it imposed itself as a vital international waterway.

On the anniversary of its lavish opening ceremony on November 17, 1869, here is a look back at key dates in its history.

4,000 years ago

As far back as the 19th century BC, a canal existed between the Red Sea and a section of the Nile River which links to the Mediterranean.

Dug out during the reign of Pharaoh Sesostri III, it could only be navigated during the wet season and required regular dredging. It was eventually abandoned in the eighth century AD.

From the 16th century various plans were explored to build a navigable waterway between the Mediterranean and Red Sea, essentially providing a shortcut between Europe and Asia.

1859: construction starts

In a breakthrough in 1854, French diplomat Ferdinand de Lesseps persuaded the new Egyptian ruler, Said Pasha, to grant him a concession to construct a canal from the Red Sea to the Mediterranean.

De Lesseps founded the Suez Canal Company in 1855 and the work was financed through the sale of shares, half of which were bought by the Egyptian ruler.

Digging began in 1859, at first



Ships on the Suez Canal in 1956, the year Egypt nationalised the waterway and sparked a major crisis with Britain, France and Israel

by labourers using picks and shovels, and later with steam- and coal-powered machinery. It involved about 60,000 workers.

1869: grandiose opening

The canal was opened on November 17, 1869 in a grandiose ceremony at Port Said attended by European dignitaries including Napoleon III's wife, Empress Eugenie de Montijo.

In November 1875 an indebted Said Pasha sold his shares to the British government, with French shareholders retaining the rest.

1888: goes international

Amid tussles for control, major powers signed in 1888 the

Constantinople Convention that gave the waterway international status and open to all ships in times of war and peace. Egypt was not a signatory.

The provision was not always respected, including during the two World Wars.

1956: Suez Crisis

On July 26, 1956 Egyptian President Gamal Abdel Nasser took the world by surprise by nationalising the canal to help finance construction of the Aswan Dam on the Nile.

It sparked the Suez Crisis in which Britain, France and Israel -- who feared the vital waterway could be cut off -- colluded to attack Egypt.

Israel invaded the Gaza Strip and Sinai peninsula in October; two days later French and British air raids destroyed part of Egypt's air force.

Nasser retaliated in November by sinking all 40 ships in the canal, which was closed until early 1957.

As the tensions soared, Britain and then France ceded, and fighting abruptly ended after 10 days.

The canal was reopened on March 29, 1957 under Egyptian control.

1967: closed by wars

Egypt closed it again in June 1967 during the Six-Day War when Israeli troops invaded



The inauguration of the Suez Canal in November 1869 was a lavish affair attended by French Empress Eugenie de Montijo

Egypt's Sinai Peninsula and reached the east bank of the canal.

It remained closed during the 1973 Yom Kippur War, when Egyptian forces crossed the canal in a bid to retake the Sinai. The Israeli army repelled the attack with a counter-crossing.

The war ended with a UN-backed ceasefire.

1974: returned to Egypt

Talks resulted in a military disengagement deal in January 1974 that saw Israeli forces pull back from the canal, which returned to Egyptian control.

After 15 months of demining work, it reopened to international shipping on June 5, 1975.

2015: expansion

On August 6, 2015 President Abdel Fattah al-Sisi officially opened a new route along the



Egyptian President Gamal Abdel Nasser announcing on July 26, 1956 that he is nationalising the Suez Canal