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U.S. MARKETS

Global Stocks Slip Amid Trade Tensions, Weak Data

The British pound dropped as Parliament was set for combative week over Brexit

By Anna Isaac

Sept. 3, 2019 4:16 am ET

- *European stocks slide, Asia mixed*
- *British pound, Chinese yuan fall*
- *U.S. stock futures down*

Global stocks slipped a day after Beijing said it had lodged a complaint with the World Trade Organization over U.S. tariffs, and the British pound scratched new multiyear lows ahead of a tumultuous week in U.K. politics over Brexit.

The Stoxx Europe 600 dipped 0.6% in opening trade, with Germany's DAX down 0.6% and the France CAC 40 down 0.5%.

The falls came after a mixed session in Asia, that saw indexes in mainland China gain while Japanese stocks were flat and Korea's Kospi edged down.

Japan on Monday said its manufacturers cut spending during the second quarter for the first time in two years, adding to a series of recent data suggesting the U.S.-China trade fight was dampening the world economy. A U.S. survey of manufacturing purchasing managers is expected later Tuesday.

The Chinese yuan fell to its lowest level in more than a decade in offshore trading, as it neared 7.2 against the U.S. dollar. In August, it passed the psychologically significant level of more than seven yuan to the dollar, aggravating Washington, which accused China of currency manipulation.

Meanwhile, the British pound hit its lowest level in 34 years against the dollar after Prime Minister Boris Johnson warned lawmakers not to thwart his plans for quitting the European Union with or without a deal on Oct. 31.

Sterling fell against both the dollar and the euro, to \$1.1969 and €1.0950.

Before the 2016 referendum, a pound bought \$1.4687.

Mr. Johnson told his cabinet that he would call a general election for Oct. 14 if Parliament sought to block his agenda on Brexit. The currency is likely to face further volatility as lawmakers return from summer vacation and seek to pass fresh legislation.

The U.K.'s FTSE 100, which tends to rise as the pound falls, edged down 0.1%, one of the smallest drops in the region.

The yield on U.S. Treasuries slipped to 1.475% on Tuesday, from 1.503% on Friday. The yield on U.K. 10-year gilts was at 0.383%. Bond prices rise as yields fall.

In commodities, global benchmark Brent crude dropped 0.7% to \$58.24 a barrel. Gold gained 0.7%.

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