



Gains on European shares fizzle out as caution returns over Greece

- * FTSEurofirst 300 closes up 0.6 pct, below intraday highs
- * IMF says "major differences" remain with Greece
- * Athens ATG index ended up 8.2 pct before IMF comments
- * Templeton's Mobius still holding onto Greek assets
- * Europe bourses in 2015: link.reuters.com/pap87v
- * Asset performance in 2015: link.reuters.com/gap87v

By [Sudip Kar-Gupta](#)

LONDON, June 11 (Reuters) - A European stock market rally fizzled out on Thursday, as lingering uncertainty over Greece's debt problems pushed shares down from peaks reached earlier in the day.

The pan-European FTSEurofirst 300 index closed up 0.6 percent at 1,557.95 points, below Thursday's intraday peak of 1,568.89 points.

Athens' benchmark ATG equity index had ended up 8.2 percent, with the Greek bank index surging 17.5 percent.

However, the Greek stock market had shut before the International Monetary Fund (IMF) said 'major differences' remained with Greece over an agreement to save the country from bankruptcy.

Those comments on Greece, which will default at the end of June without fresh funds to repay 1.6 billion euros (\$1.8 billion) to the IMF, led to a late pullback on European markets.

Gijs Nagel, director at European brokerage DEGIRO, said some investors were concerned by how Greece's debt talks were dragging on, and by jitters in the bond market that have pushed equity markets off their 2015 highs.

ActivTrades' Ricardo Evangelista said others saw signs of progress with Greece, with many investors still expecting Greece to stay within the euro zone.

Greek Prime Minister Alexis Tsipras and European Commission President Jean-Claude Juncker ended talks on Thursday on Greece's debt crisis and said negotiations would continue.

Mark Mobius, executive chairman of Templeton Emerging Markets Group, said he was continuing to hold Greek shares on expectations of a resolution over Greece's debt.

"I believe that negotiations will continue and that Greece will not leave the European Union, and will not abandon the euro, and eventually some agreement will be had, and that is the reason why we will continue to hold Greek assets," said Mobius.

CARMAKERS RISE

Carmakers were among the best performing stocks.

German carmaker Daimler rose 1.3 percent after the company said its second quarter performance would be better than in its first quarter, while Peugeot rose on speculation it could be a target for rival Fiat.

Energy group Galp Energia and drinks company Heineken also advanced after entering the WisdomTree Europe Hedged Equity ETF fund.

Germany's DAX rose 0.6 percent while France's CAC advanced 0.7 percent.

The DAX remains up around 16 percent since the start of 2015, with stock markets boosted by economic stimulus measures from the European Central Bank, but the DAX is some 8.5 percent below record highs hit in April.

"I think we're stuck in a sideways pattern over the next few months, but within the context of a longer-term bull market. I don't think we'll have highs above those of April, but equally the lows will not be as low as the ones at the start of the year," said Andreas Clenow, hedge fund trader at ACIES Asset Management. (\$1 = 0.8900 euros) (Additional reporting by [Karin Strohecker](#) and Atul Prakash; Editing by Tom Heneghan)