

Stock Market Rises On Corporate Matchmaking

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NEW YORK (AP) — Stocks rose modestly Monday as investors tentatively moved back into the market after a fresh round of merger and acquisition activity.

There are no major economic reports due out Monday that could provide insight into the pace of recovery, so traders are turning their attention to corporate news. Stocks dropped late last week after fresh economic data renewed worries about the economy.

The Dow Jones industrial average rose 56 points in early morning trading. Broader indexes also rose.

Hewlett-Packard Co. offered \$24 per share for 3Par Inc. a week after rival Dell Inc. agreed to buy the data storage provider for \$18 a share. Potash Corp. of Saskatchewan Inc. formally rejected BHP Billiton's \$38.5 billion offer to acquire the fertilizer company.

European markets rose, due in part to news that HSBC Holdings PLC is in talks to buy a controlling stake in Nedbank Group Ltd. of South Africa from Old Mutual PLC for as much as \$6.8 billion.

Potential acquisitions are a sign companies are confident the economy will grow and business will improve in the coming quarters.

U.S. economic reports later this week will be closely watched to see if they can break a run of disappointing numbers. Many reports recently have shown growth is slowing in the domestic economy. That has reignited worries that the U.S. economy could fall back into a recession and curb a global recovery.

Last Thursday's report on weekly claims for unemployment benefits was particularly troubling because claims jumped to their highest level since November. That sparked a two-day sell-off in stocks to end the week.

High unemployment remains the biggest obstacle to a stronger recovery. Analysts widely believe, though, that high unemployment will remain for a while because companies are still tentative about economic growth and unsure about potential increases in taxes and costs from health care reform passed earlier this year.

In early morning trading, the Dow Jones industrial average rose 55.81, or 0.6 percent, to 10,269.43. The Standard & Poor's 500 index rose 6.36, or 0.6 percent, to 1,078.05, while the Nasdaq composite index rose 14.51, or 0.7 percent, to 2,194.27.

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