

Markets Buoyed By U.S. Growth Hopes

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LONDON (AP) — Solid manufacturing surveys from around the world combined with evidence that the U.S. jobs recovery is gaining steam to boost markets on Wednesday, as concerns over Europe's debt crisis eased.

After data showing that China's manufacturing sector is growing solidly and Europe's performing better than forecast, investors were further cheered by a run of fairly strong U.S. economic data.

In particular, the monthly hiring survey from private payrolls agency ADP cemented market predictions that Friday's official government data will show an increase of about 180,000.

Though the 170,000 jobs improvement reported by ADP was well below December's downwardly-revised increase of 292,000, it was only a little shy of expectations for a 185,000 increase.

Given the volatility of the survey, the outcome failed to dent confidence over Friday's nonfarm payrolls data.

Further positive news emerged with the monthly manufacturing survey from the Institute for Supply Management. Its main index rose a point to 54.1 in December, providing evidence that the recovery in the sector was picking. Particularly strong were gauges of orders from both the home market and abroad.

"Far from the U.S. being tugged down by Europe, it looks like the U.S. has done some heavy lifting in supporting European and global growth sentiment," said Alan Ruskin, an analyst at Deutsche Bank.

In Europe, the FTSE 100 index of leading British shares closed 1.9 percent higher at 5,790.72 while Germany's DAX rose 2.4 percent to 6,616.64. The CAC-40 in France ended the day 2.1 percent higher at 3,367.46.

On Wall Street, the Dow Jones industrial average was up 1.1 percent at 12,766 while the broader Standard & Poor's 500 index rose 1.1 percent to 1,327.

The likely focus on the U.S. over the rest of the week will prove a welcome diversion for some traders from monitoring the daily grind of Europe's debt crisis, where much hinges on whether Greece can secure a deal with its private creditors, as is anticipated.

"We still await news from the Greek debt restructuring talks although the few comments that have been made over the last 48 hours have suggested that progress is being made," said Gary Jenkins, managing director at Swordfish

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As well as hopes for Greece, there are other signs that the crisis in Europe has eased, for now. EU leaders agreed this week to push ahead with a closer fiscal union and borrowing rates for Italy and Spain are down sharply from just a couple of months ago, suggesting increased investor confidence.

The sense of an easing in Europe's debt woes helped stocks enjoy a stellar start to the year, with many markets recovering a large chunk of their late-2011 losses. Overall, U.S. shares had their best start in 15 years.

The improving backdrop has helped shore up the euro, too, which was trading 0.9 percent higher at \$1.3204.

Earlier in Asia, stock markets lacked the same momentum seen in Europe.

Tokyo's Nikkei 225 edged up less than 0.1 percent to close at 8,809.79 but Hong Kong's Hang Seng ended down 0.3 percent to 20,333.37. Mainland China's main index in Shanghai also fell 1.2 percent to 2,268.08.

In commodities markets, benchmark oil for March delivery was flat at \$98.48 per barrel in electronic trading on the New York Mercantile Exchange.

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