# Chinese Industrial Upswing Cheers Markets

Carlo Piovano, Associated Press

LONDON (AP) — News that manufacturing activity in China, the world's second largest economy, grew for the first time in 13 months helped push global stocks higher on Monday.

HSBC's Purchasing Managers' Index rose to 50.5 in November from October's 49.5 on a 100-point scale on which numbers above 50 indicate activity is expanding. The index measures overall manufacturing activity by surveying numerous indicators including orders, employment and actual production.

Because Chinese manufacturing is closely linked with the state of the world economy, the increase buoyed market sentiment.

Stocks were higher by late morning in Europe. Britain's FTSE 100 rose 0.2 percent to 5,880.64 while Germany's DAX added 0.5 percent to 7,439.09. France's CAC-40 advanced 0.6 percent to 3,577.20.

Wall Street appeared headed for a session of modest gains, with Dow Jones industrial futures rising 0.2 percent to 13,028 and S&P 500 futures adding 0.1 percent to 1,415.80.

In Europe, Greece was outlining the details of a plan for the country to lower its debt burden by purchasing its bonds back from private-sector investors at lower prices. The details will be presented to the finance ministers of the 17 European Union countries that use the euro at their meeting in Brussels later Monday.

Besides ironing out the remaining details on Greece's debt relief program, the ministers are also likely to discuss a bailout for Cyprus. No final decision on the bailout is expected Monday, however as its size depends on an experts' report that has not yet been completed.

Meanwhile, investors will also keep monitoring progress of U.S. budget negotiations. Lawmakers need to reach an agreement to avoid the so-called fiscal cliff — a package of tax increases and government spending cuts that will automatically take effect in 2013 unless lawmakers take action.

Economists have warned that the package's high cost could throw the U.S. back into recession.

Earlier, Asian stocks performed with less conviction than their European counterparts.

Japan's Nikkei 225 index rose 0.1 percent to close at 9,458.18 while South Korea's Kospi gained 0.4 percent to 1,940.02. Australia's S&P/ASX 200 added 0.6 percent to

4,531.50.

But Hong Kong's Hang Seng shed morning gains to tumble 1.2 percent at 21,767.85.

And investors continued to abandon mainland Chinese stocks despite the more upbeat manufacturing survey. The Shanghai Composite Index fell 1 percent to 1,959.77. The smaller Shenzhen Composite Index slid 2.5 percent to 734.28.

Analysts said this was likely due to the fact that more upbeat indicators may reduce the Chinese government's willingness to provide new stimulus to the economy. While the Chinese manufacturing survey was a positive signal for global demand, it lowered the chances of easier credit for Chinese companies.

Benchmark oil for January delivery was down 4 cents to $88.87 per barrel in electronic trading on the New York Mercantile Exchange. The contract rose 84 cents to close at $88.91 in New York on Friday.

In currencies, the euro rose to $1.3032 from $1.3002 Friday in New York. The dollar fell to 82.12 yen from 82.50 yen.

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