

European Markets Turn Positive

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Eagle River, WI 10/12/2011 ([PennyPayDay](#)) – The European markets shrugged off early weakness and are moderate to notably higher in afternoon trading Wednesday, after investors in the region digested news of the Slovak Parliament blocking the expansion of the European Financial Stability Facility, amid hopes of a plan for recapitalizing European financial institutions to be unveiled today. On the economic front, industrial production in the Eurozone increased unexpectedly in August. Asian markets mostly rose and the U.S. index futures are higher.

The Slovak Parliament on Tuesday blocked the expansion of the European Financial Stability Facility, potentially hurting Eurozone's rescue from the lingering debt crisis. The government in Slovakia also failed a confidence test in the Parliament, but still sounded optimistic that the EFSF could be ratified by the end of this week.

Slovakia is the only euro zone member yet to ratify the deal. The bailout fund is crucial to rescue Greece from bankruptcy and to stop the crisis from spreading to other countries.

Meanwhile, the troika of Greece's creditors indicated that the sixth tranche of a bail out fund worth eight billion euros will be disbursed to the troubled nation "most likely, in early November." ECB said the mission has reached staff-level agreement with the Greek authorities on the economic and financial policies needed to bring the government's economic program back on track.

The European Commission president Jose Manuel Barroso suggested yesterday that he would announce proposals to support the region's troubled banks and also measures to strengthen the EFSF.

The Euro Stoxx 50 index of eurozone bluechip stocks is advancing 1.53 percent, while the Stoxx Europe 50 index, which includes some major U.K. companies, is adding 0.74 percent.

The German DAX is climbing 1.35 percent and the French CAC 40 is gaining 1.37 percent. The UK's FTSE 100 is advancing 0.48 percent and Switzerland's SMI is adding 0.50 percent.

Among the DAX components, Daimler is gaining 4.2 percent, BMW is climbing 2.9 percent and Volkswagen is adding 2.2 percent. Porsche is up 2 percent.

K+S is rising 3.7 percent. Bayer and Basf are adding 2.1 percent and 1.1 percent, respectively.

Deutsche Telekom is adding 1.2 percent. Barclays cut its price target on the stock.

Deutsche Bank is adding 1.6 percent, while Commerzbank is losing 0.5 percent. Societe Generale reduced Commerzbank to "Hold" from "Buy."

Metro is up 0.5 percent. JPMorgan cut its price target on the stock.

Siemens is up about 1 percent, even after Morgan Stanley reduced its price target on the stock to 80 euros from 85 euros.

Kabel Deutschland is falling 0.5 percent. Barclays raised its price target on the stock.

Pharmaceutical distribution company Celesio is adding 2.4 percent after Nomura raised the stock to "Neutral" from "Reduce."

UBS cut its price target on Kronos to 38 euros from 47 euros. The stock is flat.

In Paris, Hotel group Accor is climbing 4.7 percent. Tire firm Michelin and speed-train maker Alstom are adding 4.6 percent each.

Saint-Gobain, Lafarge, Bouygues and Vinci are firmly in positive territory.

Renault is climbing 2.8 percent and Peugeot is adding 2 percent.

Societe Generale is climbing 3.9 percent, BNP Paribas is adding 2.1 percent and Credit Agricole is rising 1.4 percent. Natixis is gaining 1.4 percent. Societe Generale raised BNP Paribas to "Buy" from "Hold."

Carrefour is up 1.3 percent. JPMorgan cut the stock to "Neutral" from "Overweight" and reduced its price target to 21.31 euros from 40 euros.

In London, miners Anglo American, BHP Billiton, Rio Tinto, Antofagasta, Kazakhmys, Vedanta and Xstrata are adding between 1.5 percent and 4.4 percent. Eurasian Natural Resources is climbing 6 percent.

Fresnillo is losing 3.1 percent. The company trimmed its fiscal 2011 silver output forecast as third-quarter production declined. Randgold Resources is adding 4 percent.

Barclays is adding 2.1 percent and Royal Bank of Scotland is climbing 2.3 percent. HSBC is up 1 percent. Lloyds Banking is falling moderately.

BP is adding 2 percent and Royal Dutch Shell is gaining 0.5 percent. Tullow Oil is falling 3.4 percent after

reports emerged that Uganda lawmakers voted to delay its sale of some interests in the country to France's Total and China's CNOOC.

Man Group is falling 5.5 percent. The company Tuesday reported a 5.5 percent drop in the net asset value of its AHL diversified fund in the previous week.

BAE Systems said it continues to anticipate underlying earnings per share for the year ending December 31 to be broadly similar to the restated earnings in 2010. However, the company sees some near-term disruption to trading as the US administration again operates federal budgets under a Continuing Resolution. The stock is up marginally.

Burberry is adding 3.2 percent. The fashion house said its total revenue for the first half of the year increased 30 percent at constant exchange rates, with double-digit growth across all regions and all product categories.

WPP Group said its wholly-owned operating company JWT agreed to acquire a majority stake in A4A, a leading full service digital agency in China. The stock is up 1.2 percent.

ASML is adding 2.3 percent in Amsterdam. The chipmaker reported high profit in the third quarter and backed its full-year sales view.

Jeronimo Martin is adding 3.7 percent in Lisbon, reportedly on an analyst upgrade.

In economic news, Germany's wholesale price inflation slowed for a sixth consecutive month in September, the Federal Statistical Office said. The rate of inflation eased to 5.7 percent in September from 6.5 percent in August.

French consumer prices, as measured by the harmonized index of consumer prices, HICP, rose 2.4 percent year-on-year in September, the statistical office INSEE said. Economists expected prices to rise 2.6 percent. Meanwhile, the consumer price index advanced 2.2 percent, slower than the 2.5 percent increase forecast.

U.K. claimant count increased 17,500 in September from August, data from the Office for National Statistics revealed. But the increase was below the 24,000 monthly rise forecast by economists. There were 1.60 million people claiming Jobseeker's Allowance in September. The claimant count rate came in at 5 percent, in line with economists' expectations.

Industrial production in the Eurozone increased unexpectedly in August, data released by Eurostat showed. The seasonally adjusted industrial output increased 1.2 percent on a monthly basis in August, following an upwardly revised 1.1 percent rise in July. Economists expected a 0.8 percent fall.

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