World stocks rise, Softbank pounces on Sprint

The Associated Press

BANGKOK (AP) — European stocks rose and some Asian markets staged a comeback Monday as investors looked ahead to the release of U.S. earnings reports and Softbank's $20 billion deal for Sprint showed optimism amid economic turbulence.

News of the Japanese mobile company's deal for a 70 percent stake in U.S. mobile carrier Sprint Nextel came after Japan's stock market had closed but its ambition and size — the largest ever foreign acquisition by a Japanese company — provides a confidence booster for markets beset by economic gloom. Shares of Sprint had soared on anticipation of the deal while Softbank faded on concerns it could be overreaching.

Investors are also gearing up for another week of quarterly earnings on Wall Street. Citigroup and Gannett Co. are among those issuing third-quarter reports Monday.

Britain's FTSE 100 rose 0.3 percent to 5,812.94 and Germany's DAX gained 0.8 percent to 7,289.22. France's CAC-40 rose 1.1 percent to 3,424.36. Wall Street was set to rise. Dow Jones industrial futures added 0.3 percent to 13,288 and S&P 500 futures advanced 0.4 percent 1,427.30.

Shares in Asia had a mixed day after China released data showing consumer prices for September rose 1.9 percent from a year earlier. While an improvement from August's 2 percent rise, analysts said closer examination of the figures suggests that China's government and central bank will be cautious about doing more to boost growth in the world's No. 2 economy.

Dariusz Kowalczyk at Credit Agricole CIB in Hong Kong said China's non-food inflation accelerated to a seven-month high of 1.7 percent, an indication of underlying price pressure that "reduces the odds of further monetary easing."

"A combination of growth softness and less room to ease policy stance is a negative and should weigh on sentiment today," he said.

Japan's Nikkei 225 index rose 0.5 percent to close at 8,577.93, snapping a four-day losing streak. Hong Kong's Hang Seng rose less than 0.1 percent to 21,148.25. Benchmarks in India, Singapore, and New Zealand also rose.

South Korea's Kospi fell 0.4 percent to 1,925.59. Australia's S&P/ASX 200 dropped 0.1 percent to 4,483.40. Mainland China's Shanghai Composite Index lost 0.3 percent to 2,098.70 and the smaller Shenzhen Composite Index lost 0.7 percent at 859.47. Benchmarks in Singapore, Indonesia and the Philippines rose.

Concerns about global economic growth — especially the direction of China's economy — hurt Australian mining shares since Australia is a major exporter of iron ore and other minerals to China. Newcrest Mining fell 2.1 percent and Fortescue Metals Group tumbled 3.4 percent.

Falling gold prices hurt shares of related companies. Hong Kong-listed Zijin Mining Co., China's largest gold miner, shed 1.6 percent.

Still, investors found deals among Japanese blue chips. Honda Motor Corp. jumped 3.9 percent. Toyota Motor Corp. gained 2.1 percent. Toshiba Corp. rose 2.3 percent.

"Decent exporters are being bought and I think that makes sense," said Benjamin Collett, head of Japanese equities at Louis Capital Markets in Hong Kong.

Benchmark oil for November delivery was down 29 cents to $91.57 per barrel in electronic trading on the New York Mercantile Exchange.

In currency trading, the euro rose to $1.2963 from $1.2958 late Friday in New York. The dollar rose to 78.55 yen from 78.38 yen.

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