

Markets get earnings cheer ahead of Apple

October 25 2012, by Pan Pylas

(AP)—A run of encouraging corporate earnings statements ahead of a report from Apple shored up sentiment in financial markets Thursday.

Though European trading updates were not uniformly positive, the tone in markets improved through the day. German industrial conglomerate BASF, consumer products company Unilever and Swiss bank [Credit Suisse](#) all enjoyed strong share price gains after their reports.

U.S. earnings reports did little to alter the mood. Procter & Gamble, for example, led the Dow Jones industrial average higher after the giant consumer products company reported earnings that beat analysts' expectations. It was a welcome change for investors after a slew of large companies turned in poor results over the past two weeks.

In Europe, Germany's DAX was up 0.7 percent at 7,242 while the CAC-40 in France rose 0.4 percent to 3,439. The FTSE 100 index of leading British shares was 0.4 percent higher at 5,826.

U.K. stocks did not register much of a gain from figures showing the British economy grew by a greater than expected 1 percent in the third quarter, bringing it out of recession, thanks partly to spending on the London Olympics. The British pound, though, rose as traders lowered their expectations of another monetary stimulus from the Bank of England next month. It was up 0.6 percent at \$1.628 by late afternoon in London.

In the U.S., the Dow Jones industrial average was up 0.5 percent at

13,140 while the broader S&P 500 index rose 0.6 percent to 1,417.

Earnings results from Amazon and Apple, which is the world's largest company by market capitalization, will be released after the markets close. [Apple](#)'s results are expected to get the most attention.

"The tech sector has generally disappointed this time round and with analysts already expecting sales to be subdued, the question will be just how big a hit the firm has taken, and can it expect to recover with new products and the run up to Christmas," said Fawad Razaqzada, market strategist at GFT Markets.

Despite the steadier tone over the past couple of days, concerns about the global economy remain, and could linger until the result of the U.S. presidential election is clear. Americans go to the polls in less than two weeks.

"With the U.S. markets now awaiting the outcome of an increasingly tight election race whilst European markets endure the political brinkmanship embracing the eurozone, the remaining confidence is slowly being sapped from investors," said Mike McCudden, head of derivatives at Interactive Investor.

Earlier, sentiment in markets had been buoyed by another improving Chinese manufacturing survey, which eased concerns that the world's second-largest economy was heading for a hard economic landing after years of big growth.

Asian stock markets finished mostly higher. Japan's Nikkei 225 index rose 1.1 percent to close at 9,055.20—a one-month high. A weakening yen helped to boost export shares.

South Korea's Kospi rose 0.6 percent to 1,924.50 but mainland Chinese

shares failed to capitalize on the manufacturing news—the Shanghai Composite shed 0.7 percent to 2,101.58 while the Shenzhen Composite Index lost 1 percent to 858.04.

In the currency markets, trading was lackluster, with the euro shedding most of its earlier gains to trade flat on the day at \$1.2972.

The price of oil, meanwhile, won some respite after recent losses and the benchmark New York crude contract was 72 cents higher at \$86.45 a barrel.

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