European Stocks Advance on Manufacturing Data; UBS Gains

By Peter Levring - May 2, 2012

European (SXXP) stocks advanced as a report showed American manufacturing expanded in April and as investors awaited a private report on payrolls in the world's largest economy. U.S. index futures and Asian shares climbed.

UBS AG (UBSN), the biggest bank in Switzerland, jumped 5.4 percent after first-quarter earnings beat analysts' estimates.

The benchmark Stoxx Europe 600 Index advanced 1 percent to 260.83 at 8:04 a.m. in London. Futures on the Standard & Poor's 500 Index gained 0.3 percent, while the MSCI Asia Pacific Index added 0.5 percent.

The Stoxx Europe 600 Index on April 30 fell for the first time in five days, capping the biggest monthly drop since September, as Spain entered a recession and U.S. business activity expanded at the slowest pace since November 2009.

All western European markets except the U.K., Ireland and Denmark were closed yesterday for the May Day holiday. The Stoxx 600 gained 0.4 percent in trading limited to the three markets after U.S. data showed manufacturing expanded in April.

The Institute for Supply Management’s factory index climbed to 54.8, exceeding the most optimistic forecast in a Bloomberg survey, from 53.4 in March. Readings greater than 50 signal growth.

Chinese Manufacturing

In China, a survey released by HSBC Holdings Plc and Markit Economics indicated that output at small and medium-sized enterprises contracted. That contrasts a report yesterday that showed Chinese manufacturing expanded last month at the fastest pace in a year.

Among reports scheduled for release today are data on euro-area manufacturing and unemployment.

In the U.S., companies added 170,000 workers in April, figures from ADP Employer Services may show, economists surveyed by Bloomberg said.

Today, another report may show U.S. factory orders declined in March for the second month in three. Bookings slipped 1.7 percent, according to the median projection in a Bloomberg News survey.

Former Federal Reserve Chairman Alan Greenspan said U.S. stocks offer good value and are likely to rise as corporate earnings increase over time.

“There is no place for earnings to grow except into stock prices,” said Greenspan, who served as Fed chairman from August 1987 to January 2006.

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