European stocks opened higher Friday after Spain’s 2013 budget announcement and ahead of the results of an independent stress test on the nation’s banks.

London’s FTSE 100 opened 0.3% higher, Germany’s DAX gained 0.5% and France’s CAC-40 rose 0.5%.

The Spanish government’s 2013 budget plan includes severe cuts and reforms, making a European bailout more likely. The government said that the draft budget would cut overall spending by €40 billion ($51.65 billion).

"With the Spanish budget paving the way for an official bailout request, renewed concern about the euro-zone crisis has eased," Crédit Agricole Corporate & Investment Bank said in a note to clients.

European Commissioner for Economic and Monetary Affairs, Olli Rehn, said Madrid’s budget was a major step toward recovery, that in some ways, goes beyond what the group has recommended.

"With the conditionality uncertainty now out of the way, the unanswered questions pertain mainly to the timing of any forthcoming bailout request and the political machinations required for a request for aide to come through," Crédit Agricole said. "A possible sequencing would be: the European Commission and the ECB send an official message welcoming the measures; Spain makes a formal request for a light package; a memorandum of understanding is signed; Outright Monetary Transactions are activated."

But Spain still has a hurdle to overcome Friday, with the results of the independent bank stress tests due. According to recent press reports, the audit is expected to show a capital shortfall of about €60 billion.

Greece will also be in focus, after its coalition partners Thursday reached a deal on a multibillion-euro austerity plan demanded by its international creditors. The package, which still has some details outstanding, now has to get the approval from creditors and Parliament.

Meanwhile, in France, the government will present a budget with €10 billion of cuts and €20 billion of tax increases, aimed at bringing the deficit down to 3% of gross domestic product in 2013, from a projected 4.5% this year.

On the data front, the flash estimate of euro-area inflation for September is due at 0400 ET. In the U.S., personal income and spending figures are at 0830 ET, Chicago PMI is at 0945 ET and University of Michigan confidence is at 0955 ET.

In Asia, markets were mostly higher Friday. Japan’s Nikkei was down 0.9%, but Hong Kong’s Hang Seng Index was up 0.3%, Australia’s S&P/ASX 200 and South Korea’s Kospi Composite were both up 0.2%, and the Shanghai Composite added 1%.

In currency markets, the euro was a touch higher against the dollar and early Friday was fetching $1.2927 from $1.2918 late Thursday in New York. The dollar was at ¥77.49 from ¥77.60.

November Nymex crude oil futures were up $0.47 at $92.32 per barrel and the November Brent oil contract was up $0.36 at $112.37. Spot gold was up $3.90 at $1,781.30.

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