

## China trade growth boosts US, world stocks



Trader work on the floor of the New York Stock Exchange yesterday .

The expected piece of news that China's exports have regained steam after a sharp slump earlier gave a shot in the arm to investors. Wall Street shot up Thursday by more than 2.8 percent.

Markets around the world rose after China said exports rose 48.5 percent in May, while imports jumped 48.3 percent.

Investors sent the Dow Jones index back to 10,000 after a stream of upbeat economic news convinced them that things aren't so bad after all.

The Dow rose 273 points to 10,172, and all other key indexes jumped by more than 2.5 percent.

Energy stocks led the market higher after they slid Wednesday on concerns that BP would be forced to cut its dividend because of the Gulf of Mexico oil spill. BP rose 12.3 percent from a 14-year low.

Most bank stocks rose but Goldman Sachs fell 2.2 percent to its lowest level in a year following news reports that it was target of another investigation by the Securities and Exchange Commission.

Investors have pounded stocks for more than a month because of concerns that Europe's sovereign debt crisis would slow a rebound worldwide. Thursday's advance was the latest swing in a market that has been volatile for weeks, including three late-day slides in the past four days.

The increase in China's May trade figures provides relief to fears that debt woes in Europe would halt a global recovery. The 27-nation European Union is China's largest trading partner. China has said it wanted to cool its economy to keep it from getting overheated.

Earlier, investors had grown concerned that China would inadvertently slow growth too much and hurt a global rebound.

"China so far has been able to pull this off," said John Apruzzese, partner and equity portfolio manager at Evercore Wealth Management in New York. "There's more focus on Europe but I think it's more about China."

The euro, used by 16 countries in Europe, rose to \$1.2111. The currency has become an indicator of investor confidence in Europe's ability to cut debt without spoiling a recovery.

Traders grew more confident that a global rebound was intact. Beyond the news out of China, Japan's economy grew faster than expected in the first three months.

While investors worry about Europe's debt problems, there are also concerns about the job market in the U.S. An unemployment rate of 9.7 percent remains one of the biggest obstacles to a strong domestic rebound.

The Labor Department said new claims for unemployment fell by 3,000 to a seasonally adjusted 456,000. While that figure fell short of economists' forecast, traders were heartened by numbers showing total claims last week dropped by the largest amount in almost a year.

On its face, the drop is good news but there it also could indicate that people have run out of their state benefits and are moving to longer-term federal benefits.  
Crude oil rose \$1.10 to \$75.48 per barrel in New York.

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