

#BUSINESS NEWS

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# Oil bounce, company results keep stocks on high

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Traders work in front of the German share price index, DAX board, at the stock exchange in Frankfurt, Germany, July 21, 2017.

Staff/Remote

LONDON (Reuters) - Oil's rise back above \$50 a barrel helped prod stock markets higher on Wednesday, while company results and economic data continued to soothe worries that the world economy may be ripe for a another slowdown.

European stock markets .FTEU3 rose around half a percent, led by energy and commodity-linked firms after Brent crude topped the \$50 mark for the first time since early June and copper added another 1 percent to this week's surge. CMCU3

A slightly less bullish performance in Asia pulled the MSCI world equity index .MIWD00000PUS, which tracks shares in 46 countries, off all-time highs overnight.

But early in the European session, it was up 0.1 percent on the day, and U.S. stocks futures showed Wall Street should edge higher on opening. 1YMc1 ESc1 NQc1

Strong results from energy firms Subsea 7 ([SUBC.OL](#)) and Tullow Oil ([TLW.L](#)) helped European shares, but banks weighed on index-level gains as investors awaited the outcome later on Wednesday of the Federal Reserve's two-day policy meeting.

"The indications are more positive on the outlook for energy stocks," said Angelo Meda, head of equities at Banor SIM in Milan, adding that firms had reset expectations on valuations and cleaned up their balance sheets.

"The outlook is not so bad (...) We are still missing one component which is the commentary from big oil firms Total, BP, Royal Dutch Shell."

The pan-European STOXX 600 gained 0.4 percent, in line with euro zone stocks .STOXXE and blue-chips [.STOXX50E](#), as oil and gas stocks .SXEP gained 0.7 percent.

Germany's Ifo business survey on Tuesday showed confidence soaring to record highs in July amid what its economists described as a 'euphoric' mood in German industry, while U.S. consumer confidence levels jumped to near 16-year highs.

The latter numbers helped the dollar recover some ground in U.S. and Asian trading on Wednesday, with traders citing a trimming of positions ahead of the Fed meeting, not due until late in the U.S. session. (1800 GMT)

The dollar, hurt since March by a retreat in expectations for further rises in interest rates this year, gained just over 0.1 percent against both the euro and the euro-dominated basket of currencies most used to measure its broader strength. .DXY

"Most people have an ultra benign view of what we will get out of the Fed today," said Koon Chow, a strategist at Swiss private bank UBP.

"The focus is not so much on the next hike but the start of the roll off [reduction of the central bank's balance sheet]. The Fed has already helped us a lot by indicating that when it happens it will be a very gradual process."

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