

CLM Asian-Pacific Stocks

HD **China Shares Jump To 7-Month High**

BY By Shen Hong and Daniel Inman

WC 463 words

PD 29 July 2014

SN The Wall Street Journal Asia

SC AWSJ

PG 20

LA English

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Chinese shares hit a seven-month high Monday on fresh signs of a recovering economy and expectations that Beijing will accelerate overhauls in the country's banking sector.

The benchmark Shanghai Composite Index rose 2.4% to 2177.95, its fifth consecutive gain and its highest close since Dec. 13. The index has recorded gains of 2.9% so far this year, compared with a loss of 6.7% for all of last year.

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"The market kept up with last week's momentum, and the rally is mainly driven by further stabilizing economic conditions," said Deng Wenyuan, an analyst at Soochow Securities.

Official data released Sunday showed that profits at **China**'s largest industrial firms rose 17.9% in June from a year earlier, up sharply from an 8.9% rise in May.

Banking stocks led the broader market's rally, triggered by market chatter that Beijing may soon allow some of the nation's biggest lenders, such as Bank of Communications, to bring in more private or foreign strategic investors. Bank of Communications surged 9.9%.

Industrial & Commercial Bank of **China** added 2.3% after the country's largest lender by market value announced that it plans to raise as much as \$12.9 **billion** through the **sale** of preferred shares.

In **Hong Kong**, the Hang Seng Index added 0.9% to 24428.63, its highest close in more than 3 1/2 years and its fifth consecutive session of gains.

Elsewhere, South Korea's Kospi added 0.7% to 2048.81 as the market extended gains after last week's government announcement of a stimulus package.

Australia's S&P/ASX 200 was down 0.1% to 5577.40, and India's Sensex fell 0.5% to finish at 25991.23.

With few broad catalysts for the region, investors were looking to Friday's U.S. nonfarm payrolls data, which will give an update on the health of the world's largest economy. Throughout this week, investors will also get corporate earnings from Japan and Australia.

In Australia, Leighton Holdings fell 2.4% even after the **company** beat first-half earnings estimates, with a net profit of 291.3 **million** Australian dollars (\$274 **million**), down 20% from a year earlier. The **firm**'s stock had a strong run-up ahead of the earnings and remains up 12% so far this month.

Healthscope rose 5.2% from its initial-public-offering price in its Australian trading debut.

In **Hong Kong**, shares of **solar**-panel parts supplier GCL-Poly **Energy** rose 1.2% after it said it expects to post its second consecutive half in the black.

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