BUSINESS

Europe news fuels stock rally

Yahoo shares rise on new speculation of takeover of Internet search firm

Staff, wire reports

Stocks were sharply higher Monday after the leaders of France and Germany promised to strengthen European banks.

The Dow Jones Industrial Average soared 330 points, or nearly 3 percent, with bank stocks leading the way. Bank of America Corp. jumped 38 cents, or 6.44 percent, to $6.28.

Shares of Yahoo Inc. rose as more reports emerged that potential buyers are circling the Internet search company.

The stock rose 37 cents, or 2.4 percent, to $15.84 after Reuters reported that Yahoo co-founder Jerry Yang might organize a buyout with private equity firms.

Bloomberg reported that Alibaba, China's biggest e-commerce site, has talked to Singapore's state-owned investment company, Temasek Holdings, about financing to buy out Yahoo's 40 percent stake in Alibaba.

Among other stocks of local interest, Duke Energy rose 47 cents, or 2.37 percent, to $20.26; General Electric moved ahead 64 cents, or 4.13 percent, to $16.14; and ScanSource jumped $1.62, or 4.92 percent, to $34.56.

ScanSource, a Greenville-based distributor of specialty technology products, said Friday sales for its quarter ended Sept. 30 were expected to range from $755 million to $765 million, compared with $635 million for the same period a year earlier.

Financial markets responded after German Chancellor Angela Merkel and French President Nicolas Sarkozy said they would finalize a "comprehensive response" to the debt crisis by the end of the month.

The Dow closed at 11,433.

The Standard & Poor's 500-stock index rose 39 points, or 3.4 percent, to 1,194.89. The Nasdaq Composite gained 86.7 points, or 3.5 percent, to 2,566.

Ten stocks rose for every one that fell on the New York Stock Exchange. Trading volume was light at 3.8 billion shares.

Bond trading was closed for the Columbus Day holiday.