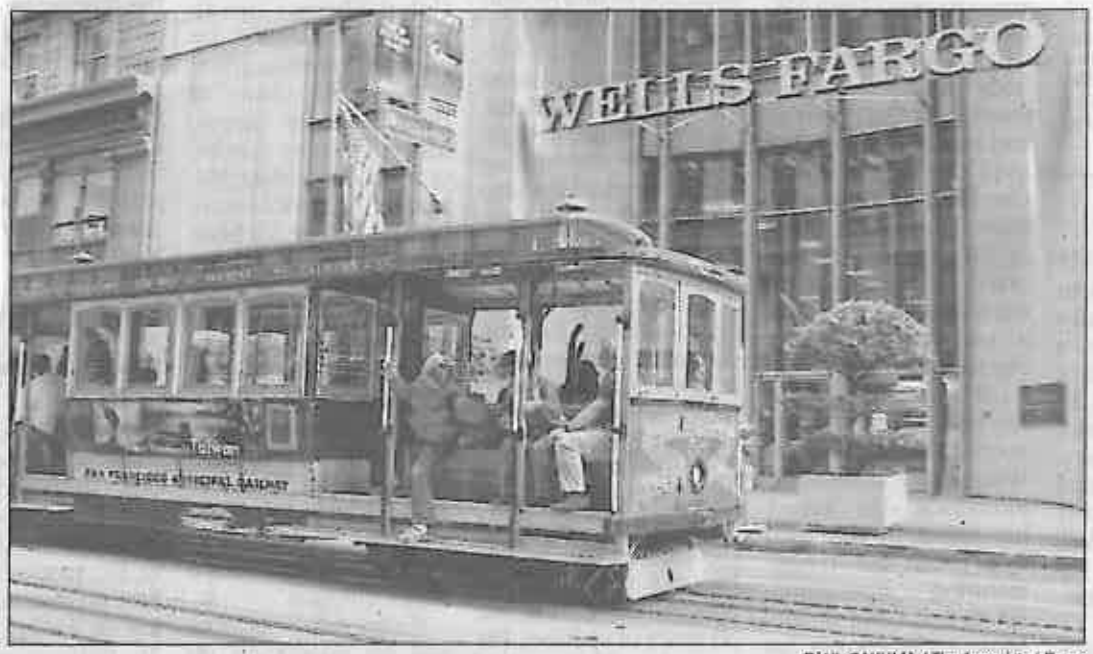


PAUL SAKUMA / The Associated Press

Wells Fargo & Co. said Wednesday its third-quarter profit rose 19 percent and beat forecasts as losses from failed loans fell for the third straight quarter.

Market rebounds as dollar falls abroad

Earnings reports, rise in China market helps send stocks up

By David K. Randall
THE ASSOCIATED PRESS

NEW YORK — A decline in the dollar helped fuel a market rebound on Wednesday that nearly erased a big selloff the day before brought on by fears of a slowdown in China.

Stocks had fallen more than 1 percent Tuesday after a surprise interest rate increase in China, the first time the country had raised rates in nearly three years. That made some traders concerned that slower growth in China might put a drag on the global economy.

Some of those concerns were erased after the Shanghai Composite Index, China's main stock market benchmark, rose slightly in overnight trading. Those gains "helped create a more constructive tone for the trade this morning," said Nick Kalivas, an equity analyst for MF Global.

The fact that China raised interest without leading to a drop in stock prices "was a sign of strength," said Sandy Mehta, the chief investment manager for Value Investment Principals, based in Hong Kong. "Raising rates show that they have confidence in their economy and it continues to grow strongly."

After the bell, Netflix Inc. and eBay Inc. reported stronger than expected revenues. Every segment within the Standard and Poor index rose, led by a 1.9 percent jump in S&P's index of materials companies, a group that includes aluminum maker Alcoa Inc. and International Paper Co.

The dollar fell 1.2 percent against a broad basket of currencies as demand for safe-haven investments eased.

The Dow Jones industrial average rose 129.35, or 1.2 percent, to 11,107.97. The broader Standard and Poor's 500 index was up 12.27, or 1.1 percent, to 1,178.17, and the technology-focused Nasdaq composite index was up 20.44, or 0.8 percent, to 2,457.39.

A batch of positive corporate earnings reports from companies like Delta Air Lines Inc., American Airlines parent company AMR Corp. and Boeing Co. helped send the stock market higher.