

LONDON MARKETS: Serco Group Rallies As London Notches 5-year High

03/05/2013| 12:15pm US/Eastern

By Sara Sjolín, MarketWatch

LONDON (MarketWatch) -- U.K. stocks closed Tuesday at their highest level in more than five years after data showed Britain's services sector expanded for a second straight month in February, while a global equity rally sent Wall Street's Dow Jones Industrial Average to an all-time high.

The FTSE 100 index rose 1.4% to close at 6,431.95, its highest finish since January 2008.

U.S. stocks rallied, pushing the Dow industrials past its all-time intraday and closing highs. See: U.S. stocks rally to lift Dow to new heights.

Shares of Serco Group PLC rallied almost 9% after the outsourcing company reported a rise in full-year profit and lifted its dividend to 10.1 pence (US\$0.15) from 8.4 pence. See: Serco year pretax net up; dividend increased.

Mining firms were also on the rise, as metals prices rose across the board. Shares of Kazakhmys PLC gained 3.2%, Rio Tinto PLC ([>> Rio Tinto plc](#)) picked up 3.7% and BHP Billiton PLC ([>> BHP Billiton Limited](#)) added 3.5%. See: Gold rebounds from three-day price decline.

Shares of Glencore International PLC ([>> Glencore International Plc](#)) advanced 5.7%. The commodity titan reported a 15% rise in revenue for 2012 and proposed raising dividends 5% to \$0.1575 a share. Additionally, the company extended the deadline for completing its merger with Xstrata PLC to April 16 from March 15, the second extension this year.

Shares of Xstrata rose 6.8%, as the miner reported a 14% increase in full-year dividends to \$0.455. See: Xstrata net off on commodity prices, write-downs.

On the data front in the U.K., the Markit/CIPS services purchasing-managers index pointed to the fastest rise in activity for five months, while business confidence hit a nine-month high. The reading came in at 51.8 in February, above January's 51.5 and exceeding market expectations.

Banks put in a solid performance, with shares of Standard Chartered PLC rising more than 3% after a well-received earnings report. The bank said it is seeing good momentum so far this year after posting an 8% rise in full-year revenue. See: Standard Chartered: Good '13 start after flat '12.

Shares of Royal Bank of Scotland Group PLC ([>> Royal Bank of Scotland Group plc](#)) gained 1.9%, Barclays PLC ([>> Barclays PLC](#)) rose 2.3% and HSBC Holdings PLC ([>> HSBC Holdings plc](#)) inched 0.6% higher.

Among other notable gainers, shares of John Wood Group PLC jumped 7.9% after the energy-services company said it would boost dividends 26%. See: John Wood year profit jumps; total payout up 26%.

Shares of Hammerson PLC gained 2.4% after Bank of America Merrill Lynch lifted the real-estate investment firm to buy from neutral.

"Hammerson is now very much on the front foot, with a clear focus and ambition, a healthy balance sheet, an attractive development program and solid earnings momentum," the analysts said in a note.

Stocks mentioned in the article : [Rio Tinto plc](#), [Royal Bank of Scotland Group plc](#), [BHP Billiton Limited](#), [Glencore International Plc](#), [HSBC Holdings plc](#), [Barclays PLC](#)