

U.S. stock futures edge up

U.S. stock futures rose on Monday, after First Citizens Bancshares helped calm unsettled markets by saying that it would take the deposits and loans of failed Silicon Valley Bank.

The deal offered markets some respite after weeks of turmoil set off by the collapse of tech focused SVB earlier this month and punctuated by more bank failures and rescues orchestrated by authorities.

S&P 500 futures traded up 0.5% and Nasdaq futures edged up 0.3% as of 1145 GMT.

The pan-European STOXX 600 index rose up 1.3%. The STOXX banks index jumped 2.3% in early trading and was last up 1.6%.

Deutsche Bank (ETR:DBKGn) shares rose about 5% after leading declines in the sector on Friday, when the cost of insuring the German bank's debt against the risk of default jumped.

China saw profits for industrial firms shrink 22.9% in the first two months of this year, as its factories struggled to come out of the COVID-related disruptions, which pushed Chinese blue chips down 0.4%.

The SVB deal helped sentiment but was not enough to completely dispel jitters over banking stress and the impact of higher rates on global growth.

Last week, Credit Suisse became the highest profile casualty of market turmoil, as Switzerland's second-largest bank needed to be rescued by local rival UBS in a deal engineered by Swiss authorities.

In the United States, depositors have been fleeing smaller banks for their larger cousins or to money market funds. Flows to such funds have risen by more than \$300 billion in the past month to a record above \$5.1 trillion, according to Bank of America (NYSE:BAC), citing figures from EPFR data provider.

Deposit outflows will have a knock-on effect in commercial real estate causing lending to tighten, said Vijay Modhvadia, managing director of Deuterium Capital Management.

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