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STOCKS NEWS EUROPE-Danone rises on strong dairy

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Danone (DANO.PA) shares rise as much as 3.7 percent after the French food group's third-quarter results beat analysts expectations, with price cuts and a step-up in advertising helping accelerate a recovery in fresh dairy sales volumes.

"These results are better than expectations at every key level," independent analyst James Amoroso says.

"The sharpening of pricing in Fresh Dairy has delivered excellent volume growth, as intended, whilst the volume rebounds in Water in the core European markets highlights that the cyclical and seasonal issues of the past year appear to have weighed more than the structural ones."

"The sales growth was better than expected across the board," ING Financial Markets analyst Marco Gulpers says. "What the market will be focusing on is the stronger-than-expected growth in dairy."

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