The FTSE 100 index of leading British shares was up 2.9 percent at 5,492 while Germany's DAX rose 4.3 percent to 6,048.

NEW YORK (AP) -- U.S. stock futures are sharply higher following a coordinated move by several of the world's largest central banks to ease strains on the world financial system.

Also spurring the gains was a separate move by China's central bank to support economic growth in that country and more positive news on the U.S. economy.

The European Central Bank, U.S. Federal Reserve, the Bank of England and the central banks of Canada, Japan and Switzerland are taking joint action to make it cheaper for banks to get U.S. dollars if they need them.

Futures for the major indexes rose more than 2 percent. Less than an hour before U.S. markets open, Dow futures are up 279 to 11,844. Futures for the broader S&P 500 are up 36 points to 1,234.

As Europe's debt crisis spreads, the global financial system is showing signs of entering another credit crunch like the one that followed the 2008 collapse of U.S. investment bank Lehman Brothers. The possibility that one or more European governments might default on their debts has raised fears of a shock to the global financial system that would lead to severe losses for banks, recession in the United States and Europe and another global credit crunch.

The central banks said in a joint statement the moves were designed to "provide liquidity support to the global financial system."

Investor sentiment was also buoyed by China's move to reduce bank reserve levels Wednesday to release money for lending and help shore up slowing growth. Higher growth in China could be crucial for a global economy that's suffering in the wake of the eurozone crisis.

Beijing announced that the amount of money China's commercial lenders must hold in reserve will be cut by 0.5 percent of their deposits, effective Dec. 5. It was the first easing of monetary policy in three years and analysts are expecting more.

In the U.S., Tuesday's jump in consumer confidence figures on Tuesday also raised hopes that the world's largest economy is faring better than expected. On Wednesday, the government said worked increased their productivity over the summer, though the increase was less than initially thought.

The FTSE 100 index of leading British shares was up 2.9 percent at 5,492 while Germany's DAX rose 4.3 percent to 6,048. The CAC-40 in France was 3.6 percent higher at 3,135.

The euro, meanwhile, was up 1.2 percent at $1.3477.

Earlier, Asian stocks closed lower. Japan's Nikkei 225 index dropped 0.5 percent to close at 8,434.61. South Korea's Kospi dropped 0.5 percent to 1,847.51. Hong Kong's Hang Seng dipped 1.5 percent to 17,989.35.