

World markets mixed after S&P 500 ends worst year since 2008

AGENCIES

BANGKOK, 02 JANUARY

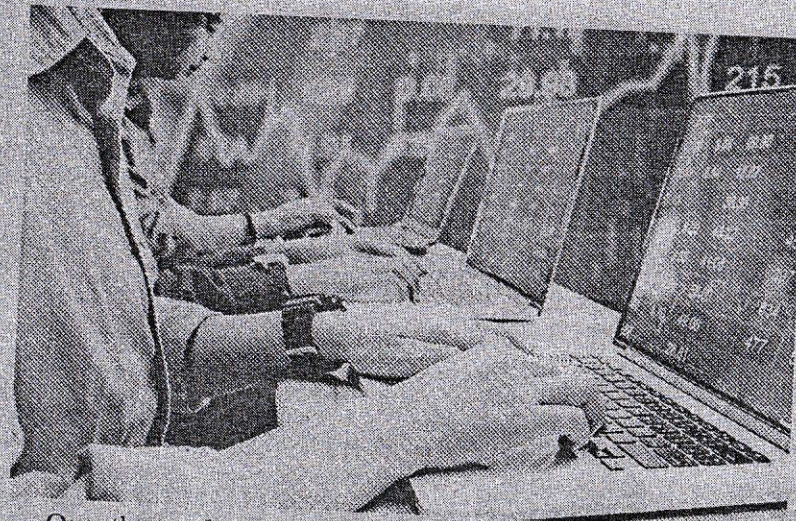
Shares began the year mixed, with European benchmarks opening higher on Monday after a lackluster session for the few Asian markets not closed for New Year holidays.

U.S. markets are also closed.

This week brings employment data and minutes from the latest meeting of the Federal Reserve, as 2023 begins with persisting uncertainties over the war in Ukraine and over the risk that interest rate hikes meant to tame inflation might lead to recession.

Germany's DAX gained 0.5% in early trading to 13,996.02 and the CAC40 in Paris added 0.7% to 6,520.71. Markets in Britain and in the U.S. are closed Monday in observance of the New Year's Day holiday.

In Asia, South Korea's Kospi fell 0.5% to 2,225.67 and the Sensex in Mumbai gained 0.4% to 61,109.23. Jakarta's benchmark was flat.



Over the weekend, a report showed that Chinese manufacturing contracted for a third consecutive month in December, in the biggest drop since February 2020, as the country grapples with a nationwide COVID-19 surge after suddenly easing anti-epidemic measures.

A monthly purchasing managers' index declined to 47.0 from 48.0 in November, according to data released from the National Bureau of Statistics on Saturday. Num-

bers below 50 indicate a contraction in activity.

It's uncertain what impact removing strict COVID-19 policies that crimped production for raw materials and goods and discouraged travel will have on the global economy.

The specter of recession in the U.S. and other major economies, as well as a prolonged slump in China, are factors overhanging markets.

"We expect one third of the

world economy to be in recession," Kristalina Georgieva, managing director of the International Monetary Fund, said in an interview Sunday with the CBS television network's "Face the Nation."

"And yes... even countries that are not in recession, it would feel like recession for hundreds of millions of people," she said.

Georgieva said, however, that the U.S. economy was "remarkably resilient," and that measures such as the Inflation Reduction Act and child tax credit measures were "good for the U.S. Good for the world."

The minutes of the Fed's meeting potentially will give investors more insight into its next moves. The government will also release its November report on job openings Wednesday. That will be followed by a weekly update on unemployment on Thursday. The closely-watched monthly employment report is due Friday.