Global benchmarks mostly decline amid China worries

AGENCIES
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Global shares mostly declined Thursday amid concerns about the impact of China's "zero-COVID" strategy mixed with hopes for economic activity and tourism returning to normal. France's CAC 40 added 0.4% in early trading to 6,631.06. Germany's DAX rose 0.9% to 14,367.89. Britain's FTSE 100 sank 0.3% to 7,328.30. U.S. shares were set to drift higher with Dow futures up 0.3% to 33,694.00. S&P 500 futures rose 0.4% to 3,984.50.

Benchmarks fell in Tokyo, Seoul, Hong Kong and Shanghai, while gaining in Sydney. Oil prices fell.

Market watchers noted worries about how the Federal Reserve might not ease up on its aggressive interest rate hikes, which are aimed at curbing inflation pressures. Much of the market's prior rally on Wall Street was due to such hopes, including easing inflation.

U.S. retail data has shown improvement, while industrial production has dropped, highlighting the resilience of the service sector, as opposed to weakening external demand.

The Fed has been raising interest rates in an effort to slow the economy and tame the hottest inflation in decades. Wall Street has been worried it could hit the brakes too hard and bring on a recession.

Japan's benchmark Nikkei 225 shed 0.4% to finish at 27,930.57. Australia's S&P/ASX 200 gained 0.2% to 7,135.70, after government data showed that the employment situation had improved in October from September.

South Korea's Kospi slipped 1.4% to 2,442.90. Hong Kong's Hang Seng dropped 1.2% to 18,045.66, while the Shanghai Composite fell 0.2% to 3,115.43.

China is maintaining its "zero-COVID" approach of mass testing many people alongside localized lockdowns and quarantines to eliminate the coronavirus entirely. Such restrictions have caused a supply crunch for some of Asia's biggest manufacturers, denting economic growth.