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Is the global economy beginning to emerge from the depths of recession? There has been good news from several major economies over the last week, creating hope that all the stimulus measures taken by various governments have staved off a prolonged recession, and that the worst might be over. The US grew for the first time in over a year, registering growth of 3.5 per cent. But, as Conor Dougherty reported in the Wall Street Journal on October 30, while the news marks an "apparent end to the worst recession (https://timesofindia.indiatimes.com/topic/recession) since World War II...recovery is expected to be slow and painful, as companies shed jobs and credit remains tight" . Dougherty points out that the bulk of the rise in GDP (https://timesofindia.indiatimes.com/topic/China-GDP) came from increased consumer spending, which was spurred by federal stimulus programs like the Cash for Clunkers scheme that have nearly or entirely expired, thus creating uncertainty about the sustainability of the recovery.

Britain has sunk even deeper into the depths of recession, Anthony Faiola reported in the Washington Post on October 23, with the "unexpected fall in third-quarter gross domestic product...[dashing] hopes of a long-awaited turnaround". Faiola points out that "the severity and length of the British downturn are underscoring the uneven recovery taking place in the aftermath of the global recession, with the rebound in Europe particularly patchy". Ashley Seager, writing in the Guardian on October 23, agrees that "we would be unwise to think that everything is going to bounce back to normal any time soon, not while people seem determined to pay down debt and save money rather than spend it".

David Leonhardt is more optimistic in his column in the New York Times on November 3. In his opinion, "people tend to become overly pessimistic at the end of a recession...[and] are left to wonder where future growth will come from" . Leonhardt thinks that China, the stimulus and pent-up demand from the US consumer, as well as "some obvious economic blessing that isn't so obvious today" will come to the rescue. Recent news from China seems to support that view.

New York Times reporter Bettina Wassener writes in the November 4 edition that "the World Bank...now expects the Chinese economy to grow 8.4 per cent this year" noting also that the IMF projected a growth rate of 8.5 per cent for China. A booming China is good news for Latin America, Sara Miller Llana reported in the Christian Science Monitor on October 25, as "commodities exporters, particularly those with strong ties to China, are also rebounding" . Daniel Gross wonders in a November 3 piece for Newsweek as to why "the stock markets are doing very well...[when] the performance of the underlying economy doesn't seem to justify optimism" and proposes that "the notion [that] the stock market is an accurate gauge of the domestic economy's temperature is outdated".

Ed Wallace agrees in BusinessWeek article on November 3. "...Using what the stock market is doing now as factual data is potentially treating another asset bubble as financial reality", he argues.

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