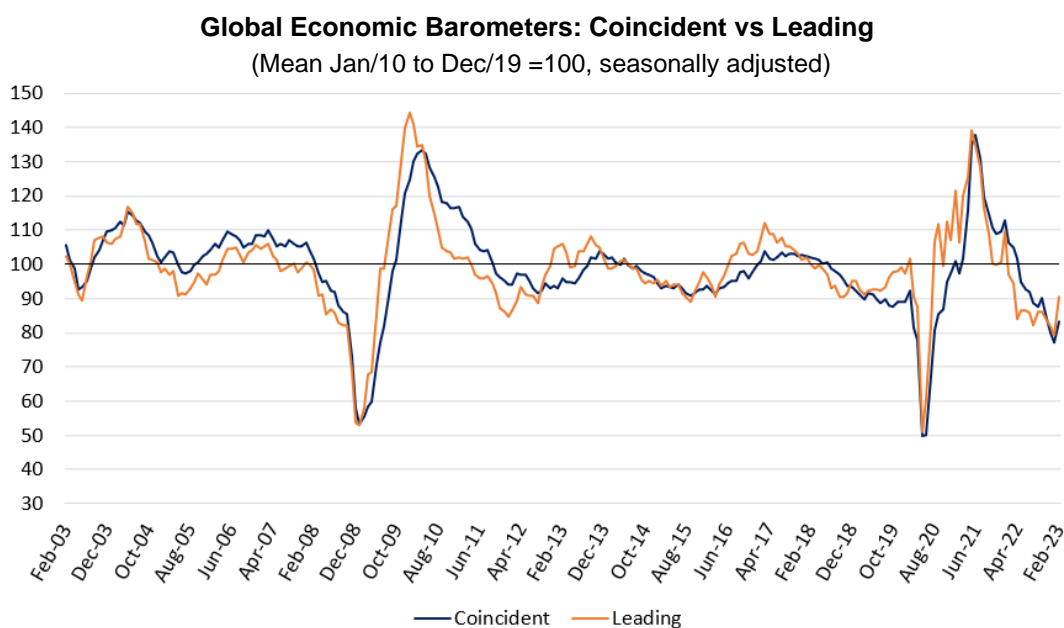


Press Release

Rio de Janeiro and Zurich, February 10, 2023, 10 am (local time) – 1 pm (UTC).

Global Barometers show upward corrections

The Global Barometers increase in February for the first time since November 2022 across all regions, with the *Asia, Pacific & Africa* region standing out for the improved climate in the region.



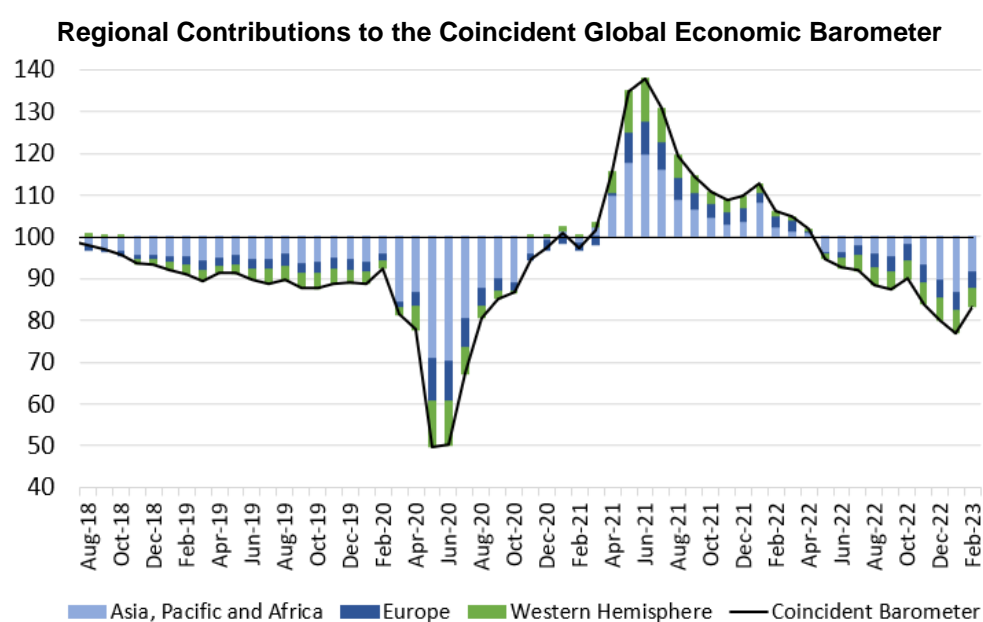
Source: KOF ETH Zurich and FGV IBRE

In February 2023, the Coincident Global Economic Barometer rises 6.2 points to 83.3 points. The Leading Global Economic Barometer increases 11.2 points to 90.5 points, the highest level since March 2022. With this result, the Coincident Barometer recovers almost 50% of the losses recorded in the previous three months, while the Leading Barometer recovers more than 100% of the losses in the same period. The increase in both indicators is to a large extent driven by the *Asia, Pacific & Africa* region.

“The performance of the Global Barometers reflects the immediate impact and future perspectives of the end of the COVID-zero policy in China on the level of activities in the region and the rest of the world. The intensity of the energy crisis resulting from regional conflicts in Europe appears to be lower than first estimated, which also contributed to improved expectations. However, with the trajectory of rising prices around the world, the challenges to monetary policy continue, which means there remains a prospect of a slowdown in the level of activities over the year”, evaluates Paulo Picchetti, researcher of FGV IBRE.

Coincident Barometer – regions and sectors

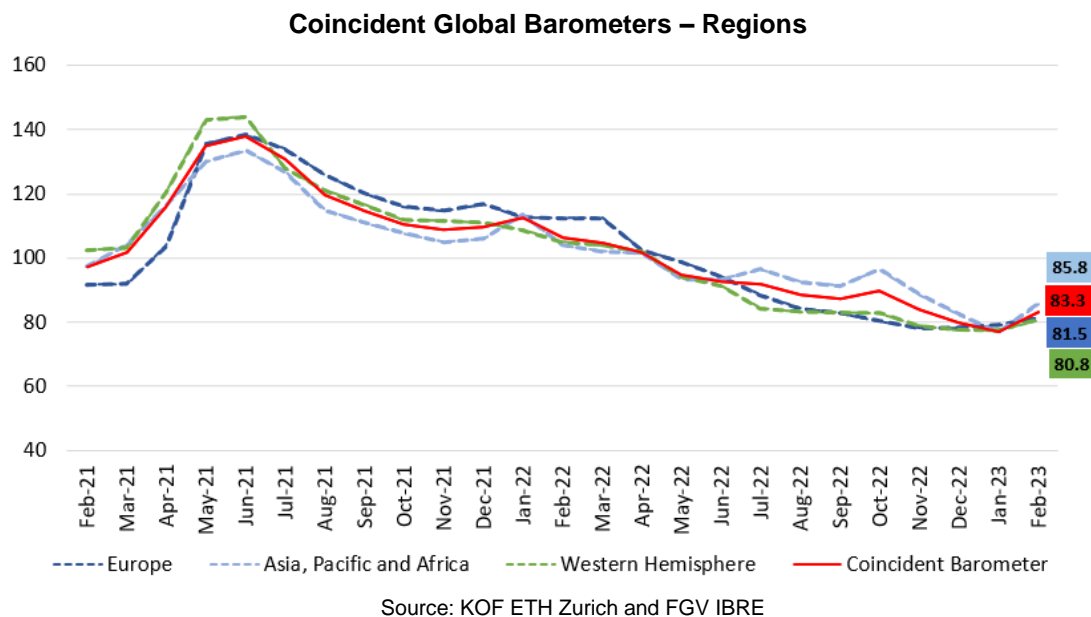
In February, the *Asia, Pacific & Africa* region contributes 5.0 points to the 6.2-point increase in the Coincident indicator, the *Western Hemisphere* 0.8 points, and *Europe* 0.5 points. The rise in the regional indicator for the *Asia, Pacific & Africa* region reflects the reopening of the Chinese economy, with the end of the Covid zero policy, and the impact of this opening in other countries in the region. The graph below illustrates the contribution of each region to the deviation of the Coincident Barometer from the historical mean of 100 points.



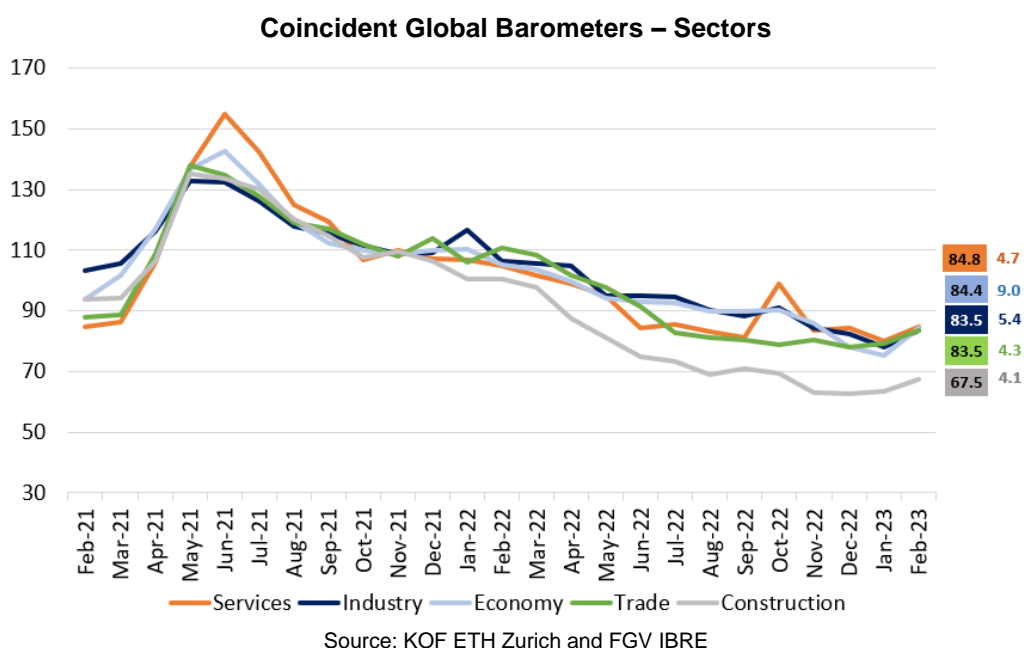
Source: KOF ETH Zurich and FGV IBRE

Regional Contributions to Changes in the Coincident Barometer				
<i>Period</i>	<i>Contributions per Regions</i>			<i>Monthly Variation</i>
	<i>Asia, Pacific and Africa</i>	<i>Europe</i>	<i>Western Hemisphere</i>	<i>Coincident Barometer</i>
Worst pandemic moment: Cum. Contrib. Mar/20-May/20	-25.1	-8.4	-9.2	-42.5
Cum. Contrib. Jun/20-Feb/22	31.6	12.7	12.1	56.3
Mar-22	-1.0	0.0	-0.3	-1.3
Apr-22	-0.4	-2.0	-0.7	-3.1
May-22	-4.9	-0.8	-1.3	-7.0
Jun-22	-0.1	-0.9	-1.2	-2.2
Jul-22	1.9	-1.2	-1.4	-0.6
Aug-22	-2.2	-0.8	-0.3	-3.4
Sep-22	-0.7	-0.3	0.0	-1.1
Oct-22	3.0	-0.5	-0.2	2.5
Nov-22	-4.7	-0.4	-0.8	-6.1
Dec-22	-3.7	0.0	-0.3	-4.0
Jan-23	-3.2	0.3	0.0	-2.8
Feb-23	5.0	0.4	0.8	6.2
Cum. Contrib. Last 12 months	-11.0	-6.2	-5.7	-22.9
Cum. Contrib. Mar/20-Feb/23	-4.5	-1.9	-2.8	-9.1

Source: KOF ETH Zurich and FGV IBRE



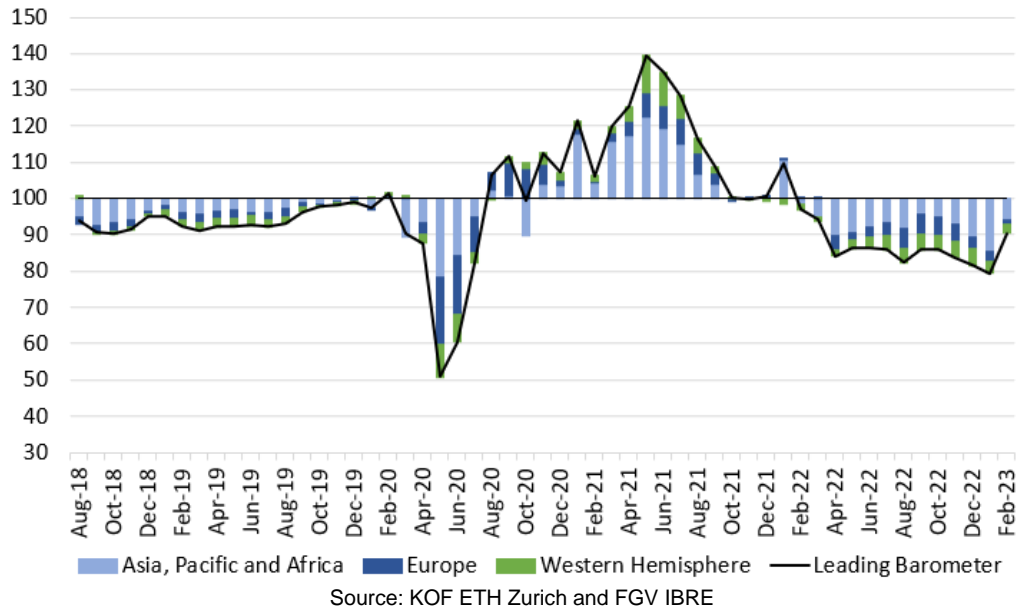
All the coincident sector indicators increase in February 2023, which has not happened since March of 2021. The *Services* sector records the highest level among the sectors for the third month in a row.



Leading Barometer – regions and sectors

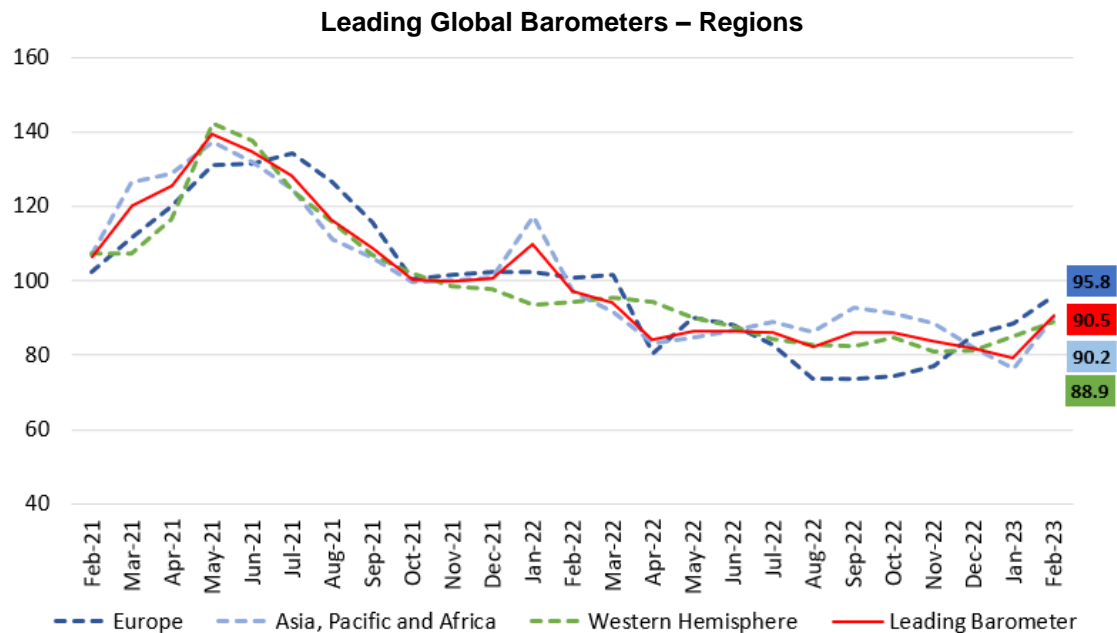
The Leading Global Barometer leads the world economic growth rate cycle by three to six months on average. The *Asia, Pacific & Africa* region contributes 8.6 points to the 11.2-point rise in the indicator in February after four months of heading in the opposite direction. *Europe* and the *Western Hemisphere* also contribute positively, but to a lesser extent, with 1.7 and 0.8 points, respectively.

Regional Contributions to the Leading Global Economic Barometer



Regional Contributions to Changes in the Leading Barometer				
Period	Contributions per Regions			Monthly Variation
	Asia, Pacific and Africa	Europe	Western Hemisphere	Leading Barometer
Worst pandemic moment: Cum. Contrib. Mar/20-May/20	-22.2	-19.1	-9.3	-50.6
Cum. Contrib. Jun/20-Feb/22	20.0	18.8	7.3	46.1
Mar-22	-3.3	0.3	0.3	-2.7
Apr-22	-5.2	-4.6	-0.4	-10.2
May-22	0.9	2.1	-0.7	2.3
Jun-22	1.3	-0.5	-0.7	0.1
Jul-22	1.2	-1.1	-0.7	-0.6
Aug-22	-1.5	-1.7	-0.4	-3.6
Sep-22	3.9	-0.1	-0.1	3.7
Oct-22	-0.8	0.2	0.5	0.0
Nov-22	-1.7	0.4	-0.9	-2.3
Dec-22	-3.9	1.7	0.1	-2.0
Jan-23	-3.8	0.5	1.1	-2.4
Feb-23	8.6	1.7	0.8	11.2
Cum. Contrib. Last 12 months	-4.3	-1.1	-1.1	-6.5
Cum. Contrib. Mar/20-Feb/23	-6.5	-1.4	-3.1	-11.0

Source: KOF ETH Zurich and FGV IBRE

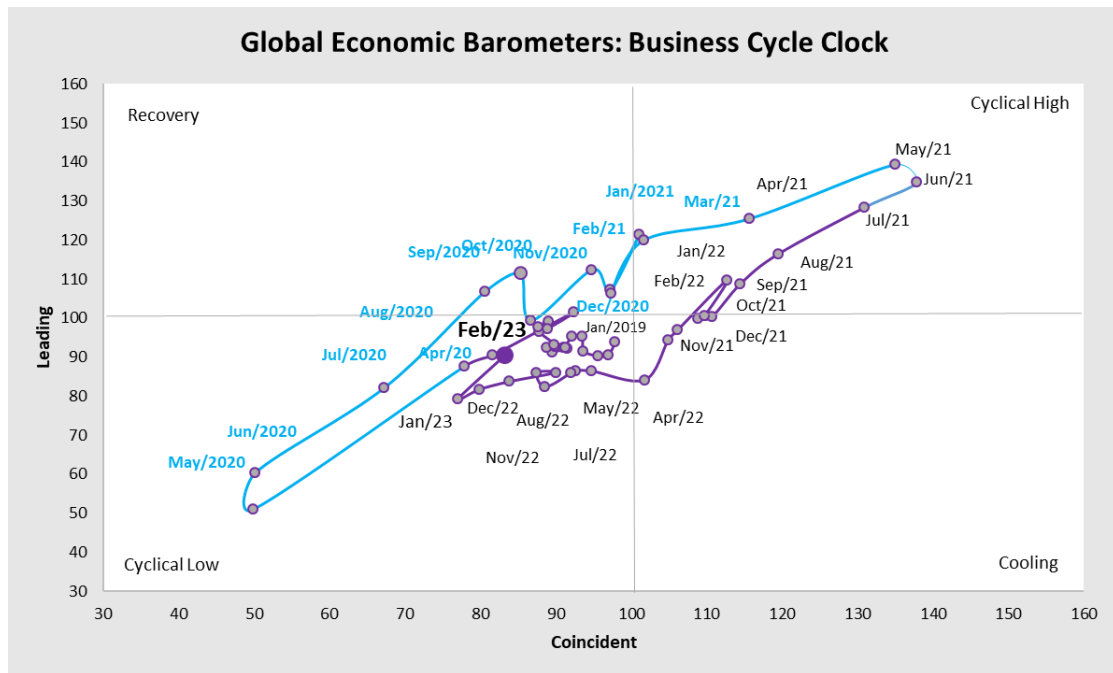


Source: KOF ETH Zurich and FGV IBRE

All the Leading indicator sectors increase in February, with *Industry* standing out with a rise of almost 14 points for the month. As in the case of the Coincident indicator, Construction has the lowest level among the sectors, reflecting a pessimistic outlook for the coming months.

Sectoral Leading Indicators					
Period	Construction	Economy	Industry	Trade	Services
Feb-20	97.7	102.7	100.3	104.2	105.9
Mar-20	104.3	80.7	90.9	104.1	102.4
Apr-20	91.7	84.0	92.6	72.9	82.9
May-20	62.8	66.4	48.8	53.1	29.5
Worst pandemic moment: Cum. Variation. Mar/20-May/20					
	-34.9	-36.3	-51.5	-51.1	-76.4
Cum. Variation Jun/20-Feb/22					
	35.7	27.6	70.7	48.0	77.8
Mar-22	93.5	92.5	94.4	92.6	102.4
Apr-22	91.9	82.5	82.2	98.8	92.9
May-22	97.8	79.2	86.1	94.2	100.6
Jun-22	89.0	86.1	87.5	87.0	87.3
Jul-22	80.3	87.0	88.5	77.2	84.6
Aug-22	76.8	84.4	83.8	83.4	77.7
Sep-22	82.6	90.2	86.5	83.7	81.7
Oct-22	92.2	82.7	89.2	79.1	83.4
Nov-22	88.6	84.1	85.5	79.7	79.3
Dec-22	77.4	78.7	85.5	79.5	82.5
Jan-23	74.9	82.3	79.9	75.5	85.8
Feb-23	77.0	90.4	93.5	85.4	91.0
Cum. Variation Last 12 months					
	-23.6	-11.7	-39.6	-25.6	-21.5
Cum. Variation Mar/20-Feb/23					
	-20.7	-12.3	-6.8	-18.7	-14.9

Source: KOF ETH Zurich and FGV IBRE



Period	<i>Global Coincident Barometer Vintages</i>		<i>Global Leading Barometer Vintages</i>	
	<i>February 2023</i>	<i>January 2023</i>	<i>February 2023</i>	<i>January 2023</i>
Feb-22	106.2	106.1	97.0	97.0
Mar-22	104.9	104.7	94.3	94.2
Apr-22	101.8	102.0	84.1	84.3
May-22	94.8	94.5	86.4	86.3
Jun-22	92.6	92.8	86.5	86.6
Jul-22	92.0	91.9	85.9	85.9
Aug-22	88.6	88.5	82.3	82.2
Sep-22	87.5	87.4	86.0	86.0
Oct-22	90.0	89.9	86.0	85.9
Nov-22	83.9	83.8	83.7	83.7
Dec-22	79.9	79.8	81.7	81.7
Jan-23	77.1	76.5	79.3	79.6
Feb-23	83.3		90.5	

Source: KOF ETH Zurich and FGV IBRE

*The Global Barometer series are revised monthly to reflect updates in the component series and revision of the seasonal adjustment.

The Global Economic Barometers

The Global Economic Barometers are a system of indicators enabling timely analysis of global economic development. They represent a collaboration between the KOF Swiss Economic Institute of the ETH Zurich in Switzerland and Fundação Getulio Vargas (FGV), based in Rio de Janeiro, Brazil. The system consists of two composite indicators, the Coincident Barometer and the Leading Barometer. The Coincident Barometer reflects the current state of economic activity, while the Leading Barometer provides a cyclical signal roughly six months ahead of current economic developments.

The two Barometers comprise the results of economic tendency surveys conducted in more than 50 countries with the aim of achieving the broadest possible global coverage. The advantages of economic tendency surveys are that their results are usually readily available and are not substantially revised after first publication.

The Coincident Barometer includes more than 1,000 different time series, while the Leading Barometer consists of over 600 time series. Cross-correlation analysis is used to decide which individual time series are included in the barometers. This involves correlating the individual time series with a reference series. The reference series used is the year-on-year growth rate of global gross domestic product (GDP), in which individual national GDPs are aggregated at purchasing power parity to form global GDP. A time series is only included in a Barometer if it shows a sufficiently high correlation and a suitable synchronization or lead with the reference series.

The series of the two Barometers are revised each month at publication and are standardized to have a mean of 100 and a standard deviation of 10 for the 10-year period previous to the most recent observations. The coefficients of the component series of the Global Barometers have remained stable since the April 2020 edition.

More information on the Global Economic Barometers is available on the KOF website:

<https://kof.ethz.ch/prognosen-indikatoren/indikatore/kof-globalbaro.html> →

The Global Barometers methodology is described in Klaus Abberger, Michael Graff, Aloisio Campelo Jr, Anna Carolina Lemos Gouveia, Oliver Müller and Jan-Egbert Sturm (2020), The Global Economic Barometers: Composite indicators for the world economy. KOF Working Papers, vol. 471, Zurich: KOF Swiss Economic Institute, ETH Zurich, 2020.

KOF Swiss Economic Institute: Corporate Communications | Phone +41 44 633 99 48 | kofcc@kof.ethz.ch