Press Release

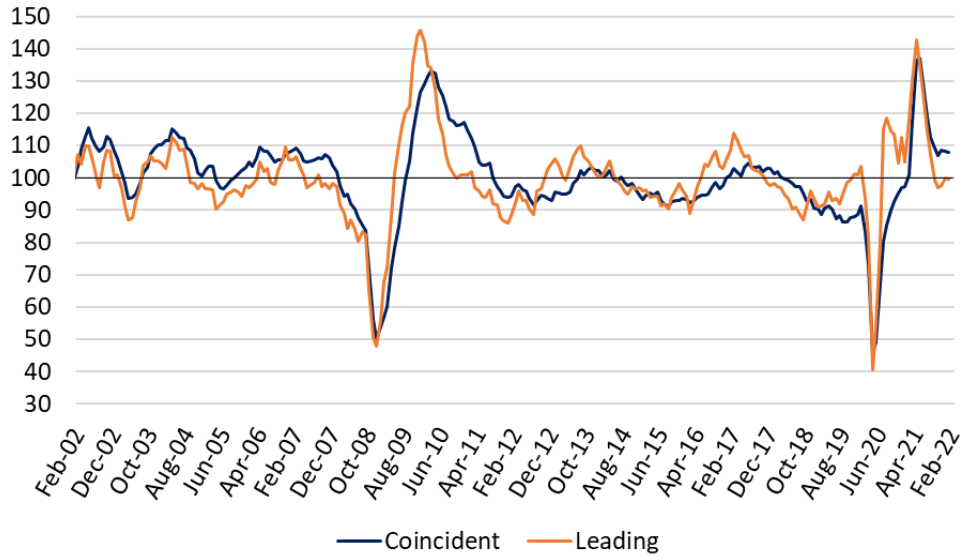
Rio de Janeiro and Zurich, 10th February 2022, 10 am (local time) – 1 pm (UTC).

Global Barometers decrease slightly

The Global Barometers fall slightly in February consolidating the baseline reached since December 2021. Back then, the indices rose following five months of significant losses. The coincident indicator signals a still above average pace for the global economy in the first months of 2022. The leading indicator indicates a continuing normalisation.

Global Economic Barometers: Coincident vs Leading

(Mean Jan/10 to Dec/19 =100, seasonally adjusted)



Source: KOF ETH Zurich and FGV IBRE

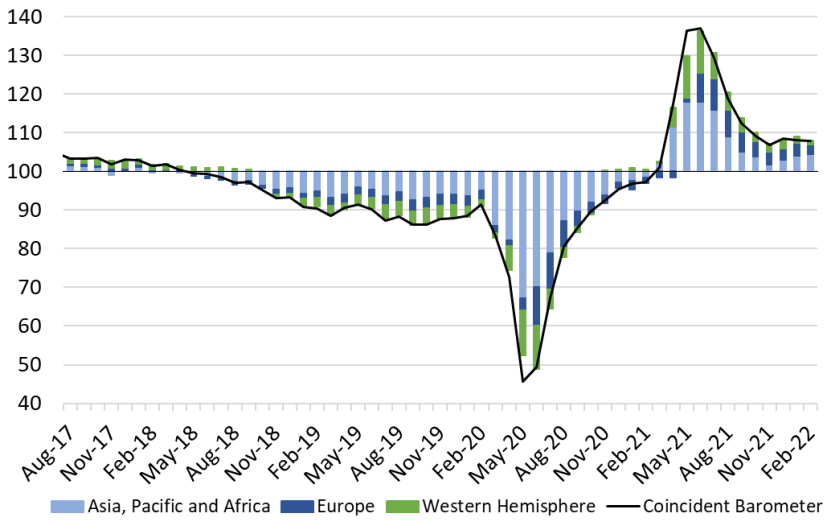
The Coincident Global Economic Barometer falls 0.3 points in February, to 107.9 points, while the Leading Global Economic Barometer decreases 0.2 points, to 99.6 points. The Coincident Barometer development was mainly influenced by the *Western Hemisphere*, while the Leading Barometer result was determined by the *Asia, Pacific, and Africa* region.

"The Coincident Barometer remained relatively stable in the first two months of 2022 signalling continued growth in the level of activities. At the same time, the Leading Barometer indicates that this growth is unlikely to significantly accelerate in the coming months, given the context in which supply chain problems are yet to be completely overcome and monetary policy around the world moving towards prioritizing the fight against inflation", evaluates Paulo Picchetti, researcher of FGV IBRE.

Coincident Barometer – regions and sectors

In February 2022, the regional indicators develop heterogeneously. Only the indicator for the *Western Hemisphere* contributes negatively to the decrease in the Coincident Global Barometer, with -0.8 points, while *Europe* remains stable, and the *Asia, Pacific, and Africa* region contributes positively with 0.5 points for the month. Despite the null contribution from *Europe* to the monthly result, its regional indicator remains the highest among the three regions, at 112 points. The graph below illustrates the contribution of each region to the deviation of the Coincident Barometer from the historical average of 100 points.

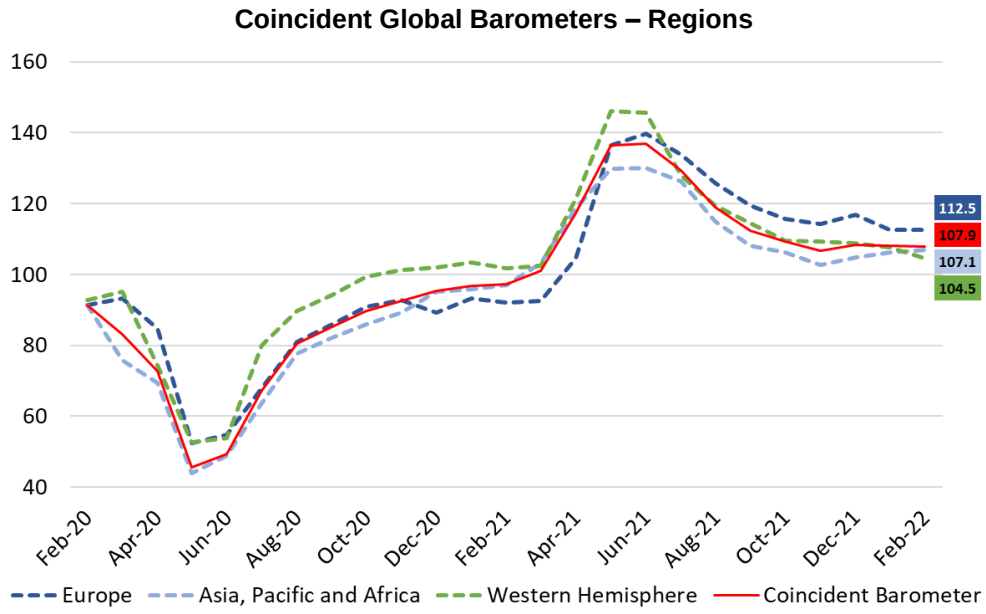
Regional Contributions to the Coincident Global Economic Barometer



Source: KOF ETH Zurich and FGV IBRE

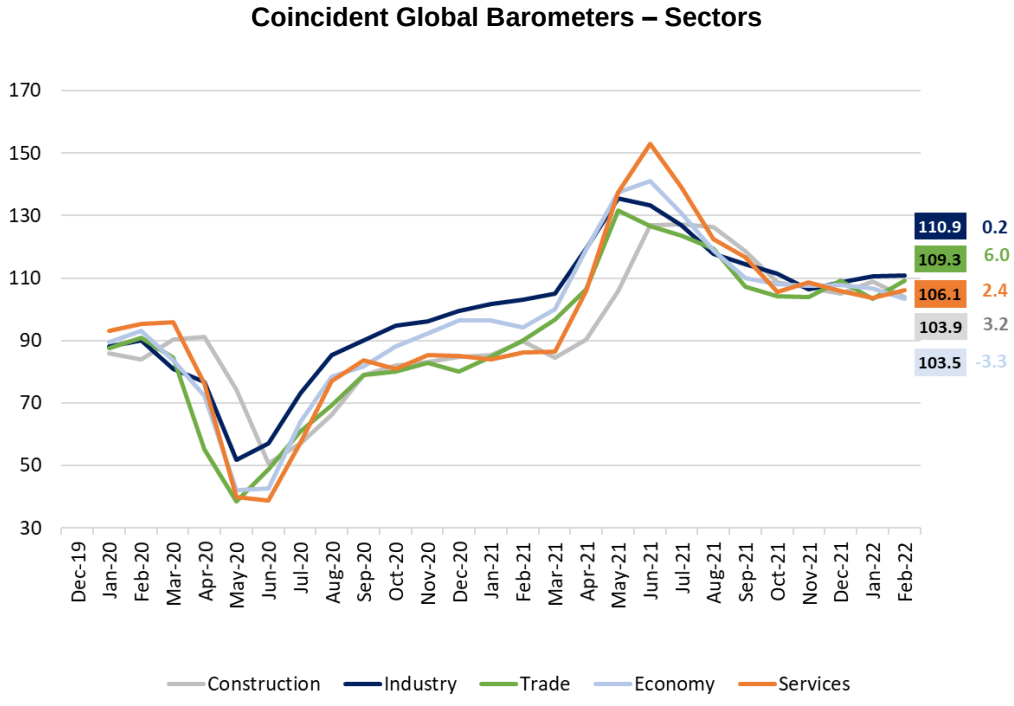
Regional Contributions to Changes in the Coincident Barometer				
Period	*Contributions per Regions*			*Monthly Variation*
	Asia, Pacific and Africa	*Europe*	*Western Hemisphere*	*Coincident Barometer*
Worst pandemic moment: Cum. Contrib. Mar/20-May/20	-27.9	-8.1	-9.8	-45.8
Cum. Contrib. Jun/20-Jan/21	30.4	8.5	12.4	51.3
Feb-21	0.8	-0.2	-0.4	0.3
Mar-21	3.7	0.1	0.1	3.8
Apr-21	9.3	2.5	4.6	16.4
May-21	6.6	6.5	5.9	19.0
Jun-21	0.0	0.7	-0.1	0.6
Jul-21	-2.2	-1.3	-4.2	-7.7
Aug-21	-6.8	-1.6	-2.1	-10.4
Sep-21	-3.9	-1.3	-1.1	-6.5
Oct-21	-1.3	-0.7	-1.2	-3.2
Nov-21	-2.0	-0.3	-0.1	-2.4
Dec-21	1.2	0.5	-0.1	1.6
Jan-22	0.9	-0.9	-0.3	-0.3
Feb-22	**0.5**	**0.0**	**-0.8**	**-0.3**
Cum. Contrib. Feb/21-Feb/22	6.8	3.9	0.2	11.0
Cum. Contrib. Mar/20-Feb/22	9.3	4.3	2.8	16.5

Source: KOF ETH Zurich and FGV IBRE



Source: KOF ETH Zurich and FGV IBRE

Only the indicator *Economy*, which is based on variables representing overall business and consumer evaluations, decreases in February. The indicators representing more specific business sectors present positive developments for the month. This holds especially for *Trade*, which increases 6.0 points thereby reaching a level just below that of *Industry*. This is the first time since May 2017 that the indicator for the general state of the *Economy* records the lowest level among all sectors.

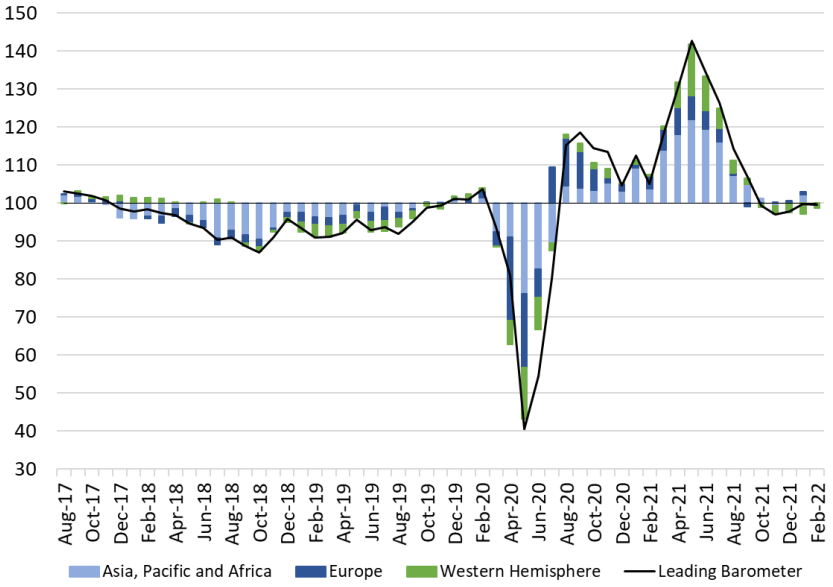


Source: KOF ETH Zurich and FGV IBRE

Leading Barometer – regions and sectors

The Leading Global Barometer leads the world economic growth rate cycle by three to six months on average. Only the *Asia, Pacific and Africa* region contributes negatively to the development of the Leading Barometer in February 2022, with -2.1 points. The *Western Hemisphere* contributes positively, with 1.6 points, followed by *Europe* with 0.3 points. This is the first positive contribution of the *Western Hemisphere* since May 2021.

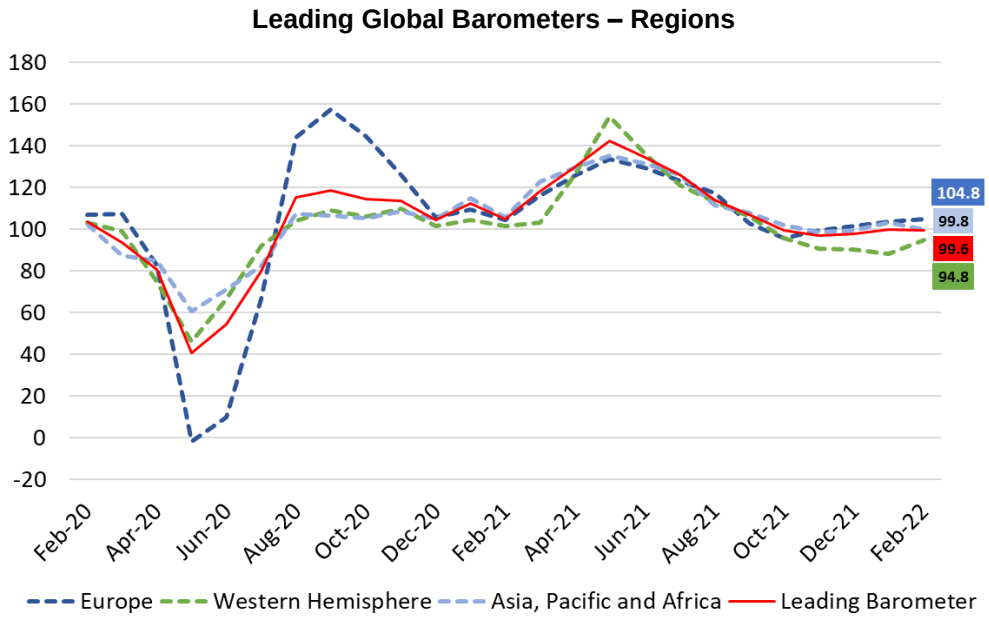
Regional Contributions to the Leading Global Economic Barometer



Source: KOF ETH Zurich and FGV IBRE

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	-25.3	-23.5	-14.4	-63.1
Cum. Contrib. Jun/20-Jan/21	26.8	21.5	9.6	57.9
Feb-21	-5.6	-1.1	-0.7	-7.4
Mar-21	10.3	2.5	0.4	13.2
Apr-21	4.1	2.0	5.7	11.9
May-21	3.9	1.7	7.0	12.5
Jun-21	-2.6	-0.9	-4.5	-8.0
Jul-21	-3.3	-1.3	-3.8	-8.3
Aug-21	-8.8	-1.3	-1.9	-12.1
Sep-21	-2.3	-3.0	-1.8	-7.1
Oct-21	-3.7	-1.5	-2.6	-7.8
Nov-21	-2.0	0.8	-1.2	-2.4
Dec-21	0.5	0.4	-0.1	0.8
Jan-22	2.3	0.4	-0.5	2.1
Feb-22	**-2.1**	**0.3**	**1.6**	**-0.2**
Cum. Contrib. Feb/21-Feb/22	-9.3	-1.0	-2.4	-12.8
Cum. Contrib. Mar/20-Feb/22	-7.8	-3.0	-7.2	-18.0

Source: KOF ETH Zurich and FGV IBRE

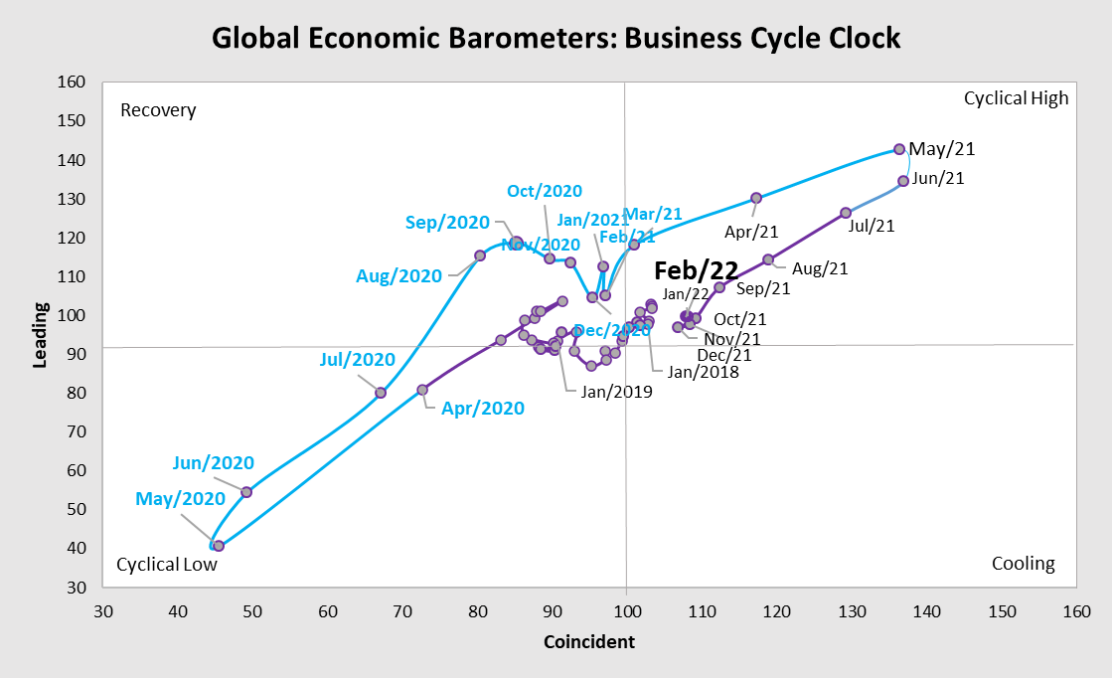


Source: KOF ETH Zurich and FGV IBRE

Three of the five Leading sector indicators are decreasing this month: *Industry*, *Trade*, and *Services.* The other two indicators record increases, with the indicator for the general state of the *Economy* standing out, with a rise of 8.0 points. Nevertheless, the result continues to reflect a great divergence between the perceptions of businesses and consumers.

Sectoral Leading Indicators					
Period	*Construction*	*Economy*	*Industry*	*Trade*	*Services*
Feb-20	100.1	106.2	102.4	102.7	107.5
Mar-20	104.2	87.6	92.8	93.6	107.1
Apr-20	85.4	85.1	87.6	60.9	67.3
May-20	51.4	47.2	39.3	62.3	26.1
Worst pandemic moment: Cum. Variation. Mar/20-May/20	-48.7	-59.0	-63.0	-40.5	-81.4
Cum. Variation. Jun/20-Jan/21	56.6	62.2	79.1	35.6	77.5
Feb-21	109.6	102.3	107.5	98.1	100.3
Mar-21	113.4	119.3	120.0	113.1	107.3
Apr-21	129.6	124.9	123.2	149.9	137.5
May-21	141.4	133.7	139.8	148.9	148.2
Jun-21	135.4	127.9	134.1	133.6	134.4
Jul-21	136.9	114.4	124.5	132.7	131.5
Aug-21	121.9	105.5	112.6	115.4	127.2
Sep-21	114.3	94.6	106.4	115.3	119.4
Oct-21	103.1	88.8	98.8	114.3	104.6
Nov-21	103.9	89.0	94.7	105.6	111.4
Dec-21	104.4	91.2	94.9	113.7	102.5
Jan-22	99.7	87.8	103.3	103.6	105.9
Feb-22	**100.5**	**95.8**	**99.4**	**102.4**	**105.8**
Cum. Variation. Feb/21-Feb/22	-7.4	-13.6	-19.1	4.5	2.2
Cum. Variatiom. Mar/20-Feb/22	0.5	-10.3	-3.0	-0.4	-1.7

Source: KOF ETH Zurich and FGV IBRE



Source: KOF ETH Zurich and FGV IBRE

Period	*Global Coincident Barometer* Vintages		*Global Leading Barometer* Vintages	
	February 2022	*January 2022*	*February 2022*	*January 2022*
Feb-21	97.2	97.1	105.0	104.5
Mar-21	101.0	101.0	118.2	118.3
Apr-21	117.4	117.3	130.1	129.7
May-21	136.4	136.2	142.6	142.0
Jun-21	137.0	137.1	134.6	135.0
Jul-21	129.3	129.1	126.3	128.2
Aug-21	118.9	118.7	114.2	114.6
Sep-21	112.4	112.4	107.1	108.1
Oct-21	109.2	109.0	99.3	98.7
Nov-21	106.8	106.7	96.9	96.4
Dec-21	108.4	108.2	97.7	97.3
Jan-22	108.1	108.7	99.8	100.9
Feb-22	107.9		99.6	

*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/indikatoren/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.

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