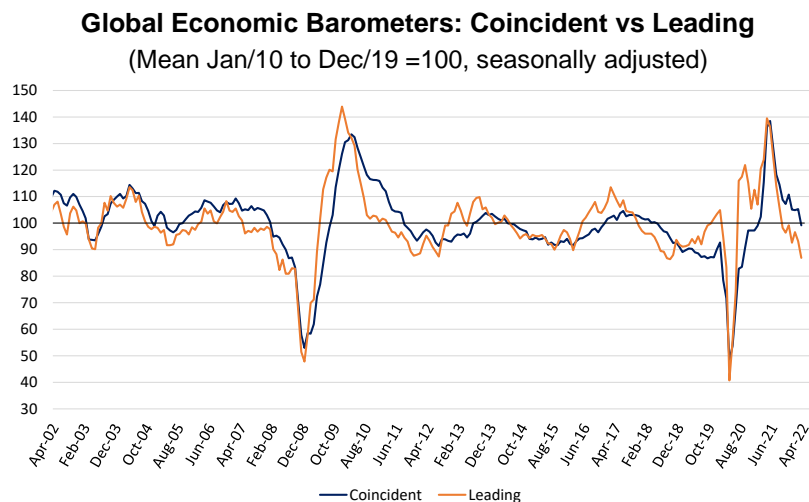


Press Release

Rio de Janeiro and Zurich, April 08, 2022, 10 am (local time) – 1 pm (UTC).

The Global Barometers fall due to the war in Europe and the increases in COVID-19 cases in China

The Global Barometers decrease in April, likely reflecting shocks such as the war in Ukraine and the increase in the number of COVID-19 cases in China. The Coincident Barometer is now below the historical mean of 100 points for the first time since February 2021. In addition, the more noticeably drop in the Leading Barometer signals the perspective of a stronger deceleration in world growth for the coming months.



Source: KOF ETH Zurich and FGV IBRE

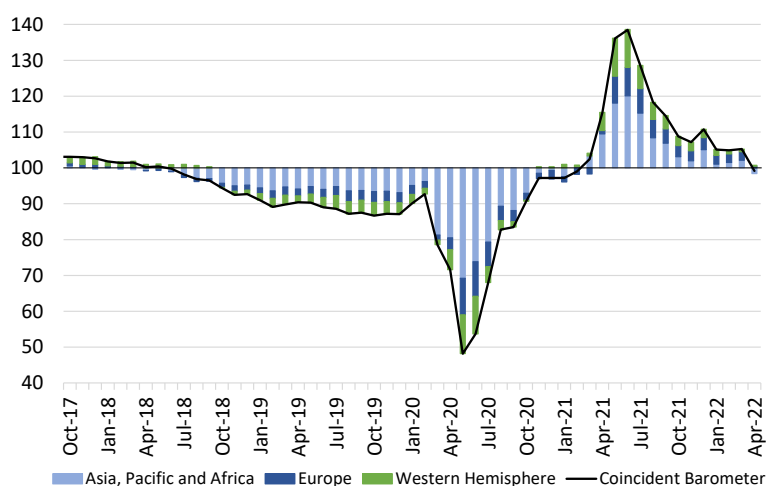
The Coincident Global Economic Barometer falls 6.1 points in April to 99.2 points, the lowest level since January of last year (97.2 pts), while the Leading Global Economic Barometer decreases 6.3 points, to 86.9 points, the lowest level since July 2020 (74.2 pts). The decline of the Coincident indicator is influenced mainly by the *Asia, Pacific, and Africa* region. The drop in the Leading indicator is motivated almost exclusively by the worsening of perspectives in European countries.

“The uncertainties regarding the effects of the conflict in Europe were already being felt in March and have intensified in April, with impacts on the supply chain that are likely to intensify the generalized price increase in the vast majority of countries. As a result, the global coincident and leading barometers record further decreases in April, signalling difficulty in maintaining the recovery of activity level, even in the services sector, which had been benefitting from the relaxation of mobility restrictions in the context of better figures regarding the covid pandemic. The return of these restrictions in the Asia region increases uncertainty regarding activity level in the coming months”, evaluates Paulo Picchetti, researcher of FGV IBRE.

Coincident Barometer – regions and sectors

In April, all three regional indicator bundles decrease. The *Asia, Pacific, and Africa* region contributes negatively 3.7 points (61%) to the fall in the Coincident Global Barometer. The indicator for *Europe* contributes -1.9 pts. and the *Western Hemisphere* contributes only -0.5 points. The drop in the regional indicators reflects a change in the assessment of the current economic growth in the face of the worsening pandemic development in China and the idea of continued COVID-19 risk, in addition to the outbreak of the Russia-Ukraine war and its first impacts on the economy. The graph below illustrates the contribution of each region to the deviation of the Coincident Barometer from the historical mean of 100 points.

Regional Contributions to the Coincident Global Economic Barometer

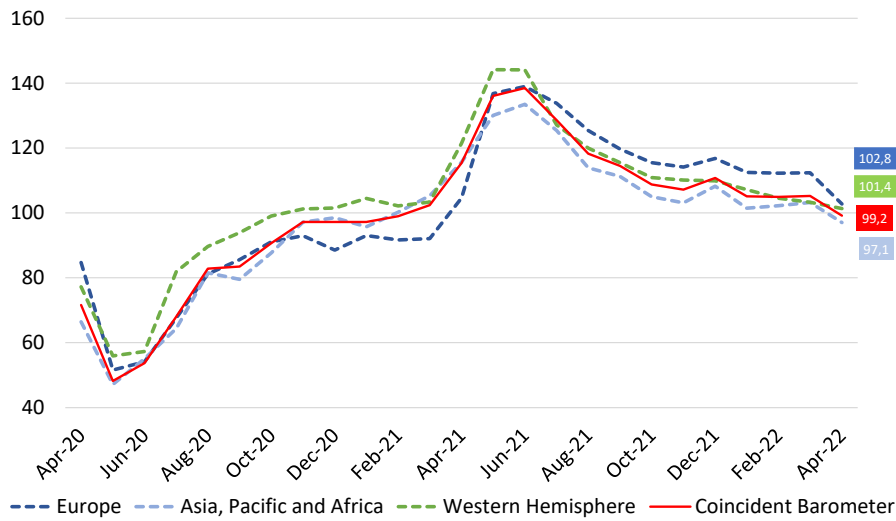


Source: KOF ETH Zurich and FGV IBRE

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	-27.0	-8.3	-9.2	-44.5
Cum. Contrib. Jun/20-Mar/21	34.1	8.5	11.6	54.2
Apr-21	6.2	2.6	4.3	13.0
May-21	8.6	6.6	5.5	20.7
Jun-21	2.0	0.4	0.0	2.4
Jul-21	-4.8	-1.1	-4.1	-9.9
Aug-21	-6.9	-1.7	-1.7	-10.3
Sep-21	-1.5	-1.1	-1.1	-3.8
Oct-21	-3.8	-0.9	-1.1	-5.7
Nov-21	-1.1	-0.3	-0.2	-1.6
Dec-21	3.1	0.6	-0.1	3.6
Jan-22	-4.0	-0.9	-0.7	-5.7
Feb-22	0.5	0.0	-0.6	-0.2
Mar-22	0.6	0.0	-0.3	0.3
Apr-22	-3.7	-1.9	-0.5	-6.1
Cum. Contrib. Apr/21-Apr/22	-4.9	2.2	-0.5	-3.2
Cum. Contrib. Mar/20-Apr/22	2.2	2.4	1.9	6.5

Source: KOF ETH Zurich and FGV IBRE

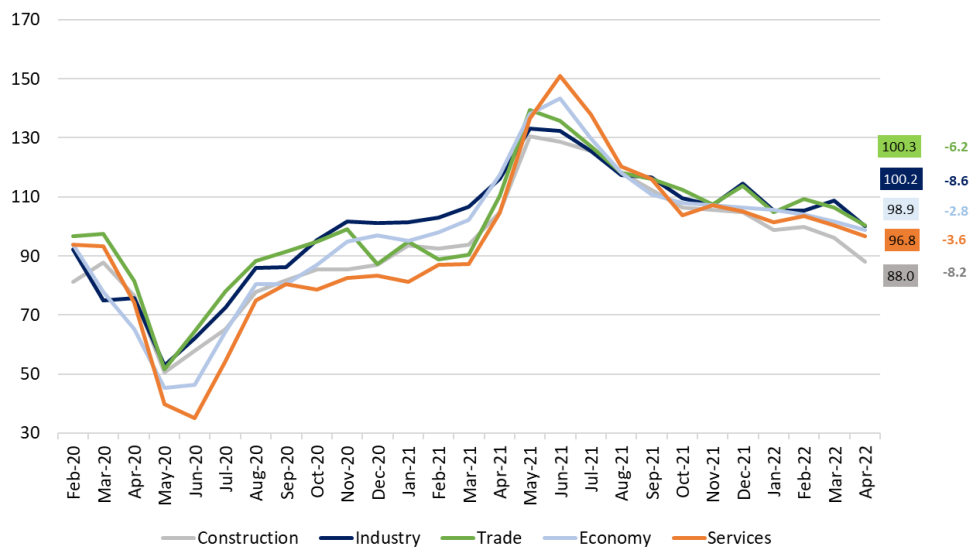
Coincident Global Barometers – Regions



Source: KOF ETH Zurich and FGV IBRE

All the coincident sector indicator bundles decrease this month. The largest fall stems from the *Industry* and *Construction* sectors, with marginal losses of over 8.0 points, followed by *Trade* which declined 6.2 points. With these results, three of the five sector indicators are now below their respective historical mean of 100 points.

Coincident Global Barometers – Sectors

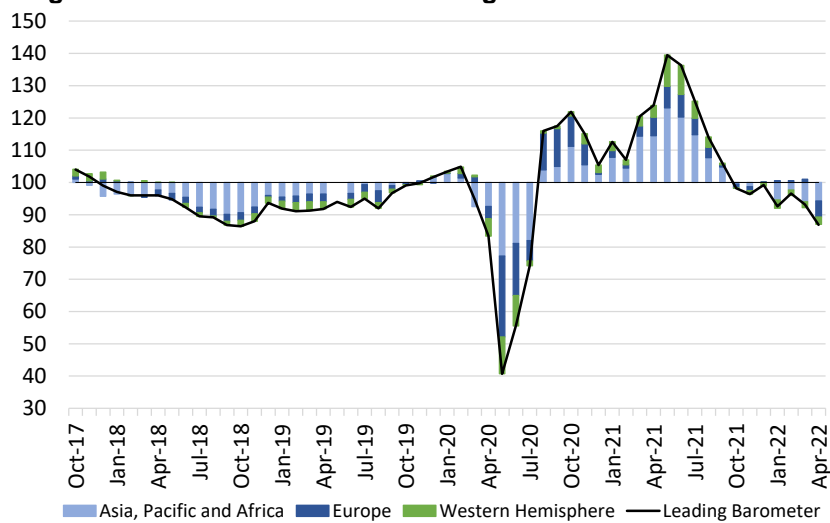


Source: KOF ETH Zurich and FGV IBRE

Leading Barometer – regions and sectors

The Leading Global Barometer leads the world economic growth rate cycle by three to six months on average. *Europe* contributes 6.0 points (95%) to the 6.3-point decrease in the global indicator. The *Western Hemisphere* contributes -0.5 points, while the indicator for the *Asia, Pacific, and Africa* region increases and contributes 0.2 points in the opposite direction. *Europe* records its lowest level since July 2020 (68.3 pts.). This result suggests that growth expectations for the coming months have been strongly revised, with increased pessimism after the outbreak of the war between Russia and Ukraine.

Regional Contributions to the Leading Global Economic Barometer

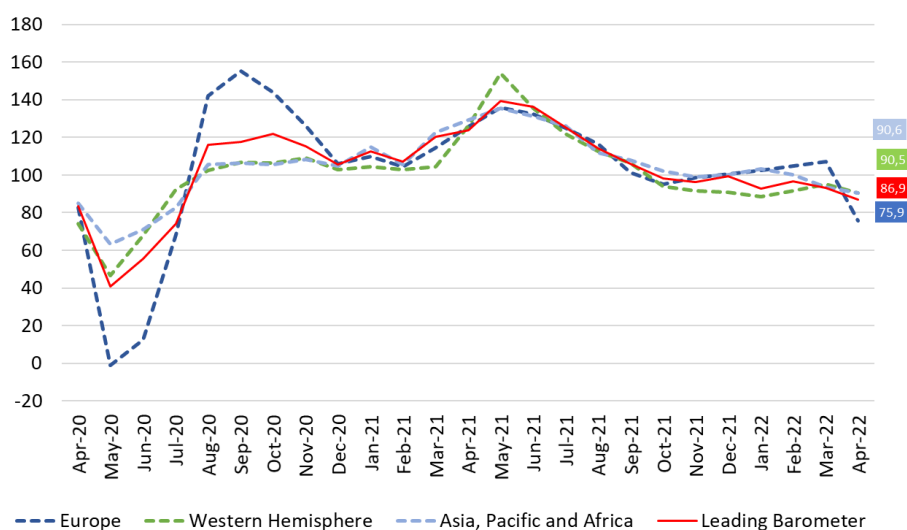


Source: KOF ETH Zurich and FGV IBRE

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	-24.2	-26.5	-13.4	-64.2
Cum. Contrib. Jun/20-Mar/21	37.2	28.2	14.4	79.8
Apr-21	0.1	2.6	0.7	3.4
May-21	8.6	1.0	6.0	15.6
Jun-21	-2.8	0.3	-0.7	-3.2
Jul-21	-5.5	-1.9	-3.7	-11.1
Aug-21	-7.1	-1.9	-2.1	-11.2
Sep-21	-2.9	-2.5	-2.7	-8.0
Oct-21	-5.3	-1.9	-0.6	-7.8
Nov-21	-0.8	0.0	-1.0	-1.8
Dec-21	1.3	1.4	0.0	2.8
Jan-22	-5.4	0.4	-1.5	-6.6
Feb-22	3.1	0.0	0.9	4.0
Mar-22	-3.7	0.4	-0.1	-3.4
Apr-22	0.2	-6.0	-0.5	-6.3
Cum. Contrib. Apr/21-Apr/22	-20.2	-8.1	-5.3	-33.6
Cum. Contrib. Mar/20-Apr/22	-7.2	-6.4	-4.3	-18.0

Source: KOF ETH Zurich and FGV IBRE

Leading Global Barometers – Regions

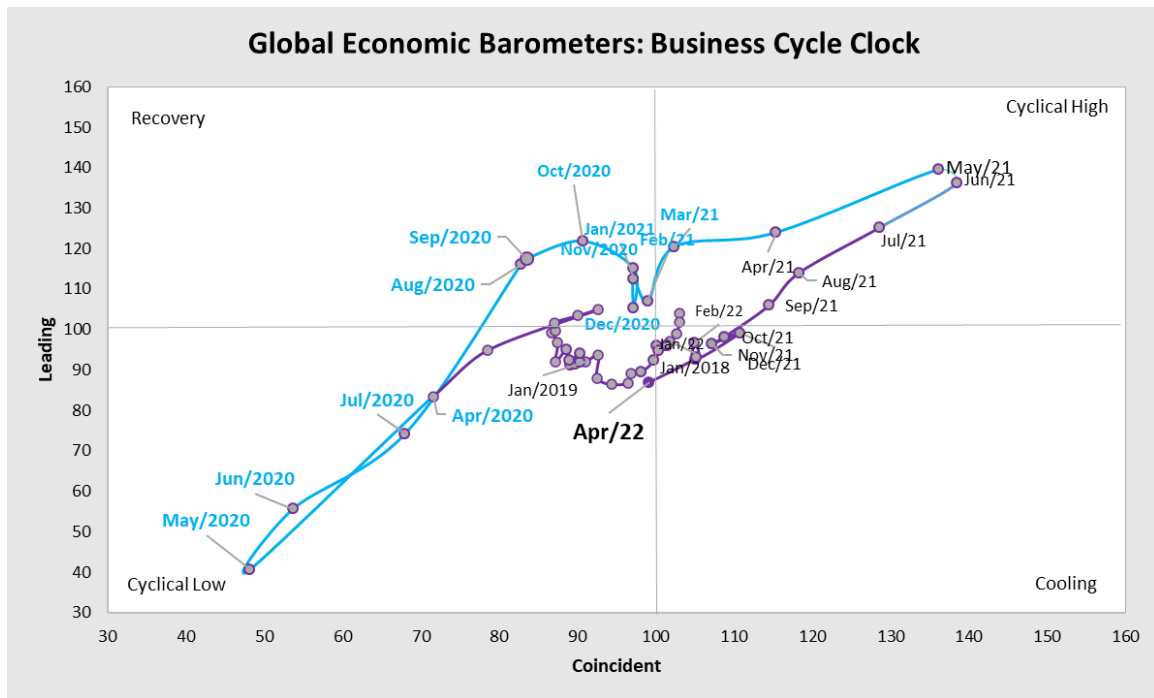


Source: KOF ETH Zurich and FGV IBRE

In April 2022, there is a fall in all Leading indicator sectors, except *Construction*. *Industry* declines more than 12 points to 87.3 points, its lowest level since July 2020 (82.7 pts). In addition to the existing problems in industrial supply chains in various countries, extension of the conflict in Europe adds further uncertainties regarding performance of the sector. In the other sectors, the impact until now is smaller.

Sectoral Leading Indicators					
Period	Construction	Economy	Industry	Trade	Services
Feb-20	99.7	106.7	102.3	103.0	108.4
Mar-20	104.0	87.2	93.0	93.4	109.0
Apr-20	85.7	83.8	88.0	61.1	65.7
May-20	57.3	47.6	40.2	59.2	37.1
Worst pandemic moment: Cum. Variation. Mar/20-May/20	-42.4	-59.1	-62.1	-43.8	-71.3
Cum. Variation. Jun/20-Mar/21	55.1	72.4	79.7	53.3	68.6
Apr-21	129.9	124.2	123.5	149.0	137.8
May-21	142.0	132.9	140.5	149.3	149.0
Jun-21	135.6	126.8	134.9	134.2	135.1
Jul-21	137.7	114.7	125.3	132.7	132.5
Aug-21	122.4	106.3	111.8	114.6	129.2
Sep-21	115.1	95.7	105.4	114.7	120.9
Oct-21	103.3	88.9	97.8	114.1	104.8
Nov-21	103.8	89.8	94.6	105.6	112.2
Dec-21	104.0	92.5	94.8	113.6	102.3
Jan-22	99.0	88.3	103.0	103.8	106.3
Feb-22	96.0	95.8	99.2	103.3	104.9
Mar-22	83.4	91.7	99.4	99.1	103.1
Apr-22	89.1	82.8	87.3	93.4	100.6
Cum. Variation. Apr/21-Apr/22	-23.3	-37.2	-32.6	-19.1	-5.1
Cum. Variatiom. Mar/20-Apr/22	-10.6	-23.8	-15.0	-9.6	-7.8

Source: KOF ETH Zurich and FGV IBRE



Period	<i>Global Coincident Barometer</i> Vintages		<i>Global Leading Barometer</i> Vintages	
	April 2022	March 2022	April 2022	March 2022
Apr-21	115.4	117.2	123.9	130.0
May-21	136.1	136.3	139.5	142.8
Jun-21	138.5	137.1	136.3	134.9
Jul-21	128.6	129.3	125.2	126.8
Aug-21	118.3	118.7	114.0	113.9
Sep-21	114.5	112.4	106.0	106.8
Oct-21	108.8	109.1	98.2	98.8
Nov-21	107.2	106.8	96.4	96.9
Dec-21	110.8	108.5	99.2	97.8
Jan-22	105.1	108.2	92.6	99.7
Feb-22	104.9	107.2	96.6	99.1
Mar-22	105.2	103.9	93.2	96.4
Apr-22	99.2		86.9	

* The Global Barometer series are revised monthly to reflect updates in the component series and revision of the seasonal adjustment. In April, the revision also reflects a change in the data basis. Until March, the data provider Refinitiv Datastream served as the data source. In April, the data source was changed to Macrobond and the history was recalculated in addition to the current value.

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/en/forecasts-and-indicators/indicators/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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