

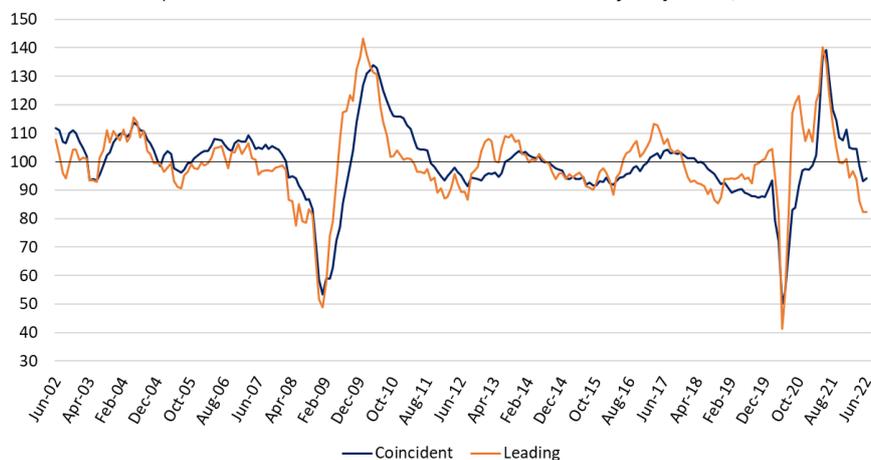
Press Release

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

Global Barometers stabilize at a low level

The Global Barometers are quite stable in June, following noticeable falls in the two previous months. The Coincident Barometer rises a little and sustains a level compatible with moderate growth of the world economy in the second quarter. However, the current stability of the Leading Barometer continues to reflect a skeptical outlook for global economic growth in the months ahead.

Global Economic Barometers: Coincident vs Leading
(Mean Jan/10 to Dec/19 =100, seasonally adjusted)



Source: KOF ETH Zurich and FGV IBRE

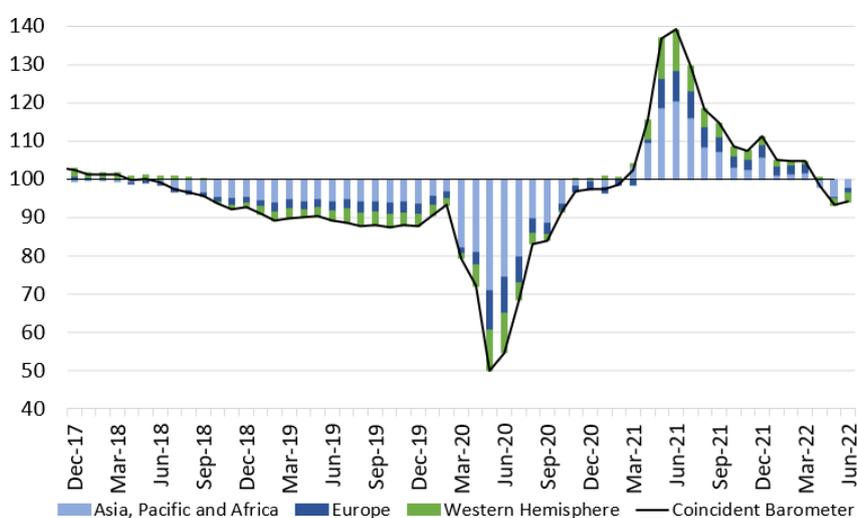
The Coincident Global Economic Barometer climbs 0.9 points in June to 94.1 points, after losing 11.4 points during April and May. The Leading Global Economic Barometer remains stable this month at 82.2 points. The results of the indicators are influenced by the improvement in current assessments and the outlook for the coming months in the *Asia, Pacific, and Africa* region alongside a worsening of perceptions in the other regions.

“The development of the Global Barometers in June demonstrates the continuity of a framework in which monetary authorities around the world clearly signal their will to fight against generalized price increases, even those resulting primarily from shocks to supply. The magnitude of the resulting slowdown in economic activity remains uncertain, depending on the dynamic of the conflict in Europe and the relaxing of recent mobility restriction measures, especially in Asia”, evaluates Paulo Picchetti, researcher of FGV IBRE.

Coincident Barometer – regions and sectors

In June, the *Asia, Pacific, and Africa* region was with 2.3 points the only region to contribute positively to the increase in the Coincident Global Barometer. The indicator for *Europe* contributes -0.9 points and the *Western Hemisphere* contributes -0.5 points. The gradual rise in the global indicator appears to be mainly related to the gradual recovery of the Chinese economy after the easing of mobility restrictions adopted to combat the COVID-19 outbreak. The graph below illustrates the contribution of each region to the deviation of the Coincident Barometer from the historical mean of 100 points.

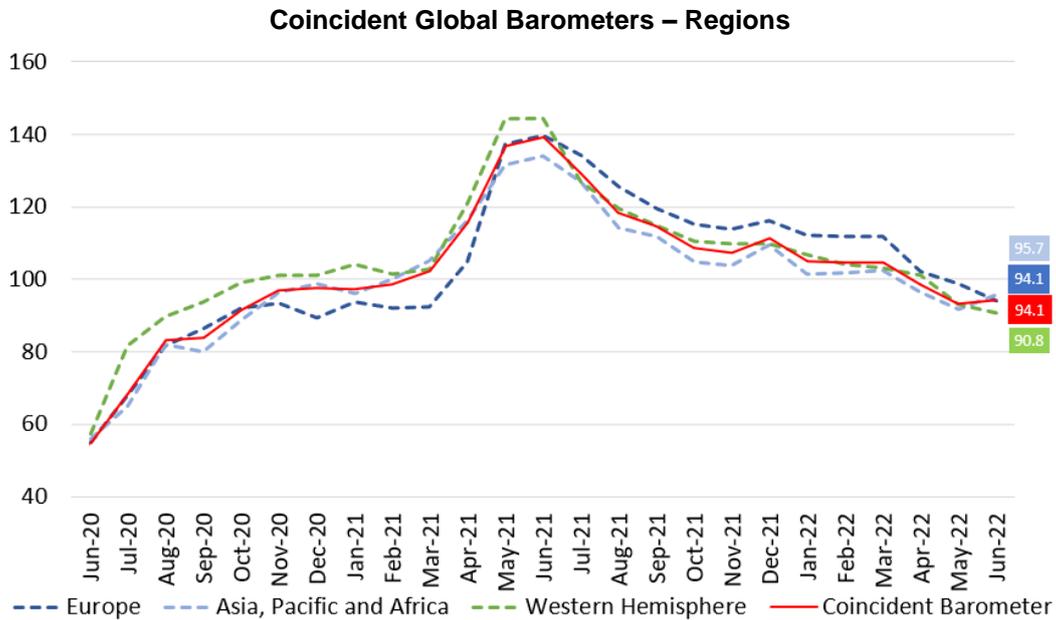
Regional Contributions to the Coincident Global Economic Barometer



Source: KOF ETH Zurich and FGV IBRE

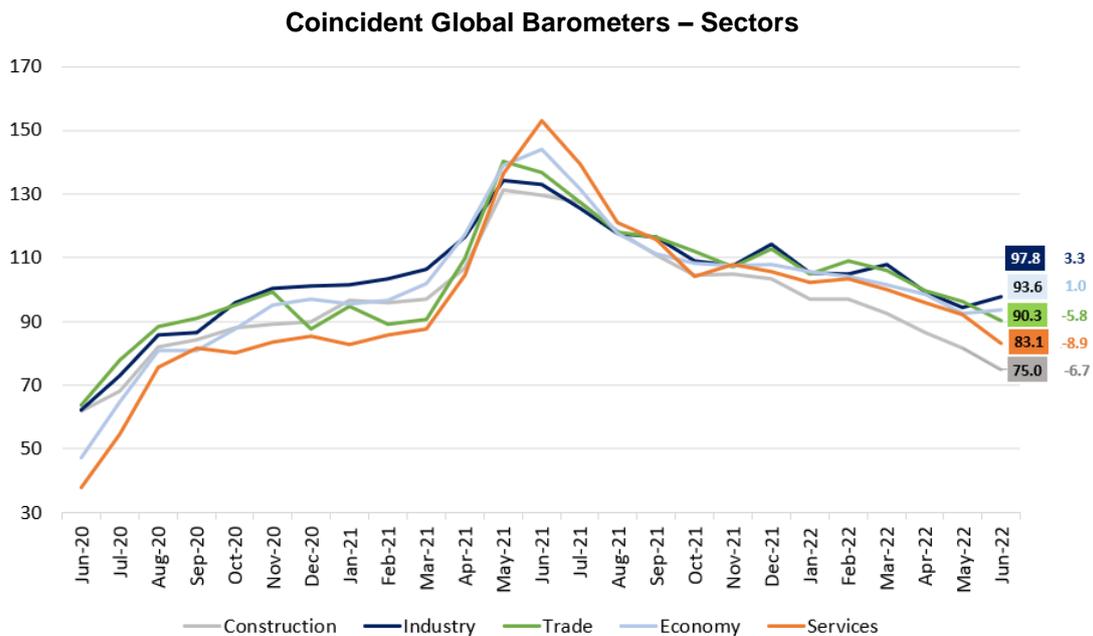
Regional Contributions to Changes in the Coincident Barometer				
Period	Contributions per Regions			Monthly Variation
	Asia, Pacific and Africa	Europe	Western Hemisphere	Coincident Barometer
Worst pandemic moment: Cum. Contrib. Mar/20-May/20	-25.9	-8.3	-9.1	-43.3
Cum. Contrib. Jun/20-May/21	48.1	17.6	21.2	86.9
Jun-21	1.6	0.6	0.1	2.3
Jul-21	-4.3	-1.2	-4.2	-9.8
Aug-21	-7.6	-1.8	-1.8	-11.1
Sep-21	-1.4	-1.2	-1.1	-3.7
Oct-21	-4.0	-0.9	-1.1	-6.1
Nov-21	-0.7	-0.3	-0.2	-1.1
Dec-21	3.3	0.5	0.0	3.8
Jan-22	-4.7	-0.9	-0.7	-6.3
Feb-22	0.3	-0.1	-0.6	-0.3
Mar-22	0.4	0.0	-0.3	0.0
Apr-22	-3.8	-2.0	-0.4	-6.2
May-22	-2.7	-0.7	-1.9	-5.2
Jun-22	2.3	-0.9	-0.5	0.9
Cum. Contrib. Jun/21-Jun/22	-21.3	-8.8	-12.7	-42.8
Cum. Contrib. Mar/20-Jun/22	0.9	0.5	-0.6	0.8

Source: KOF ETH Zurich and FGV IBRE



Source: KOF ETH Zurich and FGV IBRE

Among the coincident sector indicators, only *Industry* and the general state of the *Economy* (aggregated business and consumer evaluations) increase slightly this month. The other sectors all decrease. All five sector indicators remain below the historical mean of 100 points and *Construction* continues to be the sector with the lowest level.

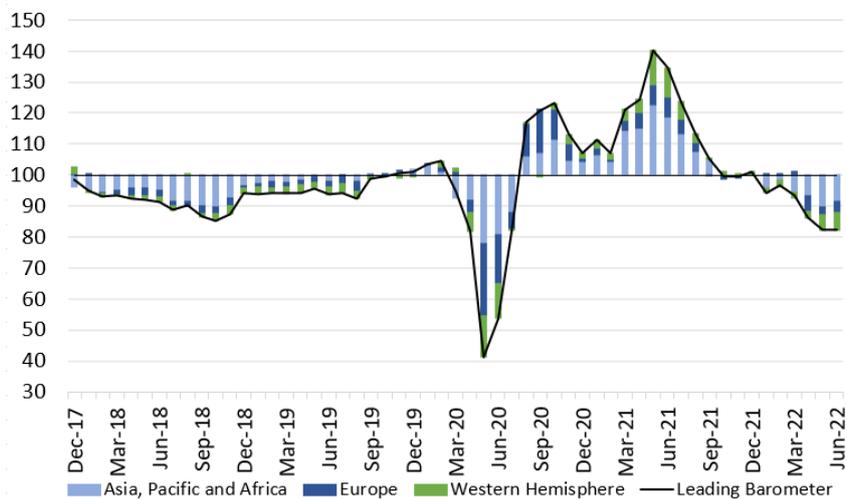


Source: KOF ETH Zurich and FGV IBRE

Leading Barometer – regions and sectors

The Leading Global Barometer leads the world economic growth rate cycle by three to six months on average. In June, the global indicator remains at 82.2 points, the lowest level since April 2009, except for four observations in 2020. The *Asia, Pacific, and Africa* region contributes positively this month with 1.6 points, while *Europe* and the *Western Hemisphere* contribute in the opposite direction with -1.1 and -0.5 points, respectively. The economic slowdown to control the pandemic in China, alongside the war in Ukraine, the high inflation rates and the adoption of more restrictive monetary policies in various countries has led to a worsening of expectations for global growth in 2022. The latter factors also contribute to maintaining the low level of the global leading indicator.

Regional Contributions to the Leading Global Economic Barometer

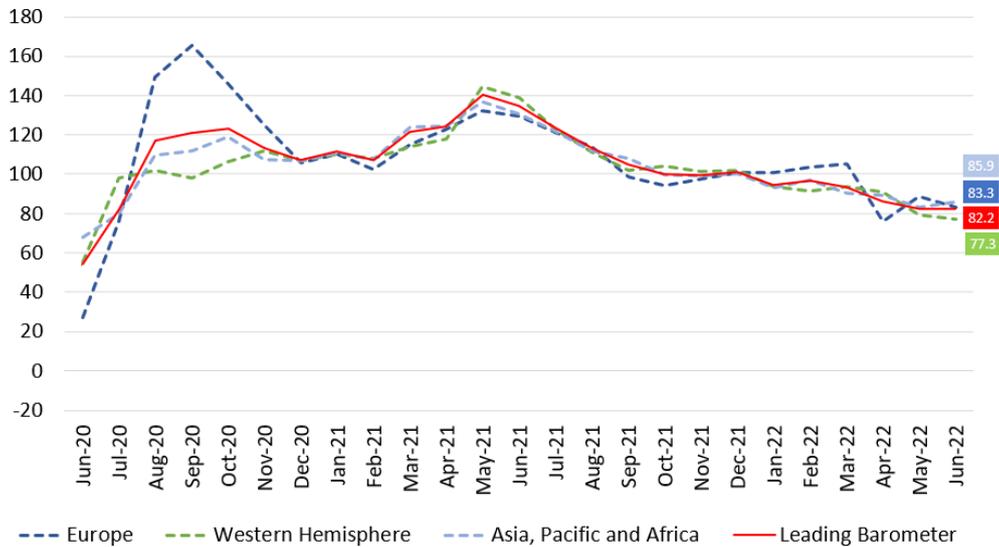


Source: KOF ETH Zurich and FGV IBRE

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	-23.3	-24.8	-15.2	-63.2
Cum. Contrib. Jun/20-May/21	44.5	30.2	24.3	99.0
Jun-21	-3.6	-0.6	-1.4	-5.7
Jul-21	-5.4	-1.8	-3.8	-11.1
Aug-21	-6.0	-1.5	-2.9	-10.3
Sep-21	-2.5	-3.3	-2.3	-8.1
Oct-21	-5.1	-0.8	0.5	-5.4
Nov-21	-0.2	0.6	-0.7	-0.3
Dec-21	0.7	0.8	0.1	1.6
Jan-22	-4.7	-0.1	-1.9	-6.7
Feb-22	2.5	0.5	-0.6	2.4
Mar-22	-4.0	0.4	0.5	-3.1
Apr-22	-0.8	-6.0	-0.7	-7.5
May-22	-3.7	2.6	-2.8	-3.9
Jun-22	1.6	-1.1	-0.5	0.0
Cum. Contrib. Jun/21-Jun/22	-31.2	-10.3	-16.5	-58.1
Cum. Contrib. Mar/20-Jun/22	-10.0	-4.9	-7.4	-22.3

Source: KOF ETH Zurich and FGV IBRE

Leading Global Barometers – Regions

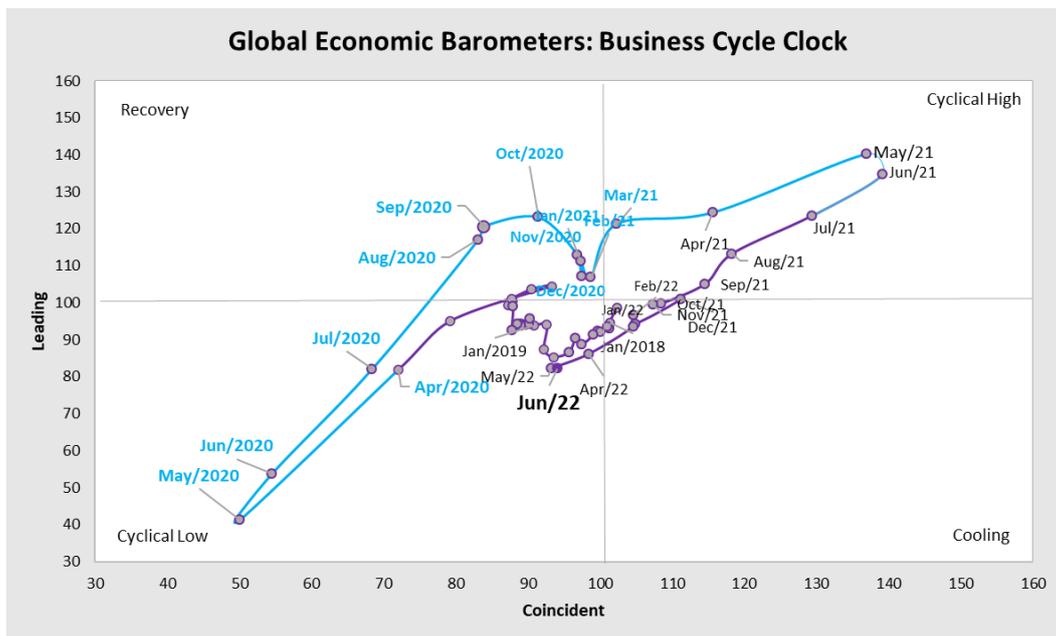


Source: KOF ETH Zurich and FGV IBRE

In June 2022, there is a fall in four of the five leading indicator sectors. Only the indicator for the general state of the Economy (aggregated business and consumer evaluations) increases this month. Despite the rise, it is the only indicator oscillating in the band of 70 points. All the other sector indicators are in the band of 80 points.

Sectoral Leading Indicators					
Period	Construction	Economy	Industry	Trade	Services
Feb-20	97.4	107.1	101.6	108.2	109.6
Mar-20	106.6	90.3	93.8	101.6	105.1
Apr-20	90.0	84.1	85.6	58.8	73.7
May-20	62.8	58.6	34.7	21.0	33.4
Worst pandemic moment: Cum. Variation. Mar/20-May/20	-34.6	-48.5	-66.9	-87.2	-76.2
Cum. Variation Jun/20-May/21	72.9	71.1	108.8	115.1	115.5
Jun-21	131.2	128.2	135.3	130.8	140.8
Jul-21	135.9	113.7	123.6	122.6	135.0
Aug-21	120.2	107.9	112.3	104.6	127.6
Sep-21	115.4	98.7	105.8	97.8	117.4
Oct-21	101.6	96.2	100.9	101.9	103.7
Nov-21	97.8	95.9	98.6	102.4	115.4
Dec-21	106.0	97.7	99.9	111.8	105.6
Jan-22	95.5	90.9	94.1	96.4	107.8
Feb-22	94.0	96.9	95.2	99.2	105.2
Mar-22	89.0	90.3	97.6	91.1	96.6
Apr-22	91.2	78.8	89.0	91.2	98.9
May-22	94.5	71.7	86.0	93.2	94.6
Jun-22	87.9	77.3	85.4	85.8	88.3
Cum. Variation Jun/21-Jun/22	-47.8	-52.4	-58.1	-50.3	-60.6
Cum. Variation Mar/20-Jun/22	-9.5	-29.9	-16.2	-22.3	-21.3

Source: KOF ETH Zurich and FGV IBRE



Period	<i>Global Coincident Barometer</i> Vintages		<i>Global Leading Barometer</i> Vintages	
	June 2022	May 2022	June 2022	May 2022
Jun-21	139.2	138.5	134.6	136.6
Jul-21	129.4	129.5	123.5	127.6
Aug-21	118.3	118.0	113.2	115.9
Sep-21	114.6	114.5	105.1	106.6
Oct-21	108.5	108.9	99.7	97.2
Nov-21	107.4	107.3	99.4	95.6
Dec-21	111.2	111.5	101.0	98.7
Jan-22	104.9	105.2	94.3	93.0
Feb-22	104.6	104.8	96.7	97.1
Mar-22	104.6	105.0	93.6	93.2
Apr-22	98.4	98.8	86.1	86.1
May-22	93.2	93.3	82.2	84.2
Jun-22	94.1		82.2	

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.

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