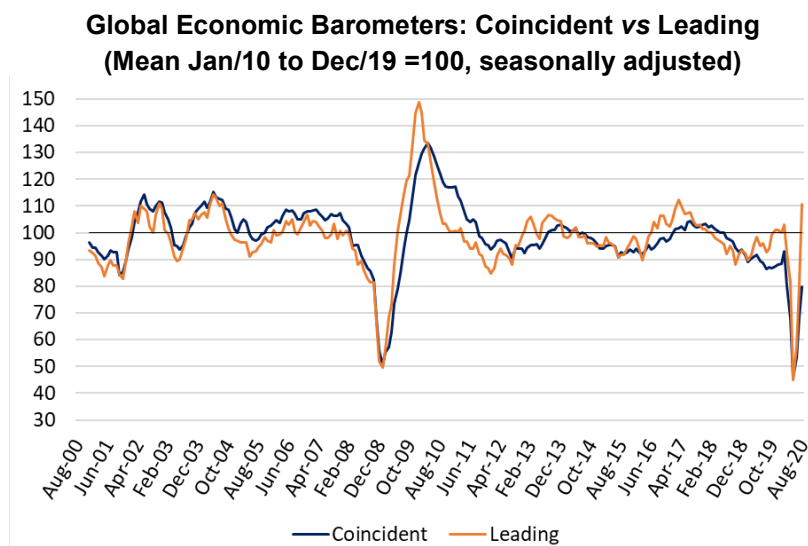


Press Release

Rio de Janeiro and Zurich, 10 August 2020, 2 pm (local time Zurich) – 1 pm (UTC).

Global Economic Barometers Continue to Rebound

The Coincident and Leading Global Economic Barometers are rising in August, sustaining the tendency towards a world economic rebound. While the Coincident Barometer continues to gradually move away from the trough of the crisis, the Leading Barometer has advanced faster, signalling confidence for the recovery of world GDP in the coming months. This result should be interpreted cautiously given the high degree of uncertainty on both the economic and health fronts.



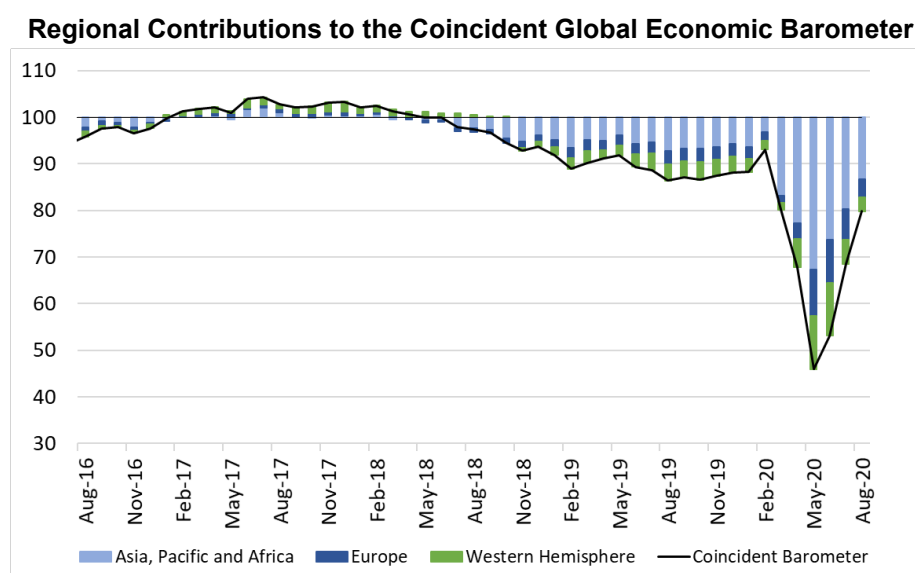
Source: KOF ETH Zurich and FGV IBRE

The Global Coincident Barometer is rising 11.3 points in August relative to the previous month, increasing from 68.5 to 79.8 points. The Global Leading Barometer, meanwhile, climbs to 29.9 points, from 80.5 to 110.5 points. All three broader regions investigated contribute positively to this result, with the *Asia, Pacific and Africa* region leading the movement in the Coincident Barometer and all three regions contributing similarly to the development of the Leading Barometer.

“The solidified rise in the Global Barometer shows that the worldwide economic stimulus measures and the easing after the lockdowns are beginning to have an impact on the global economic development. If we want to continue along this path, it is important to monitor infection rates closely, so that we can react as quickly as possible with countermeasures, but also to continue to support the economy” comments KOF Director Jan-Egbert Sturm the latest results of the Global Barometers.

Coincident Barometer – regions and sectors

The *Asia, Pacific and Africa* region is responsible for over 50 percent of the advance in the Coincident Barometer in August, contributing 6.4 points to the increase of 11.3 points. The *Western Hemisphere* (North America, Latin America and the Caribbean) reduces the intensity of the increase seen in the previous month and contributed 2.1 points to the global indicators. *Europe*, in turn, contributes 2.8 points. The graph below illustrates the contribution of each region to the deviation of the Coincident Barometer from the historical mean level of 100 points.



Source: KOF ETH Zurich and FGV IBRE

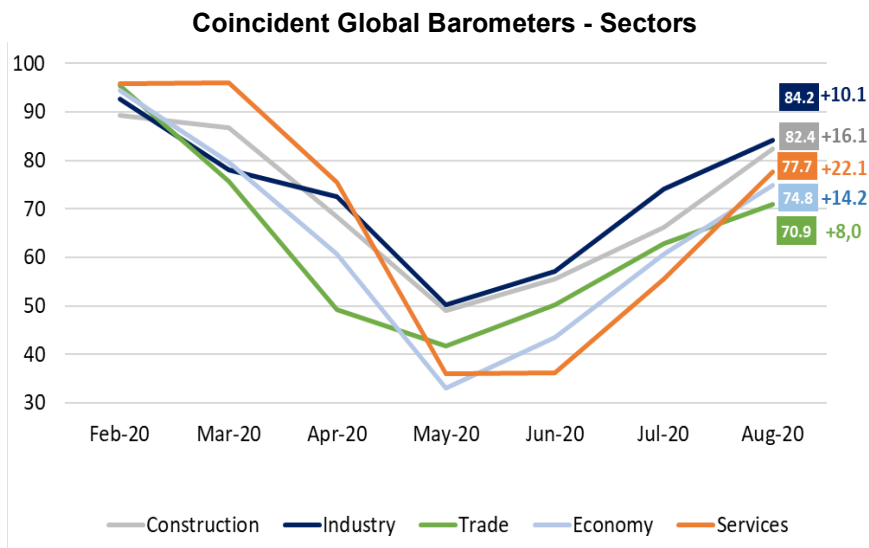
Coincident Regional Barometers				
<i>Period</i>	<i>Asia, Pacific and Africa</i>	<i>Europe</i>	<i>Western Hemisphere</i>	<i>Coincident Barometer</i>
Feb-20	94.4	91.1	92.3	93.0
Mar-20	71.0	92.9	94.0	80.1
Apr-20	60.8	84.7	75.1	67.8
May-20	43.9	52.5	53.7	45.9
Jun-20	55.0	55.7	53.8	53.2
Jul-20	66.1	68.5	79.3	68.5
Aug-20	76.9	82.1	87.8	79.8
Cumulative Var. Mar-Aug	-17.5	-9.0	-4.5	-13.2

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
Mar-20	-13.7	0.4	0.4	-12.9
Apr-20	-6.0	-1.7	-4.6	-12.3
May-20	-9.9	-6.7	-5.2	-21.8
Cumulative Contrib. Mar-May	-29.6	-8.0	-9.4	-47.1
Jun-20	6.5	0.7	0.0	7.2
Jul-20	6.5	2.7	6.2	15.4
Aug-20	6.4	2.8	2.1	11.3
Cumulative Contrib. Jun-Aug	19.4	6.2	8.3	33.9
Cumulative Contrib. Mar-Aug	-10.2	-1.9	-1.1	-13.2

Source: KOF ETH Zurich and FGV IBRE

All sectors continue to evolve positively in August. The largest contributions to the increase in the Coincident Global Barometer once again comes from *Industry*, followed by the set of variables reflecting the aggregated evolution of economies (*Overall Economic Development*). The *Services*, *Trade*, and *Construction* sectors continued moderately contributing modestly to the development.

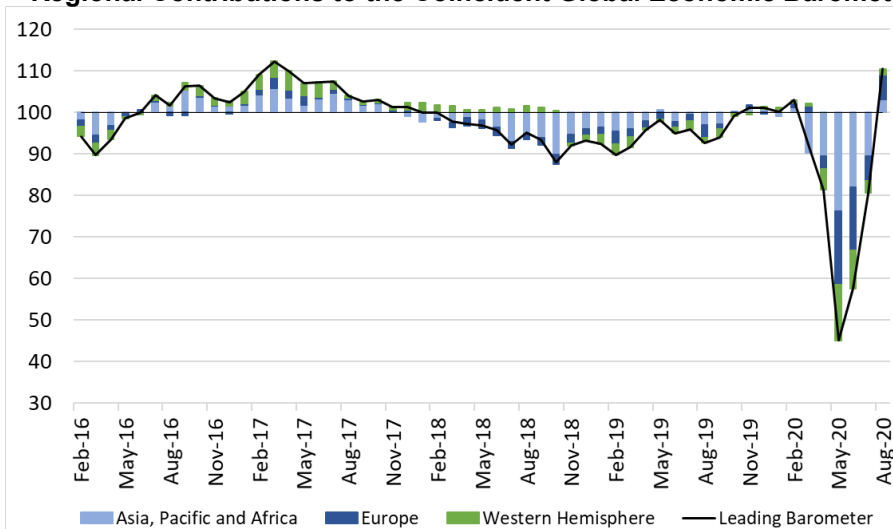


Source: KOF ETH Zurich and FGV IBRE

Leading Barometer – regions and sectors

The Leading Global Barometer leads the world economic growth rate cycle by three to six months on average. In August, the regional contributions from *Asia, Pacific and Africa* (13.5 points) and *Europe* (11.9 points) to the 29.9 point rise in the global indicator were stronger than in the previous month. The contribution of the *Western Hemisphere*, of 4.6 points, was inferior to the 6.2 points it contributed in July.

Regional Contributions to the Coincident Global Economic Barometer



Source: KOF ETH Zurich and FGV IBRE

Leading Regional Barometers

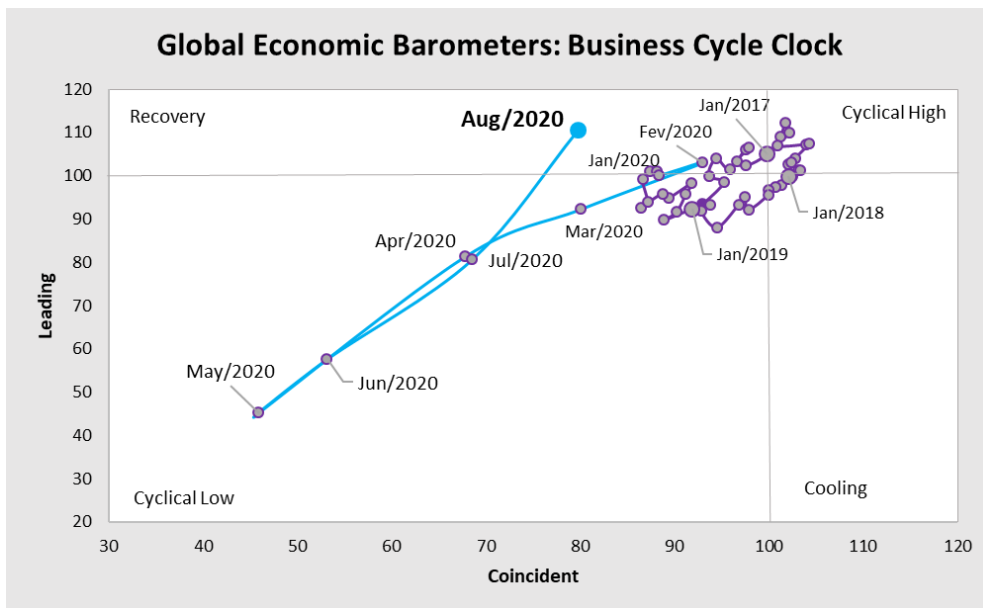
<i>Period</i>	<i>Asia, Pacific and Africa</i>	<i>Europe</i>	<i>Western Hemisphere</i>	<i>Leading Barometer</i>
Feb-20	101.7	106.1	102.3	103.0
Mar-20	83.6	107.4	102.4	92.3
Apr-20	82.3	85.8	80.5	81.4
May-20	60.7	17.8	46.5	45.1
Jun-20	70.2	29.2	63.4	57.6
Jul-20	82.5	72.8	88.0	80.5
Aug-20	104.9	128.0	106.0	110.5
Cumulative Var. Mar-Aug	3.1	21.8	3.7	7.5

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
Mar-20	-11.0	0.3	0.0	-10.7
Apr-20	-0.8	-4.6	-5.5	-10.9
May-20	-13.1	-14.6	-8.6	-36.3
Cumulative Contrib. Mar-May	-24.8	-19.0	-14.1	-57.9
Jun-20	5.8	2.4	4.3	12.5
Jul-20	7.4	9.4	6.2	23.0
Aug-20	13.5	11.9	4.6	29.9
Cumulative Contrib. Jun-Aug	26.7	23.7	15.0	65.4
Cumulative Contrib. Mar-Aug	1.9	4.7	0.9	7.5

Source: KOF ETH Zurich and FGV IBRE

All sector indicators continue to contribute positively to the result, with *Industry* and the set of variables that reflect the aggregated development of economies (*Overall Economic Development*) exerting 80 percent of the change in the Leading Barometer. The remaining sectors contributed less significantly to the increase in the global leading indicator.



Period	<i>Global Coincident Barometer</i>		<i>Global Leading Barometer</i>	
	<i>Vintages</i>		<i>Vintages</i>	
	<i>August 2020</i>	<i>July 2020</i>	<i>August 2020</i>	<i>July 2020</i>
Aug-19	86.4	86.3	92.7	94.3
Sep-19	87.2	87.2	94.0	97.2
Oct-19	86.6	86.8	99.2	99.0
Nov-19	87.4	87.5	101.1	100.6
Dec-19	88.1	88.2	101.0	101.2
Jan-20	88.3	88.5	100.1	101.0
Feb-20	93.0	92.9	103.0	103.3
Mar-20	80.1	79.6	92.3	93.1
Apr-20	67.8	68.3	81.4	83.8
May-20	45.9	45.4	45.1	44.3
Jun-20	53.2	50.4	57.6	45.7
Jul-20	68.5	73.0	80.5	69.3
Aug-20	79.8		110.5	

* 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), where the 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 two Barometers are calculated once every month and are usually published on the 10th of each calendar month. For the August 2020 edition of the Global Barometers, the coefficients of the component series were the same used in the previous month.

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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