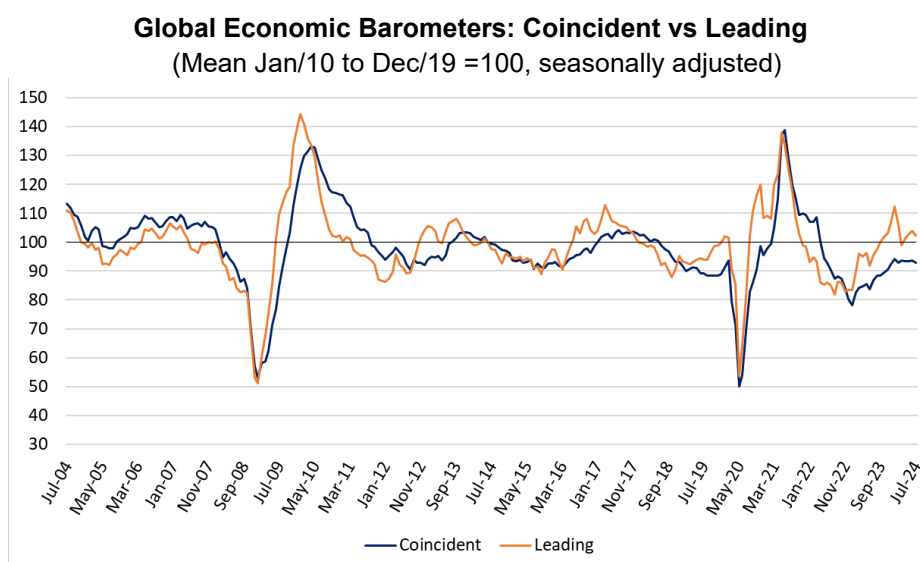


Press Release

Rio de Janeiro and Zurich, 10 July 2024, 2 pm (local time) – 1 pm (UTC)

Global Barometers decline slightly in July

After three consecutive increases, the Leading Barometer fell slightly, although it remained above average. The decline in the Coincident Barometer was even smaller. As a result, the indicator remains within the narrow range in which it has been fluctuating since the beginning of the year. Therefore, the slight decline in the Global Barometers in July currently does not mark a turning point.



Source: KOF, ETH Zurich and FGV IBRE

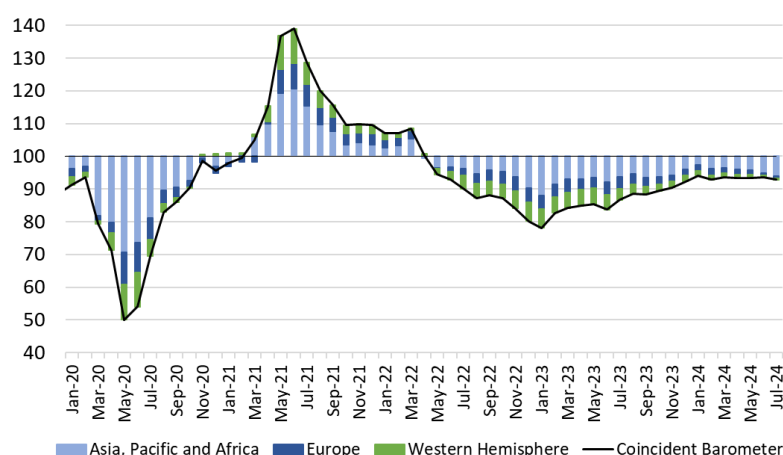
The Coincident Global Economic Barometer decreases 0.9 points in July, to 92.8 points. Meanwhile, the Leading Barometer loses 1.5 points to reach 102.4 points. The fall in the Coincident Barometer is almost entirely driven by the decline in the *Asia, Pacific & Africa* region. However, the decrease in the Leading barometer is the result of losses in the *Asia, Pacific & Africa* region and *Europe*, which counterbalanced by an increase observed in the *Western Hemisphere*.

“The leading indicator has been above the coincident indicator for more than one and a half years. But the latter has been hovering around the same below-average level of 93 since the end of last year. Despite this month's decline, the outlook remains brighter than the assessment of the current situation. With inflation slowly returning to target and monetary policy thus gradually moving away from its restrictive stance, economic normalisation should indeed be under way”, says KOF Director Jan-Egbert Sturm.

Coincident Barometer – regions and sectors

The decrease in the Coincident Barometer in July is the result of the 1.0-point negative contribution of the *Asia, Pacific & Africa* region and a positive contribution of 0.1 points from *Europe*. The *Western Hemisphere* records a null contribution. With the decrease, the indicator for the *Asia, Pacific & Africa* region drops to its lowest level of the year, having accumulated losses of 3.2 points between December 2023 and July 2024. In the same period, indicators for the *Western Hemisphere* and *Europe* have shown resilience, accumulating 5.5 and 5.9 points respectively. 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

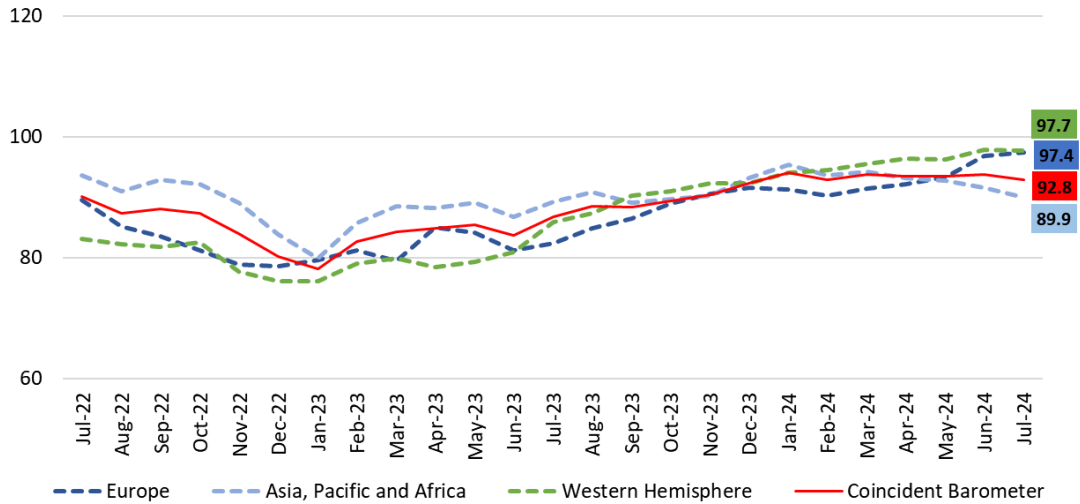


Source: KOF, ETH Zurich and FGV IBRE

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	-26.3	-7.9	-9.3	-43.5
Cum. Contrib. Jun/20-Jul/23	23.0	6.2	7.3	36.6
Aug-23	1.0	0.5	0.4	1.8
Sep-23	-1.1	0.4	0.7	-0.1
Oct-23	0.3	0.4	0.1	1.0
Nov-23	0.4	0.4	0.4	1.0
Dec-23	1.7	0.2	-0.1	1.9
Jan-24	1.4	-0.1	0.5	1.8
Feb-24	-1.1	-0.2	0.1	-1.2
Mar-24	0.3	0.3	0.2	0.8
Apr-24	-0.6	0.1	0.2	-0.3
May-24	-0.2	0.3	0.0	0.0
Jun-24	-0.8	0.6	0.4	0.3
Jul-24	-1.0	0.1	0.0	-0.9
Cum. Contrib. Last 12 months	0.3	3.0	2.9	6.1
Cum. Contrib. Mar/20-Jul/24	-3.0	1.3	0.9	-0.8

Source: KOF, ETH Zurich and FGV IBRE

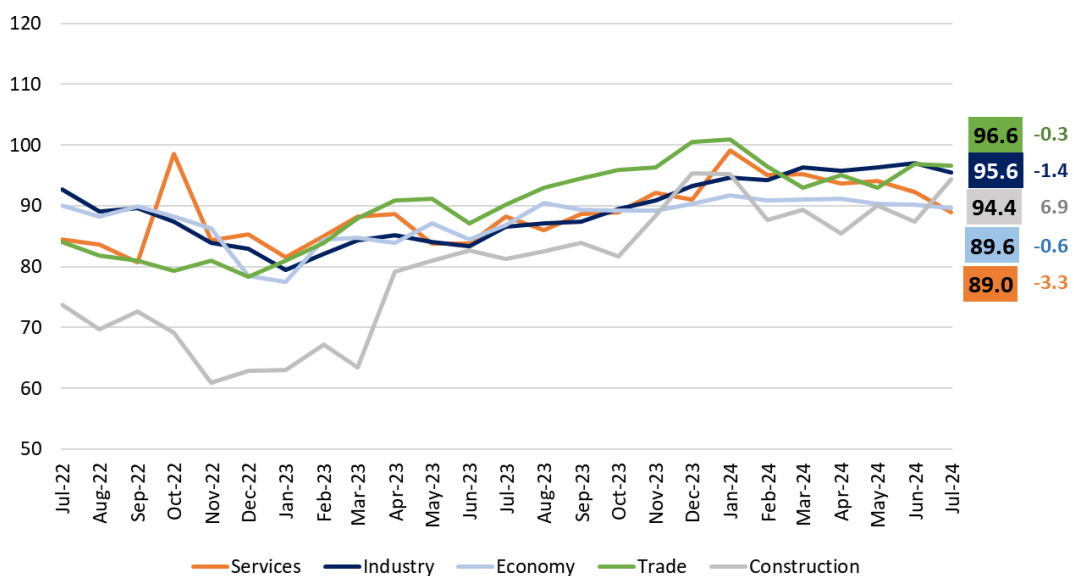
Coincident Global Barometers – Regions



Source: KOF, ETH Zurich and FGV IBRE

The evolution of the Coincident sector indicators in July is predominantly negative, with an increase observed only in *Construction*. The decreases vary from being mild, as in the case of *Economy (aggregated business and consumer evaluations)* and *Trade*, to more accentuated losses, as in *Industry* and, especially, *Services*.

Coincident Global Barometers – Sectors

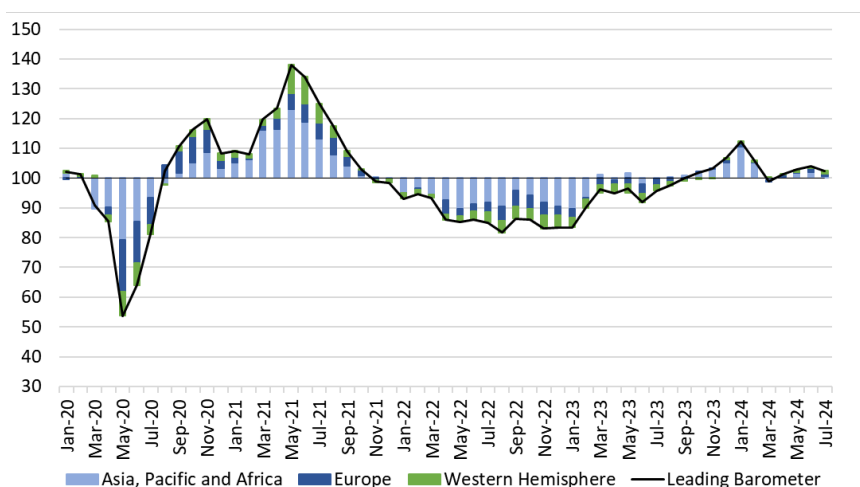


Source: KOF, ETH Zurich and FGV IBRE

Leading Barometer – regions and sectors

The Leading Global Barometer leads the world economic growth rate cycle by three to six months on average. In July, the *Asia, Pacific & Africa* region and *Europe* contribute -1.3 and -0.6 points, respectively, to the overall decrease in the global indicator, while the *Western Hemisphere* records a positive contribution of 0.4 points. Despite the fall in its indicator, *Europe* remains the region with the most positive outlook.

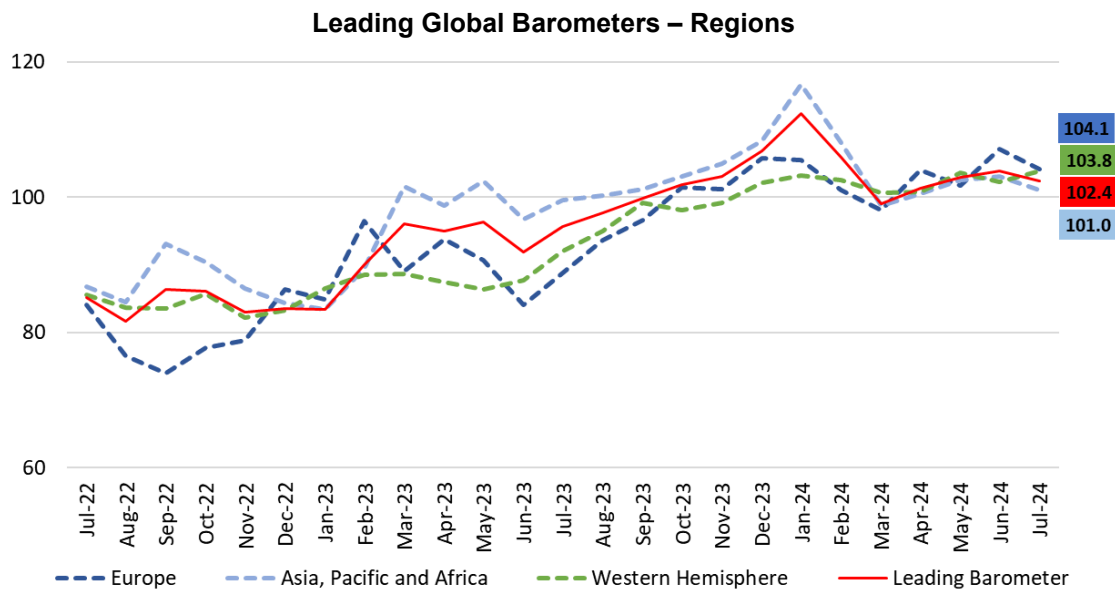
Regional Contributions to the Leading Global Economic Barometer



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	-21.0	-17.9	-8.7	-47.7
Cum. Contrib. Jun/20-Jul/23	20.6	15.2	6.1	41.9
Aug-23	0.3	1.0	0.7	2.1
Sep-23	0.6	0.6	1.0	2.2
Oct-23	1.2	1.0	-0.3	1.9
Nov-23	1.1	-0.1	0.3	1.3
Dec-23	2.2	0.9	0.7	3.8
Jan-24	5.3	0.0	0.2	5.5
Feb-24	-5.4	-0.9	-0.1	-6.5
Mar-24	-5.9	-0.6	-0.5	-6.9
Apr-24	1.1	1.2	0.1	2.3
May-24	1.3	-0.5	0.6	1.6
Jun-24	0.3	1.1	-0.3	1.0
Jul-24	-1.3	-0.6	0.4	-1.5
Cum. Contrib. Last 12 months	0.8	3.1	2.8	6.8
Cum. Contrib. Mar/20-Jul/24	0.4	0.4	0.2	1.0

Source: KOF, ETH Zurich and FGV IBRE



Source: KOF, ETH Zurich and FGV IBRE

In July, the Leading sector indicators behave in a similar manner to those of the Coincident indicator, with *Construction* as the only sector to increase this month. In the other sectors, the falls vary from 1.0 point (*Trade*) to 8.8 points (*Services*).

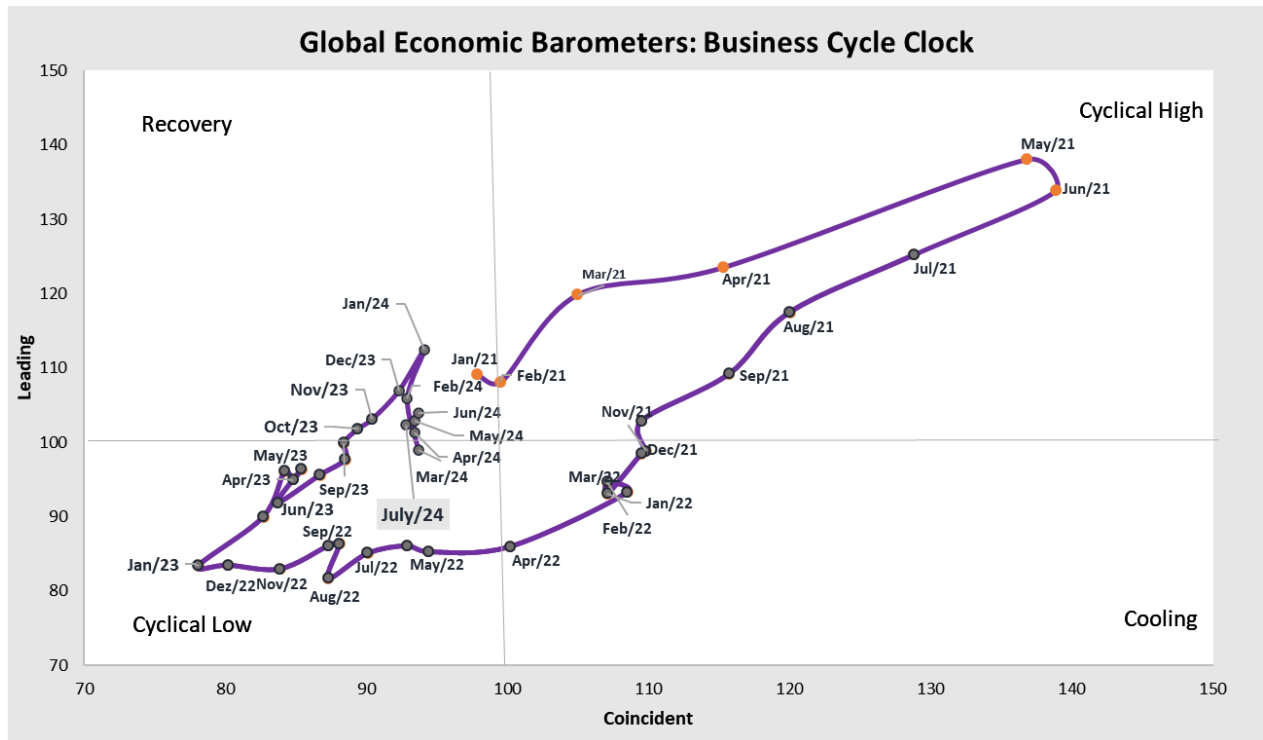
Sectoral Leading Indicators					
Period	Construction	Economy	Industry	Trade	Services
Feb-20	97.8	104.1	99.5	104.2	107.0
Mar-20	104.5	78.3	93.1	105.7	98.6
Apr-20	91.3	82.5	91.1	73.0	65.5
May-20	60.5	62.4	53.2	55.6	45.2
Worst pandemic moment: Cum. Variation. Mar/20-May/20					
	-37.4	-41.7	-46.3	-48.6	-61.8
Cum. Variation Jun/20-Jul/23					
	38.4	36.3	39.0	47.3	58.8
Aug-23	95.8	100.2	95.9	96.8	108.7
Sep-23	102.3	101.6	97.8	101.8	106.1
Oct-23	90.0	105.1	100.4	106.0	110.8
Nov-23	98.7	105.1	100.3	110.6	115.3
Dec-23	107.7	105.7	104.9	112.1	118.0
Jan-24	117.1	111.1	109.6	121.5	115.7
Feb-24	113.2	96.9	107.2	115.6	110.4
Mar-24	109.5	88.4	100.9	106.5	109.9
Apr-24	101.8	91.7	104.1	110.5	109.2
May-24	103.5	97.5	103.8	104.8	114.3
Jun-24	92.3	98.8	105.9	108.4	118.3
Jul-24	98.0	96.0	104.8	107.4	109.5
Cum. Variation Last 12 months					
	-16.8	31.4	8.2	-4.5	-9.1
Cum. Variation Mar/20-Jul/24					
	0.2	-8.1	5.2	3.2	2.5

Source: KOF, ETH Zurich and FGV IBRE

Period	<i>Global Coincident Barometer</i> Vintages		<i>Global Leading Barometer</i> Vintages	
	July 2024	June 2024	July 2024	June 2024
	Jul-23	86.7	86.7	95.6
Aug-23	88.5	88.6	97.7	97.9
Sep-23	88.4	88.4	99.9	99.8
Oct-23	89.4	89.4	101.8	101.9
Nov-23	90.4	90.4	103.1	103.2
Dec-23	92.3	92.5	106.9	106.9
Jan-24	94.1	94.2	112.4	112.4
Feb-24	92.9	92.9	105.9	105.4
Mar-24	93.7	93.8	99.0	99.1
Apr-24	93.4	93.4	101.3	101.3
May-24	93.4	93.6	102.9	102.9
Jun-24	93.7	93.8	103.9	103.9
Jul-24	92.8		102.4	

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

Source: KOF, ETH Zurich and FGV IBRE



Source: KOF, ETH Zurich and FGV IBRE

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.

Find more information here:

<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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