# Press Release

Zurich and Rio de Janeiro, 9 August 2024, 2 pm (local time) – 1 pm (UTC)

Global Barometers reverse previous month's losses

The Global Barometers reverse the previous month's decline and continue the tendency of relative stability observed in recent months. The Leading Barometer remains above the neutral level of 100 points despite having lost ground earlier this year. The Coincident Barometer, in turn, has remained stable in a narrow band around 94 points since the beginning of the year.

Global Economic Barometers: Coincident vs Leading
(Mean Jan/10 to Dec/19 =100, seasonally adjusted
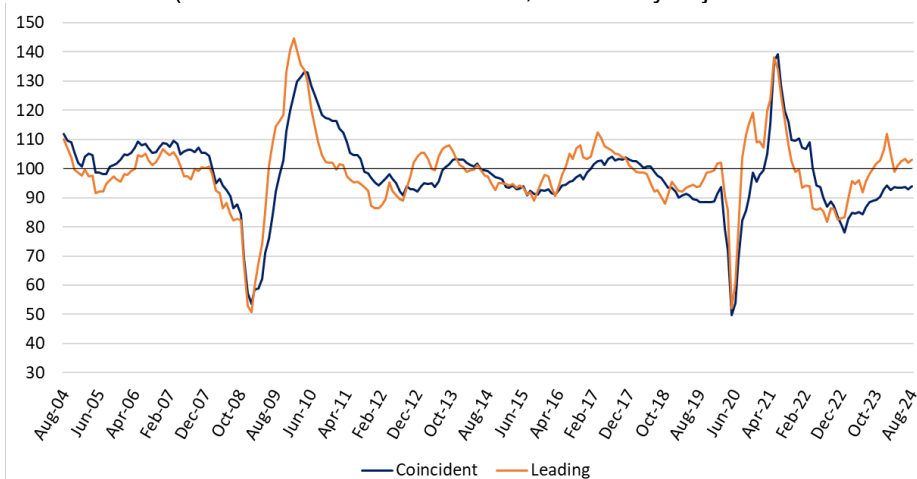
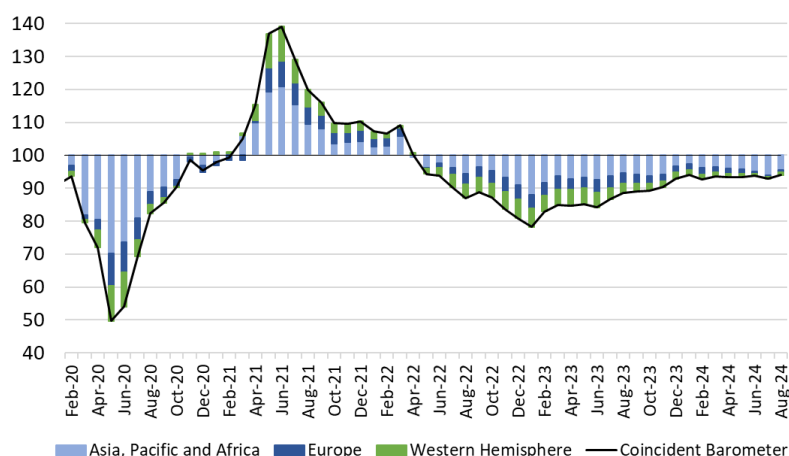Source: KOF, ETH Zurich and FGV IBRE

The Coincident Global Economic Barometer increases 1.2 points in August, to 94.0 points, while the Leading Barometer gains 1.0 point, to reach 103.1 points. The increase in the Coincident Barometer is entirely due to the performance of the *Asia, Pacific & Africa* region, while the increase in the Leading Barometer was driven by gains in *Europe* and the *Western Hemisphere*.

"Despite the recent turbulence in the financial markets, triggered by somewhat disappointing US labour market data, the Global Barometers continue to point in the same direction: The situation is below average, while expectations are above average and therefore more positive. This picture is stable and cannot be shaken as quickly as the financial markets, which, despite the correction, still seem to be having a good year. In this sense, the global corrections in the financial markets bring their position more into line with the information underlying the Global Barometers", says Jan-Egbert Sturm, Director of KOF Swiss Economic Institute.

Coincident Barometer – regions and sectors

The rise in the Coincident Barometer in August is the result of the 1.5-point contribution from the *Asia, Pacific & Africa* region and the negative contribution of -0.3 points from the *Western Hemisphere*. *Europe* records a null contribution. With the increase, the indicator for the *Asia, Pacific & Africa* region reverses the result of the previous month, when the drop in its indicator had been almost entirely responsible for the decrease in the Coincident Global Barometer. Despite this result, it is still the only region with a negative aggregate for 2024, while *Europe* and the *Western Hemisphere* accumulat gains of 5.7 and 4.2 points respectively.

**Regional Contributions to the Coincident Global Economic Barometer**

Source: KOF, ETH Zurich and FGV IBRE

| Regional Contributions to Changes in the Coincident Barometer				
	Contributions per Regions			Monthly Variation
Period	Asia, Pacific and Africa	Europe	Western Hemisphere	Coincident Barometer
Worst pandemic moment: Cum. Contrib. Mar/20-May/20	-26.8	-7.9	-9.3	-44.0
Cum. Contrib. Jun/20-Aug/23	24.4	6.7	7.6	38.8
Sep-23	-0.5	0.4	0.7	0.5
Oct-23	-0.3	0.4	0.2	0.3
Nov-23	0.3	0.4	0.3	1.1
Dec-23	2.5	0.1	0.0	2.5
Jan-24	0.7	0.0	0.4	1.2
Feb-24	-1.2	-0.2	0.1	-1.4
Mar-24	0.4	0.3	0.3	1.0
Apr-24	-0.6	0.1	0.2	-0.3
May-24	-0.2	0.2	0.0	0.0
Jun-24	-0.7	0.7	0.4	0.4
Jul-24	-1.0	0.1	-0.1	-1.0
Aug-24	**1.5**	**0.0**	**-0.3**	**1.2**
Cum. Contrib. Last 12 months	0.9	2.5	2.2	5.5
Cum. Contrib. Mar/20-Aug/24	-1.5	1.3	0.5	0.3

Source: KOF, ETH Zurich and FGV IBRE

Coincident Global Barometers – Regions
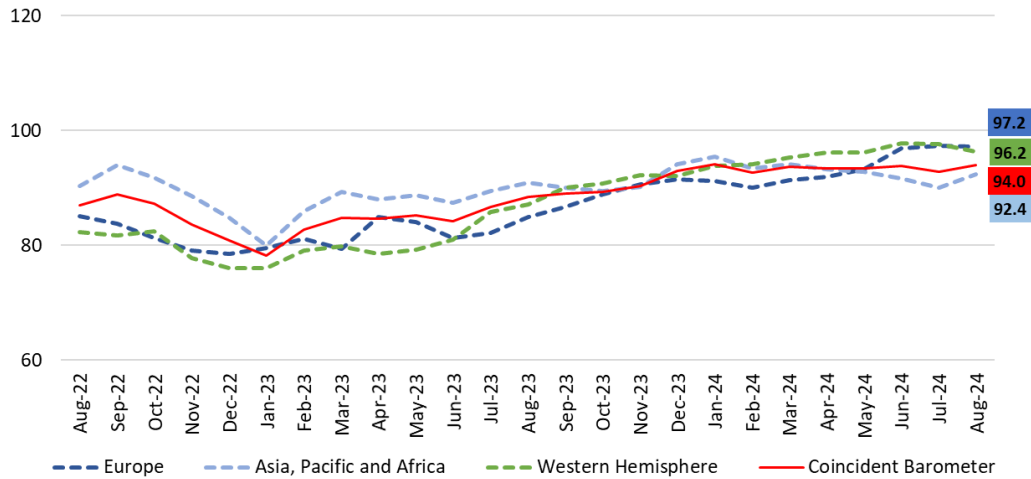
Source: KOF, ETH Zurich and FGV IBRE

The performance of the Coincident sector indicators in August is varied, with some sectors showing good results and others adverse results. *Construction* recorded the highest increase for the second consecutive month, followed by *Industry*. The *Services* and *Economy (aggregated business and consumer evaluations)* sectors remain stable, while wholesale and retail *Trade* is the only sector to achieve a negative result.

Coincident Global Barometers – Sectors
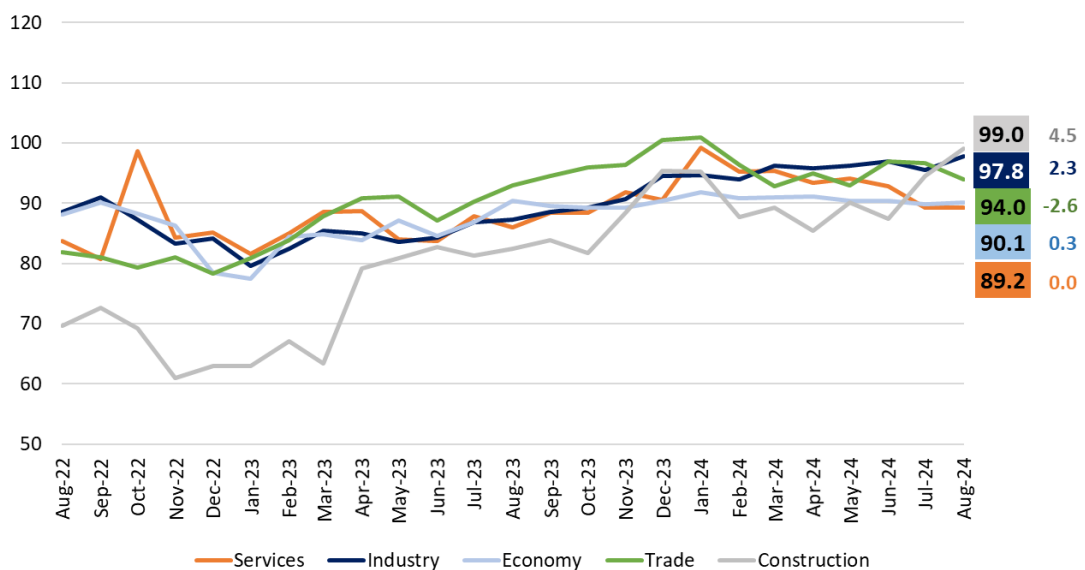
Source: KOF, ETH Zurich and FGV IBRE

Leading Barometer – regions and sectors

The Leading Global Barometer leads the world economic growth rate cycle by three to six months on average. In August, the *Western Hemisphere* and *Europe* contribute 0.8 and 0.4 points, respectively, to the increase in the global indicator, while the *Asia, Pacific & Africa* region records a negative contribution of 0.2 points. The *Western Hemisphere* reaches its highest level since September 2021 (107.3 pts).

Regional Contributions to the Leading Global Economic Barometer
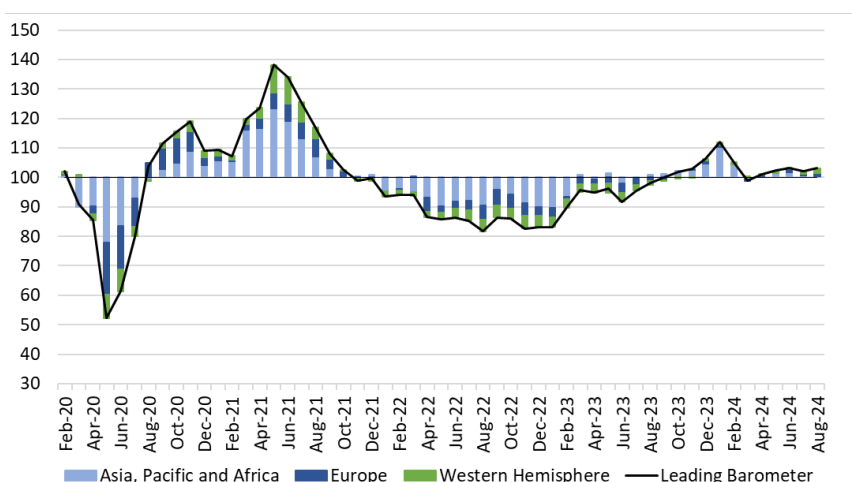
Source: KOF, ETH Zurich and FGV IBRE

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	-23.1	-18.0	-8.7	-49.8
Cum. Contrib. Jun/20-Aug/23	22.9	16.4	6.7	46.0
Sep-23	0.4	0.4	1.1	1.9
Oct-23	1.1	0.9	-0.3	1.7
Nov-23	0.3	0.3	0.3	1.0
Dec-23	2.1	0.8	0.7	3.5
Jan-24	5.5	-0.1	0.3	5.7
Feb-24	-5.7	-1.0	-0.2	-6.9
Mar-24	-5.2	-0.6	-0.4	-6.2
Apr-24	0.9	1.2	0.0	2.1
May-24	1.3	-0.6	0.6	1.4
Jun-24	0.2	1.1	-0.3	0.9
Jul-24	-1.0	-0.5	0.3	-1.2
Aug-24	**-0.2**	**0.4**	**0.8**	**1.0**
Cum. Contrib. Last 12 months	-0.3	2.3	2.9	4.9
Cum. Contrib. Mar/20-Aug/24	-0.5	0.7	0.9	1.1

Source: KOF, ETH Zurich and FGV IBRE

Leading Global Barometers – Regions
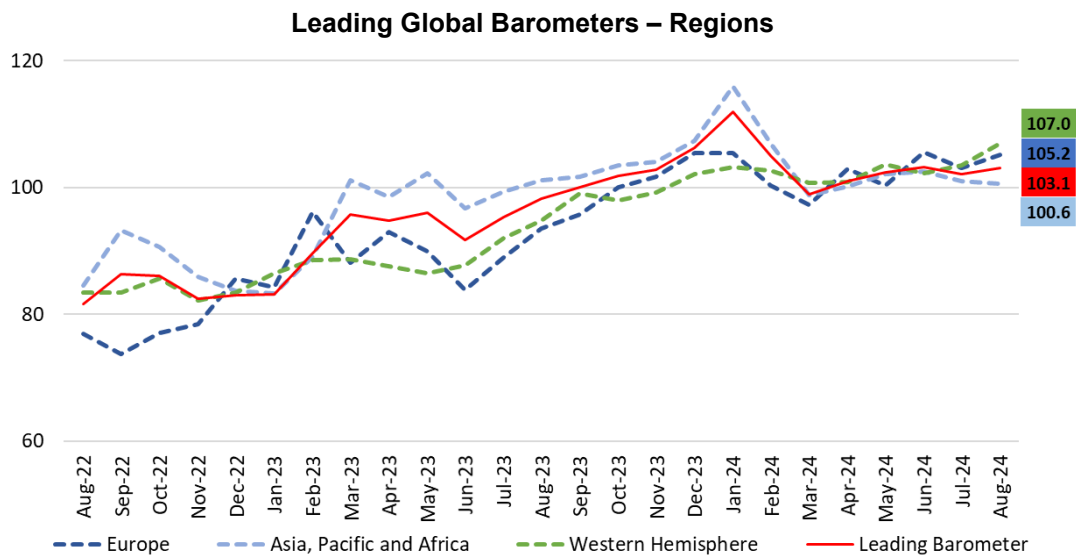
Source: KOF, ETH Zurich and FGV IBRE

In August, the Leading sector indicators also behave heterogeneously, with *Construction* and *Industry* increasing and the other sectors decreasing. *Economy* and *Trade* show similar losses of 0.5 points, while the *Services* indicator falls 2.7 points for the month.

Sectoral Leading Indicators					
Period	*Construction*	*Economy*	*Industry*	*Trade*	*Services*
Feb-20	97.8	103.8	100.6	104.2	107.3
Mar-20	104.5	78.7	93.0	105.8	98.5
Apr-20	91.1	82.9	91.2	73.8	65.5
May-20	59.7	59.0	52.4	55.9	43.4
Worst pandemic moment: Cum. Variation. Mar/20-May/20	-38.1	-44.8	-48.2	-48.3	-63.9
Cum. Variation Jun/20-Aug/23	36.0	41.3	44.4	40.9	64.5
Sep-23	102.2	102.8	97.3	101.8	106.3
Oct-23	89.9	106.0	99.9	106.0	109.8
Nov-23	98.7	104.3	99.8	110.5	116.9
Dec-23	107.7	103.8	104.8	112.0	117.9
Jan-24	117.0	110.0	109.3	121.3	117.0
Feb-24	113.1	96.7	105.9	115.4	110.5
Mar-24	109.5	88.4	100.6	106.6	110.8
Apr-24	101.7	91.0	103.8	111.1	109.8
May-24	103.5	96.3	103.6	104.9	113.9
Jun-24	92.4	97.5	105.7	108.2	117.3
Jul-24	98.2	95.3	104.8	106.8	108.6
Aug-24	**105.2**	**94.8**	**106.1**	**106.3**	**105.9**
Cum. Variation Last 12 months	-16.8	30.8	6.9	-4.7	-10.5
Cum. Variation Mar/20-Aug/24	7.4	-9.0	5.4	2.1	-1.3

Source: KOF, ETH Zurich and FGV IBRE

Period	Global Coincident Barometer Vintages		Global Leading Barometer Vintages	
	August 2024	July 2024	August 2024	July 2024
Aug-23	88.5	88.5	98.2	97.7
Sep-23	89.0	88.4	100.1	99.9
Oct-23	89.3	89.4	101.8	101.8
Nov-23	90.4	90.4	102.8	103.1
Dec-23	92.9	92.3	106.3	106.9
Jan-24	94.1	94.1	112.0	112.4
Feb-24	92.7	92.9	105.1	105.9
Mar-24	93.7	93.7	98.9	99.0
Apr-24	93.4	93.4	101.0	101.3
May-24	93.4	93.4	102.4	102.9
Jun-24	93.8	93.7	103.3	103.9
Jul-24	92.8	92.8	102.1	102.4
Aug-24	94.0		103.1	

* 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
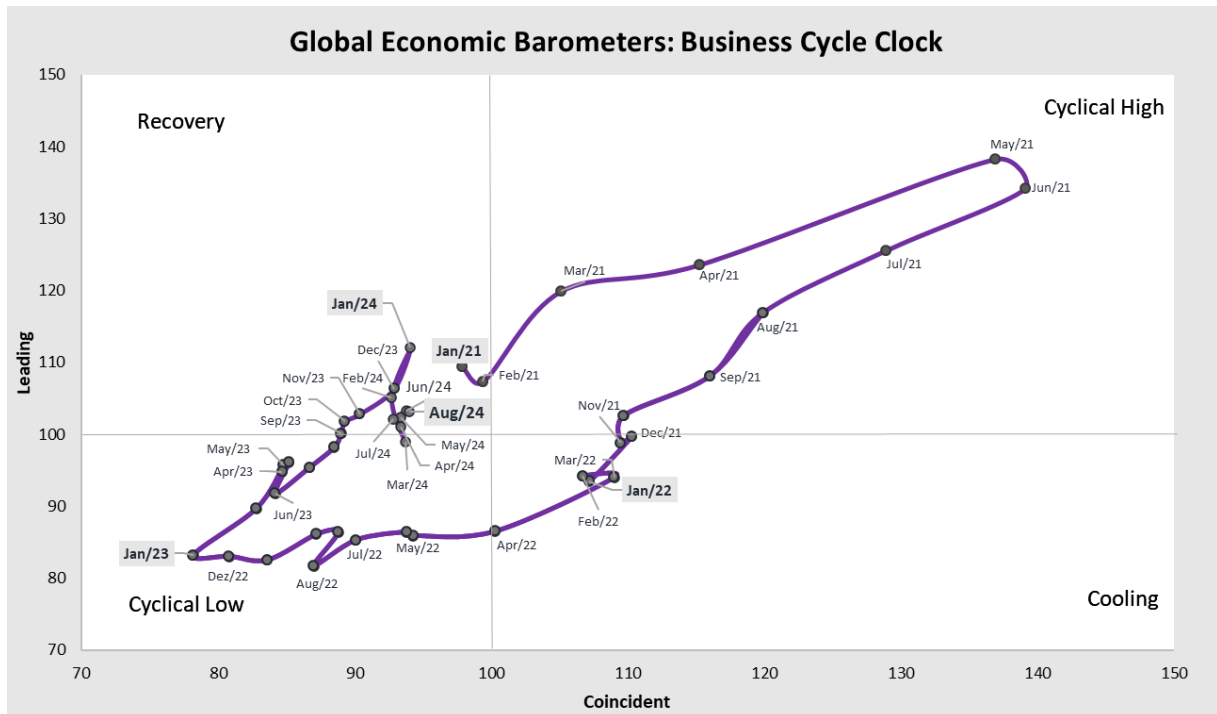
Source: KOF, ETH Zurich and FGV IBRE

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.

More information on the Global Economic Barometers is available on the KOF site:

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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