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Global Economics Intelligence

Critical trends and risks

Released July 2026 (data through June 2026)

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Trade negotiations continue, with the July 9 end to the 90-day pause period approaching fast. Internationally, inflation trends remain mixed across regions, and central banks have responded with divergent rate moves amid persistent uncertainty

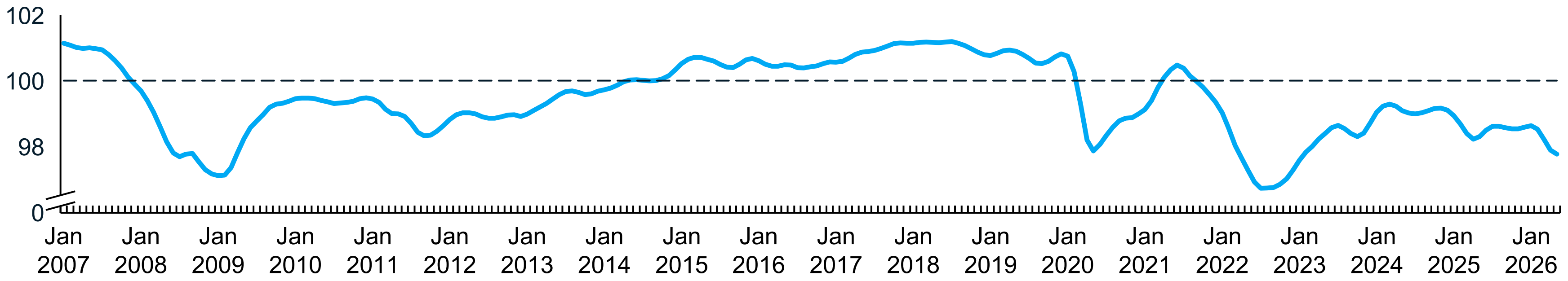
Versus previous period: Significant improvement | Some improvement | Some deterioration | Significant deterioration | No significant change

Some deterioration	**Consumer and households**	• Consumer confidence has been decreasing over past few months. • Retail sales maintained steady growth over past year.
Some deterioration	**Business and industry**	• Both manufacturing and services sectors remain close to long-term averages. • Manufacturing sector expansion stagnates due to concerns about anticipated rising costs. • April has seen a weakening services sector across main economies. • Leading indicators were above long-term trend across main economies during April.
No significant change	**Trade and external**	• World trade volume grew 2.2% in March compared to the previous month, after a 0.3% increase in February. • Global supply-chain pressures remained near historical average in April, with expectations of a rise in the coming months due to anticipated inflation. • In April, the Container Throughput Index increased to 137.3 points (136.2 in March). • In April, throughput in Europe and China increased; effects of new tariff policy have been limited. • Total port trade still below its level of one year ago.
No significant change	**Prices**	• Inflation trends across developed economies continue to show a sideways movement. • High inflationary pressures continue to be a significant concern for policymakers in both Brazil and Russia. • Global commodity prices continued growing in April, driven by soaring demand for minerals and metals. • Gold price continues to trend up to decade-high figures; copper demand continues to trend up. • Energy commodities slightly decreased across main indexes. • Long-term inflation expectations have remained relatively stable within the 2.2% to 2.5% range. • Food prices remain constant at 24% above pre-pandemic levels.
No significant change	**Employment**	• Unemployment rates remained stable across most surveyed economies; India releases first-ever monthly unemployment rate data.
Some improvement	**Financial markets**	• Equity markets rebounded in May, recovering from the steep drop experienced in the previous month. • Bonds remained constant in past month, with Brazil the exception. • Volatility indexes eased in April following last month’s spike.
No significant change	**Government and policy**	• In May Brazil hiked Selic rate by 50 basis points; China, UK, Mexico cut rates by 10, 25, and 50 basis points respectively.

Consumers confidence remain subdued, mostly reflecting the global uncertainty

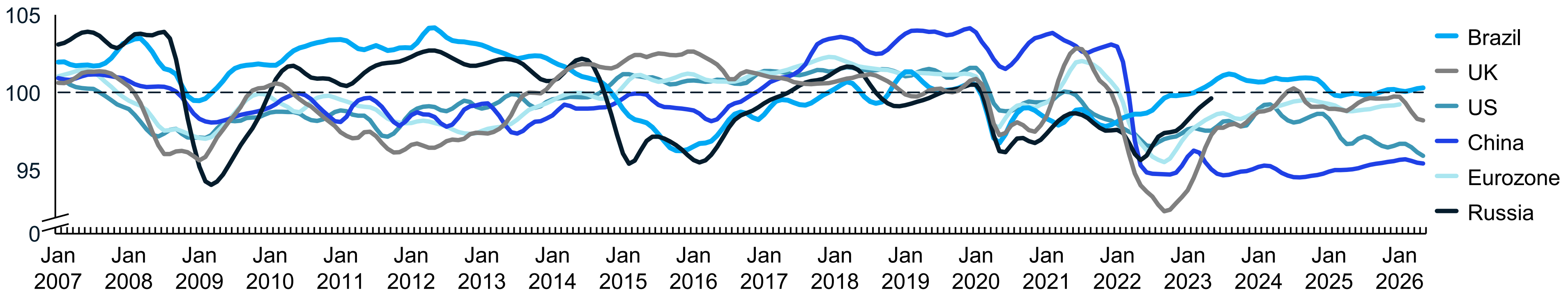
OECD global consumer confidence indicator

Index, long-term average = 100



OECD consumer confidence indicators for individual economies[1]

Index, long-term average = 100[1]



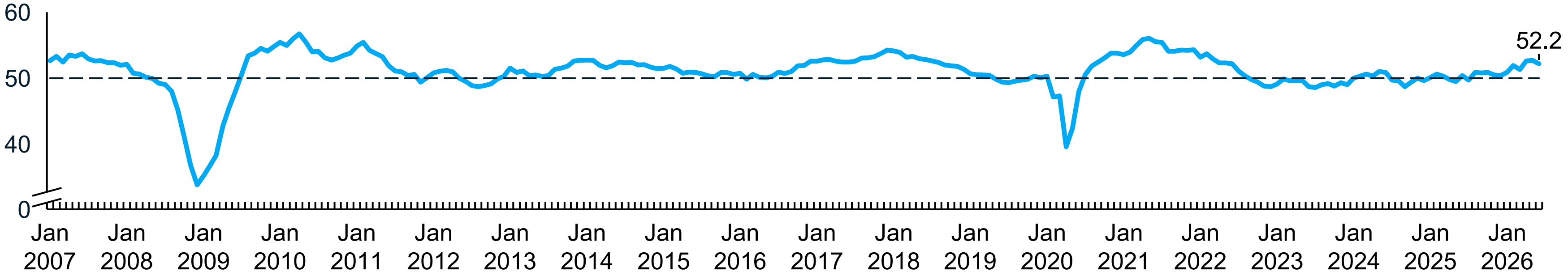
[1]Data for Russia till May 2023

Source: OECD; McKinsey's Global Economics Intelligence analysis

Global manufacturing and services sectors remain in the expansion territory

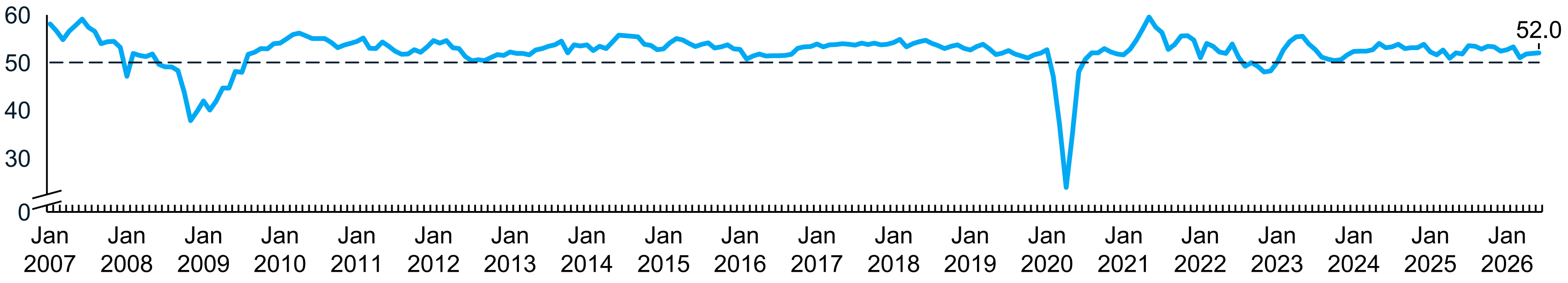
JPMorgan Global Purchasing Managers' Index (Manufacturing)

Diffusion index, seasonally adjusted (monthly)



JPMorgan Global Purchasing Managers' Index (Services)

Diffusion index, seasonally adjusted (monthly)



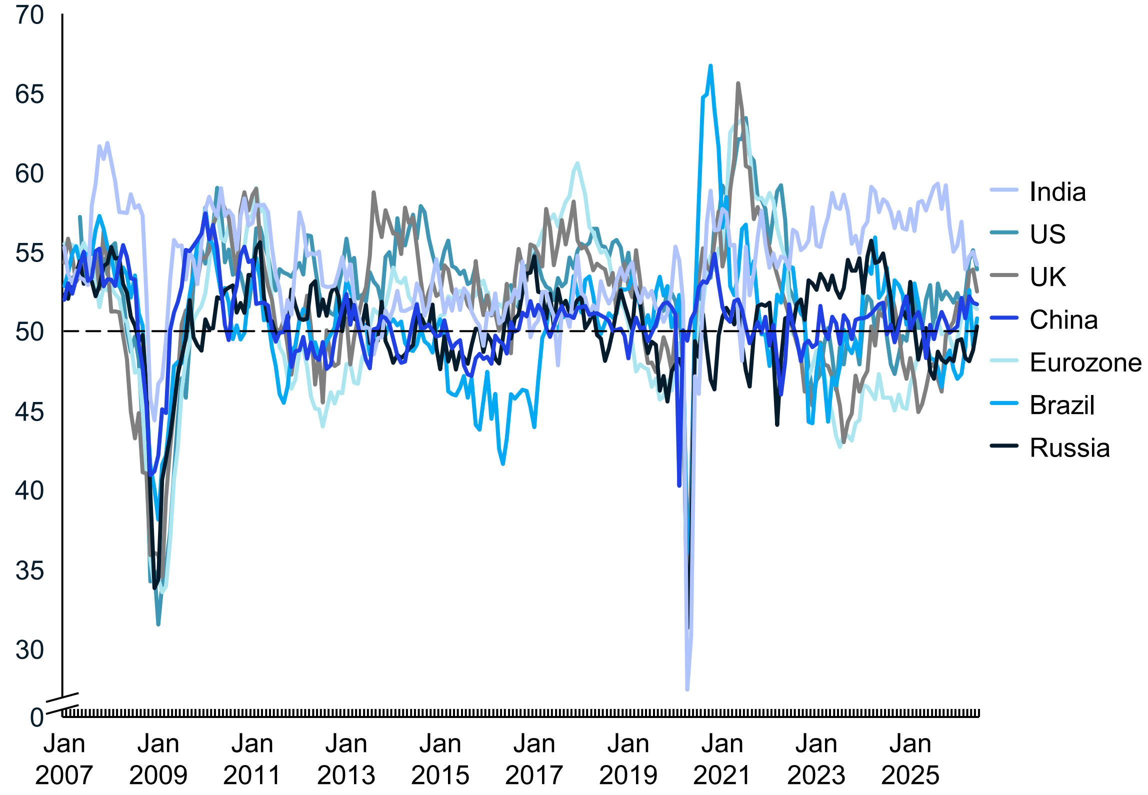
Note: A reading of more than 50.0 indicates an increase from the previous month, and a reading of less than 50.0 indicates a decrease. Country-level data are the PMIs for individual countries as sourced from Markit Economics or the Institute for Supply Management (ISM) and are not a breakdown of the JPMorgan Global PMI.

Source: S&P Global; McKinsey's Global Economics Intelligence analysis

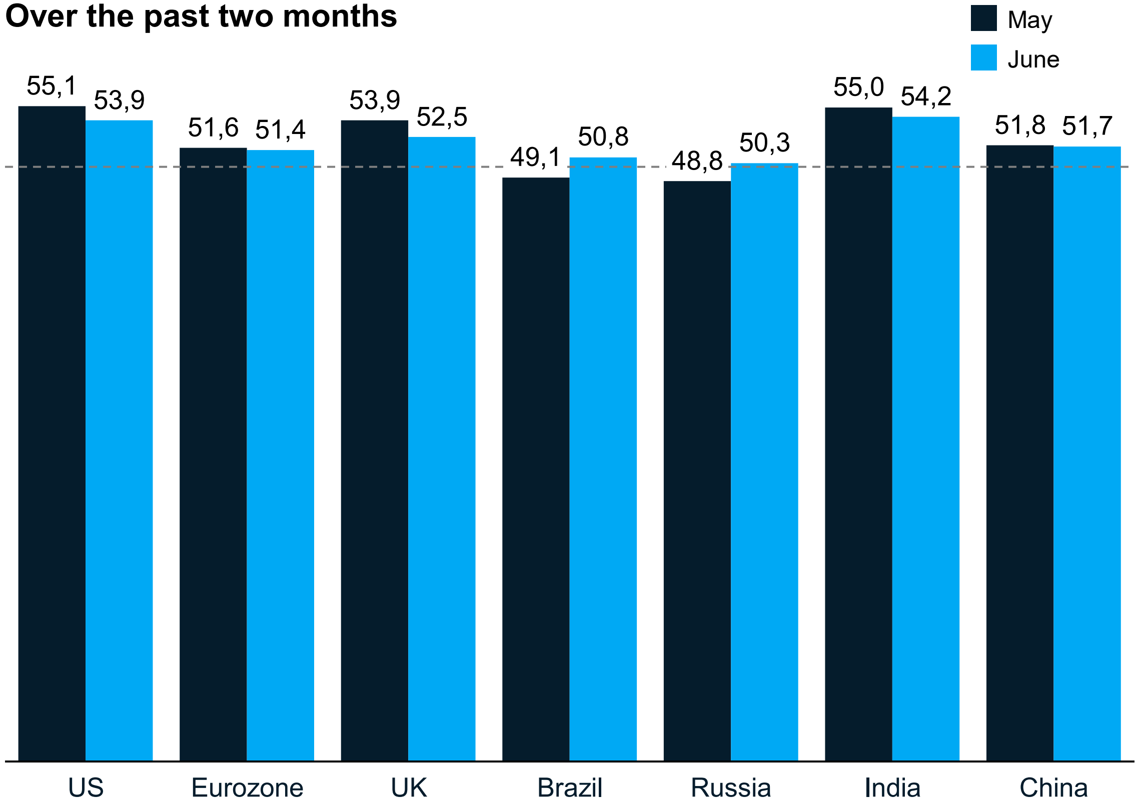
Manufacturing growth held up in June, but signs of moderation emerged as the earlier boost began to fade; the US remained resilient and Russia and Brazil expanded

Purchasing managers' index (manufacturing)

Diffusion index (monthly)



Over the past two months

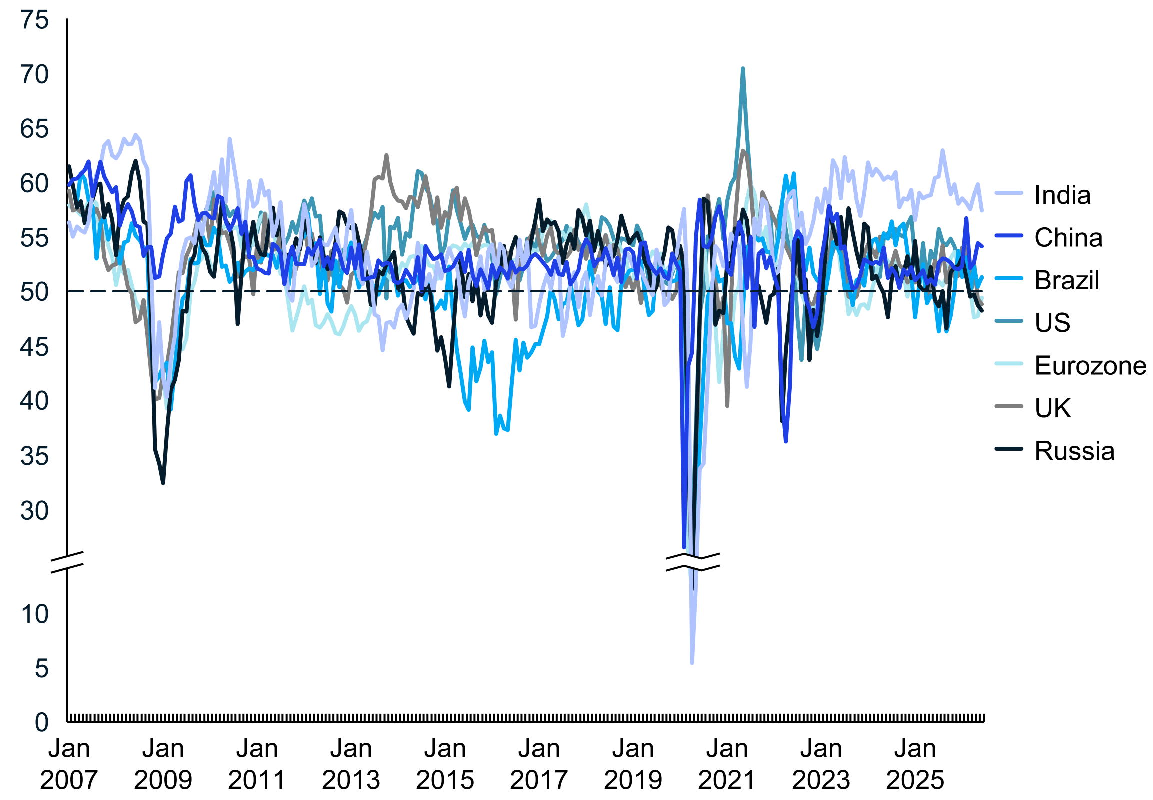


Note: A reading of more than 50.0 indicates an increase from the previous month, and a reading of less than 50.0 indicates a decrease. The country-level data are the PMIs for individual countries as sourced from Markit Economics and are not a breakdown of the JPMorgan Global PMI.

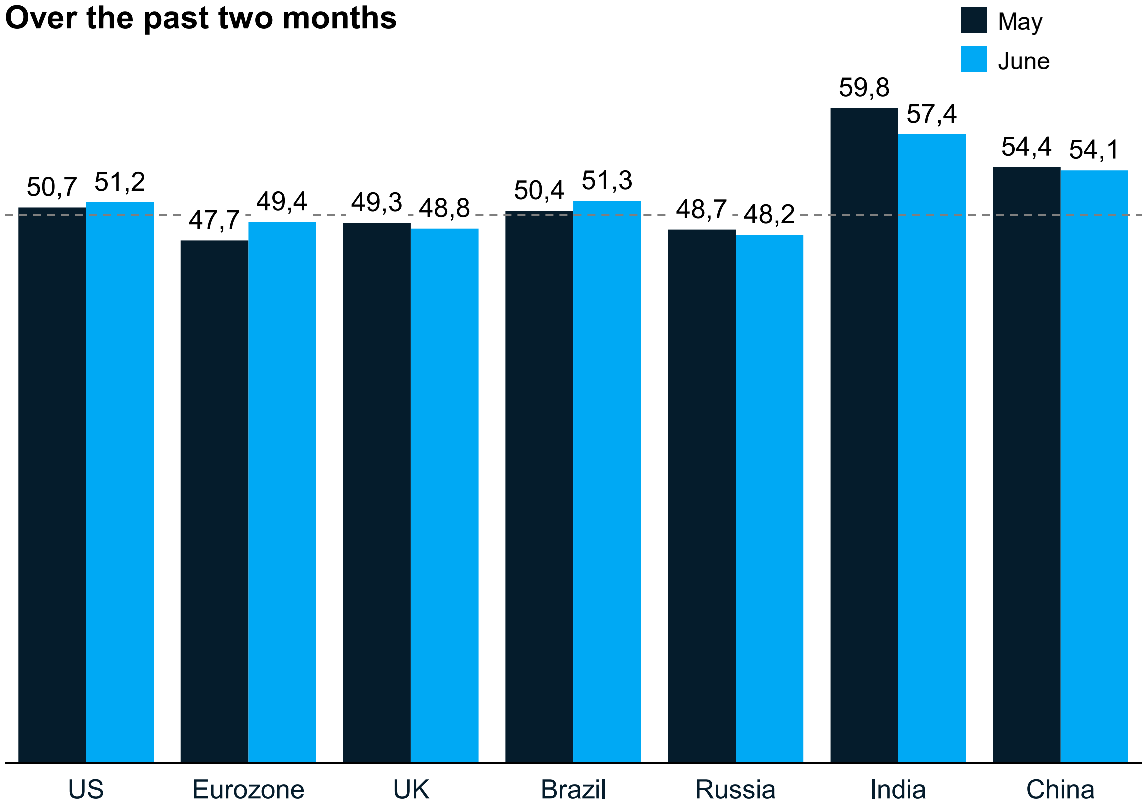
Source: S&P Global; McKinsey's Global Economics Intelligence analysis

Services activity is expanding much faster in emerging markets than in developed economies, driven primarily by strong growth in India and China

Purchasing managers' index (services)
Diffusion index (monthly)



Over the past two months



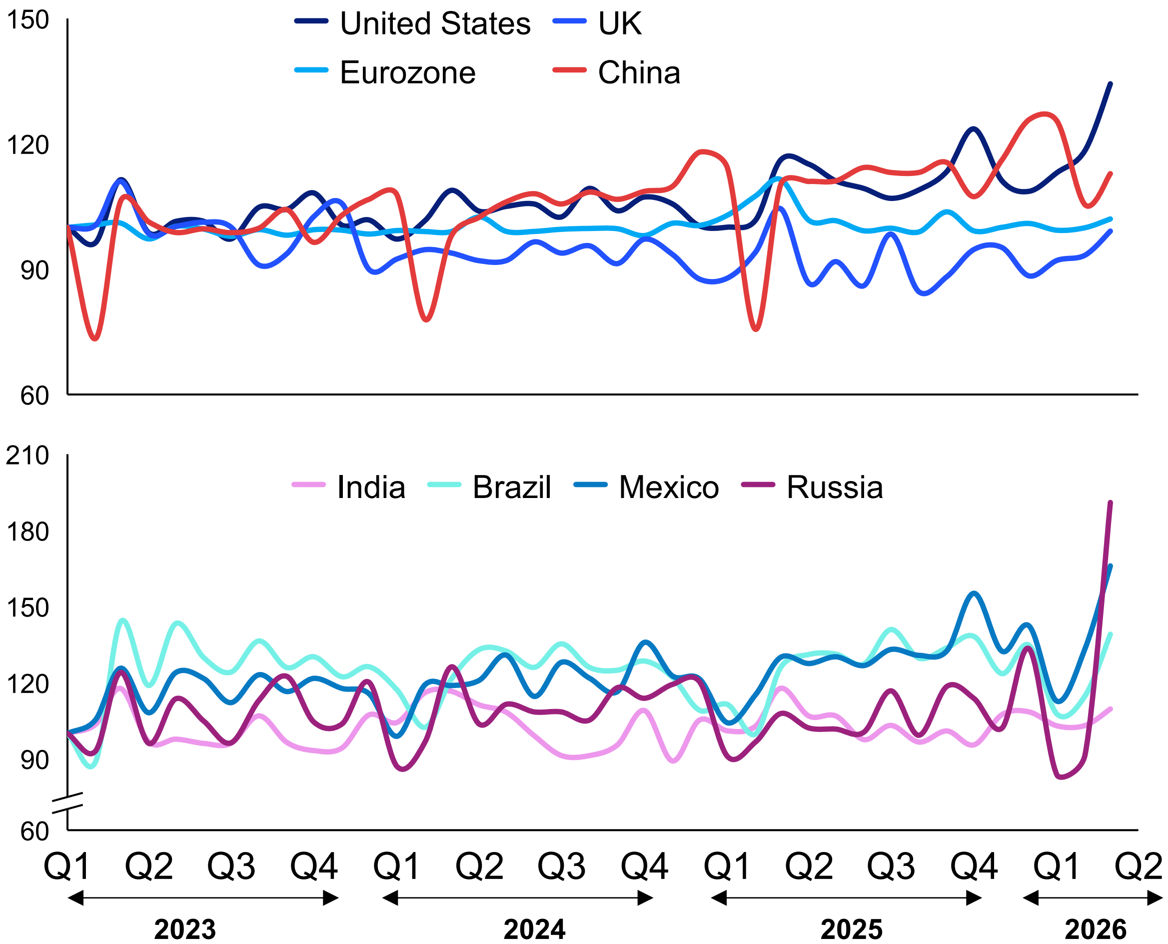
Note: A reading of more than 50.0 indicates an increase from the previous month, and a reading of less than 50.0 indicates a decrease. The country-level data are the PMIs for individual countries as sourced from Markit Economics and are not a breakdown of the JPMorgan Global PMI.

Source: S&P Global; McKinsey's Global Economics Intelligence analysis

Global export momentum remained uneven into early 2026, with strong growth in the U.S., China and Mexico

Monthly export index[1], Jan 2023 – Mar 2026

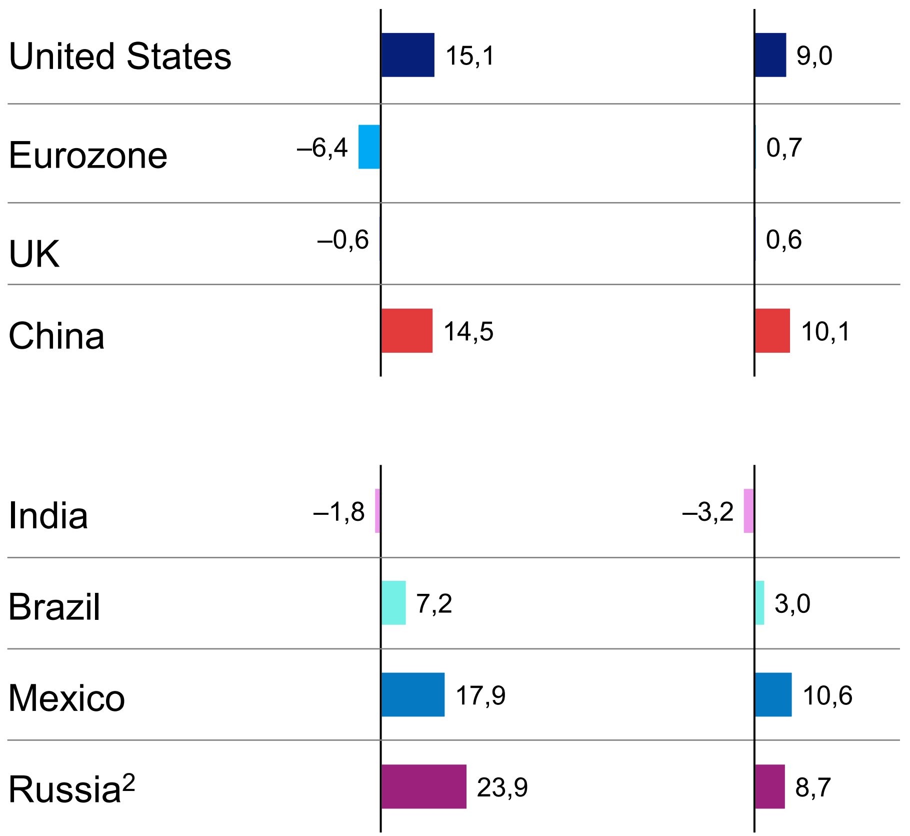
%, Jan 2023 = 100



YTD export growth[1], CAGR, %

Jan-Mar 2025–26

Jan-Mar 2024–26, %



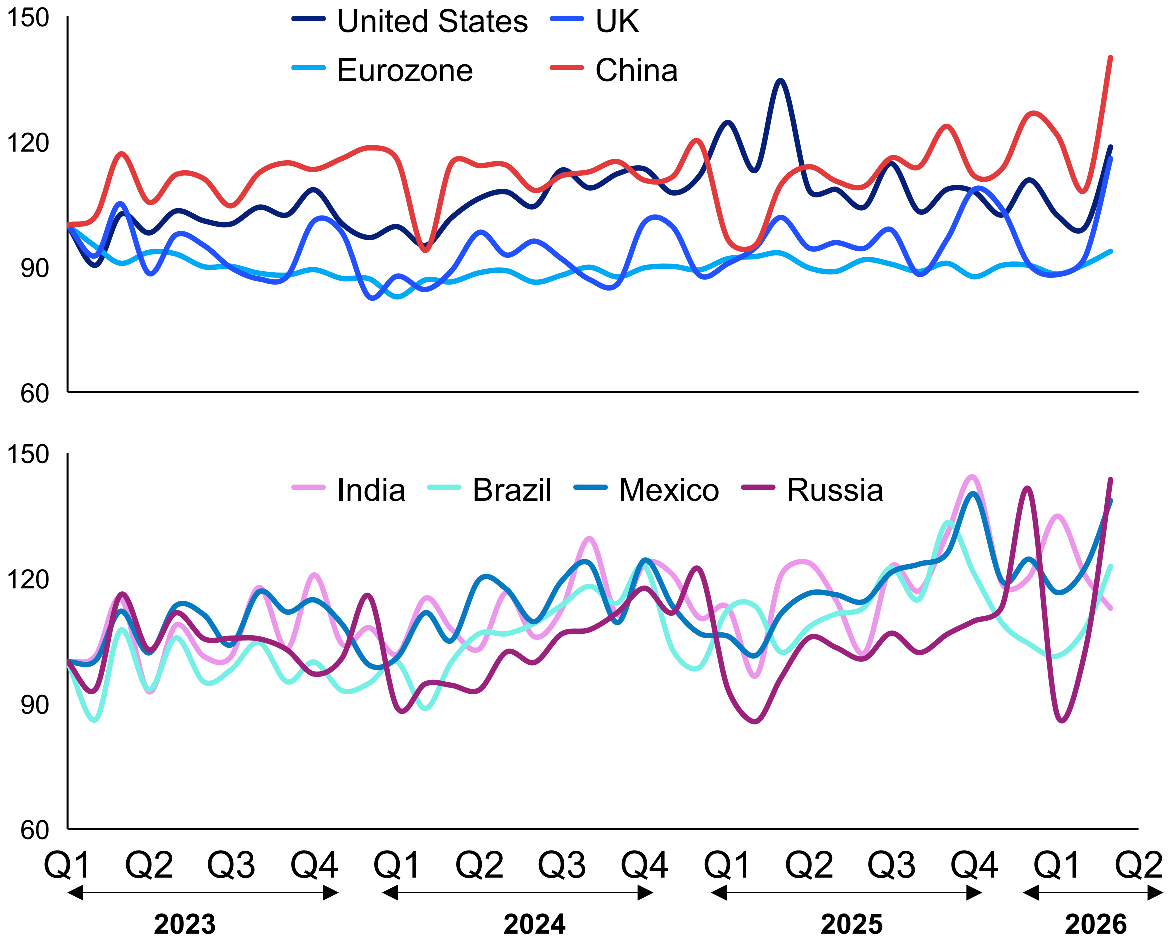
1. Export trends are based on monthly merchandise trade values. Values are indexed to January 2023 (Jan 2023 = 100) to enable cross-country comparison over time. Data reflect latest available releases. | 2. Russia data affected by sanctions-related rerouting/base effects

Source: U.S. Census Bureau (USA Trade Online); Eurostat; Office for National Statistics UK; General Administration of Customs of the People’s Republic of China; Ministry of Commerce and Industry, India; National Institute of Statistics and Geography (INEGI), Government of Mexico; Comex Stat (Brazil Ministry of Development, Industry and Trade); The Central Bank of the Russian Federation

Import trends diverged in early 2026, with growth in China, India, and Mexico while U.S. imports normalized from 2025 highs

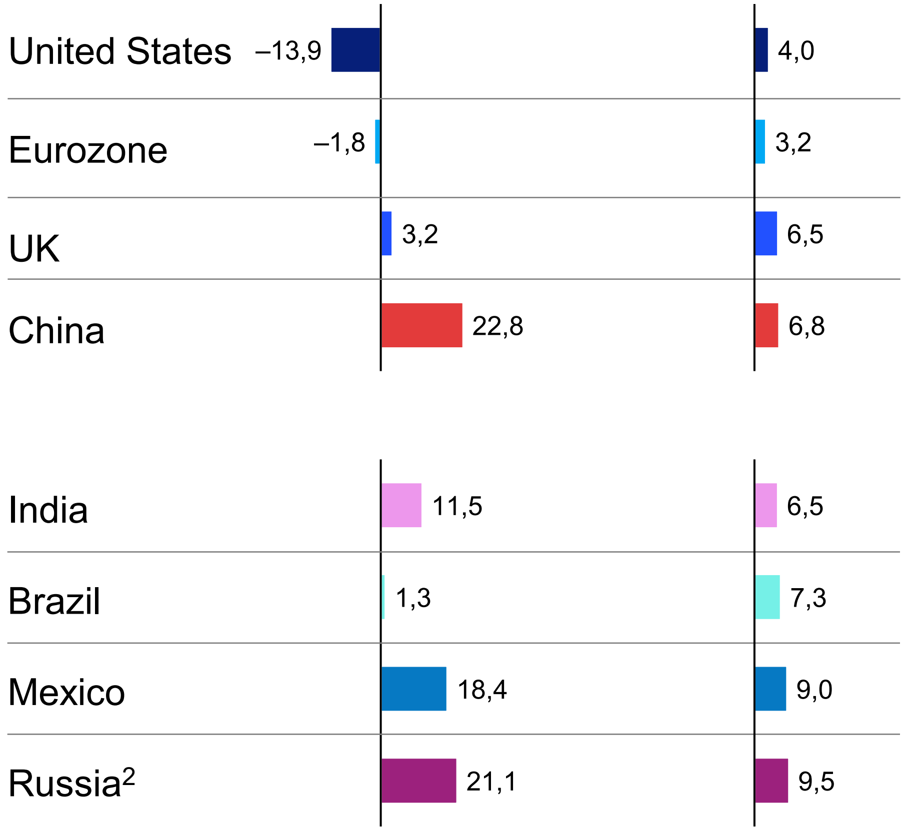
Monthly import index[1], Jan 2023 – Mar 2026

%, Jan 2023 = 100



YTD import growth[1], , CAGR, %

Jan-Mar 2025–26 Jan-Mar 2024–26, %

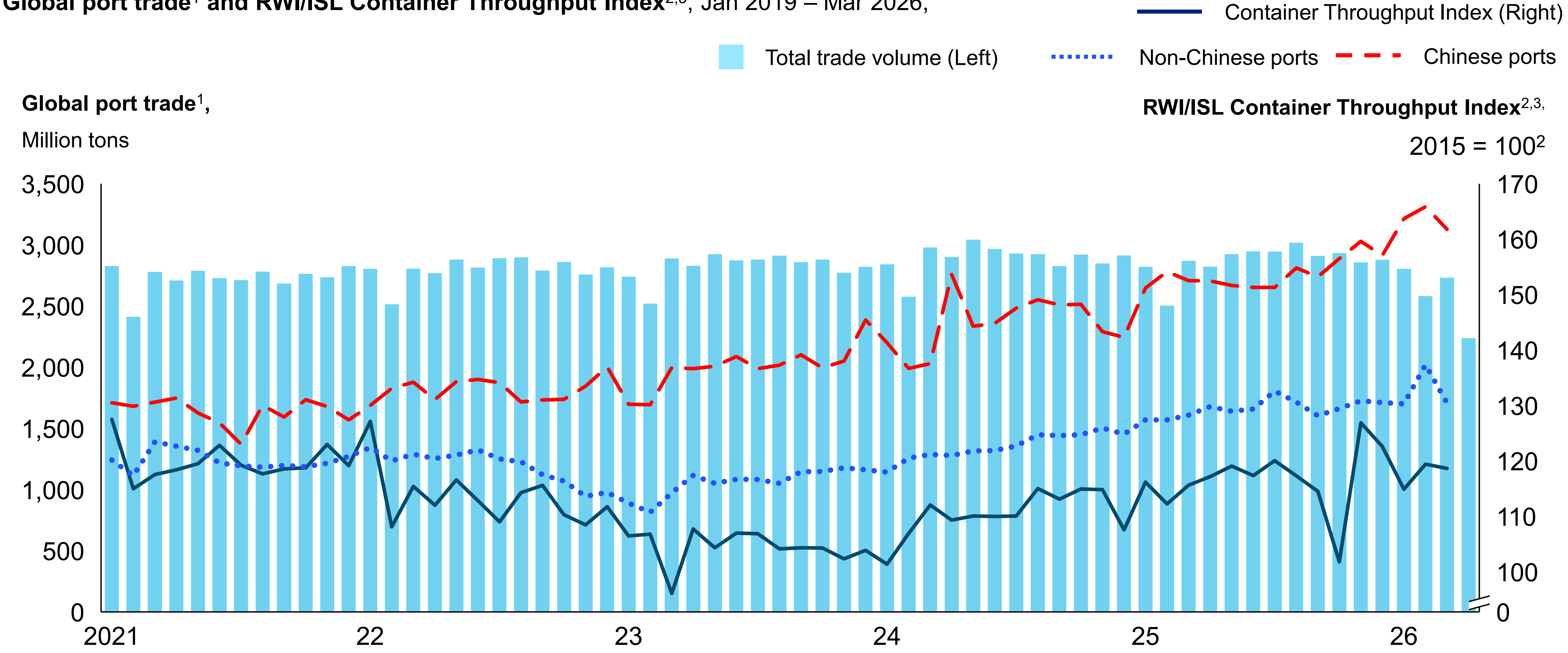


1. Export trends are based on monthly merchandise trade values. Values are indexed to January 2023 (Jan 2023 = 100) to enable cross-country comparison over time. Data reflect latest available releases. | 2. Russia data affected by sanctions-related rerouting/base effects

Source: U.S. Census Bureau (USA Trade Online); Eurostat; Office for National Statistics UK; General Administration of Customs of the People's Republic of China; Ministry of Commerce and Industry, India; National Institute of Statistics and Geography (INEGI), Government of Mexico; Comex Stat (Brazil Ministry of Development, Industry and Trade); The Central Bank of the Russian Federation

Container trade volumes softened in April persistent renewed geopolitical disruptions

Global port trade[1] **and RWI/ISL Container Throughput Index**[2,3], Jan 2019 – Mar 2026,

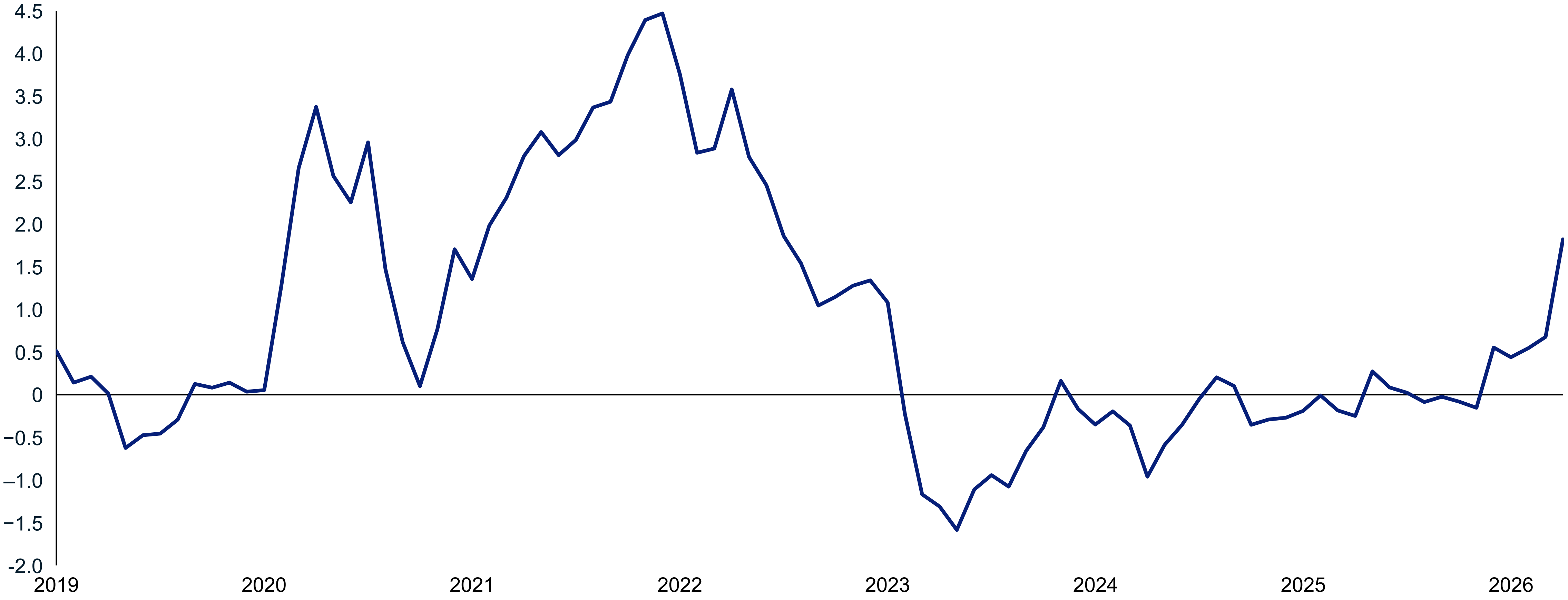


1. Total trade refers to the combined import and export volume (in metric tons) of all ship types entering a port. This includes container ships, dry bulk, general cargo, RoRo, and tankers.
2. The RWI/ISL Container Throughput Index tracks short-term trends in global container trade using data from 92 international ports, representing roughly 60% of global container traffic. Since January 2020, the index uses 2015 as its base year. The current flash estimate is based on data from 64 ports, covering about 85% of the container volume included in the index. Monthly data are seasonally and working-day adjusted and exclude Dubai. The left Y-axis shows total port trade volume (million metric tons), while the right Y-axis displays the container throughput index level.

Source: IMF Port Watch; RWI/ISL; McKinsey Global Institute analysis

Supply-chain pressures rose to their highest level since mid-2022 amid prolonged shipping disruptions

Supply-chain pressure index[1], Jan 2019 – Mar 2026, Standard deviations from average value



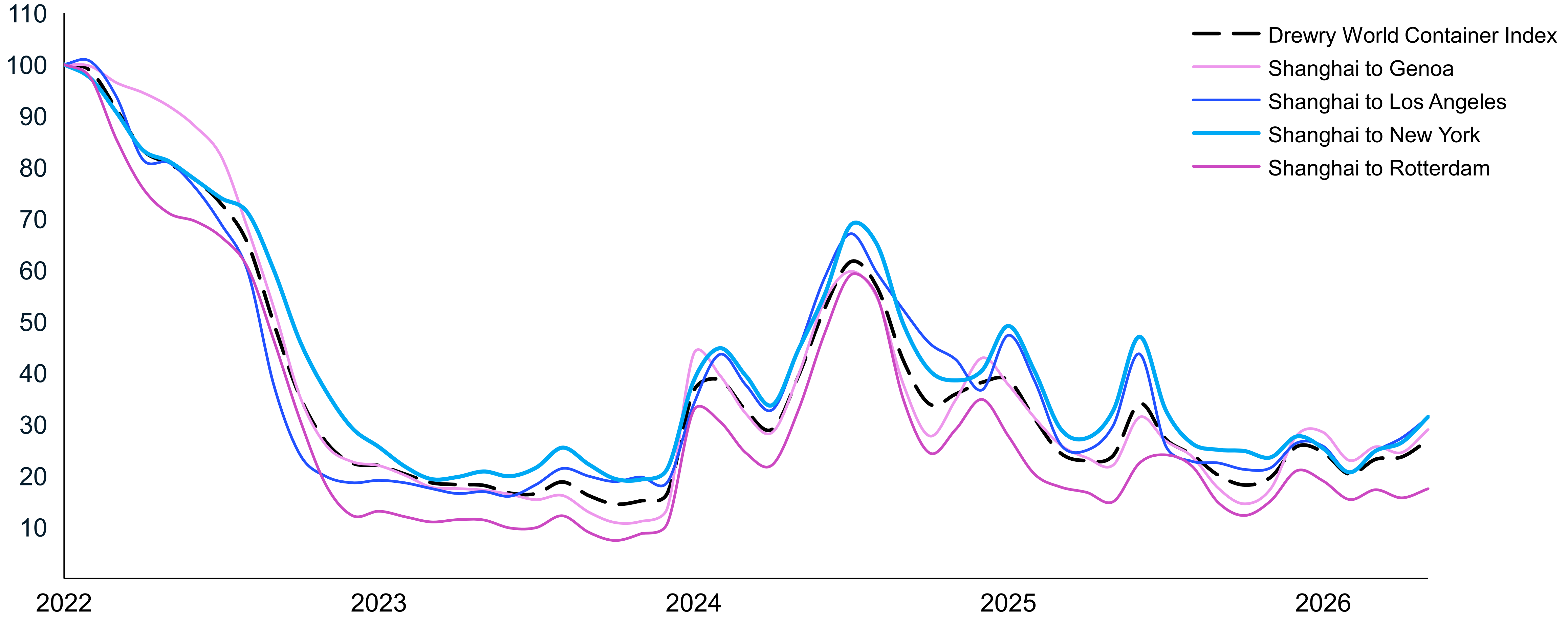
1. The Global Supply Chain Pressure Index (GSCPI) measures the degree of stress in global supply chains by combining indicators such as shipping costs, delivery times, backlogs, and manufacturing activity. The index is expressed in standard deviations from the historical average, meaning a value of 0 indicates average conditions, positive values reflect higher-than-normal pressure (e.g., more congestion, delays, or cost spikes), and negative values indicate below-average pressure or easing. For example, a reading of +1.5 suggests that global supply chain stress is 1.5 standard deviations above its long-run norm.

Source: New York Federal Reserve

This analysis does not constitute legal or regulatory advice; it is based solely on publicly available information

US-bound shipping rates from Shanghai firmed modestly in April–May amid renewed disruptions

Spot ocean freight rate[1], Jan 2022 – Apr 2026, US$ per 40ft Container

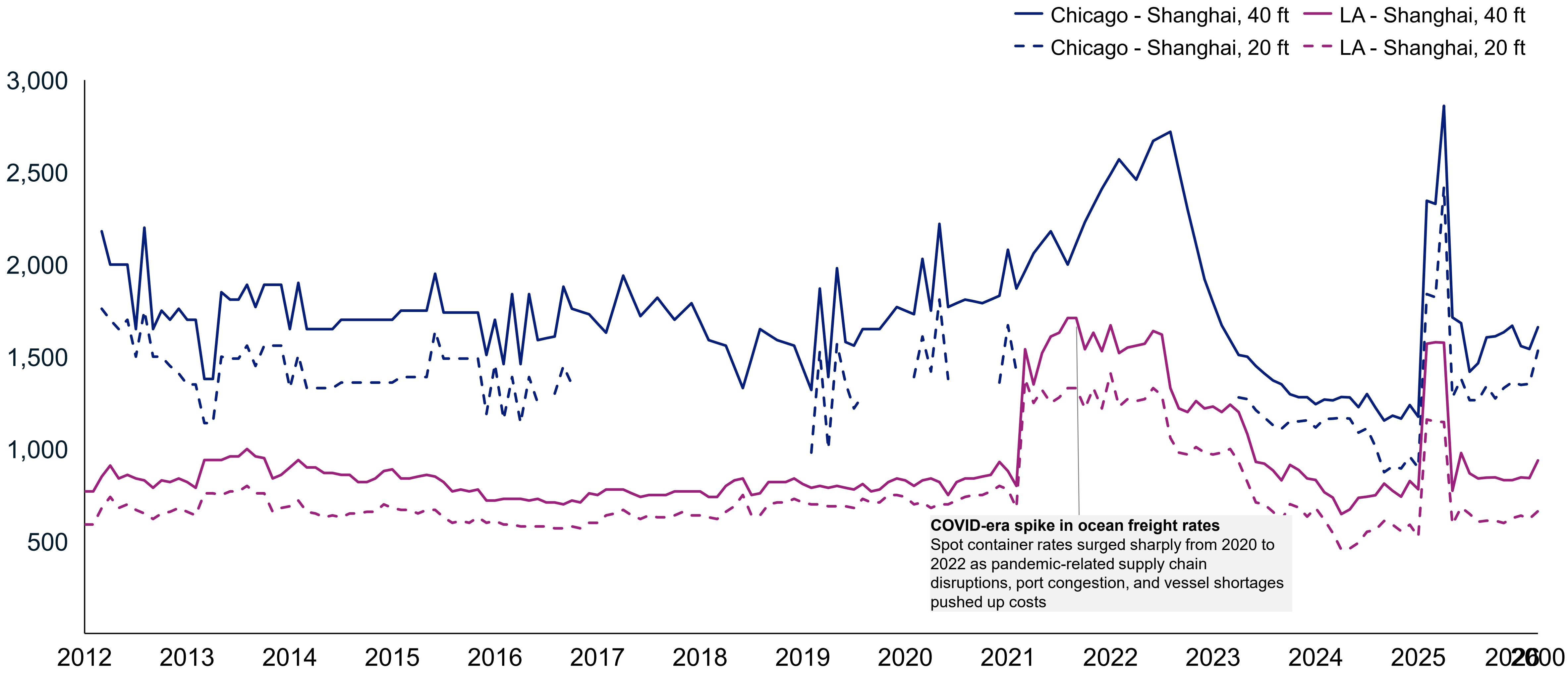


1. The Drewry World Container Index tracks average spot freight rates in US dollars per 40-foot container on major trade routes from Shanghai (to Rotterdam, Los Angeles, Genoa, and New York). Values are indexed to January 2022.

Source: Drewry Shipping Consultants Ltd

US-to-Shanghai freight rates rebounded in April 2026 after easing through much of late 2025 and early 2026

Outbound spot ocean freight rate per container[1], Jan 2012 – Mar 2026, USD



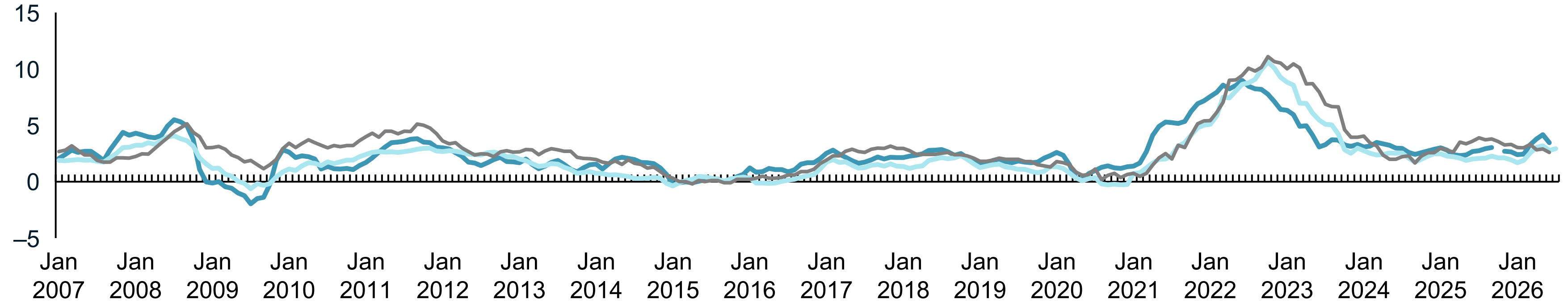
1. Spot ocean freight rates for a single 20 ft or 40 ft container transaction in the Chicago to Shanghai and Los Angeles to Shanghai routes

Source: Drewry Supply Chain Advisors

Inflation eased slightly across key developed economies due to lower oil prices, but recent developments in the region are likely to push inflation higher in the coming months.

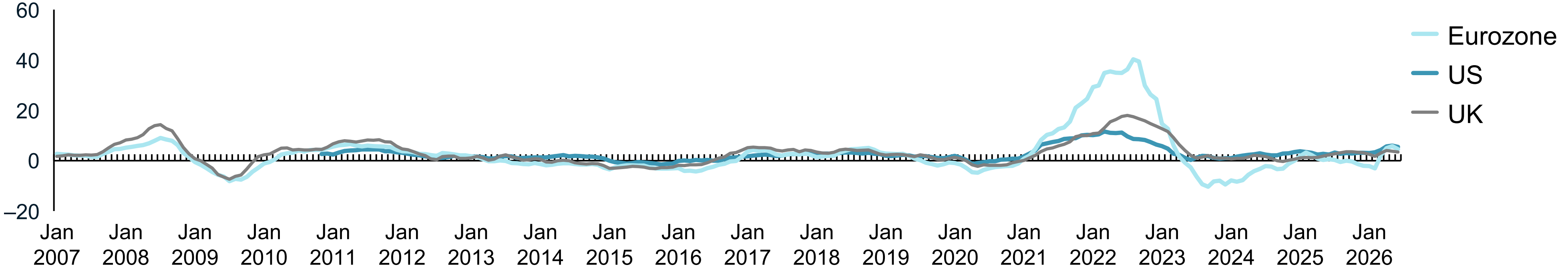
Consumer price indexes: Developed economies

% year over year (monthly)



Producer price indexes: Developed economies

% year over year (monthly)

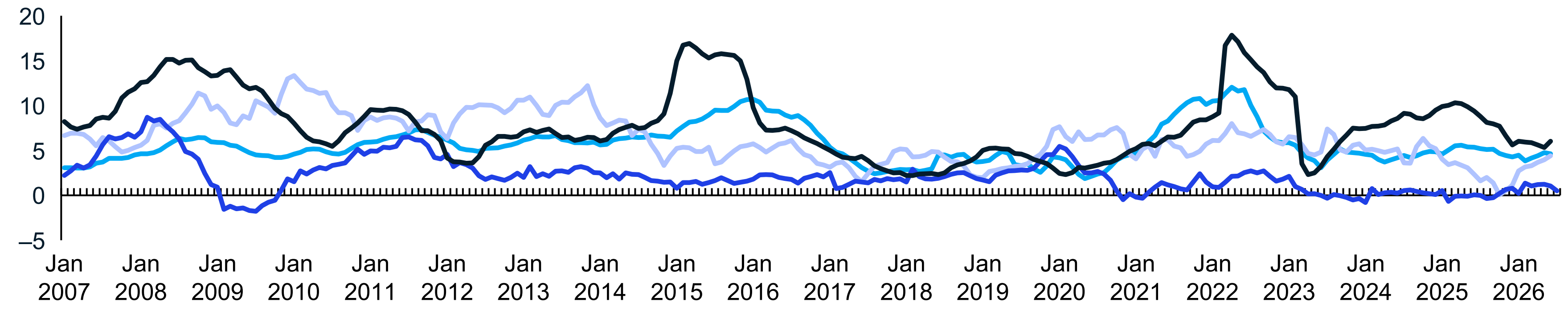


Source: Eurostat; national statistics websites; McKinsey’s Global Economics Intelligence analysis

Inflation accelerated across most major economies, with China the clear outlier as weak price pressures persisted.

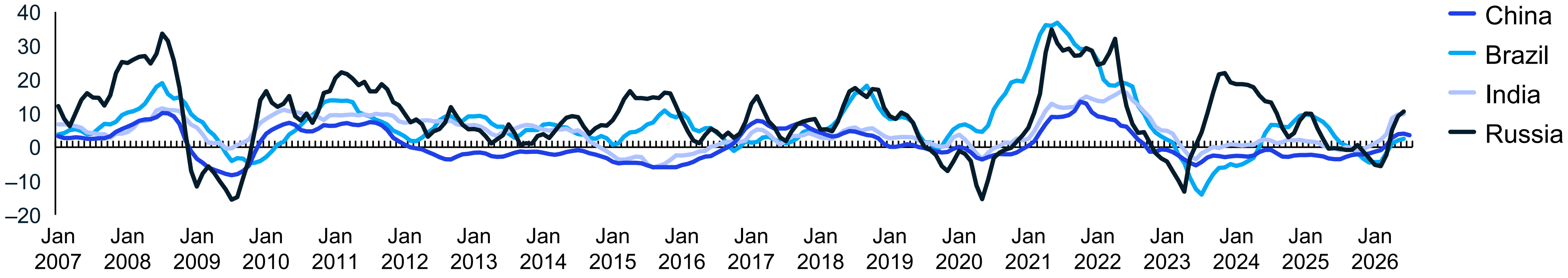
Consumer price indexes: Emerging economies

% year over year (monthly)



Producer price indexes: Emerging economies

% year over year (monthly)

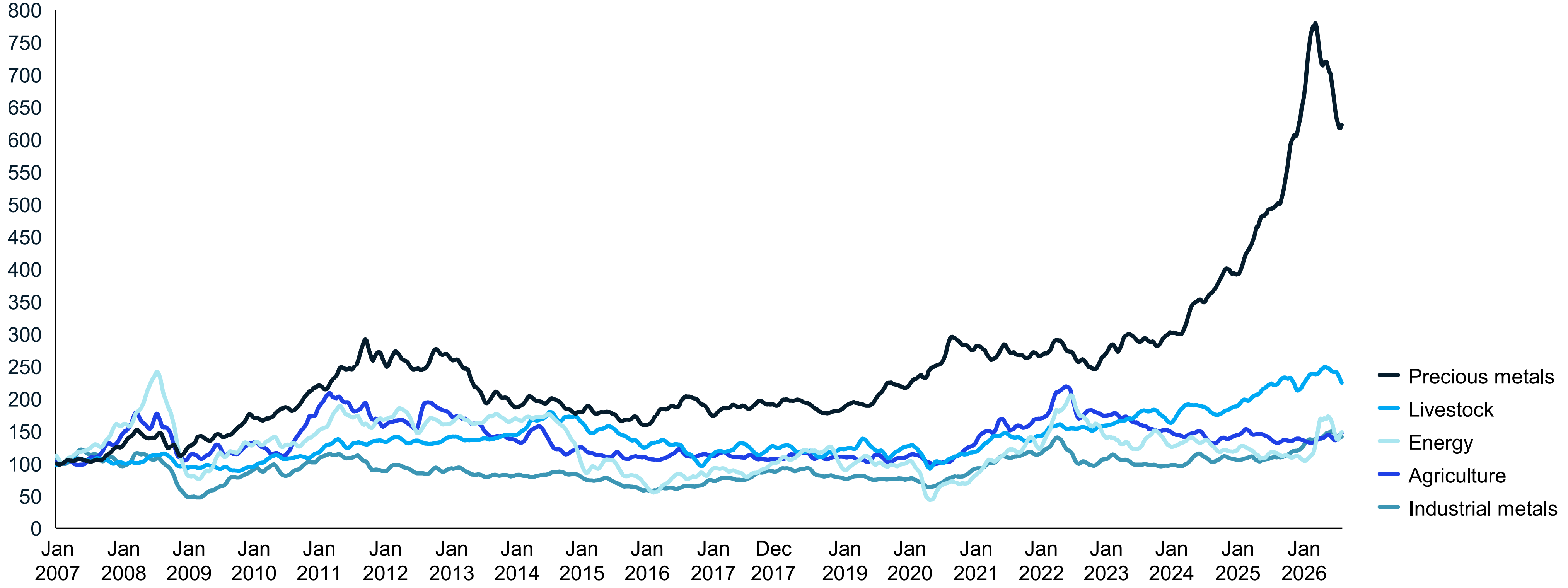


Source: National statistics websites; McKinsey's Global Economics Intelligence analysis

Gold and livestock prices are trending lower, while energy prices remain elevated despite easing from last month's levels.

Commodities indexes[1]

Moving five-week average, indexed to Jan 2007



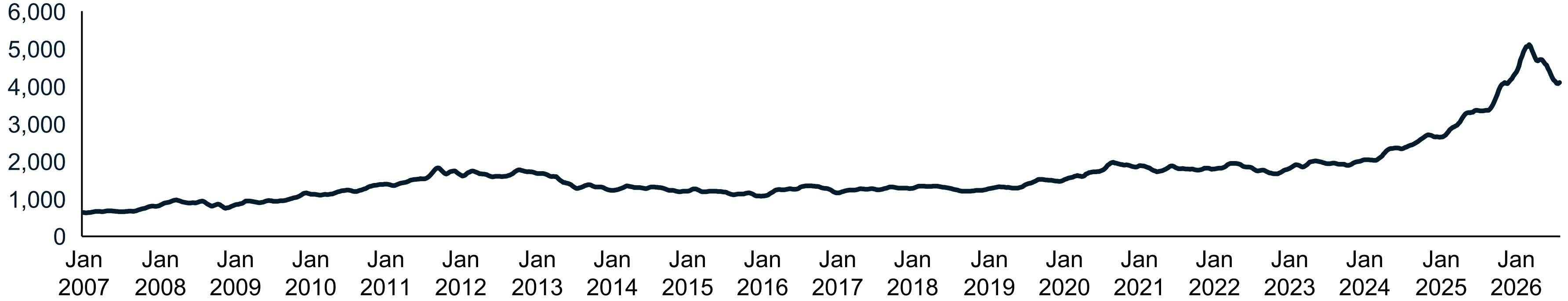
1. Updated through July 13, 2026; commodity data are taken from the GS Commodities Index, with components weighted by production. Precious metals: gold, 83%; silver, 17%. Energy: crude oil, 70%; oil products, 25%; natural gas, 4%. Agriculture: corn, 28%; wheat, 25%; soybeans, 15%; sugar, 14%; other, 19%. Livestock: cattle, 66%; hogs, 34%. Industrial metals: copper, 46%; aluminum, 31%; other, 23%.

Source: Haver Analytics; McKinsey's Global Economics Intelligence analysis

The downward trend in gold prices has extended till August as prices declined to around $4,100 per ounce

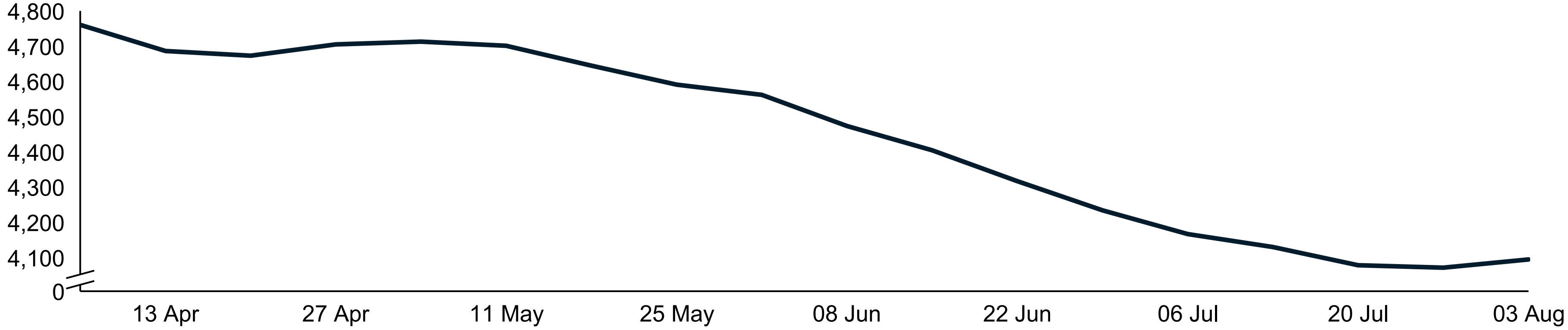
Gold spot price[1]

Five-week moving average, USD/troy ounce (weekly)



Gold spot price over past 4 months

Five-week moving average, USD/troy ounce (weekly)



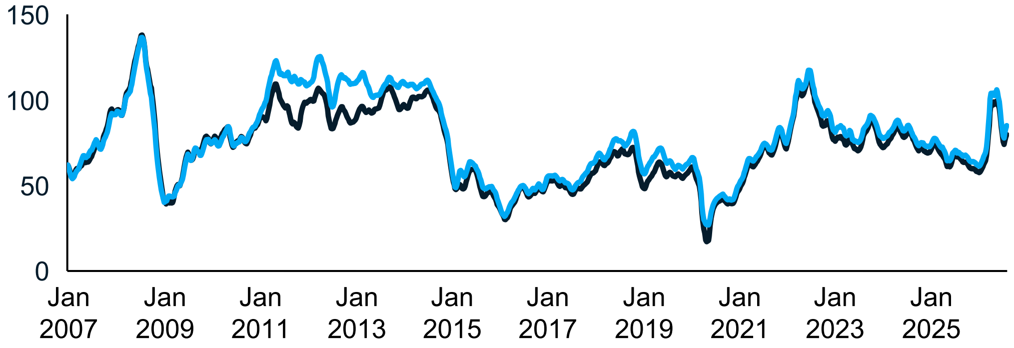
[1]Updated through Jul 13, 2026.

Source: Haver Analytics; World Gold Council; McKinsey's Global Economics Intelligence analysis

Oil prices have stabilized at around $80 per barrel, but the balance remains fragile and vulnerable to renewed volatility

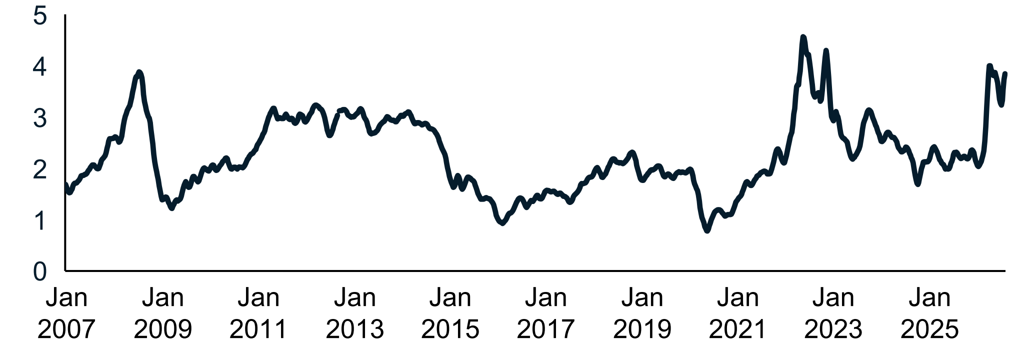
Oil price[1]

$/barrel, day moving average



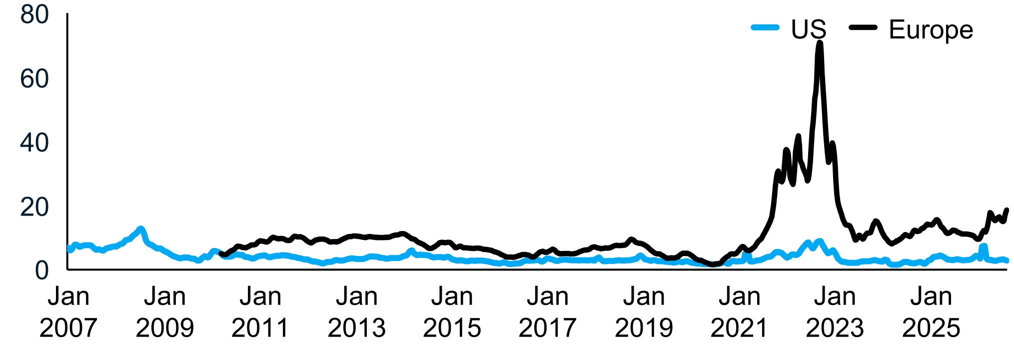
Heating-oil price[3]

US cents/gallon, five-day moving average



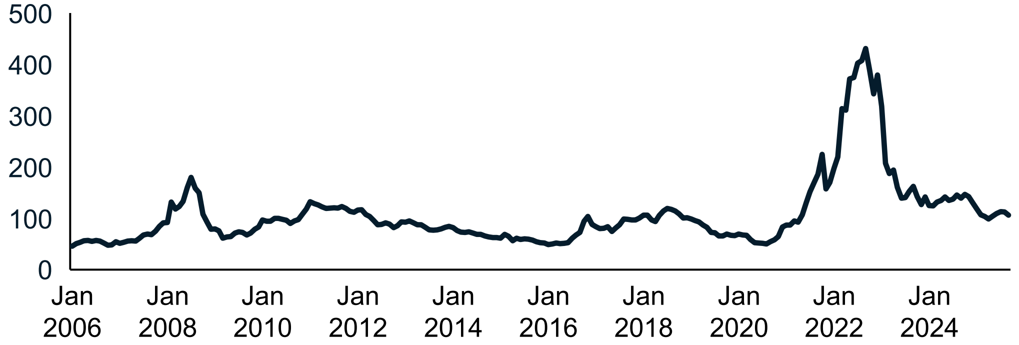
Natural-gas price[2]

$ per million Btu, five-day moving average



Coal price[4]

$/megaton, monthly



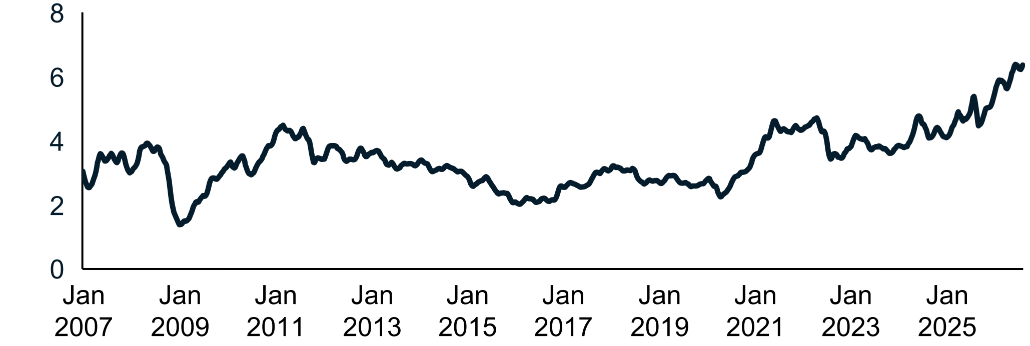
1. Crude Brent, Henry Hub (Nymex). WTI (West Texas Intermediate) prices as of August 6, 2026. 2. Henry Hub, LA; prices as of August 6, 2026. ICE Dutch TTF Gas Base Load Futures. 3. New York Harbor No. 2. heating-oil prices as of August 6, 2026. 4. Australia coal prices; coal prices as of September 2025.

Source: Haver Analytics; US Energy Information Administration; World Bank; Intercontinental Exchange; McKinsey's Global Economics Intelligence analysis

Base metals diverge as copper rallies and aluminum gives back its war premium

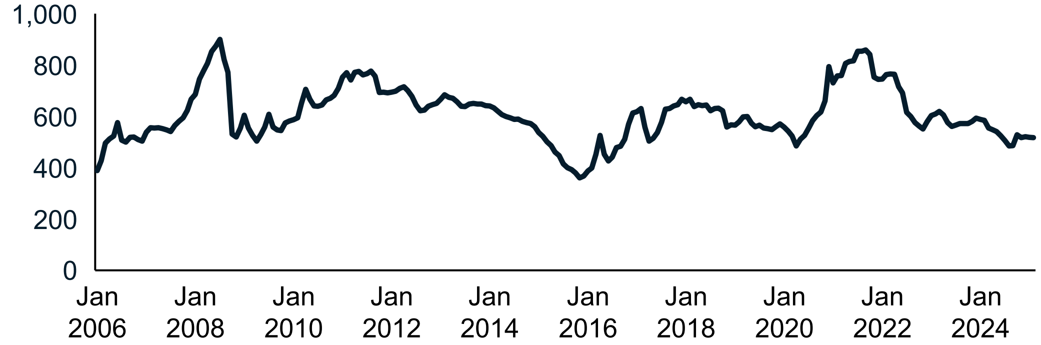
Copper[1]

$/pound, five-week moving average



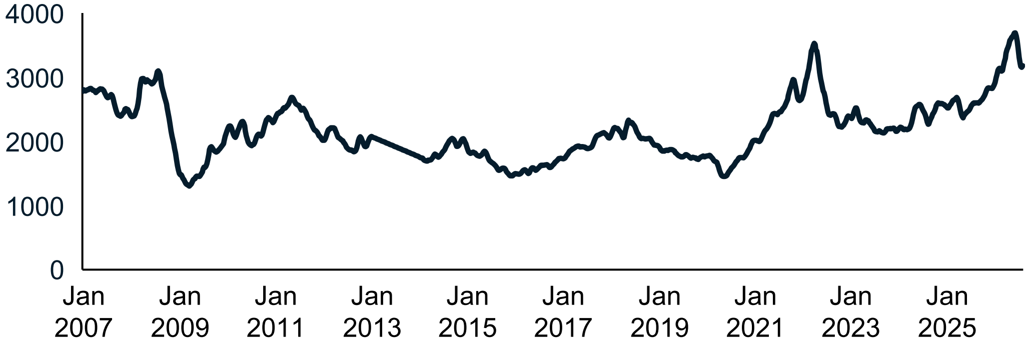
Steel[2]

$/gross metric ton (monthly)



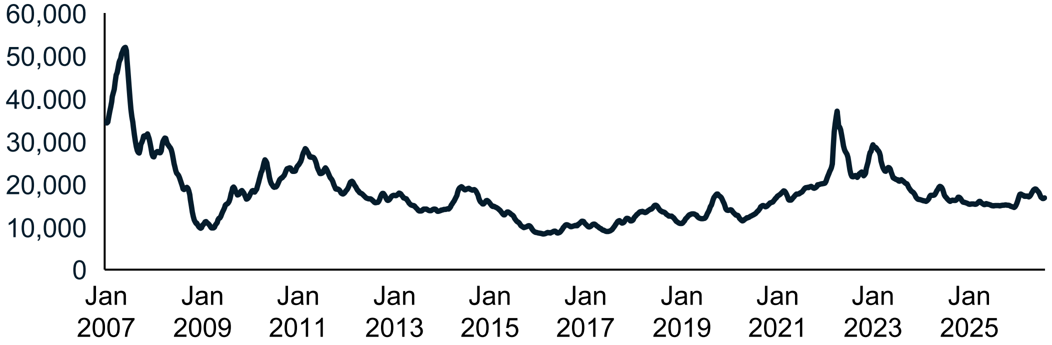
Aluminum[3]

$/Mt, five-week moving average



Nickel[4]

$/Mt, five-week moving average



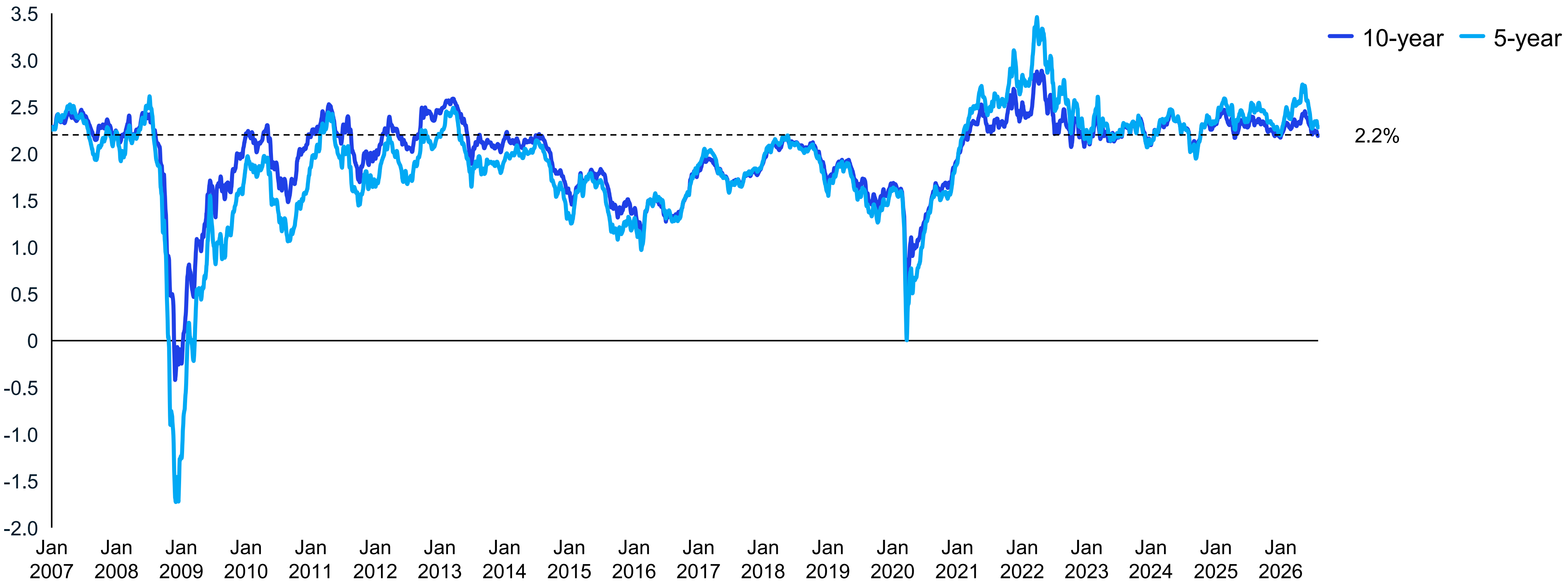
1. Copper, high grade: COMEX Spot Price, updated through August 7, 2026.
2. Steel, 2.75-millimeter hot-rolled coil ($/gross metric ton); data estimated since May 2012 using 0.5-millimeter cold-rolled sheet prices; data from February 2025.
3. Aluminum, LME spot ($/metric ton), updated through August 7, 2026.
4. UK: LME nickel, closing cash price ($/metric ton), updated through August 7, 2026.

Source: Haver Analytics; McKinsey's Global Economics Intelligence analysis

Market-based inflation expectations eased, returning to around pre-conflict levels

Implied inflationary expectations from five- and ten-year TIPS yields[1] (spread between T-bill and TIPS of same maturity)

% (daily), five-day moving average



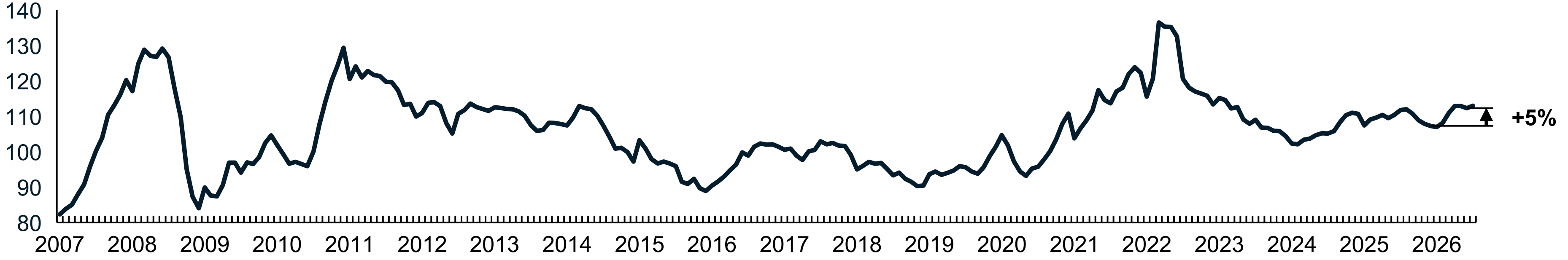
[1]Updated through July 31, 2026

Source: Haver Analytics; McKinsey's Global Economics Intelligence analysis

Food prices remained broadly stable despite a recent surge in vegetable oil prices, as declines across other commodities offset the increase

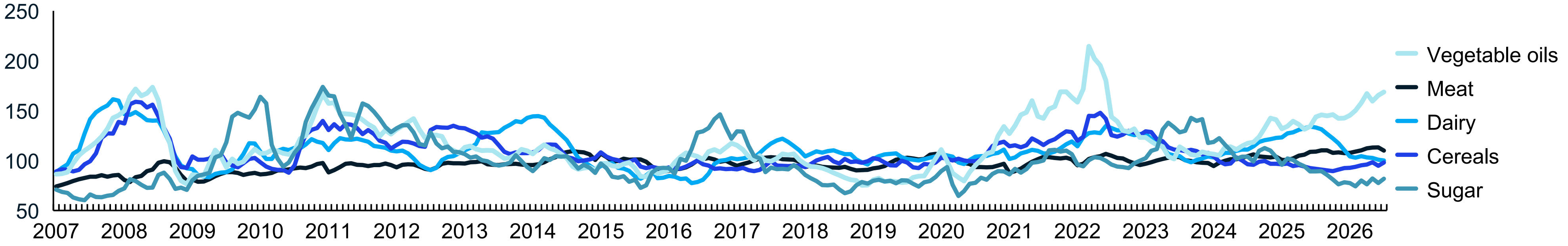
FAO Food Price Index by month, in real terms

Overall index, 2014–16 = 100



Component indexes[1]

Index level, 2014–16 = 100



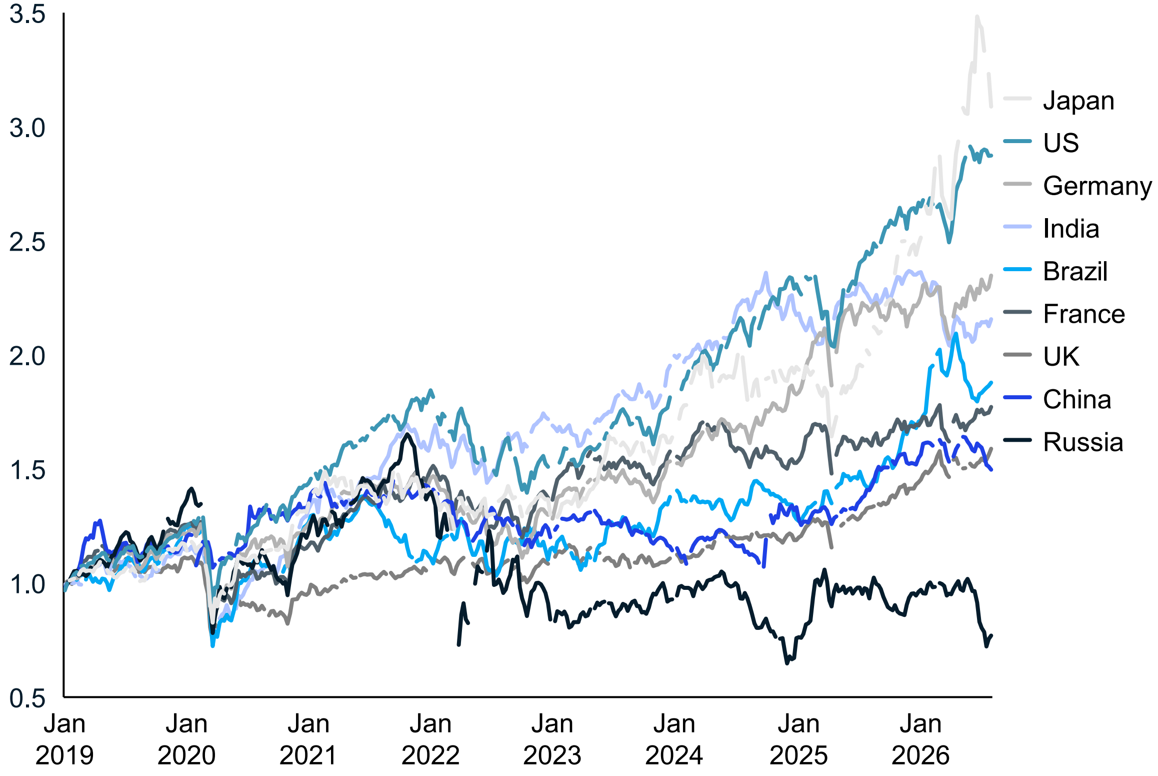
[1]The values of the five indexes are compiled and then weighted by the average export shares of each group in 2002–04. The final figure represents the current value of the FAO Food Price Index.

Source: Food and Agriculture Organization of the United Nations; McKinsey's Global Economics Intelligence analysis

July brought some stabilization across financial markets, although Russia remained a notable exception, with domestic equities deteriorating further

Equity markets[1]

Five-day moving average, weekly, index (Jan 2019 = 1)



Change from prior month

%

		June[2]	July[3]
US	S&P 500	0,5	0,4
UK	FTSE 100	0,5	2,3
Germany	DAX	0,8	1,7
France	CAC 40	2,6	0,9
Japan	Nikkei 225	8,9	–2,7
China	SSE Composite index	–2,1	–3,7
India	BSE Sensex-30	–0,4	2,3
Brazil	Bovespa	–4,8	2,3
Russia	RTS	–7,9	–16,5

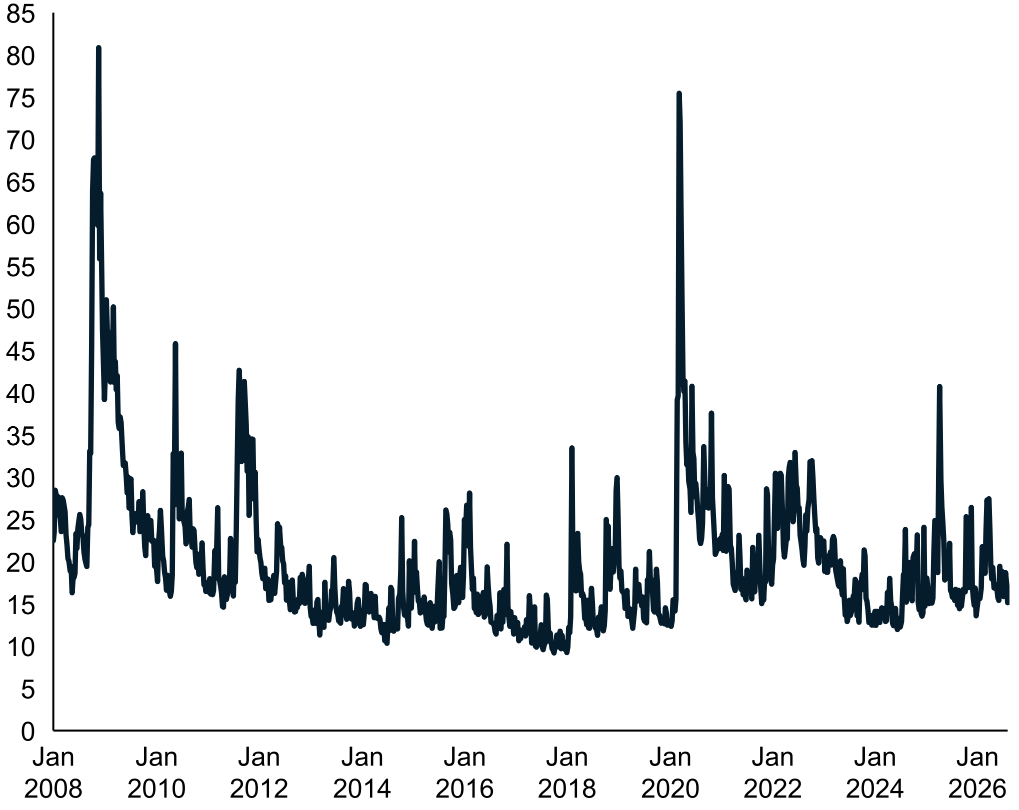
Versus previous period: Significant increase; Increase; Decline; Severe decline; No significant change

1. Brazil: Bovespa; China: SSE Composite Index; France: CAC 40; Germany: DAX; India: BSE Sensex-30; Japan: Nikkei 225; Russia: RTSI Index; UK: FTSE 100; US: S&P 500.
2. Growth rate calculated as average value of each index in June over average value in May.
3. Growth rate calculated as average value of each index in July (Jul 31) over average value in June.

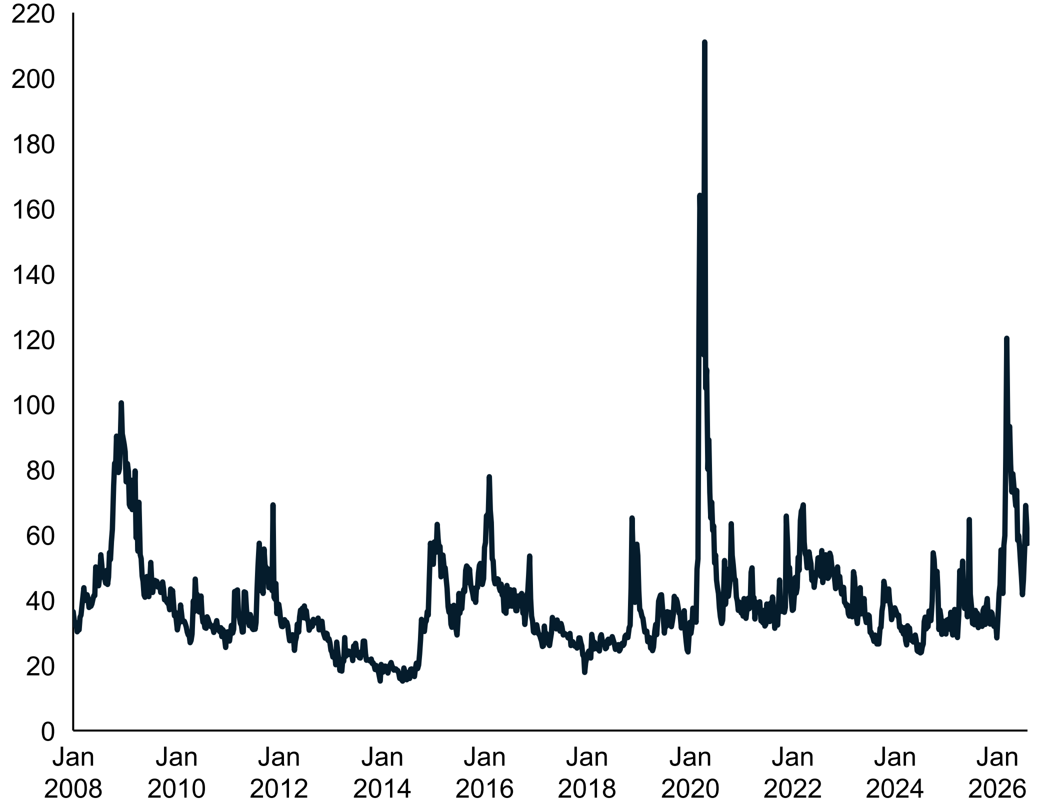
Source: Haver Analytics; McKinsey's Global Economics Intelligence analysis

Volatility in oil contracts spiked in early August, although the increase was more contained than at the onset of the conflict

CBOE S&P 500 Index Option Volatility Index (VIX)[2]



CBOE Crude Oil Volatility Index (OVX)[1, 2]



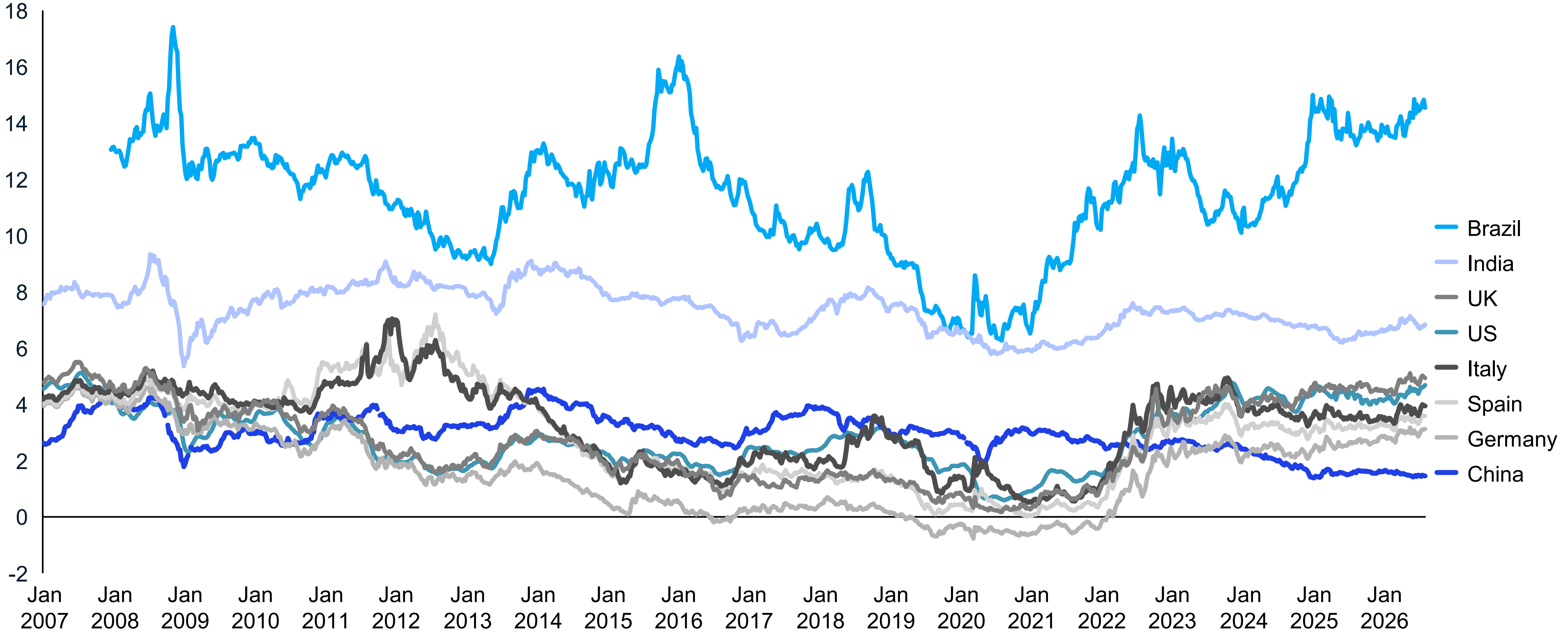
1. Based on United States Oil Fund (USO) option prices 2. Updated through August 6, 2026.

Source: CBOE; McKinsey's Global Economics Intelligence analysis

Cost of capital increased across most countries, reflecting growing concerns over inflation and the growth outlook

Ten-year government bonds[1]

Five-day moving average,[2] % (daily)



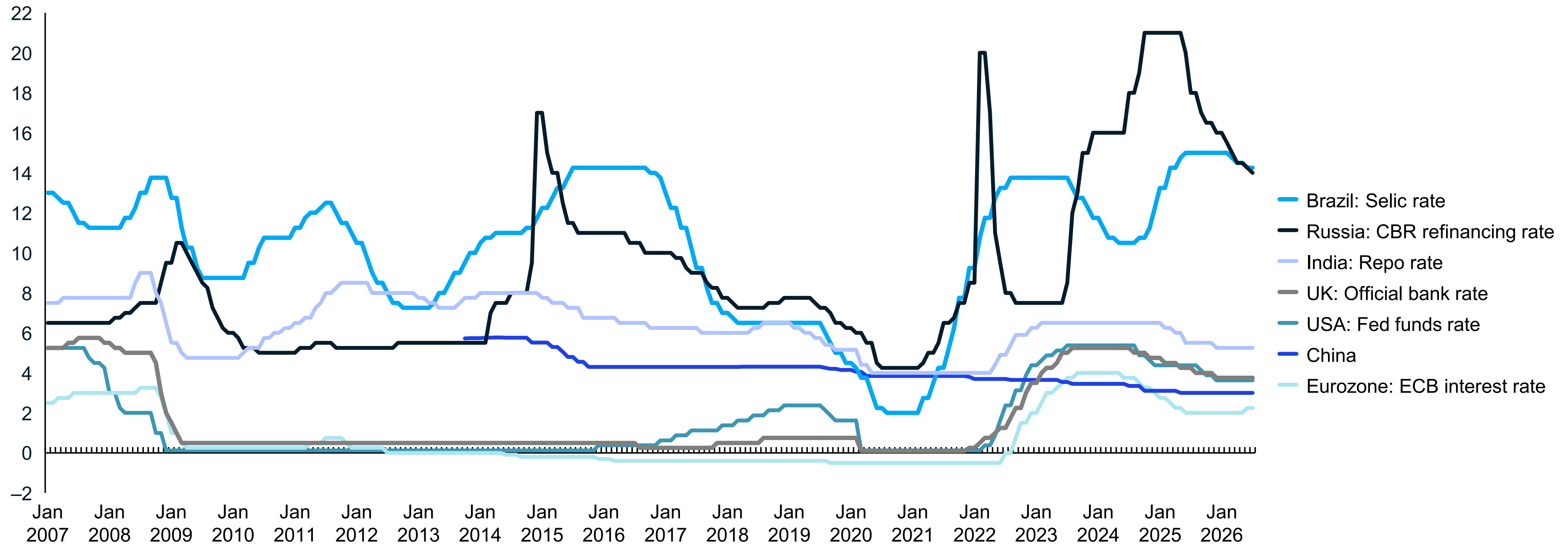
1. Five-year government bond yields used for China.
2. Updated through June 29, 2026.

Source: Haver Analytics; McKinsey's Global Economics Intelligence analysis

In July, Russia's central bank was the only major central bank to cut rates, while others remained on hold as they continued to assess situation

Central-bank interest rates

% (monthly)



Source: Banco Central do Brasil; Bank of England; Central Bank of Russia; European Central Bank (ECB); New York Fed; Reserve Bank of India; McKinsey's Global Economics Intelligence analysis