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Global executives more positive; consumer confidence improving but low; emerging economies rebound; Fed pauses rate hikes as ECB and Bank of England increased key interest rates by 25 and 50 basis points respectively in June; inflation remains low in India and Brazil.

| Consumer and households | • Consumer confidence has been gradually improving, but still remains low, with some countries being more depressed than others  
• Spending across countries eased, with the exception of Russia, where base effects are wearing off |
|------------------------|------------------------------------------------------------------------------------------------------------|
| Business and industry  | • Manufacturing sector has been declining for three consecutive quarters, while services are growing at accelerated pace  
• Factories signal increased production, yet with deteriorating new orders and international trade flows, raising concerns about demand |
| Trade and external     | • Trade volumes declined again in April, as only imports among advanced economies increased compared to March  
• In April, the Container Throughput Index recorded 121.1 points, up from the previous month (119.2 points revised); European throughput saw a slight recovery, while Chinese ports continue to strengthen  
• Global supply-chain pressures continue to ease |
| Prices                 | • Inflation continue to ease across the board, while core inflation remains at uncomfortable levels; Producer prices in developing economies declined, further easing pressures on consumer prices  
• Energy prices continue their downward trend, despite OPEC extending its oil production curb  
• Metals prices declined again, driven mostly by inventories build-up |
| Employment             | • Unemployment rates rose in the US and India, while remaining practically unchanged in China and the eurozone |
| Financial markets      | • USD depreciated against major developed countries currencies, while it performed well against developing economies  
• Volatility has been on a downward trend across major asset classes |
| Government and policy  | • ECB and Bank of England increased key interest rates by 25 and 50 basis points respectively in June, while FED skipped rate hike this month, most likely returning to tightening in July |
Consumer confidence has been gradually improving, but still remains low, with some countries being more depressed than others.

OECD global consumer confidence indicator
Index, long-term average = 100

OECD consumer confidence indicators for individual economies¹
Index, long-term average = 100¹

¹Data for China through March 2023 and Russia through February 2023.

Source: OECD; McKinsey’s Global Economics Intelligence analysis
Spending across countries eased, with the exception of Russia, where base effects are wearing off

Retail sales growth\(^1\)

Year over year (monthly)

\(^1\)Data for Brazil, eurozone, Russia, and UK through April 2023.

Source: Banco Central do Brasil; Eurostat; National Bureau of Statistics of China; Rosstat; US Census Bureau; UK Office for National Statistics; McKinsey’s Global Economics Intelligence analysis
Manufacturing sector has been declining for three consecutive quarters, while services are growing at accelerated pace

Note: A reading above 50.0 indicates an increase from the previous month, and a reading below 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: Markit; McKinsey’s Global Economics Intelligence analysis
Factories signal increased production, yet with deteriorating new orders and international trade flows, raising concerns about demand

Note: A reading above 50.0 indicates an increase from the previous month, and a reading below 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: IHS Global Insight; McKinsey’s Global Economics Intelligence analysis
Expansion in services sectors continues, with increasing business and demand; input prices fell for the first time since 2020

Note: A reading above 50.0 indicates an increase from the previous month, and a reading below 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: IHS Global Insight; McKinsey’s Global Economics Intelligence analysis
OECD’s leading indicators for developed economies disappointed, while emerging economies showed first signs of rebound

OECD growth indicators: Advanced economies

OECD growth indicators: Emerging economies

1Composite leading indicators (CLIs) attempt to identify turning points in economic activity approximately 6 months in advance. The horizontal line at 100 shows the long-term trend in industrial production (the reference series). An increase above 100 indicates expansion; a decrease but still above 100 indicates a downturn; a decrease below 100 indicates a slowdown; and an increase below 100 indicates a recovery.

Source: OECD; McKinsey’s Global Economics Intelligence analysis
Trade volumes declined again in April, as only imports among advanced economies increased compared to March.

**CPB World Trade Monitor**
Volume, Index level, 2010=100

**CPB World Trade Monitor details April 2023**

**Advanced economies**
- Exports: m-o-m % change -1.7, Y-o-y change 1.3
- Imports: m-o-m % change -1.0, Y-o-y change -3.0

**Emerging economies**
- Exports: m-o-m % change -5.6, Y-o-y change 2.0
- Imports: m-o-m % change -1.7, Y-o-y change 1.2

SOURCE: Netherlands Bureau for Economic Policy Analysis; McKinsey’s Global Economics Intelligence analysis
Exports increased for the US, China, and Brazil. Imports decreased for China, increased for Brazil, and saw no significant change in the US.

### Monthly index (January 2007 = 100)

<table>
<thead>
<tr>
<th></th>
<th>Total exports</th>
<th>Total imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>US</td>
<td>US</td>
</tr>
<tr>
<td></td>
<td>−0.3</td>
<td>−0.3</td>
</tr>
<tr>
<td>Eurozone²</td>
<td>−10.5</td>
<td>−10.5</td>
</tr>
<tr>
<td>China</td>
<td>−8.2</td>
<td>−8.2</td>
</tr>
<tr>
<td>Brazil</td>
<td>25.1</td>
<td>25.1</td>
</tr>
<tr>
<td>India²</td>
<td>−1.2</td>
<td>−1.2</td>
</tr>
<tr>
<td>Russia²</td>
<td>−2.9</td>
<td>−2.9</td>
</tr>
</tbody>
</table>

Note: Exports and imports are not seasonally adjusted.
1 Data for December 2022 vs November 2022.
2 Latest data for Russia is February 2022, India is September 2022, EZ is December 2022.
In April, the Container Throughput Index recorded 121.1 points, up from the previous month (119.2 points revised); European throughput saw a slight recovery, while Chinese ports continue to strengthen.

RWI/ISL Container Throughput Index

Index level, 2015=100

1. The current flash estimate for the Container Throughput Index is based on data from 64 ports, which account for about 85 percent of the handling represented in the index.
2. On January 2020, the RWI/ISL Container Throughput Index changed its base year to 2015.
3. The North range index summarizes throughput of the ports of Le Havre, Zeebrugge, Antwerp, Rotterdam, Bremen/Bremerhaven, and Hamburg.

Note: The RWI/ISL Container Throughput Index provides timely information on short-term trends in international trade. The database covers 91 international ports, which handle about 60% of global container transhipment. The monthly data do not include figures for Dubai. Data is seasonally and working day adjusted.

SOURCE: RWI/ISL; McKinsey’s Global Economics Intelligence analysis
Global supply-chain pressures continue to ease

Supply-chain pressure index

Standard deviations from average value

SOURCE: New York Federal Reserve; McKinsey’s Global Economics Intelligence analysis
Unemployment rates rose in the US and India, while remaining practically unchanged in China and the eurozone

**Unemployment rate 2007–23**
% of labor force (monthly)

**Over the past 4 months**

<table>
<thead>
<tr>
<th>Country</th>
<th>Feb-23</th>
<th>Mar-23</th>
<th>Apr-23</th>
<th>May-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>3.6</td>
<td>3.5</td>
<td>3.7</td>
<td>3.5</td>
</tr>
<tr>
<td>EZ</td>
<td>6.6</td>
<td>6.6</td>
<td>8.6</td>
<td>8.5</td>
</tr>
<tr>
<td>Brazil</td>
<td>8.8</td>
<td>8.8</td>
<td>7.8</td>
<td>8.1</td>
</tr>
<tr>
<td>Russia</td>
<td>7.5</td>
<td>7.5</td>
<td>5.6</td>
<td>5.3</td>
</tr>
<tr>
<td>India</td>
<td>5.2</td>
<td>5.2</td>
<td>5.2</td>
<td>5.2</td>
</tr>
<tr>
<td>China</td>
<td>5.2</td>
<td>5.2</td>
<td>5.2</td>
<td>5.2</td>
</tr>
</tbody>
</table>

1 Data for India and China are annual and shown as a smoothed trend line.
2 China unemployment only shows urban rate.

SOURCE: BLS; CMIE, National Bureau of Statistics of China; EIU; Eurostat; Haver Analytics; IBGE; NBS; McKinsey's Global Economics Intelligence analysis
Inflation continue to ease across the board, while core inflation remains at uncomfortable levels

**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
Producer prices in developing economies declined, further easing pressures on consumer prices

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
Among commodities, only livestock prices increased in June; energy prices dropped to the lowest levels since 2022

Commodities indexes¹
Moving 5-day average, indexed to Jan 2007

¹. Updated through May 24, 2023; 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
Gold dropped below $1,944 in June

Gold spot price
5-day moving average, USD/troy ounce (daily)

Gold spot price over past 3 weeks
5-day moving average, USD/troy ounce (daily)

1Updated through June 20, 2023.

Source: Haver Analytics; World Gold Council; McKinsey’s Global Economics Intelligence analysis
Energy prices continue their downward trend, despite OPEC extending its oil production curb

**Oil price**

$/barrel, 5-day moving average

- **WTI**
- **Brent**

**Heating-oil price**

US cents/gallon, 5-day moving average

**Natural-gas price**

$/per million Btu, 5-day moving average

- **Henry Hub, LA**; prices as of June 20, 2023
- **New York Harbor No. 2**: heating-oil prices as of June 20, 2023

**Coal price**

$/megaton, monthly

- **Australia coal prices**: coal prices as of May, 2023

Source: Haver Analytics; US Energy Information Administration; World Bank; McKinsey’s Global Economics Intelligence analysis
Metals prices declined again, driven mostly by inventories build-up

Copper$^1$
$/pound, 5-day moving average

Steel$^2$
$/gross metric ton (monthly)

Aluminum$^3$
$/Mt, 5-day moving average

Nickel$^4$
$/Mt, 5-day moving average

$^1$Copper, high grade: COMEX Spot Price, updated through June 20, 2023.
$^2$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 June 2023.
$^3$Aluminum, LME spot ($/metric ton), updated through June 21, 2023. $^4$UK: LME nickel, closing cash price ($/metric ton), updated through June 20, 2023.

Source: Haver Analytics; McKinsey’s Global Economics Intelligence analysis
Inflation expectations came off from highs observed in 2022 and are close to FED’s targets

Implied inflationary expectations from 5- and 10-year TIPS yields¹ (spread between T-bill and TIPS of same maturity)

% (daily), 5-day moving average

¹Updated through June 16, 2023.

Source: Haver Analytics; McKinsey’s Global Economics Intelligence analysis
Overall food prices declined in May; however, sugar prices are on the rise

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 5 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
## Mixed performance by stock exchanges across countries

**Equity markets¹**

5-day moving average, daily, index (Jan 2007 = 1)

<table>
<thead>
<tr>
<th>Country</th>
<th>Index</th>
<th>May ²</th>
<th>June ³</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>S&amp;P 500</td>
<td>0.6</td>
<td>4.3</td>
</tr>
<tr>
<td>UK</td>
<td>FTSE 100</td>
<td>-1.6</td>
<td>-1.5</td>
</tr>
<tr>
<td>Germany</td>
<td>DAX</td>
<td>1.1</td>
<td>1.0</td>
</tr>
<tr>
<td>France</td>
<td>CAC 40</td>
<td>-1.4</td>
<td>-1.4</td>
</tr>
<tr>
<td>Japan</td>
<td>Nikkei 225</td>
<td>6.6</td>
<td>8.3</td>
</tr>
<tr>
<td>China</td>
<td>SSE Composite Index</td>
<td>-1.2</td>
<td>-1.6</td>
</tr>
<tr>
<td>India</td>
<td>BSE Sensex-30</td>
<td>3.2</td>
<td>1.7</td>
</tr>
<tr>
<td>Brazil</td>
<td>Bovespa</td>
<td>3.8</td>
<td>7.9</td>
</tr>
<tr>
<td>Russia</td>
<td>RTS</td>
<td>4.1</td>
<td>0.5</td>
</tr>
</tbody>
</table>

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 May over average value in June.
3. Growth rate calculated as average value of each index in June (June 20) over average value in May.

Source: Haver Analytics; McKinsey’s Global Economics Intelligence analysis
USD depreciated against major developed countries currencies, while it performed well against developing economies

Relative change in currency value against previous month
USD as base

<table>
<thead>
<tr>
<th>Currency</th>
<th>% change</th>
<th>Currency price</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>BRL</td>
<td>2.65%</td>
<td>4.85 (BRL per USD)</td>
<td></td>
</tr>
<tr>
<td>GBP</td>
<td>1.27%</td>
<td>1.26 (USD per GBP)</td>
<td></td>
</tr>
<tr>
<td>AUD</td>
<td>0.86%</td>
<td>0.67 (USD per AUD)</td>
<td></td>
</tr>
<tr>
<td>NEER</td>
<td>0.52%</td>
<td>102.7 (index)</td>
<td></td>
</tr>
</tbody>
</table>

Relative change in currency value against 2007 values
USD as base

<table>
<thead>
<tr>
<th>Currency ranking</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outperforming</td>
<td></td>
</tr>
<tr>
<td>USD NEER</td>
<td>25.32%</td>
</tr>
<tr>
<td>RMB</td>
<td>6.36%</td>
</tr>
<tr>
<td>Underperforming</td>
<td></td>
</tr>
<tr>
<td>GBP</td>
<td>−36.90%</td>
</tr>
<tr>
<td>INR</td>
<td>−50.09%</td>
</tr>
<tr>
<td>JPY</td>
<td>−16.75%</td>
</tr>
<tr>
<td>EUR</td>
<td>−20.93%</td>
</tr>
<tr>
<td>RUB</td>
<td>−69.31%</td>
</tr>
<tr>
<td>AUD</td>
<td>−20.02%</td>
</tr>
<tr>
<td>JPY</td>
<td>−16.75%</td>
</tr>
<tr>
<td>EUR</td>
<td>−20.93%</td>
</tr>
<tr>
<td>INR</td>
<td>−50.09%</td>
</tr>
<tr>
<td>RUB</td>
<td>−69.31%</td>
</tr>
</tbody>
</table>


1Positive change indicates appreciation, and negative change depreciation of the currency against the US dollar.

Source: BIS; Haver Analytics; McKinsey's Global Economics Intelligence analysis
Volatility has been on a downward trend across major asset classes

CBOE S&P 500 Index Option Volatility Index (VIX)\(^3\)

CBOE Crude Oil Volatility Index (OVX)\(^1, 3\)

CBOE Euro Currency Volatility Index (EVZ)\(^3\)

CBOE Gold Volatility Index (GVZ)\(^2, 3\)

\(^1\)Based on United States Oil Fund (USO) option prices.
\(^2\)Based on SPDR Gold Shares (GLD) options.
\(^3\)Updated through June 27, 2023.

Source: CBOE; McKinsey’s Global Economics Intelligence analysis
Government bond yields remained stable

10-year government bonds
5-day moving average, \(^2\) % (daily)

- US
- Brazil
- India
- China
- Germany
- Spain
- Italy
- UK

15-year government bond yields used for China.

Updated through April 20, 2023.

Source: Haver Analytics; McKinsey’s Global Economics Intelligence analysis
ECB and Bank of England increased key interest rates by 25 and 50 basis points respectively in June, while FED skipped rate hike this month, most likely returning to tightening in July

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