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Global Economics Intelligence

Critical trends and risks

Released June 2026 (data through May 2026)

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Strait of Hormuz effect still stoking uncertainty and volatility; consumer confidence continues to drop but spending solid in some economies; Brazil and Russia cut policy rates

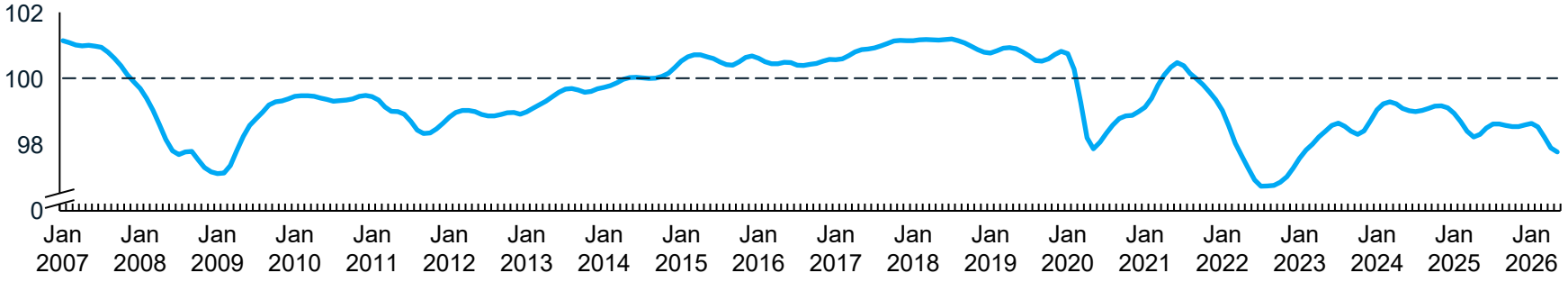
Versus previous period: Significant improvement | Some improvement | Some deterioration | Significant deterioration | No significant change

Consumer and households	• Households stay on the sidelines—consumer confidence continues to deteriorate, with no clear rebound across major economies. • The consumer divide widens: Brazil, Russia, and the US keep spending while China, the eurozone, and UK stall.
Business and industry	• Global growth maintains its footing—manufacturing (52.7) and services (52.0) both point to steady expansion. • Factories continued to expand in May—the US, UK, and India accelerated even as Brazil and Russia remained in the contraction zone. • Services tell two stories: India and China power ahead, while the UK, Eurozone, and Russia remain stuck below 50.
Trade and external	• Global export momentum remained uneven into early 2026, with growth concentrated in the US, China, and Mexico. • Import demand diverged across major economies in early 2026, with strong growth in China, India, and Mexico. • Global shipping activity softened in April, pointing to weaker trade momentum as geopolitical disruptions persisted. • Global supply-chain pressures remained elevated in May, reaching the highest level since 2022. • US-bound shipping rates from Shanghai rose modestly in April–May amid renewed geopolitical disruptions. • US-to-China freight rates rose in April but remained well below the elevated levels seen in 2025.
Prices	• Developed-market inflation drifts back to 2–4%, led by US where inflation reached 3.5% in June. • Inflation ticked up across most emerging economies. • Gold: Gravity reasserts itself as precious metals make return trip from record highs, while rest of commodity complex stays flat. • Safe-haven trade unwinds: Gold slides from approximate $5,000 record to around $4,200 as Middle East tail risk temporarily fades. • Oil spikes and retreats toward $75, but Europe's gas and heating-oil bills stay stubbornly high. • Five- and ten-year inflation expectations remain anchored near 2.2% through the turmoil. • Food inflation creeps back: Real prices up around 5% on vegetable oils and meat, but still far below the 2022 shock.
Employment	• Labor markets remain tight, with unemployment rates at historically low levels in most countries. In the United States, the unemployment rate has risen slightly but remains relatively low.
Financial markets	• Equity markets head in opposite directions: Japan and US grind to new highs while Russia (–8% in June) and Brazil sell off. • VIX remains relatively low, near 20, while oil-price volatility spiked to multiyear highs amid Gulf conflict before retreating. • Bond markets diverge: Brazil's 10-year tops 14% and China's sinks toward 1.5%, with developed markets anchored around 4%.
Government and policy	• Easing cycle reaches emerging markets first: Brazil and Russia cut from double-digit peaks while Fed and BoE hold, but ECB hikes rates in June.

Households stay on the sidelines—consumer confidence continues to deteriorate, with no clear rebound across major economies

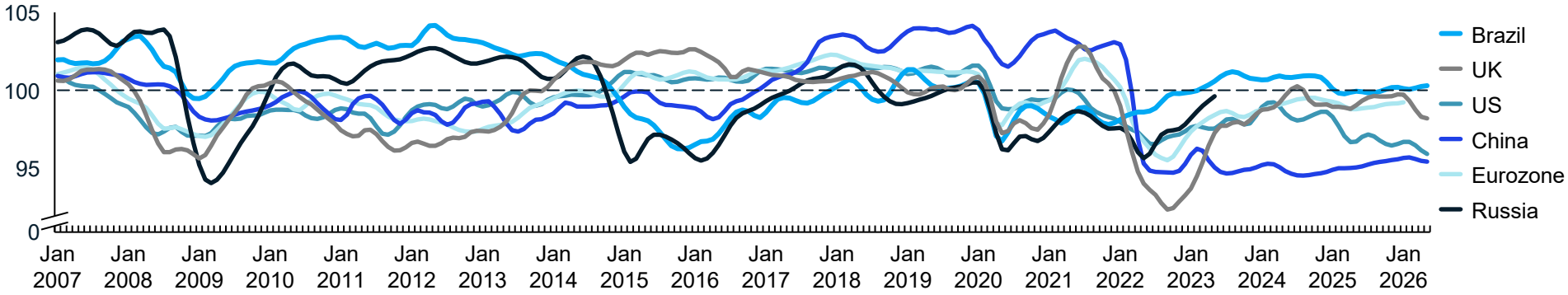
OECD global consumer confidence indicator

Index, long-term average = 100



OECD consumer confidence indicators for individual economies[1]

Index, long-term average = 100[1]



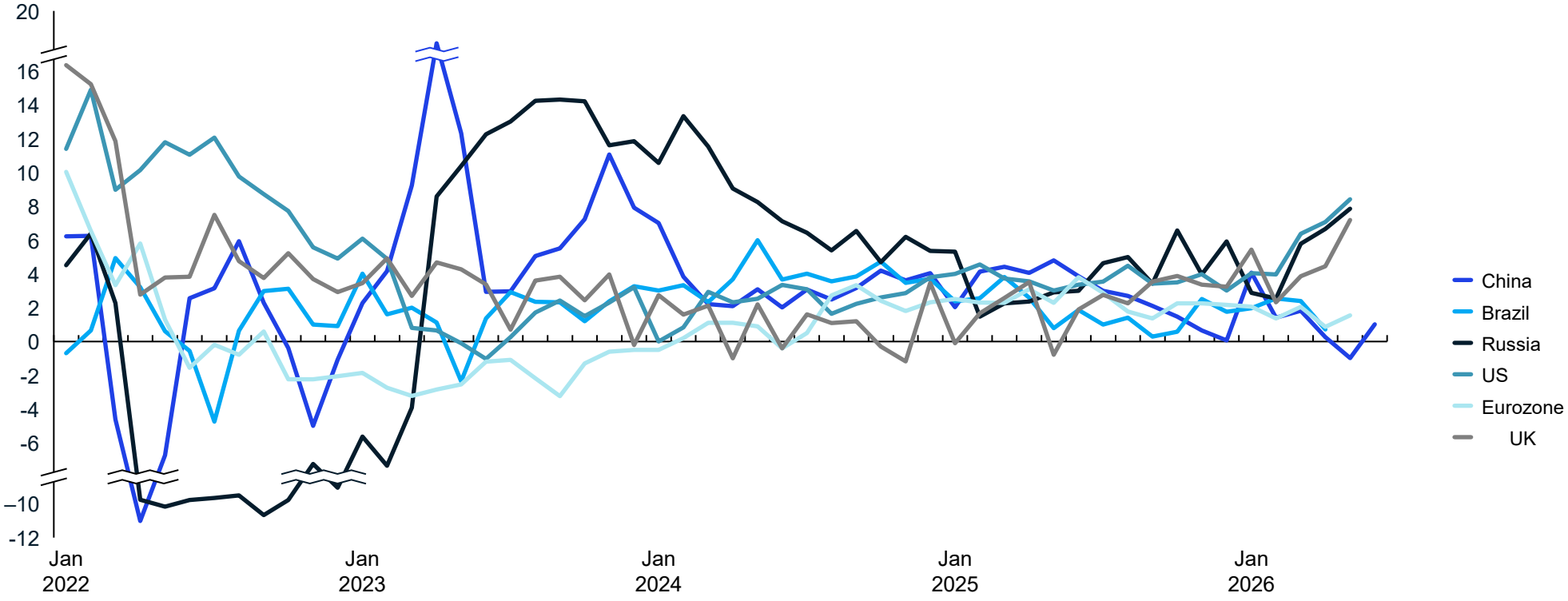
[1]Data for Russia till May 2023.

Source: OECD; McKinsey's Global Economics Intelligence analysis

The consumer divide widens: Brazil, Russia, and the US keep spending while China, the eurozone, and UK stall

Retail sales growth[1]

Year over year (monthly)



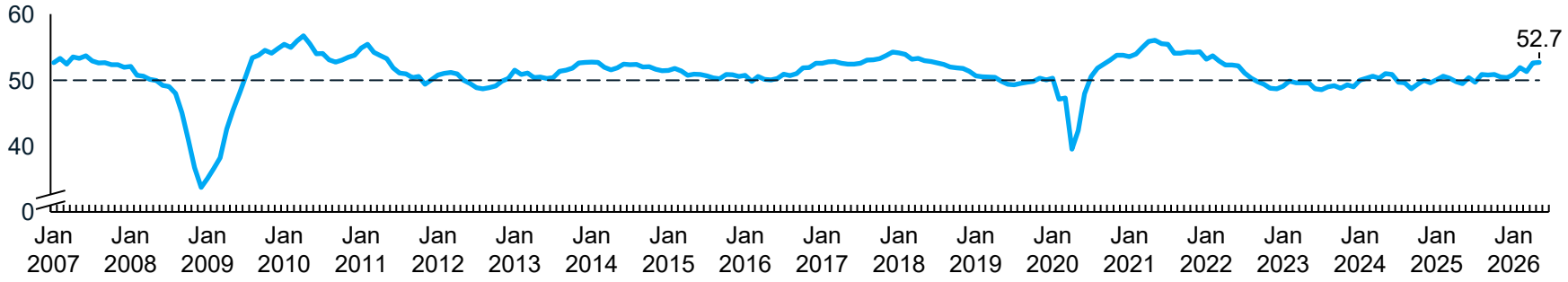
[1]Data for China, and UK till February 2026, data for rest countries till January 2026

Source: Banco Central do Brasil; Eurostat; National Bureau of Statistics of China; Rosstat; UK Office for National Statistics; US Census Bureau; McKinsey's Global Economics Intelligence analysis

Global growth maintains its footing—manufacturing (52.7) and services (52.0) both point to steady expansion

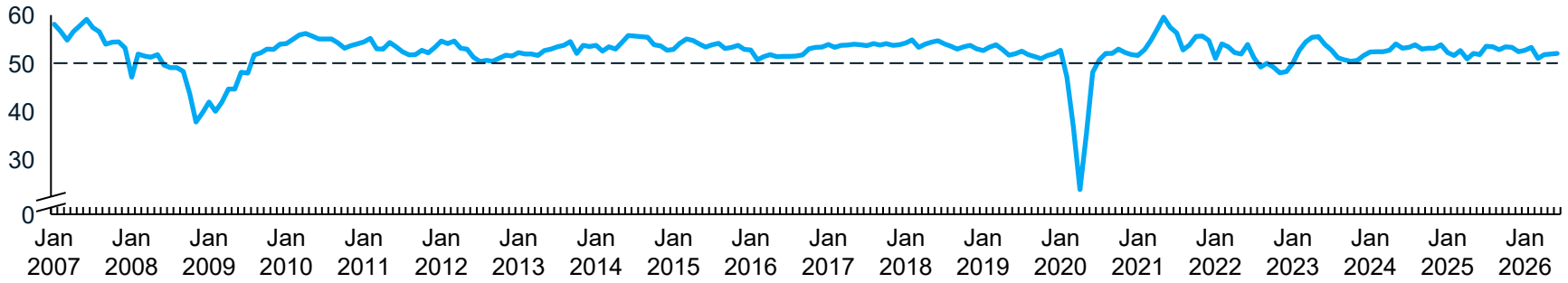
JPMorgan Global Purchasing Managers' Index (Manufacturing)

Diffusion index, seasonally adjusted (monthly)



JPMorgan Global Purchasing Managers' Index (Services)

Diffusion index, seasonally adjusted (monthly)



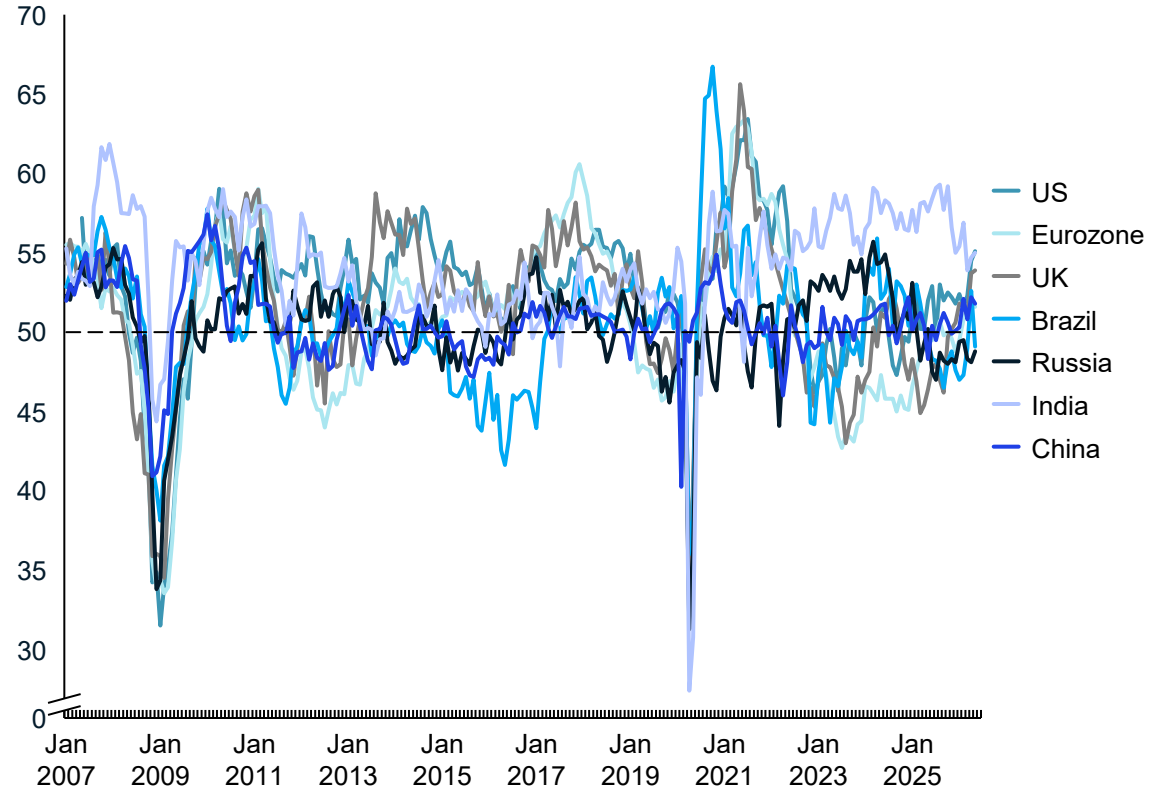
Note: A reading of more than 50.0 indicates an increase from the previous month, and a reading of less than 50.0 indicates a decrease. Country-level data are the PMIs for individual countries as sourced from Markit Economics or the Institute for Supply Management (ISM) and are not a breakdown of the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

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

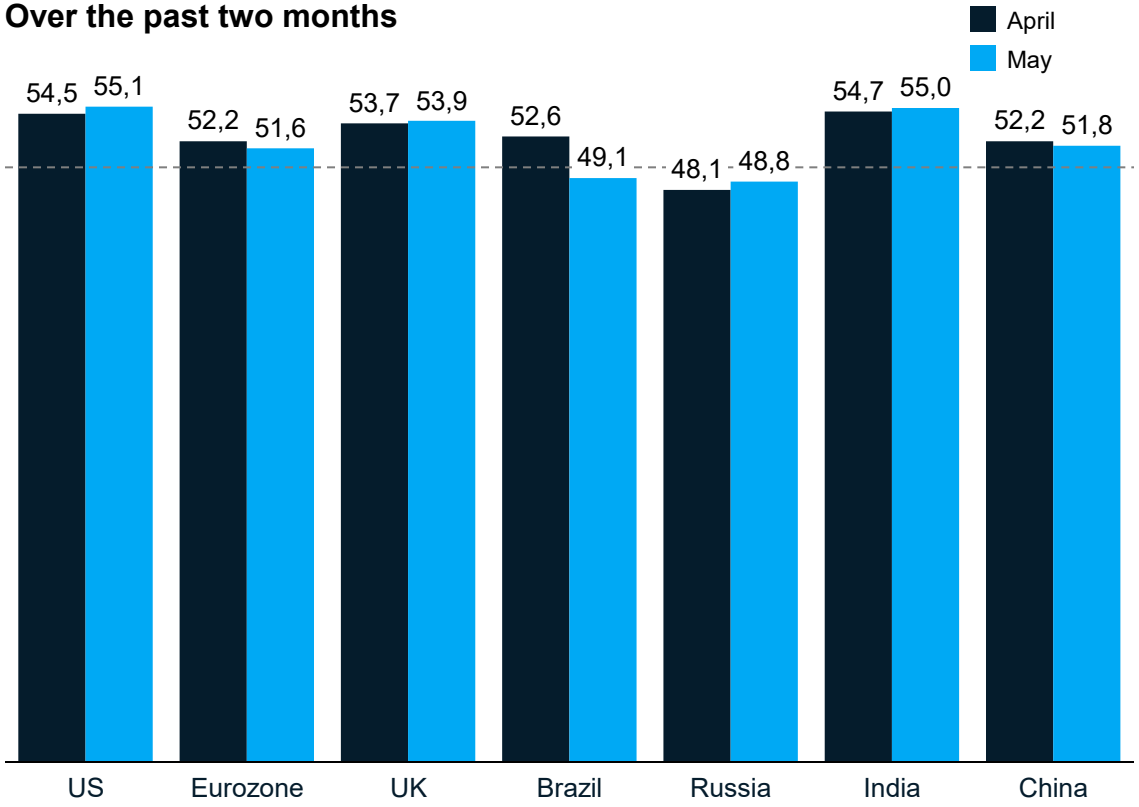
Factories continued to expand in May—the US, UK, and India accelerated even as Brazil and Russia remained in the contraction zone

Purchasing managers' index (manufacturing)

Diffusion index (monthly)



Over the past two months



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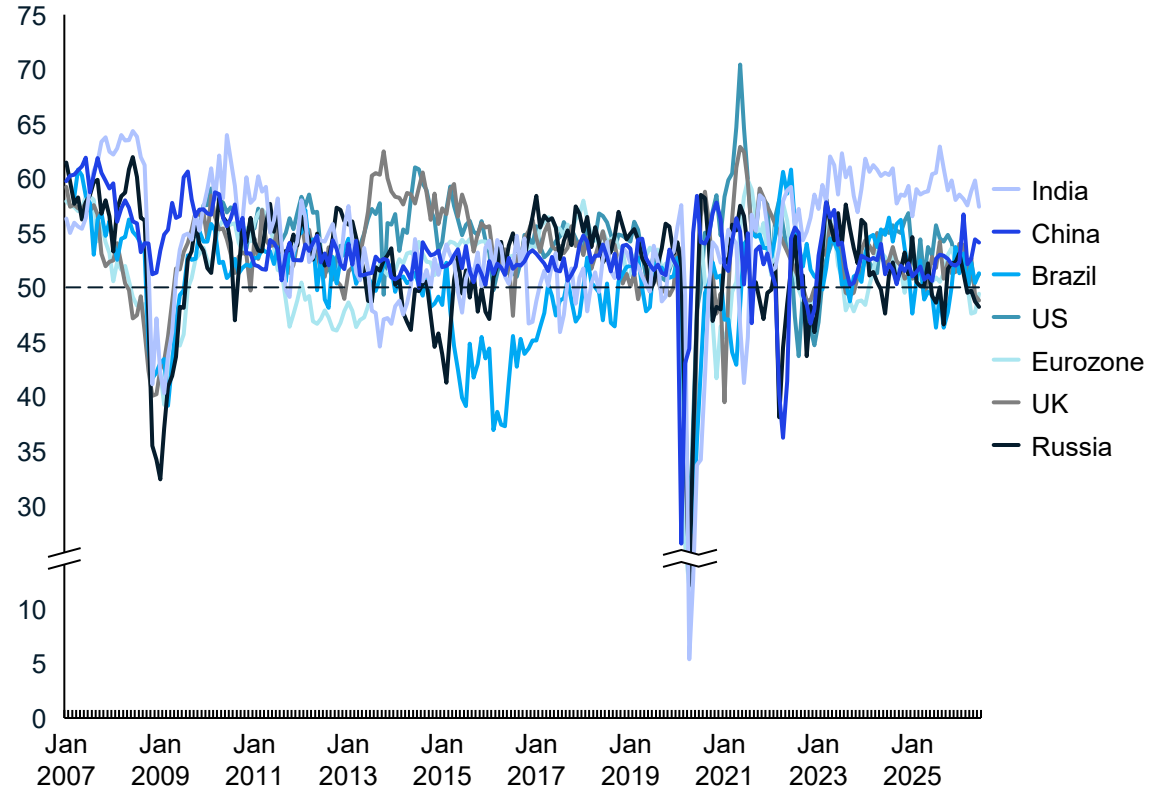
Source: S&P Global; McKinsey's Global Economics Intelligence analysis

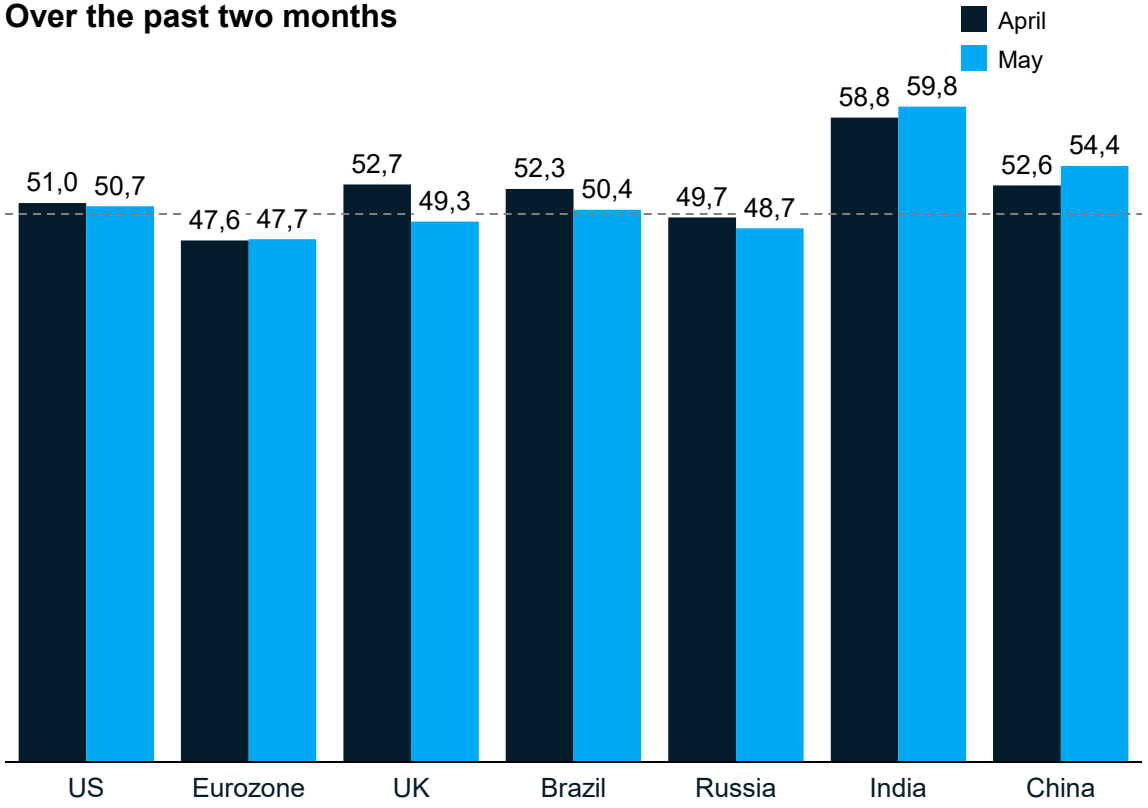
Services tell two stories: India and China power ahead, while the UK, Eurozone, and Russia remain stuck below 50

Purchasing managers' index (services)

Diffusion index (monthly)



Over the past two months



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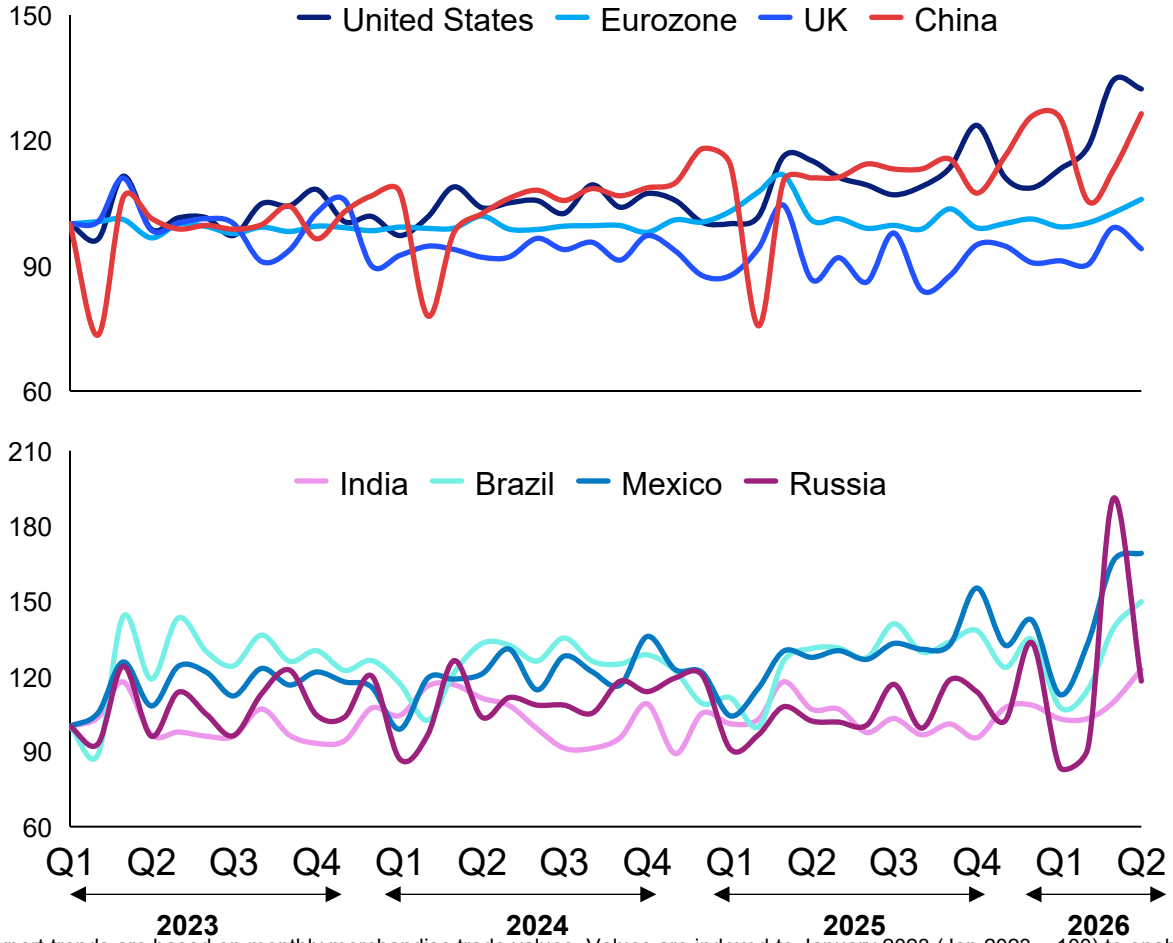
Source: S&P Global; McKinsey's Global Economics Intelligence analysis

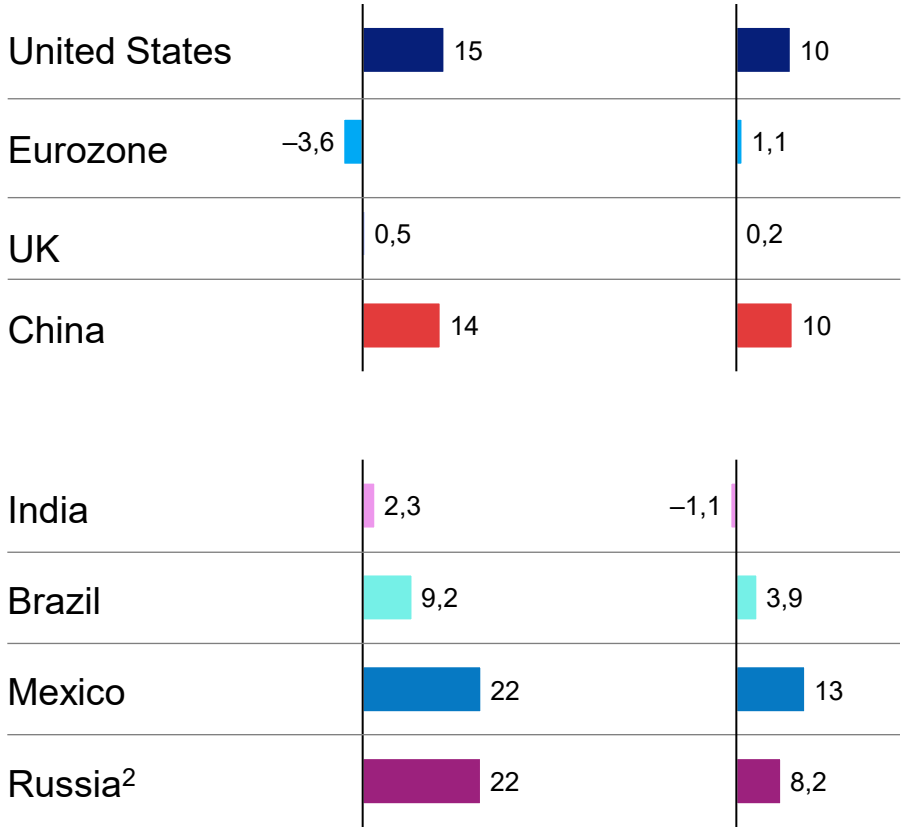
Global export momentum remained uneven into early 2026, with growth concentrated in the US, China, and Mexico

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

%, Jan 2023 = 100



YTD export growth,[1] CAGR, %



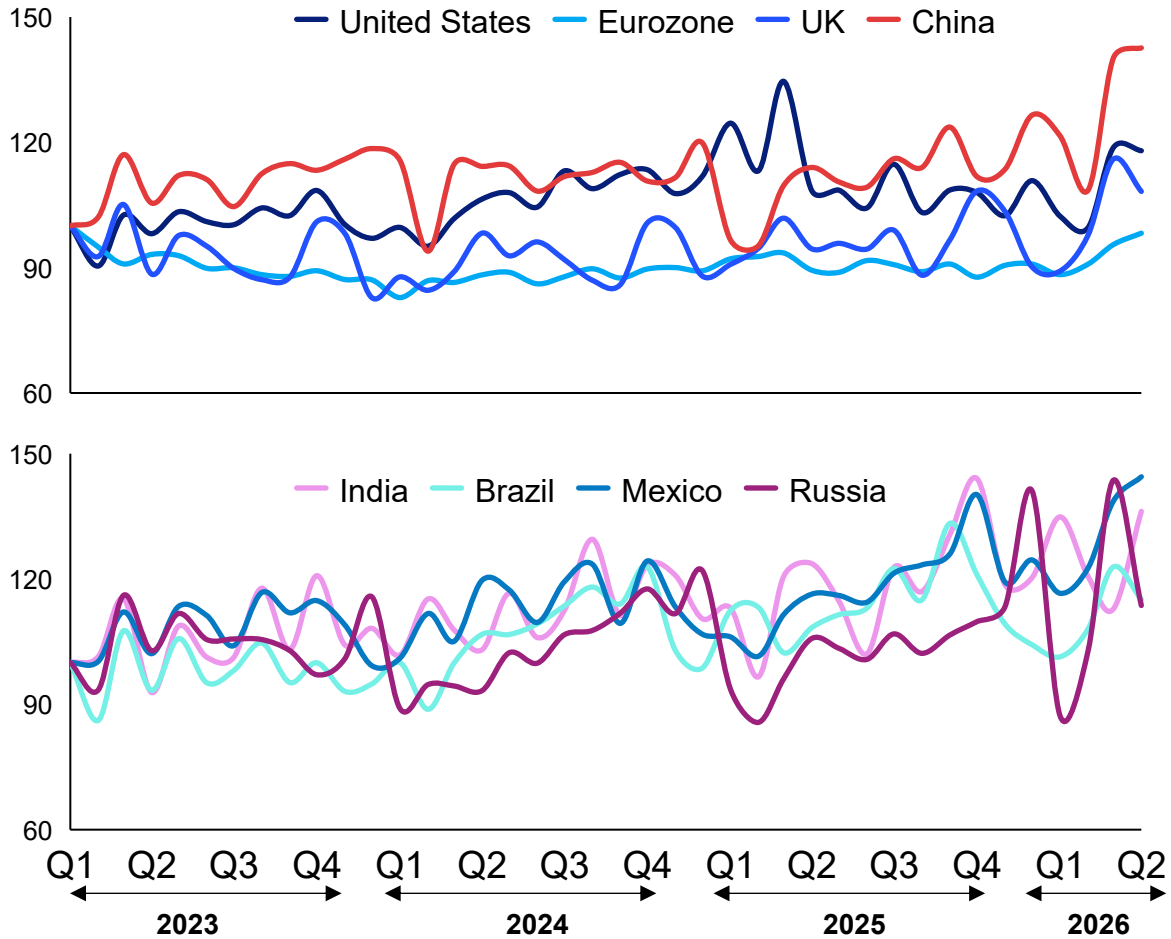
1. Export trends are based on monthly merchandise trade values. Values are indexed to January 2023 (Jan 2023 = 100) to enable cross-country comparison over time. Data reflect latest available releases. | 2. Russia data affected by sanctions-related rerouting/base effects.

Source: Central Bank of the Russian Federation; Comex Stat (Brazil Ministry of Development, Industry and Trade); Eurostat; 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; Office for National Statistics UK; U.S. Census Bureau (USA Trade Online)

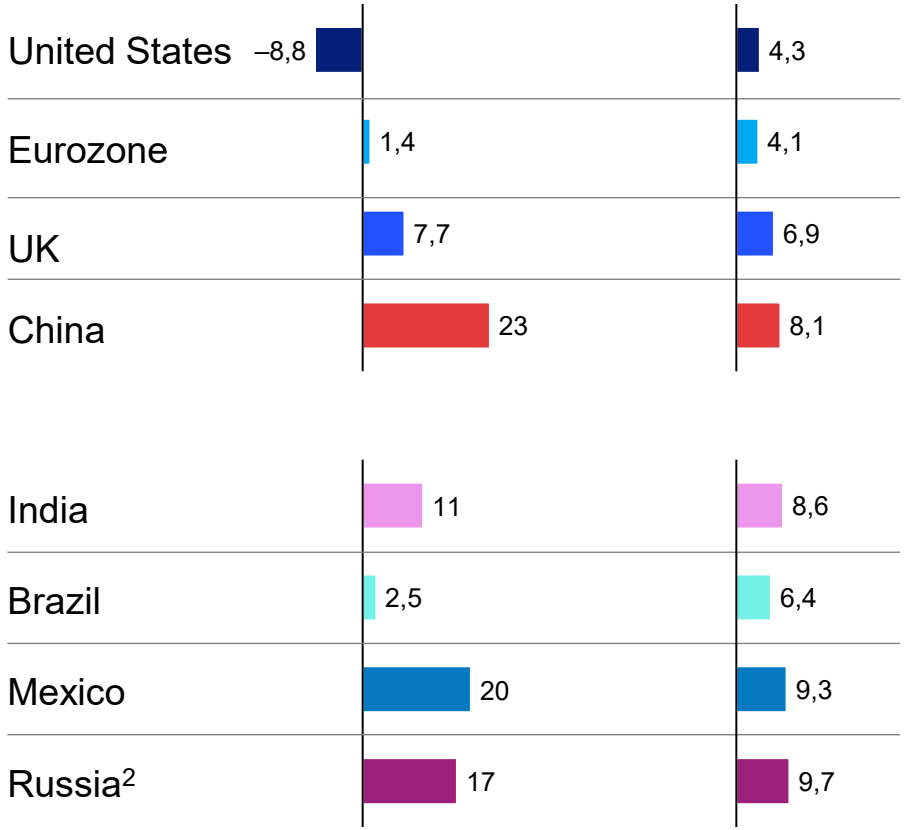
Import demand diverged across major economies in early 2026, with strong growth in China, India, and Mexico

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

%, Jan 2023 = 100



YTD export growth,[1] CAGR, %



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.

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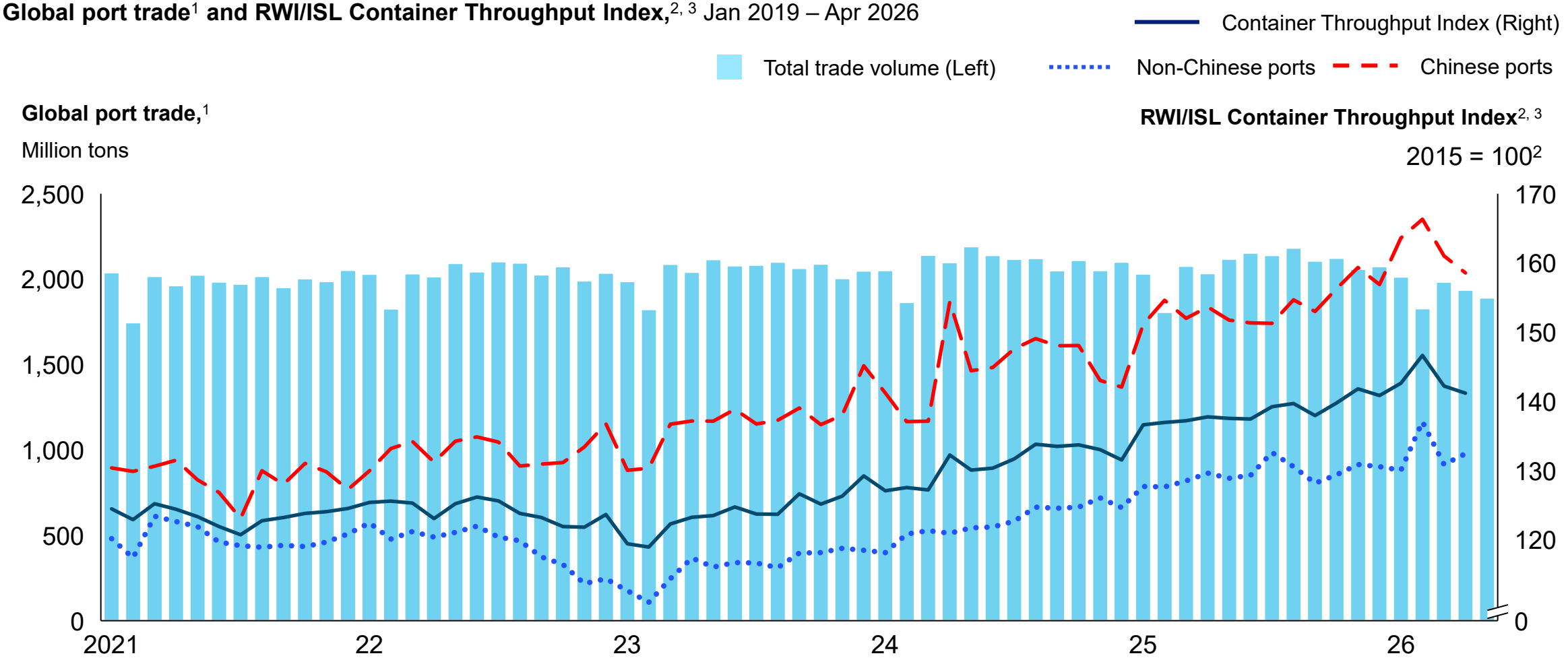
Global shipping activity softened in April, pointing to weaker trade momentum as geopolitical disruptions persisted

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

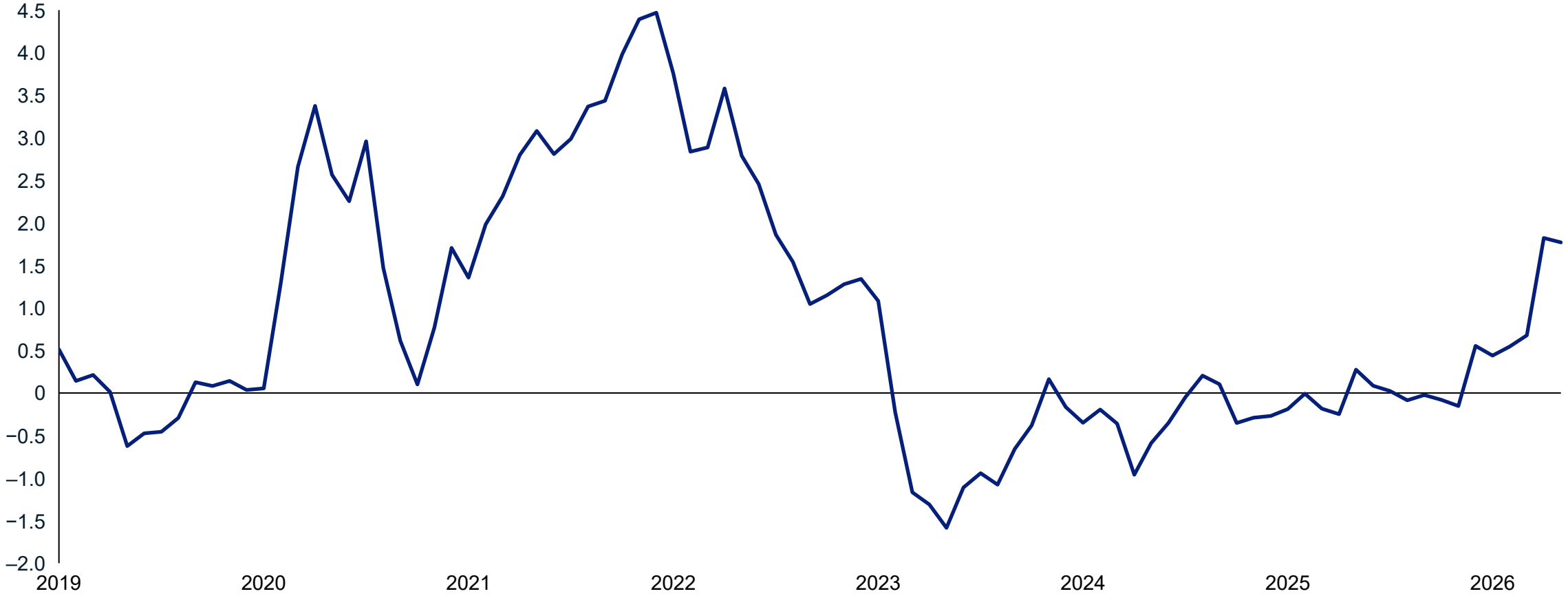


1. Total trade refers to the combined import and export volume (in metric tons) of all ship types entering a port. This includes container ships, dry bulk, general cargo, RoRo, and tankers.
2. The RWI/ISL Container Throughput Index tracks short-term trends in global container trade using data from 92 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

Global supply-chain pressures remained elevated in May, reaching the highest level since 2022

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

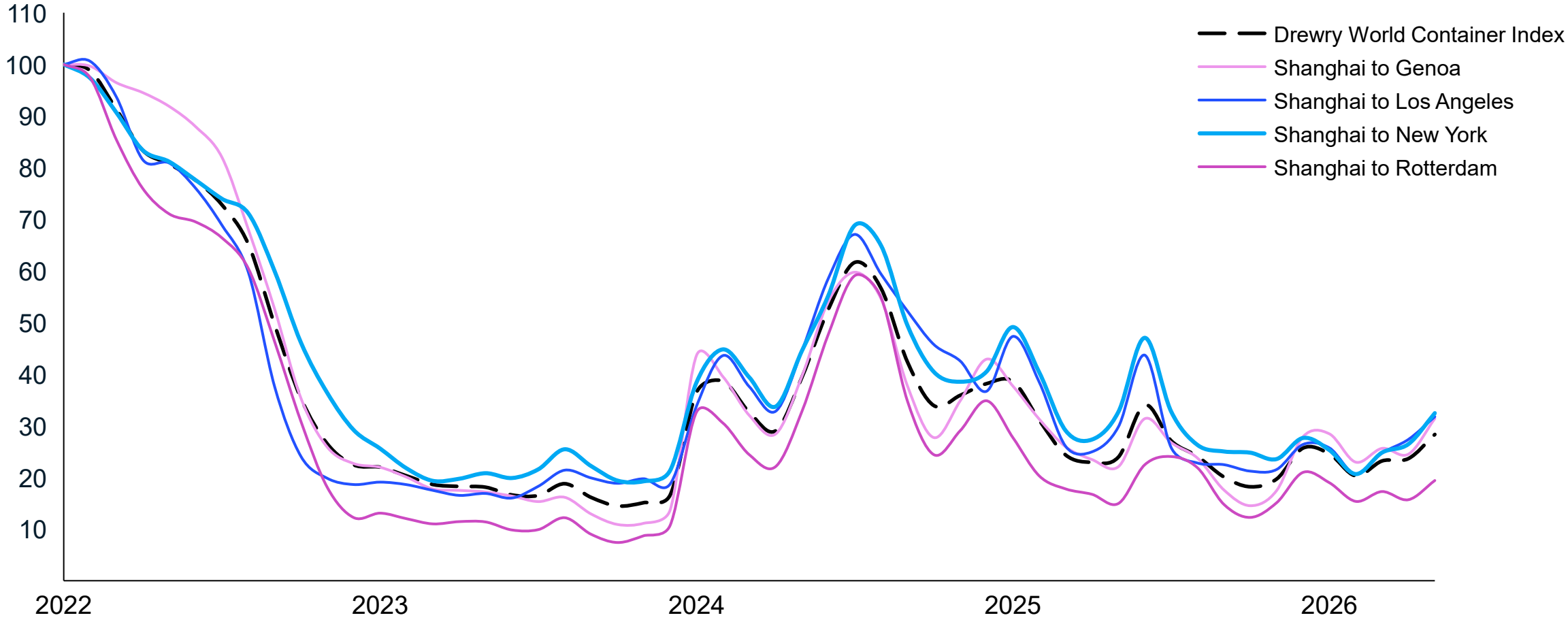


1. The Global Supply Chain Pressure Index (GSCPI) measures the degree of stress in global supply chains by combining indicators such as shipping costs, delivery times, backlogs, and manufacturing activity. The index is expressed in standard deviations from the historical average, meaning a value of 0 indicates average conditions, positive values reflect higher-than-normal pressure (eg, 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

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

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

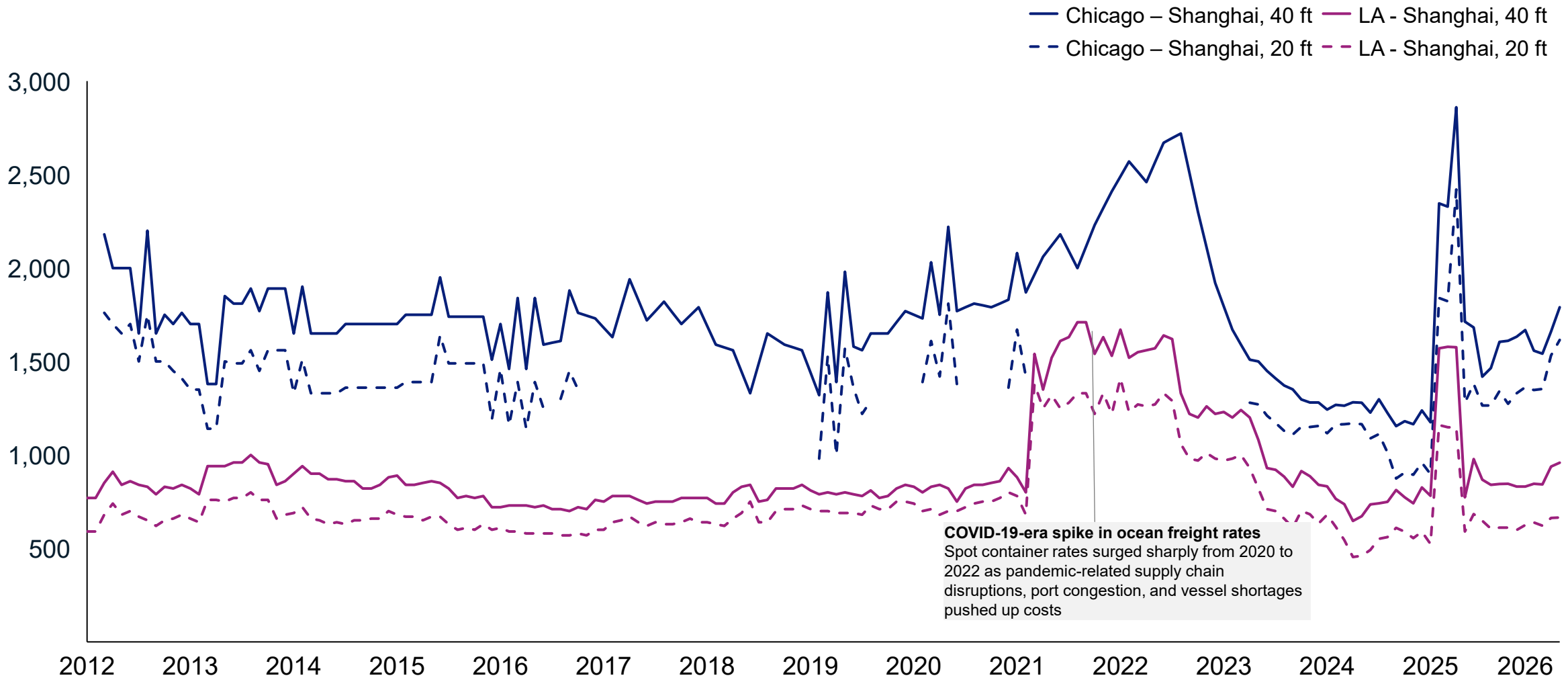


1. The Drewry World Container Index tracks average spot freight rates in US dollars per 40-foot container on major trade routes from Shanghai (to Rotterdam, Los Angeles, Genoa, and New York). Values are indexed to January 2022.

Source: Drewry Shipping Consultants Ltd

US-to-China freight rates rose in April but remained well below the elevated levels seen in 2025

Outbound spot ocean freight rate per container,[1] Jan 2012 – May 2026, US $



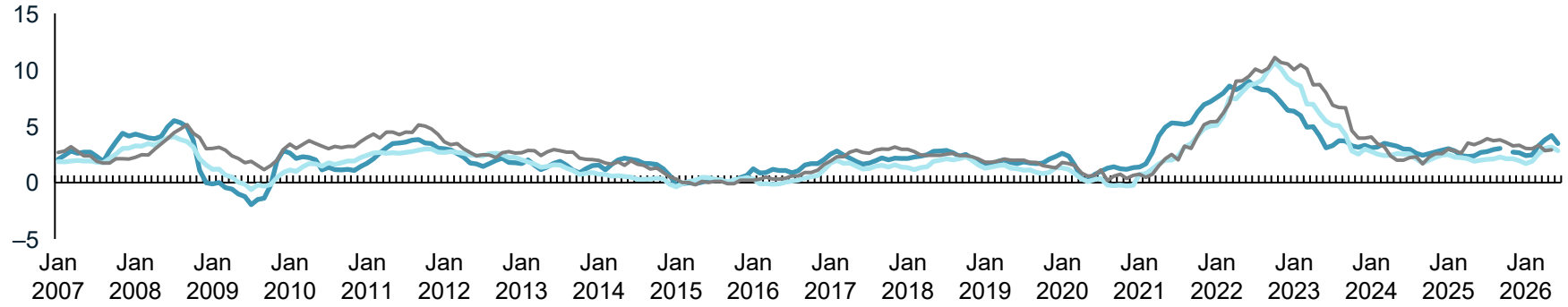
1. Spot ocean freight rates for a single 20 ft or 40 ft container transaction in the Chicago to Shanghai and Los Angeles to Shanghai routes.

Source: Drewry Supply Chain Advisors

Developed-market inflation drifts back to 2–4%, led by US where inflation reached 3.5% in June

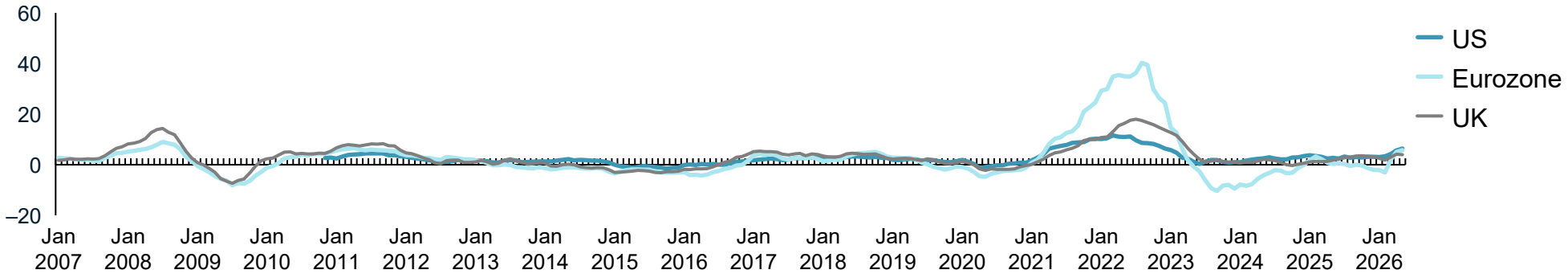
Consumer price indexes: Developed economies

% year over year (monthly)



Producer price indexes: Developed economies

% year over year (monthly)

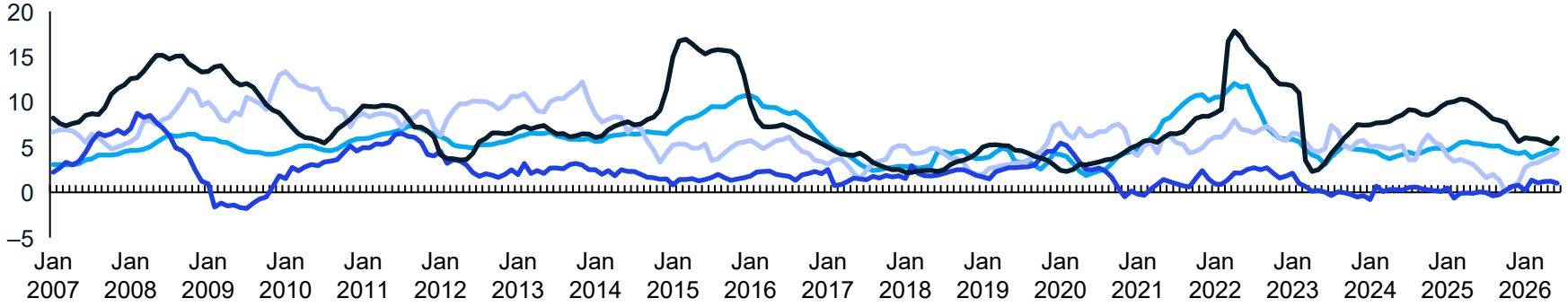


Source: Eurostat; national statistics websites; McKinsey's Global Economics Intelligence analysis

Inflation ticked up across most emerging economies

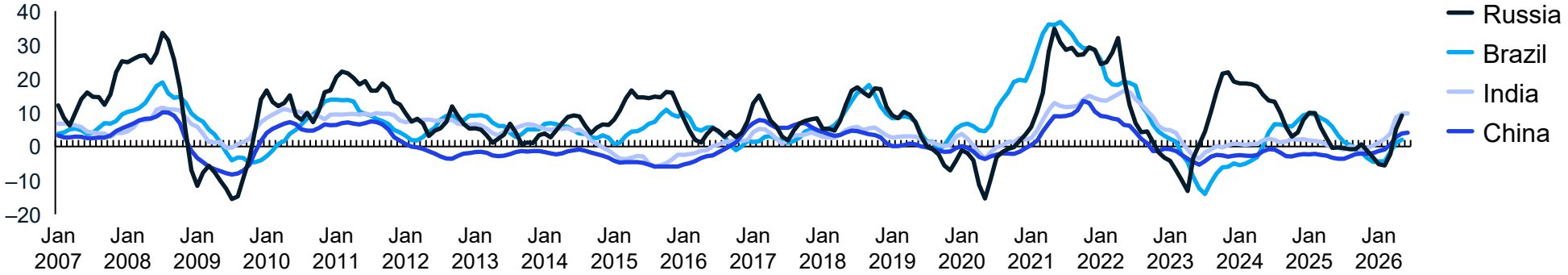
Consumer price indexes: Emerging economies

% year over year (monthly)



Producer price indexes: Emerging economies

% year over year (monthly)

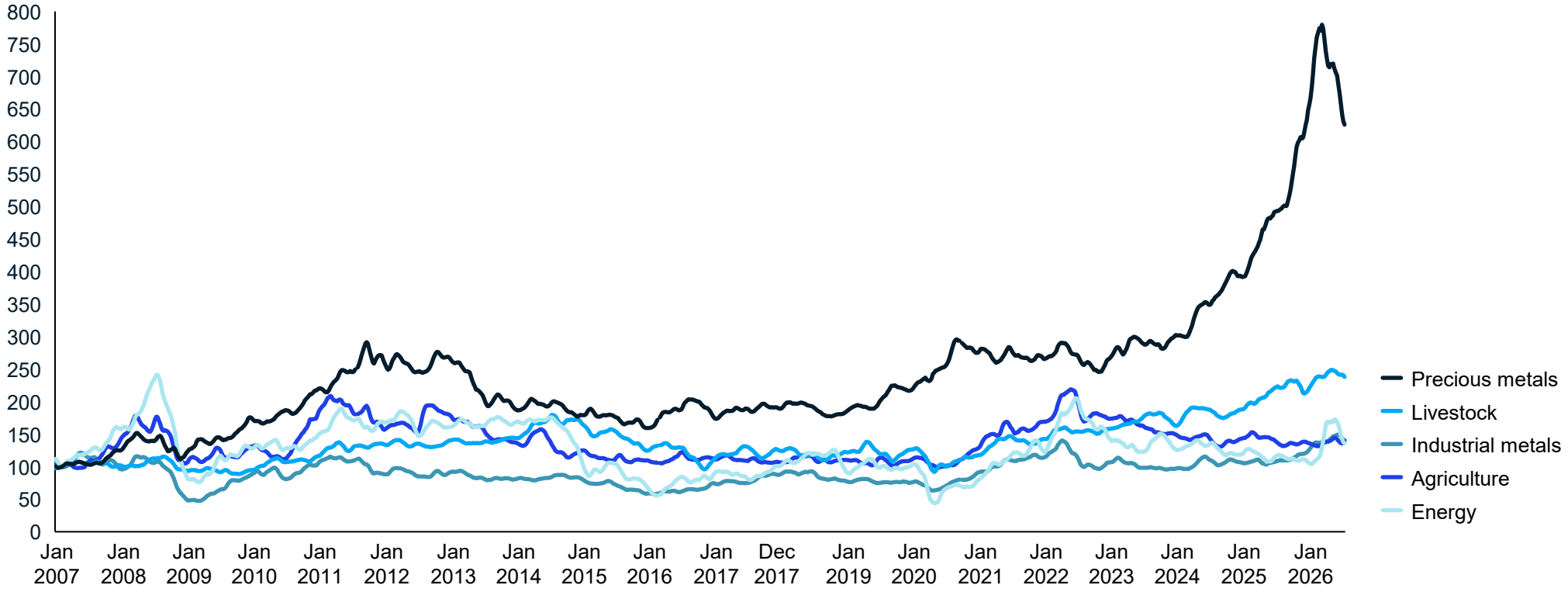


Source: National statistics websites; McKinsey's Global Economics Intelligence analysis

Gold: Gravity reasserts itself as precious metals make return trip from record highs, while rest of commodity complex stays flat

Commodities indexes[1]

Moving five-week average, indexed to Jan 2007



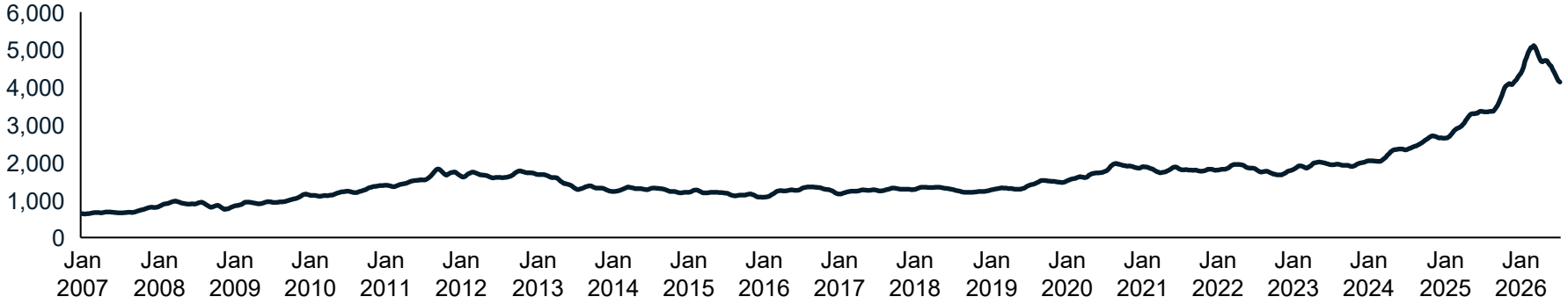
1. Updated through July 13, 2026; commodity data are taken from the GS Commodities Index, with components weighted by production. Precious metals: gold, 83%; silver, 17%. Energy: crude oil, 70%; oil products, 25%; natural gas, 4%. Agriculture: corn, 28%; wheat, 25%; soybeans, 15%; sugar, 14%; other,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

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

Safe-haven trade unwinds: Gold slides from approximate $5,000 record to around $4,200 as Middle East tail risk temporarily fades

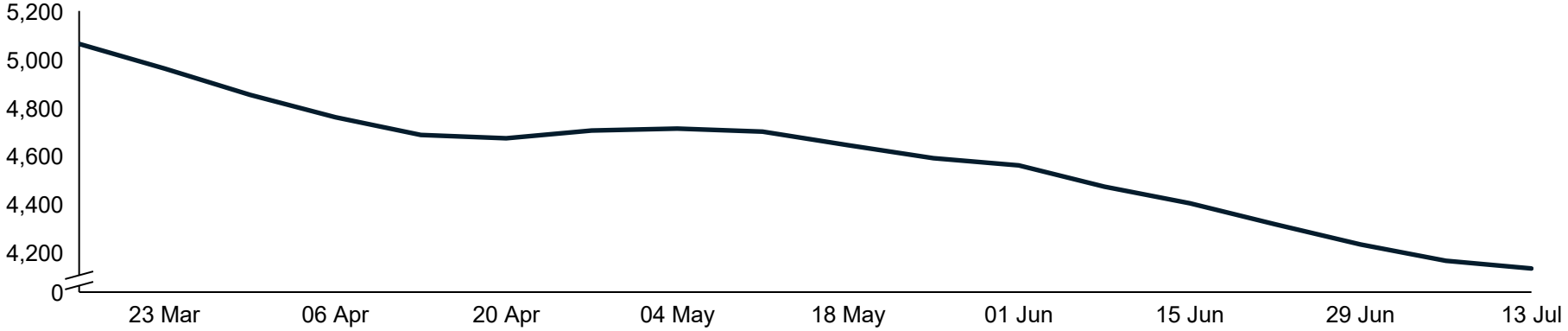
Gold spot price[1]

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



Gold spot price over past 4 months

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



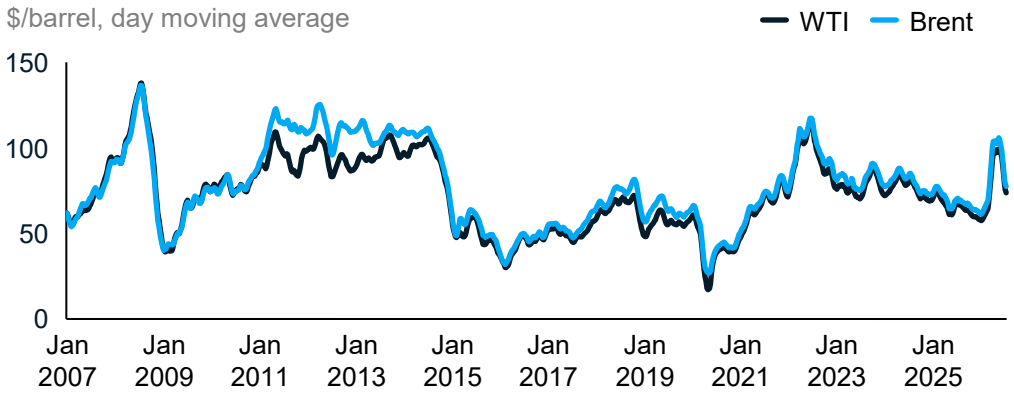
[1]Updated through July 13, 2026.

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

Oil spikes and retreats toward $75, but Europe's gas and heating-oil bills stay stubbornly high

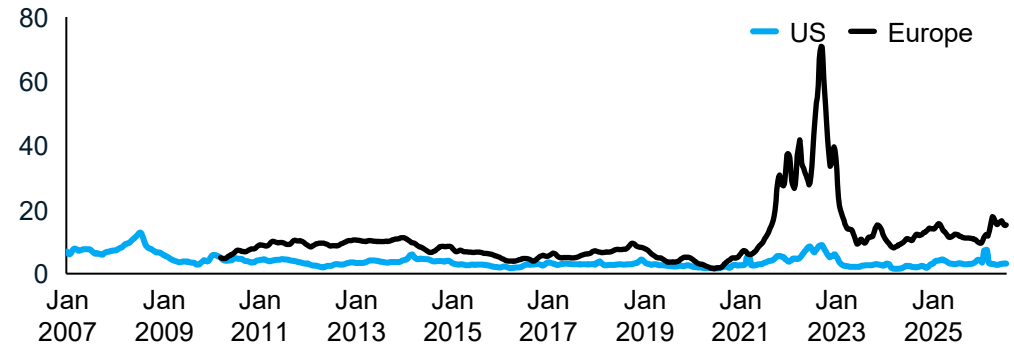
Oil price[1]

$/barrel, day moving average



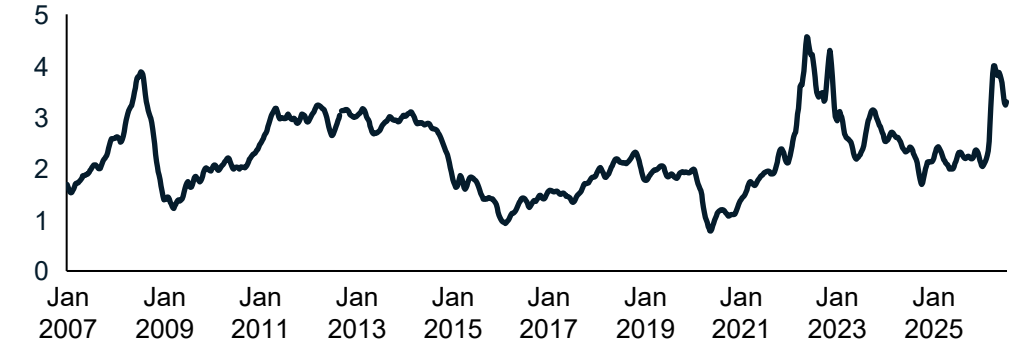
Natural-gas price[2]

$ per million Btu, five-day moving average



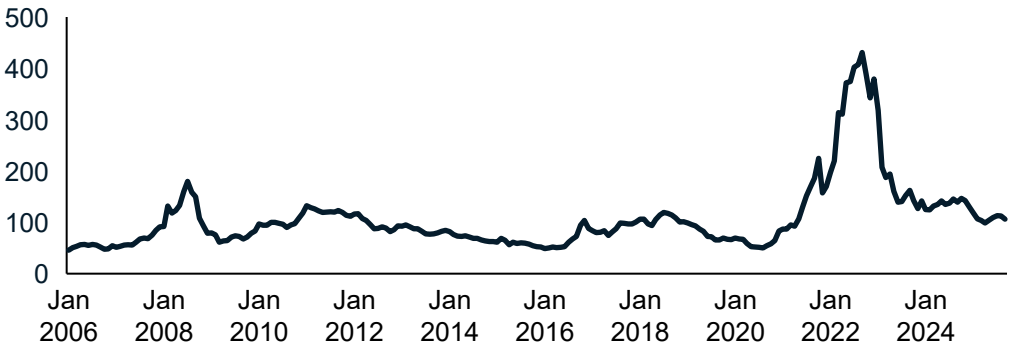
Heating-oil price[3]

US cents/gallon, five-day moving average



Coal price[4]

$/megaton, monthly



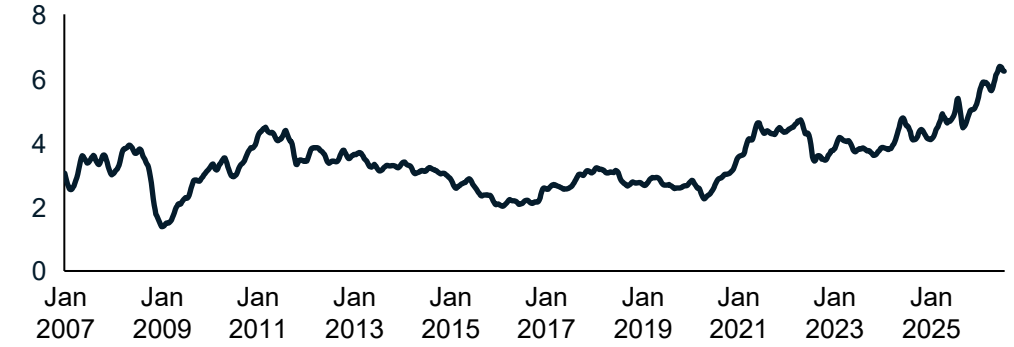
1. Crude Brent, Henry Hub (Nymex). WTI (West Texas Intermediate) prices as of July 11, 2026. 2. Henry Hub, LA; prices as of March 30, 2026. ICE Dutch TTF Gas Base Load Futures. 3. New York Harbor No. 2. heating-oil prices as of July 13, 2026. 4. Australia coal prices; coal prices as of September 2025.

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

Strong demand continues to push industrial metal prices higher, with copper and aluminum trading near multiyear highs, while nickel continues to lag

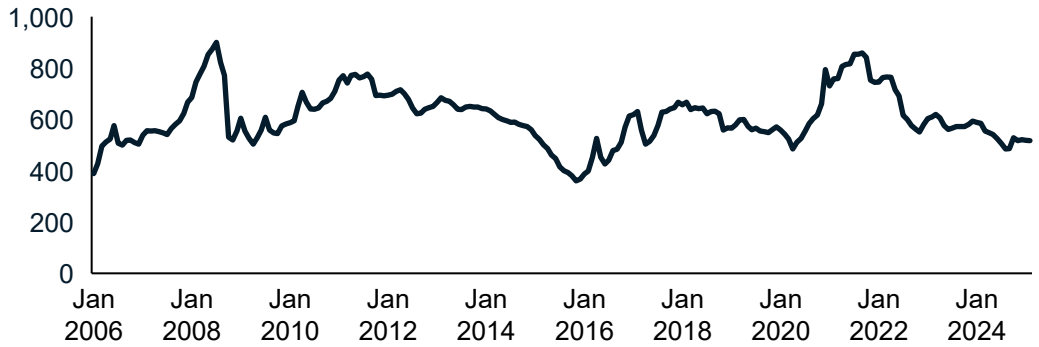
Copper[1]

$/pound, five-week moving average



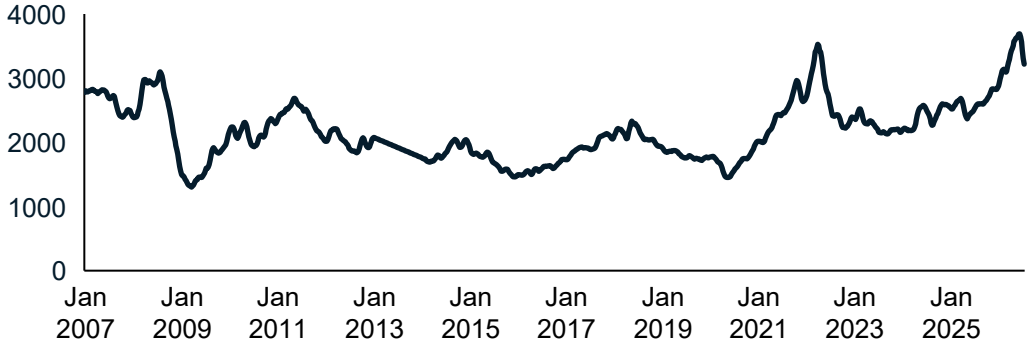
Steel[2]

$/gross metric ton (monthly)



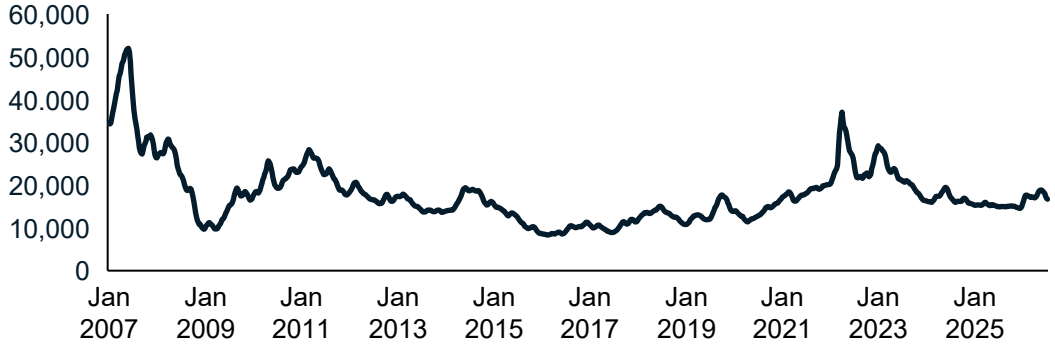
Aluminum[3]

$/Mt, five-week moving average



Nickel[4]

$/Mt, five-week moving average



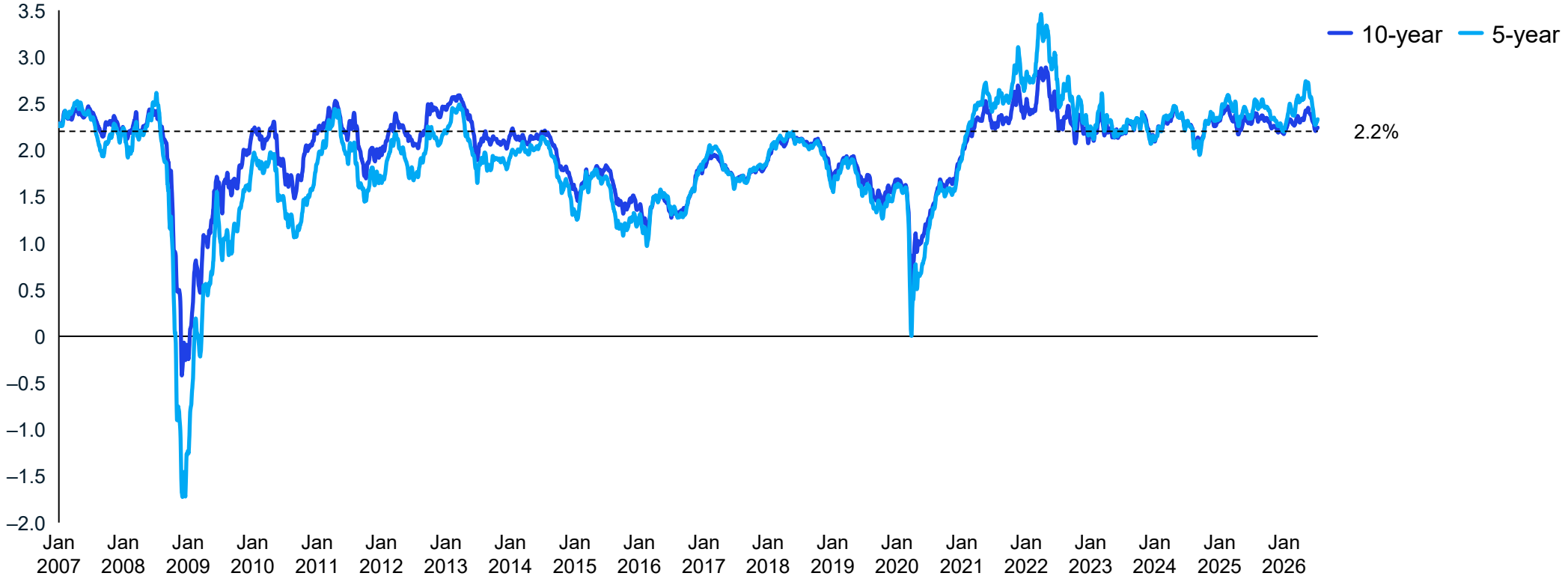
1. Copper, high grade: COMEX Spot Price, updated through July 13, 2026.
2. Steel, 2.75-millimeter hot-rolled coil ($/gross metric ton); data estimated since May 2012 using 0.5-millimeter cold-rolled sheet prices; data from February 2025.
3. Aluminum, LME spot ($/metric ton), updated through July 13, 2026.
4. UK: LME nickel, closing cash price ($/metric ton), updated through July 13, 2026.

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

Five- and ten-year inflation expectations remain anchored near 2.2% through the turmoil

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



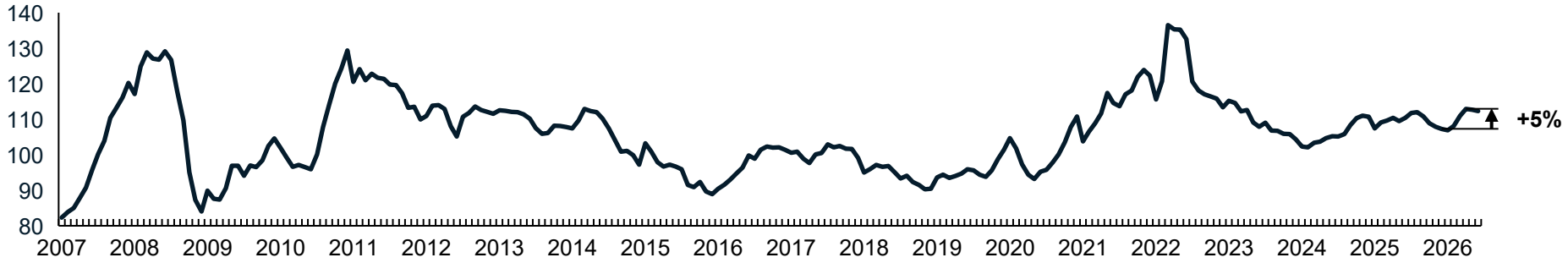
[1]Updated through July 10, 2026.

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

Food inflation creeps back: Real prices up around 5% on vegetable oils and meat, but still far below the 2022 shock

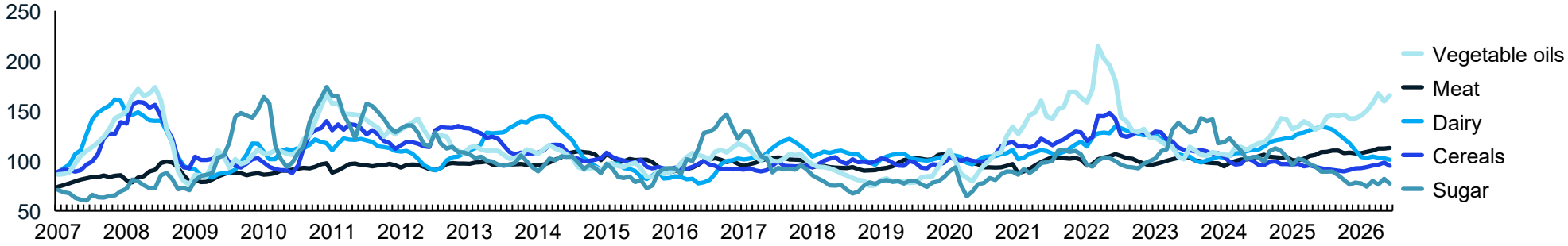
FAO Food Price Index by month, in real terms

Overall index, 2014–16 = 100



Component indexes[1]

Index level, 2014–16 = 100



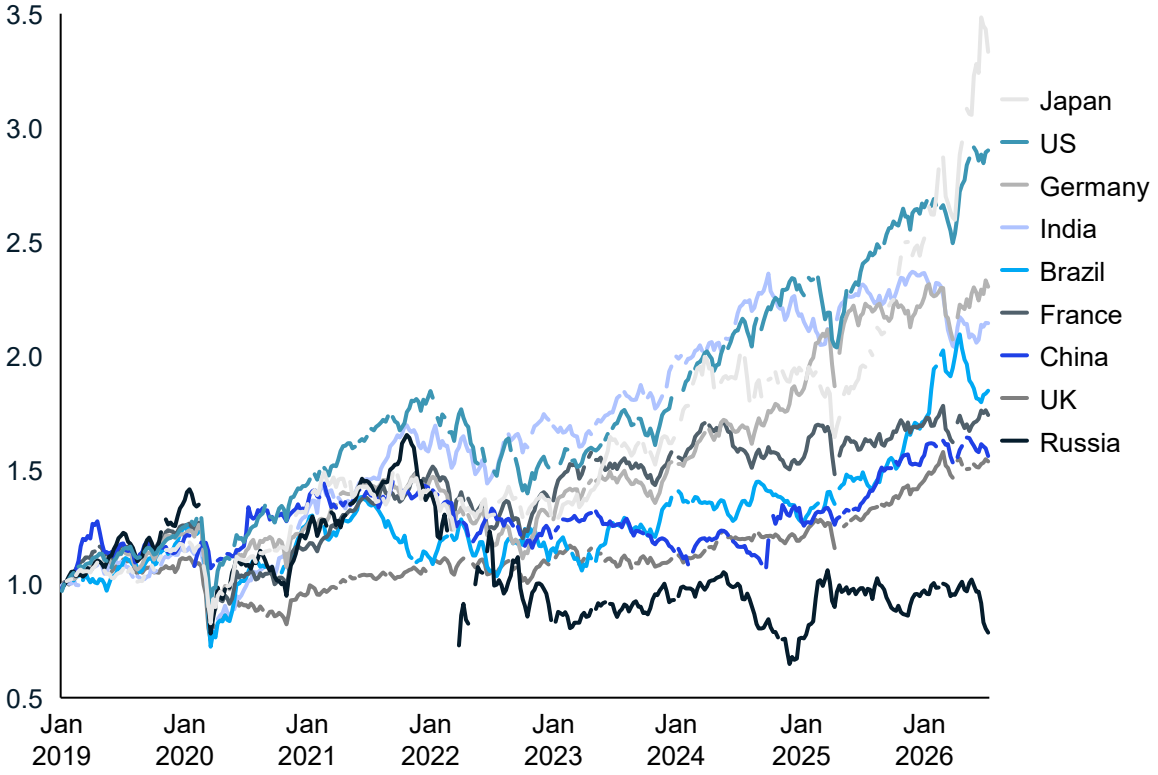
[1]The values of the five indexes are compiled and then weighted by the average export shares of each group in 2002–04. The final figure represents the current value of the FAO Food Price Index.

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

Equity markets head in opposite directions: Japan and US grind to new highs while Russia (–8% in June) and Brazil sell off

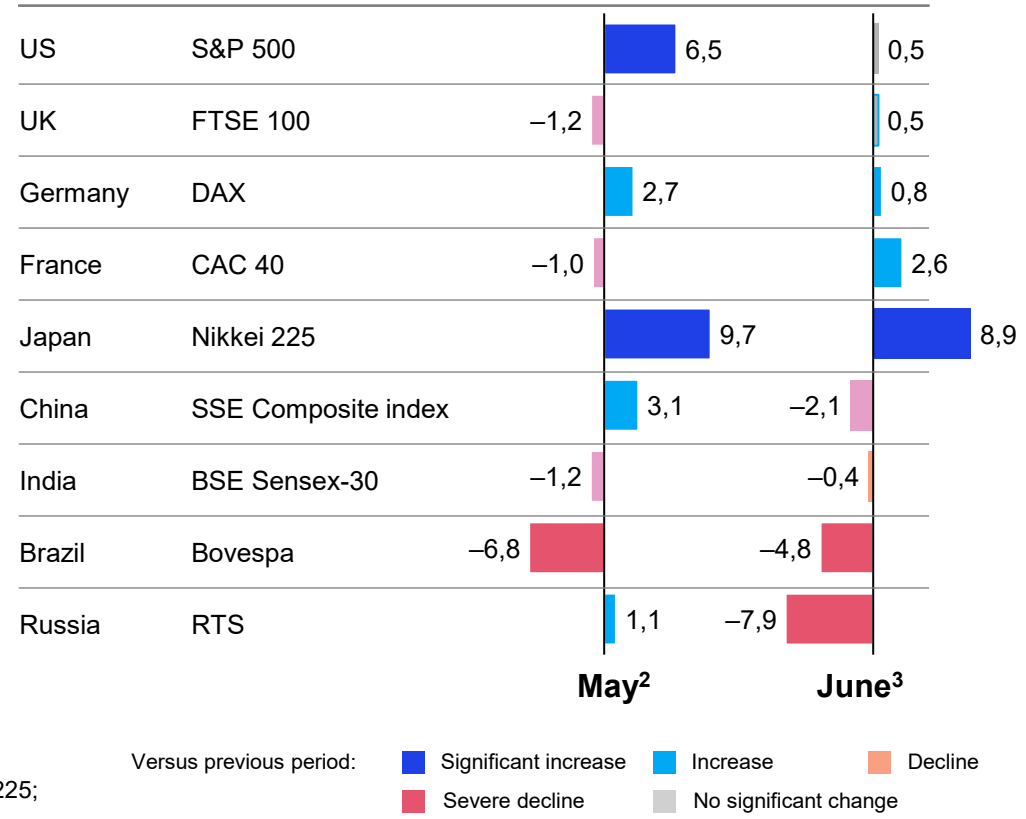
Equity markets[1]

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



Change from prior month

%

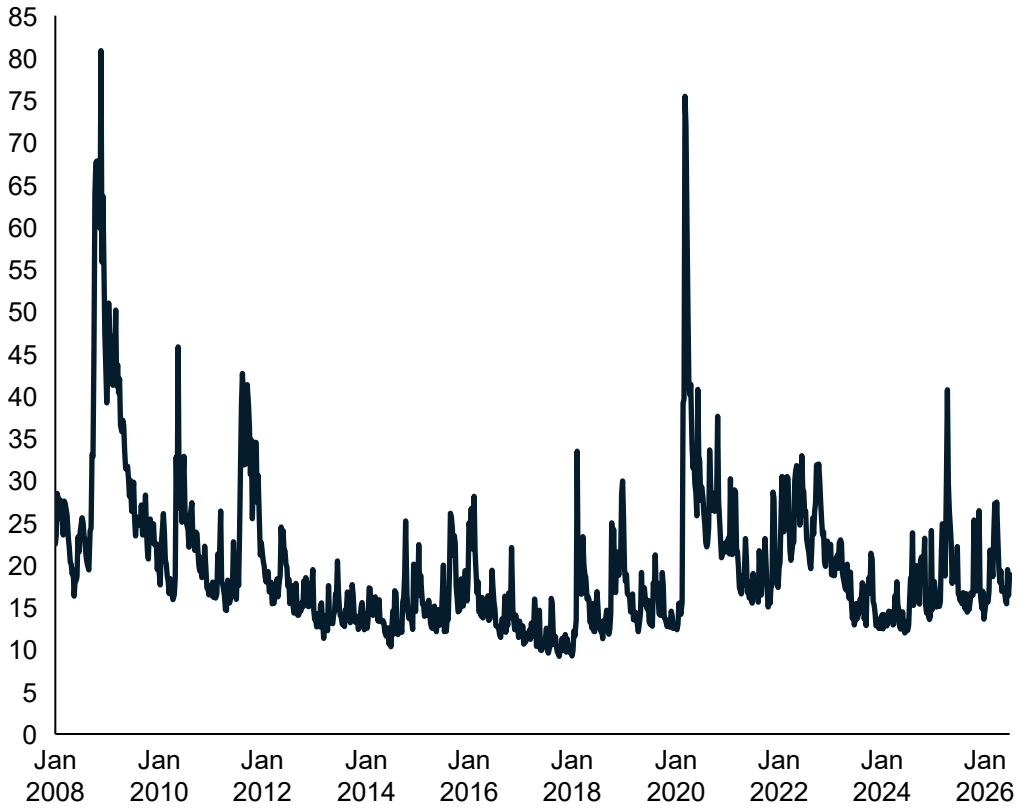


1. Brazil: Bovespa; China: SSE Composite Index; France: CAC 40; Germany: DAX; India: BSE Sensex-30; Japan: Nikkei 225; Russia: RTSI Index; UK: FTSE 100; US: S&P 500.
2. Growth rate calculated as average value of each index in May over average value in April.
3. Growth rate calculated as average value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

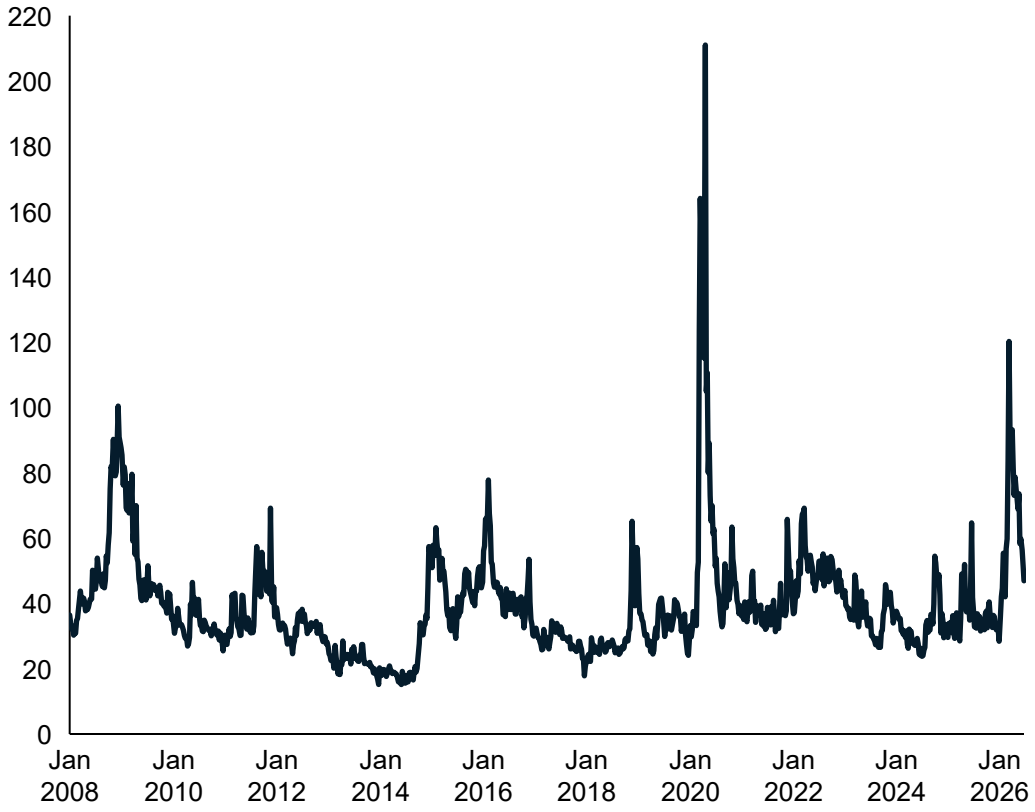
Source: Haver Analytics; McKinsey's Global Economics Intelligence analysis

VIX remains relatively low, near 20, while oil-price volatility spiked to multiyear highs amid Gulf conflict before retreating

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



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



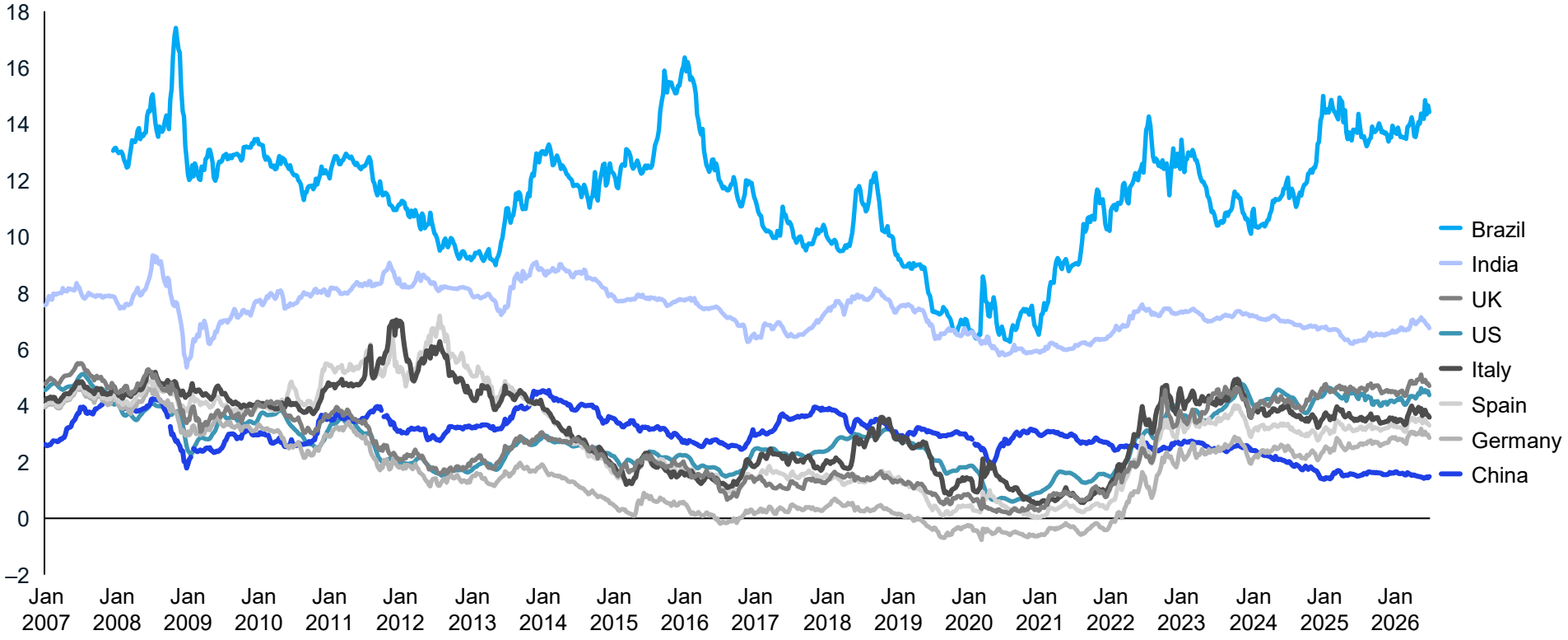
1. Based on United States Oil Fund (USO) option prices 2. Updated through June 25, 2026.

Source: CBOE; McKinsey's Global Economics Intelligence analysis

Bond markets diverge: Brazil's 10-year tops 14% and China's sinks toward 1.5%, with developed markets anchored around 4%

Ten-year government bonds[1]

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



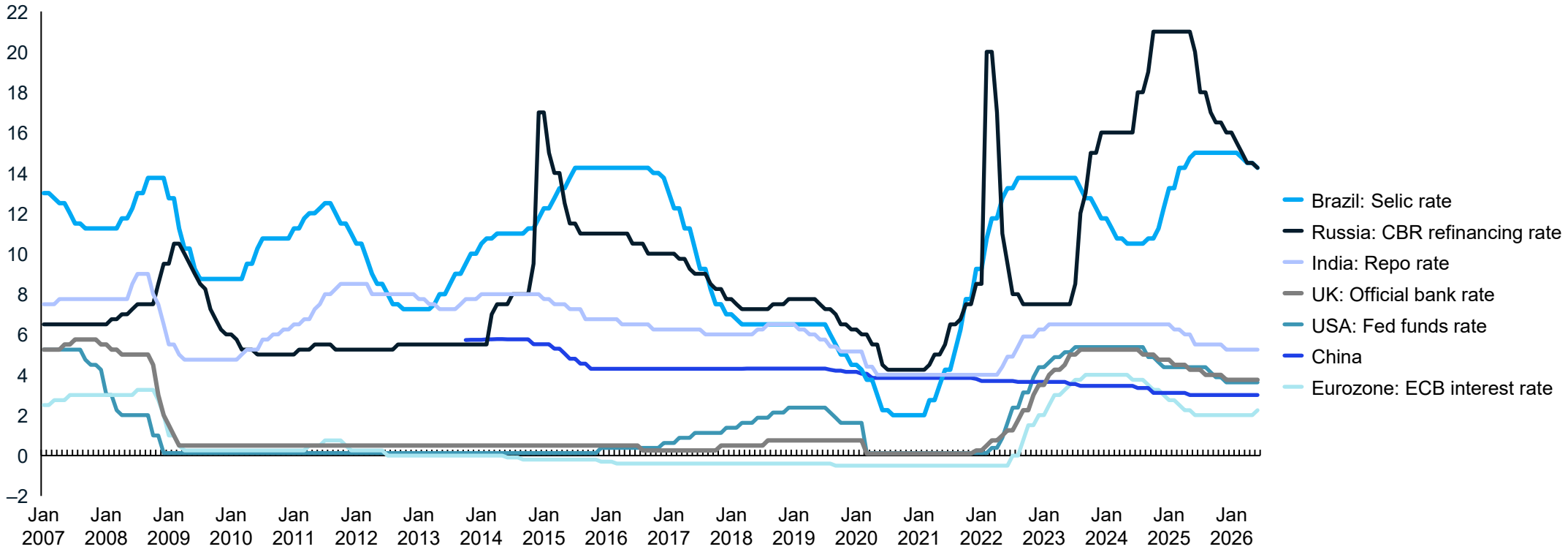
1. Five-year government bond yields used for China.
2. Updated through June 29, 2026.

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

Easing cycle reaches emerging markets first: Brazil and Russia cut from double-digit peaks while Fed and BoE hold, but ECB hikes rates in June

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

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