

# Global Economics Intelligence

Critical trends and risks

Released October 2025 (data through September 2025)

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# US cuts interest rates for second consecutive month, amid macroeconomic headwinds that are also fueling demand for precious metals; despite this, some stock markets hit record highs

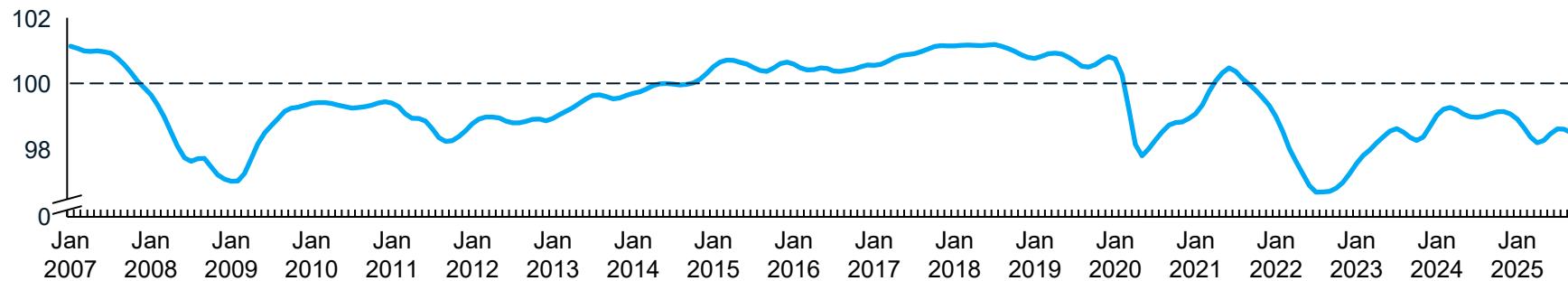
Versus previous period: █ Significant improvement █ Some improvement █ Some deterioration █ Significant deterioration █ No significant change

<span style="color: lightgray;">█</span> Consumer and households	<ul style="list-style-type: none"><li>Consumer confidence remains below the long-term average, suggesting continued caution in spending.</li><li>Retail sales picked up in September.</li></ul>
<span style="color: yellow;">█</span> Business and industry	<ul style="list-style-type: none"><li>Global manufacturing PMI stabilized in September, signaling modest growth; services sector remained resilient though expanding at a slower pace.</li><li>Most countries saw subdued activity amid soft demand and trade headwinds; India remained a bright spot, maintaining strong though moderating growth.</li><li>Global services activity softened in September 2025, though it remained broadly expansionary across most major economies.</li></ul>
<span style="color: lightgray;">█</span> Trade and external	<ul style="list-style-type: none"><li>India posted the strongest export gains in July, with solid growth in the US, eurozone, China, and Mexico.</li><li>Eurozone, India, and Brazil drove import gains in July, with the US, Mexico, and Russia weaker.</li><li>Global seaborne trade softened in September, as container throughput fell 0.8%.</li><li>Global supply chain pressures remain close to long-run averages after several months of stability.</li><li>Inbound spot freight rates fell in September, cooling from mid-2025 highs; outbound freight rates to Shanghai eased in August after June's sharp spike.</li></ul>
<span style="color: lightgray;">█</span> Prices	<ul style="list-style-type: none"><li>Inflation continues to accelerate and is moving away from most central banks' targets.</li><li>Among developing countries, consumer price inflation is easing, driven mainly by declining food prices.</li><li>Precious metal prices continue to rise rapidly, driven by heightened uncertainty surrounding geopolitical tensions.</li><li>Gold is reaching new record highs, fueled by rising demand.</li><li>Oil prices continue to decline, falling to around \$60 per barrel as demand weakens and production increases.</li><li>Inflation expectations eased by 0.1 percentage points for both the medium and long term.</li><li>Food prices declined globally in September, providing some breathing room for consumers.</li></ul>
<span style="color: lightgray;">█</span> Employment	<ul style="list-style-type: none"><li>Labor markets remained stable.</li></ul>
<span style="color: lightblue;">█</span> Financial markets	<ul style="list-style-type: none"><li>August and September were strong months for investors, with equities in several countries—including the US and Japan—reaching new record highs.</li><li>The cost of capital remains elevated across the board.</li><li>Volatility remains relatively low.</li></ul>
<span style="color: lightgray;">█</span> Government and policy	<ul style="list-style-type: none"><li>Central banks in the US and Russia cut interest rates—a second consecutive cut for the US was driven by worsening macroeconomic data.</li></ul>

# Consumer confidence remains below the long-term average, suggesting continued caution in spending

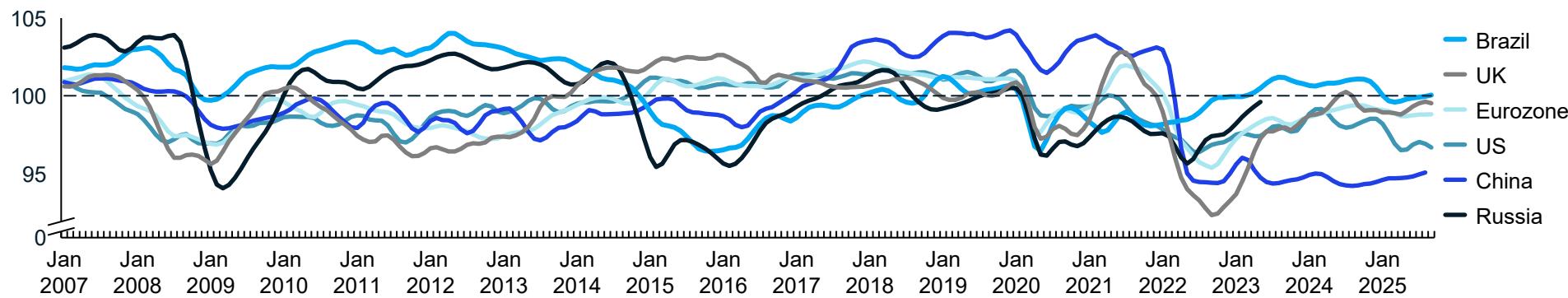
## OECD global consumer confidence indicator

Index, long-term average = 100



## OECD consumer confidence indicators for individual economies<sup>1</sup>

Index, long-term average = 100<sup>1</sup>

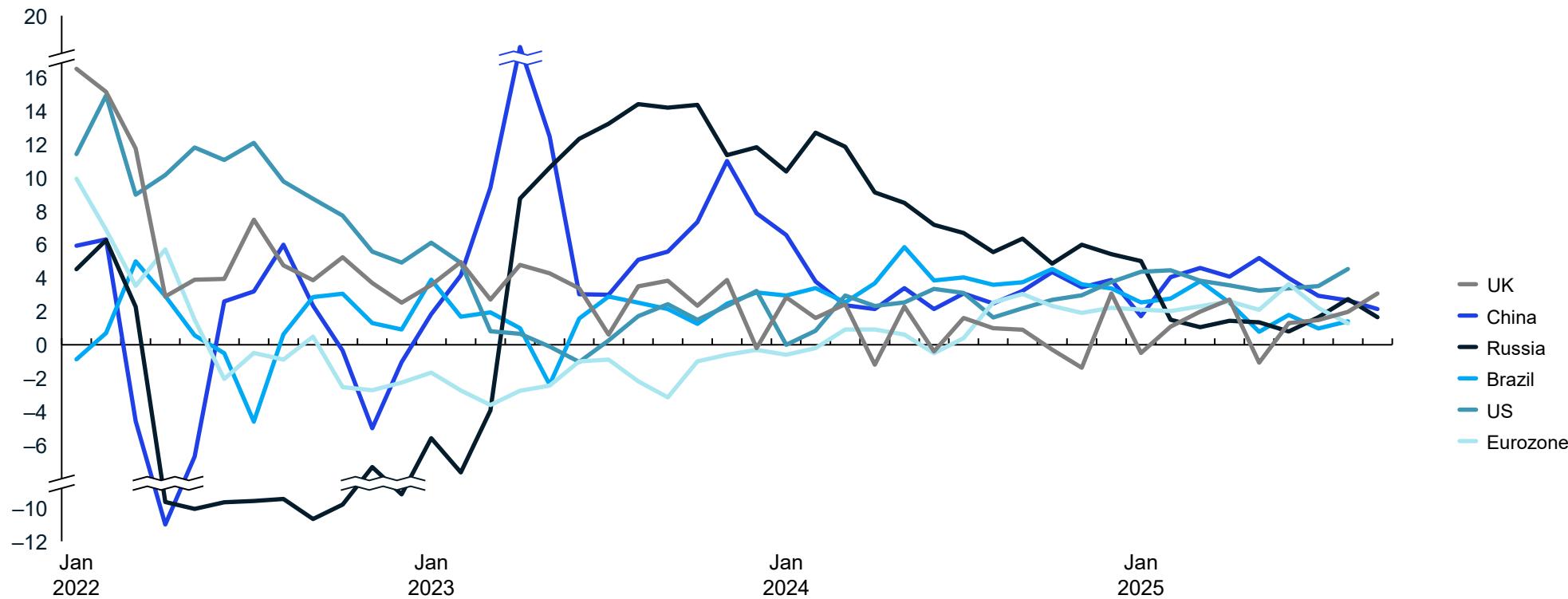


<sup>1</sup>Data for China through August 2025, Russia through May 2023.

# Retail sales picked up in September

## Retail sales growth<sup>1</sup>

Year over year (monthly)

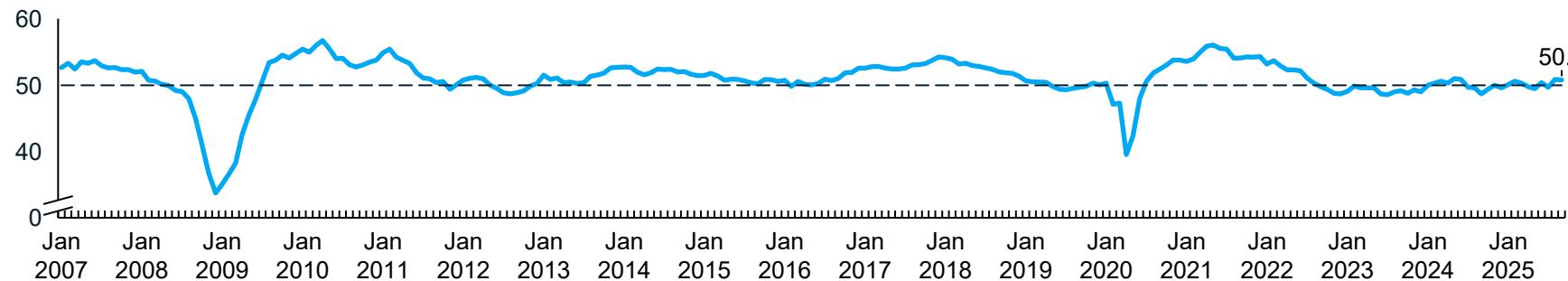


<sup>1</sup>Data for Brazil, US, and Eurozone till August 2025.

# Global manufacturing PMI stabilized in September, signaling modest growth, while the services sector remained resilient though expanding at a slower pace

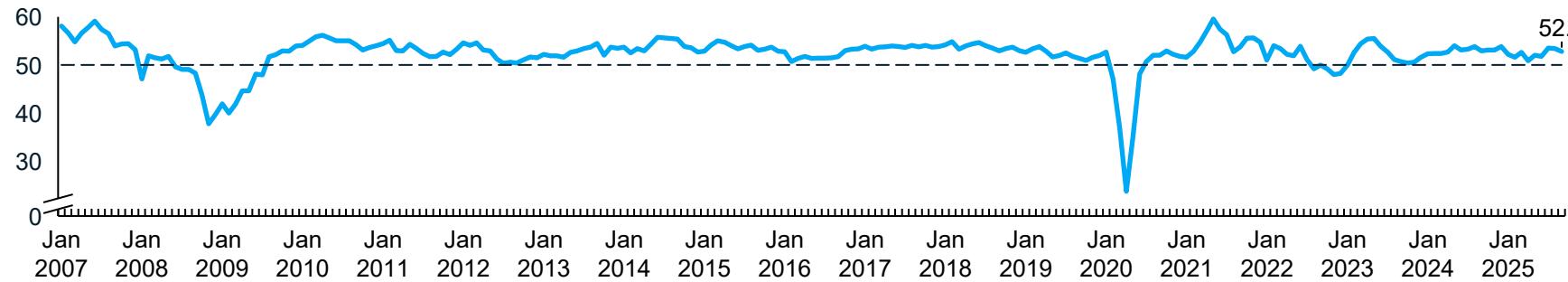
## JPMorgan Global Purchasing Managers' Index (Manufacturing)

Diffusion index, seasonally adjusted (monthly)



## JPMorgan Global Purchasing Managers' Index (Services)

Diffusion index, seasonally adjusted (monthly)



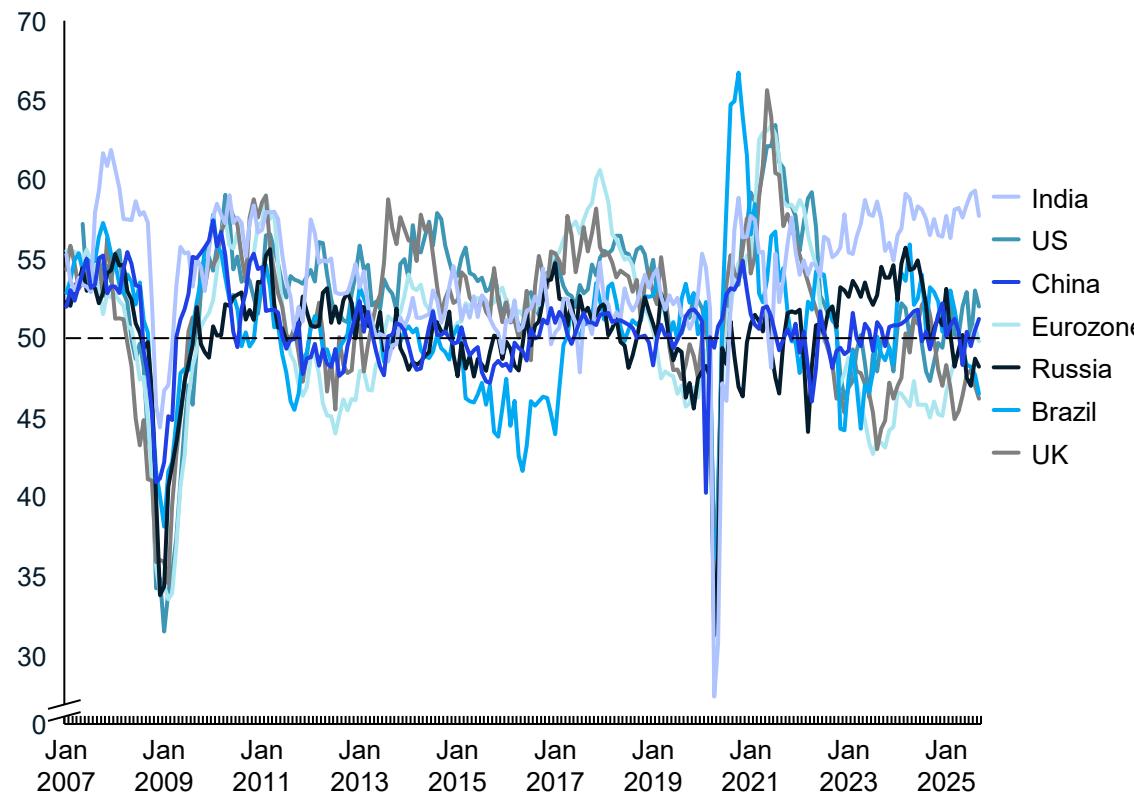
Note: A reading of more than 50.0 indicates an increase from the previous month, and a reading of less than 50.0 indicates a decrease.

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.

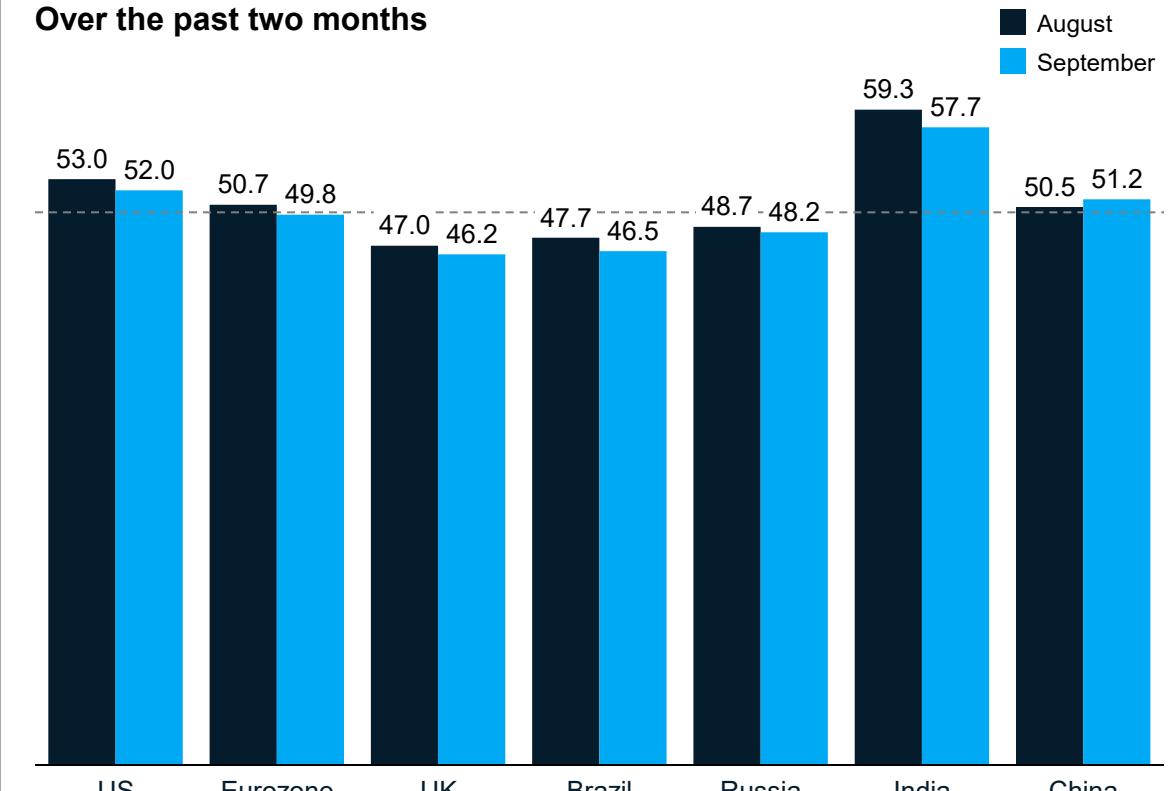
# Most countries saw subdued activity amid soft demand and trade headwinds; India remained a bright spot, maintaining strong though moderating growth

## 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.

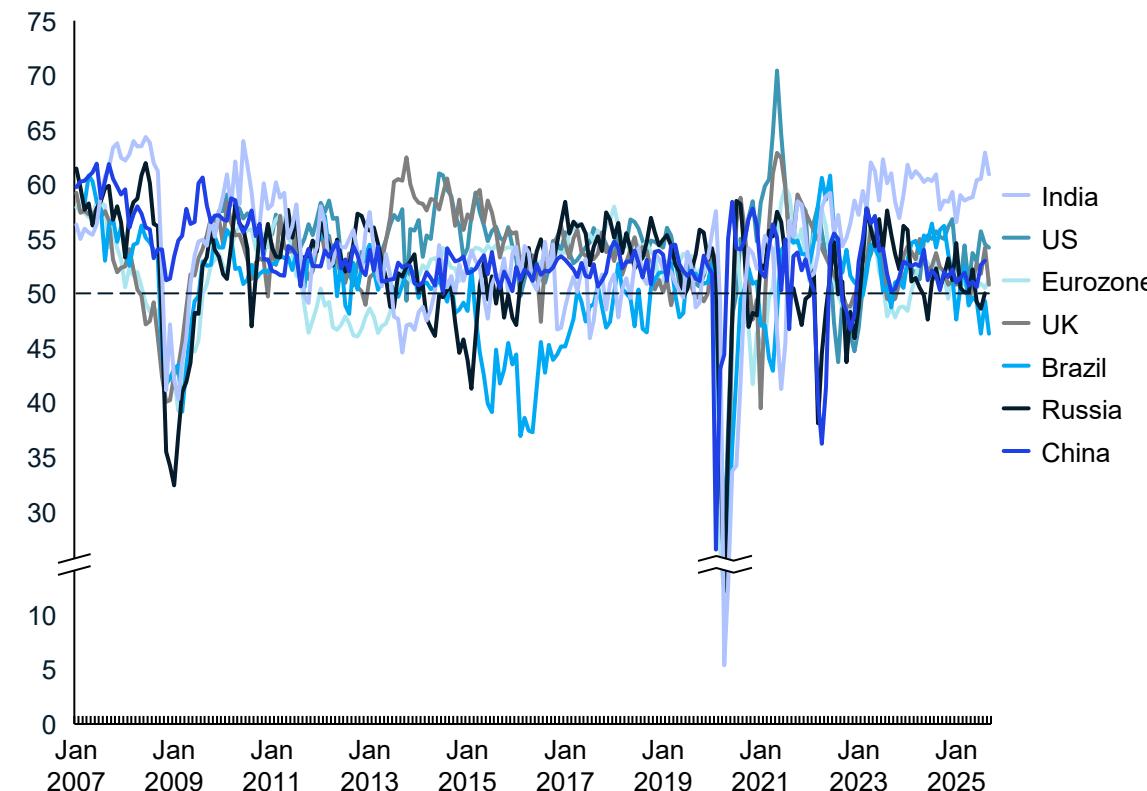
Source: S&P Global; McKinsey's Global Economics Intelligence analysis

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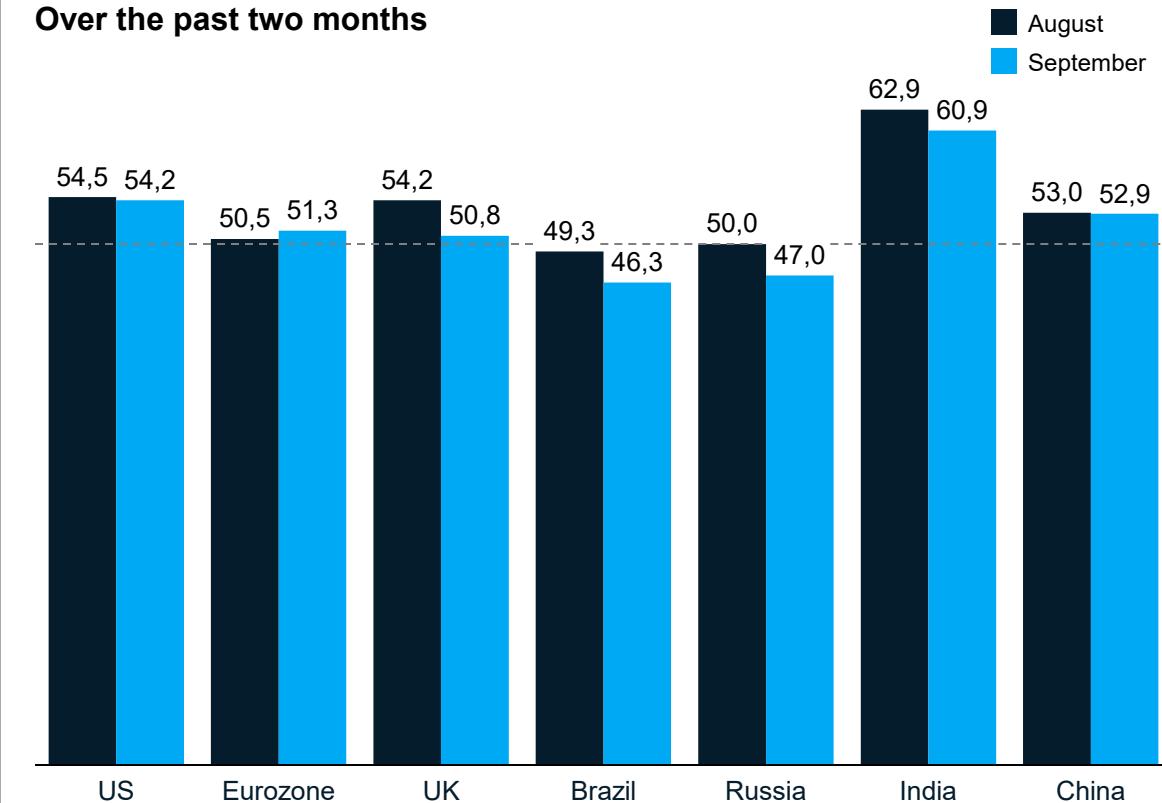
# Global services activity softened in September 2025, though it remained broadly expansionary across most major economies

## 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

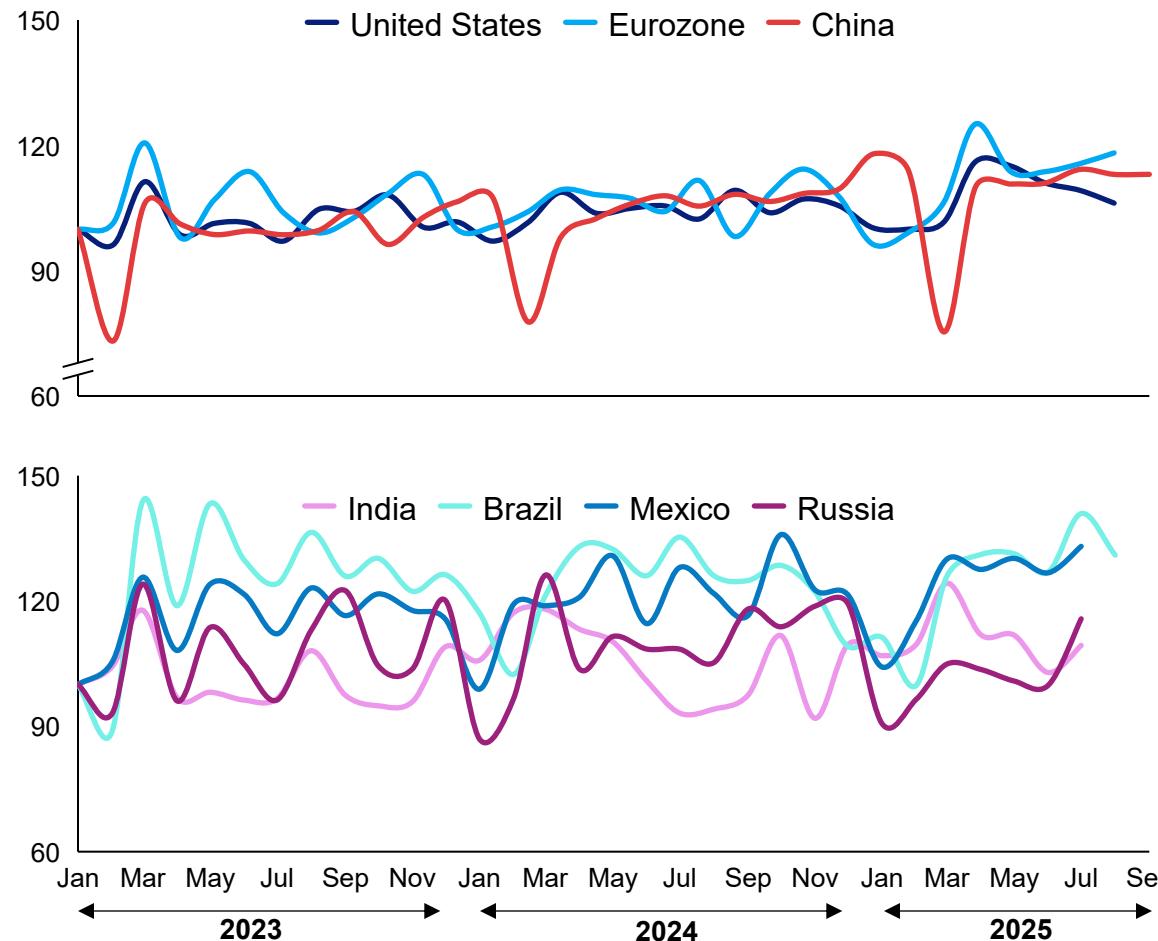
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# India posted the strongest export gains in July, with solid growth in the US, eurozone, China, and Mexico

Year-to-date growth is strongest in the US, Eurozone, China, and Mexico

Monthly export index,<sup>1</sup> Jan 2023 – Jul 2025

%, Jan 2023 = 100

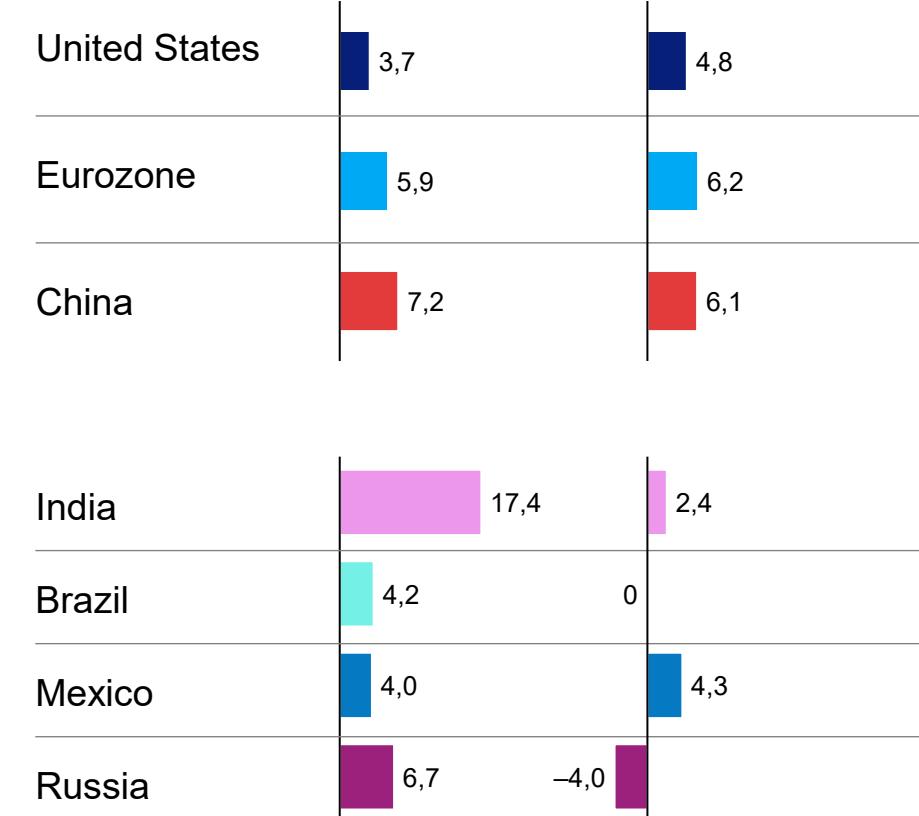


YoY export growth

Jul 2024–25, %

YTD export growth

Jan-Jul 2024–25, %



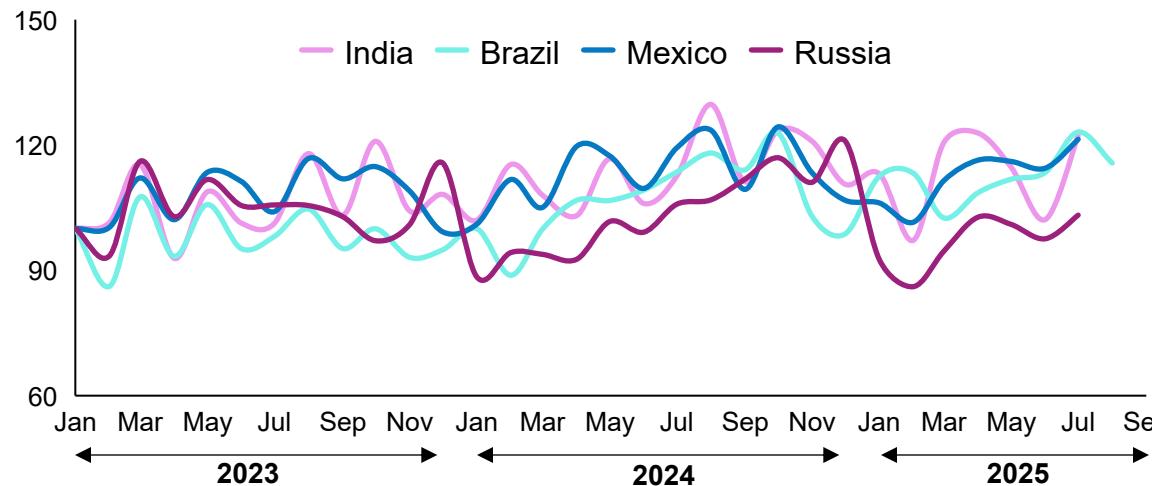
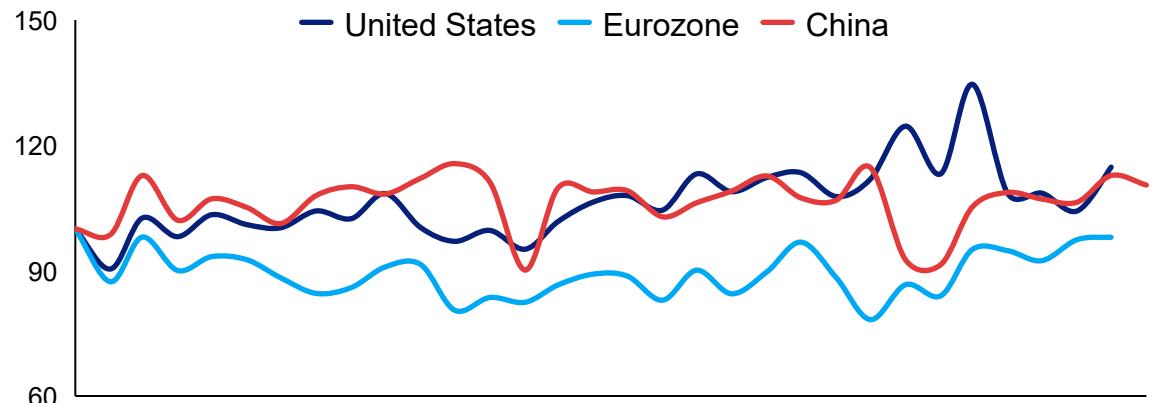
1. Export trends are based on monthly merchandise trade values (customs basis, current USD, millions, not seasonally adjusted). Values are indexed to January 2023 (Jan 2023 = 100) to enable cross-country comparison over time.

# Eurozone, India, and Brazil drove import gains in July, with the US, Mexico, and Russia weaker

Year-to-date growth strongest in US and eurozone.

Monthly import index,<sup>1</sup> Jan 2023 – Jul 2025

%, Jan 2023 = 100

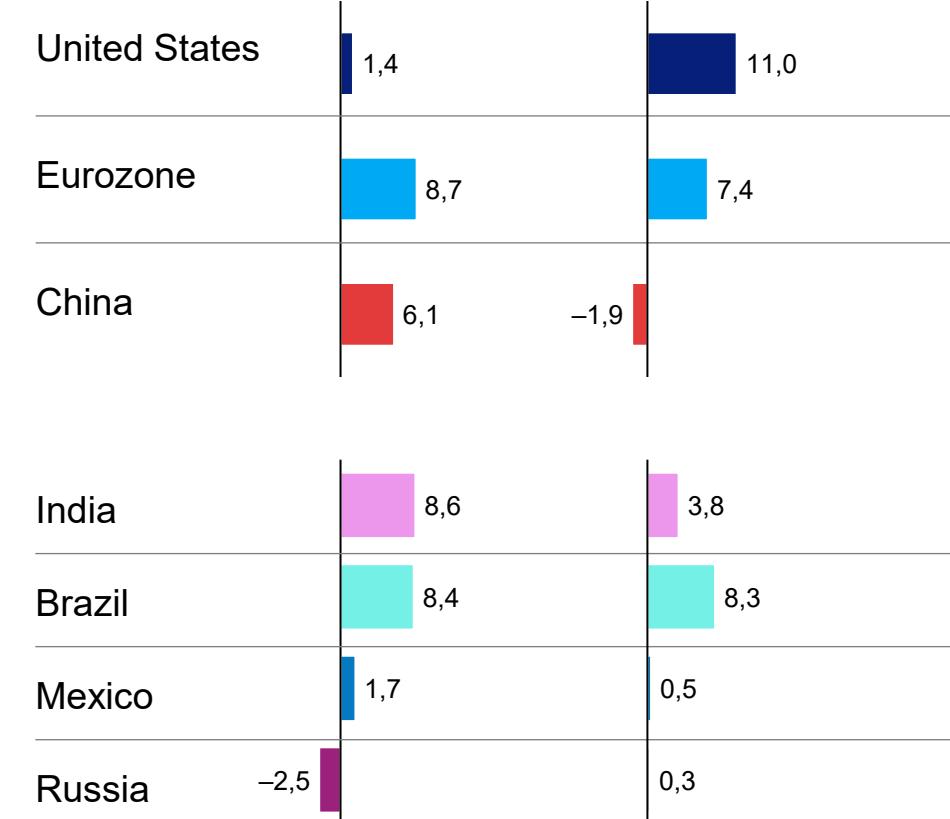


YoY import growth

Jul 2024–25, %

YTD import growth

Jan-Jul 2024–25, %



1. Import trends are based on monthly merchandise trade values (customs basis, current USD, millions, not seasonally adjusted). Values are indexed to January 2023 (Jan 2023 = 100) to enable cross-country comparison over time.

Source: World Bank Global Economic Monitor; EUROSTAT

# Global seaborne trade softened in September, as container throughput fell 0.8%

Global port trade<sup>1</sup> and RWI/ISL Container Throughput Index<sup>2, 3</sup>

■ Total trade volume (Left)

— Container Throughput Index (Right)

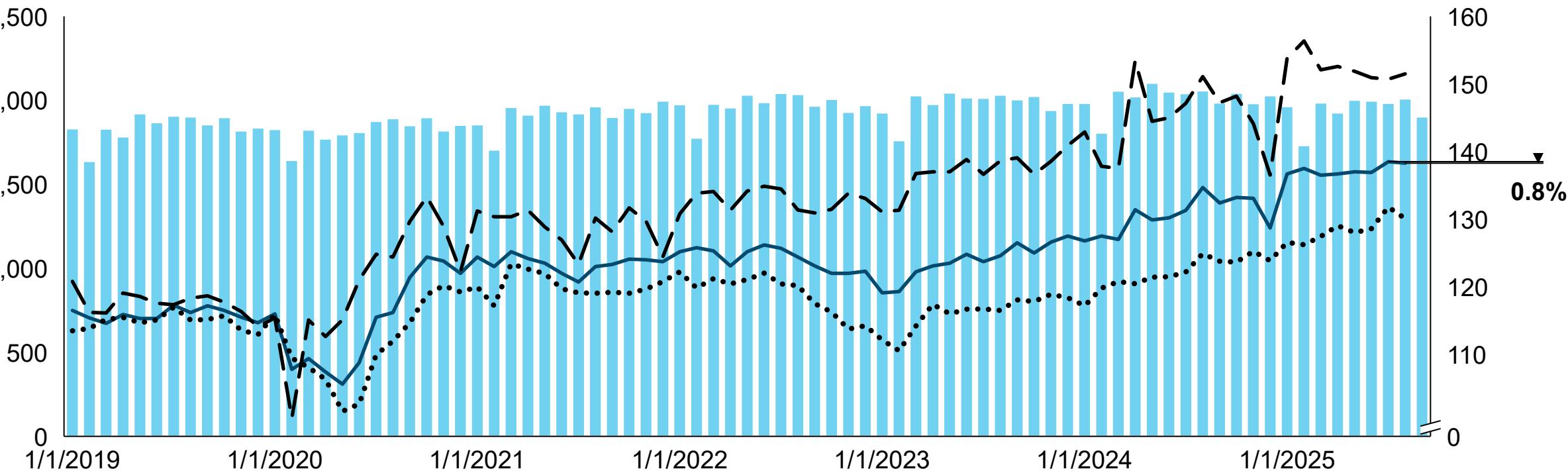
···· Non-Chinese ports — Chinese ports

Global port trade,<sup>1</sup>

Million metric tons

RWI/ISL Container Throughput Index<sup>2, 3</sup>

2015 = 100<sup>2</sup>



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 current flash estimate of the RWI/ISL Container Throughput Index is based on data from 64 ports, covering approximately 85% of the total container volume represented in the index.

3. As of January 2020, the index uses 2015 as its base year. The RWI/ISL Container Throughput Index tracks short-term trends in global trade using data from 92 international ports, representing about 60% of global container traffic. Monthly data is seasonally- and working-day adjusted and does not include figures for Dubai. The left Y-axis reflects port trade volume (in million metric tons), and the right Y-axis shows the index level.

# Global supply chain pressures remain close to long-run averages after several months of stability

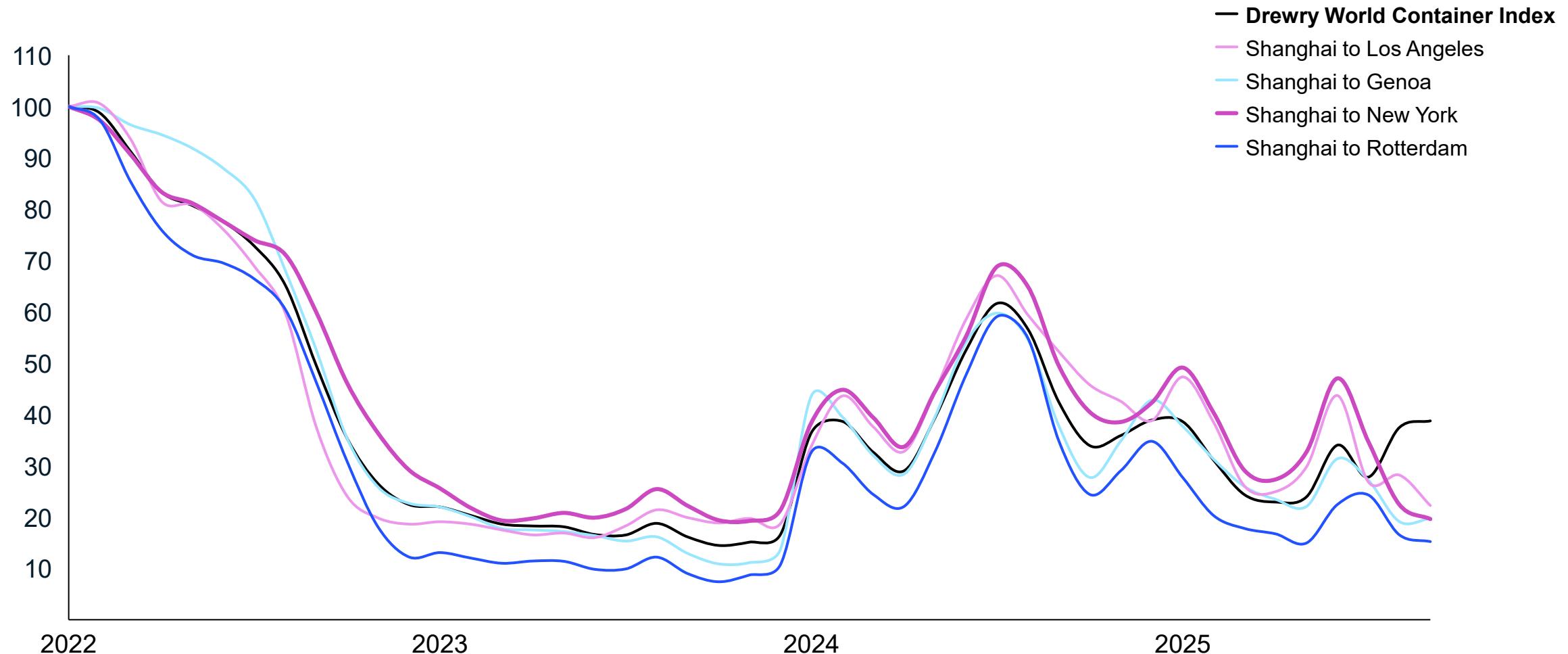
Supply-chain pressure index,<sup>1</sup> Jan 2019 – Sep 2025, standard deviations from average value



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.

# Inbound spot freight rates fell in September, cooling from mid-2025 highs

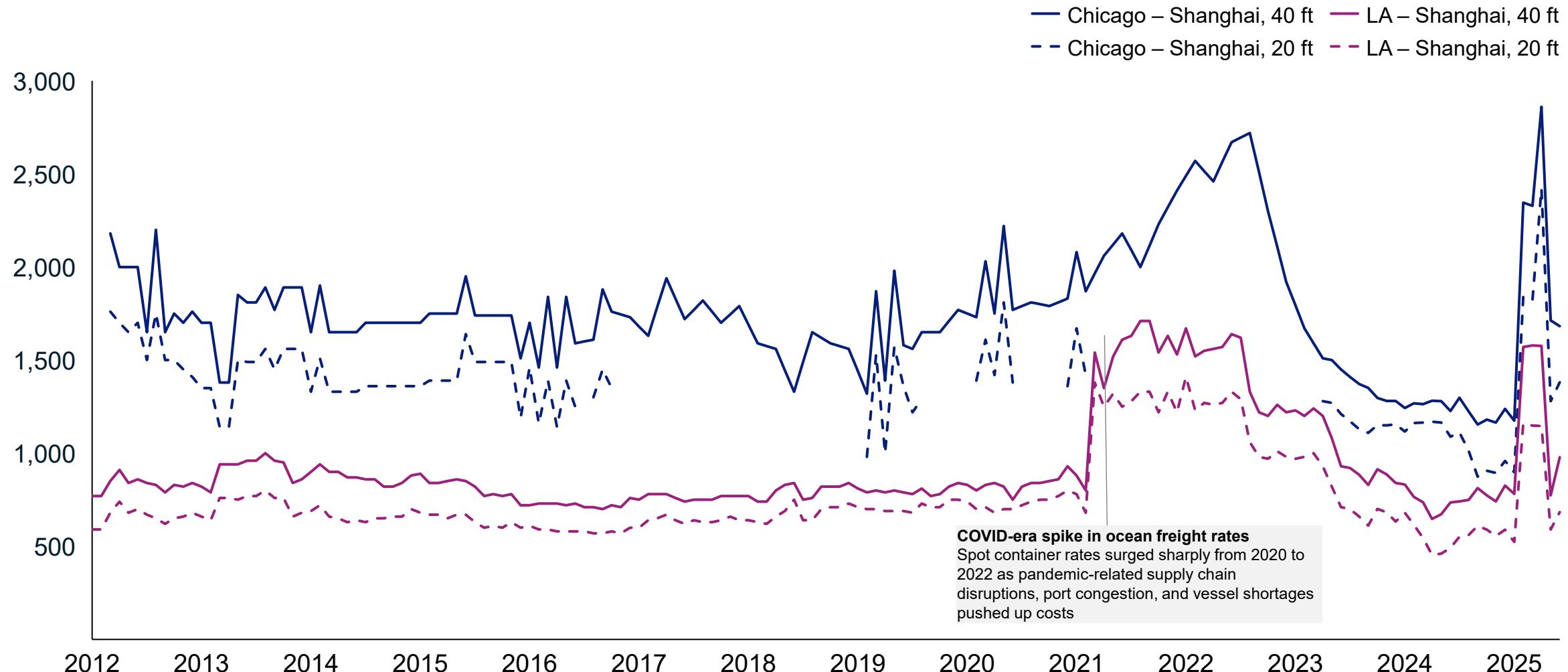
Spot ocean freight rate,<sup>1</sup> Jan 2022 – Sep 2025, US\$ per 40ft container



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.

# Outbound freight rates to Shanghai eased in August after June's sharp spike

Outbound spot ocean freight rate per container,<sup>1</sup> Jan 2012 – Aug 2025, USD

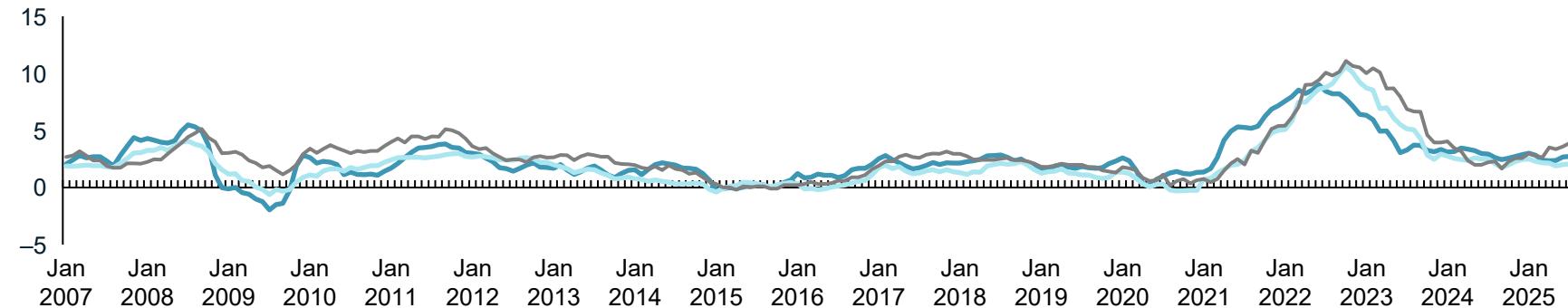


1. Spot ocean freight rates for a single 20 ft or 40 ft container transaction in the Chicago to Shanghai and Los Angeles to Shanghai routes

# Inflation continues to accelerate and is moving away from most central banks' targets

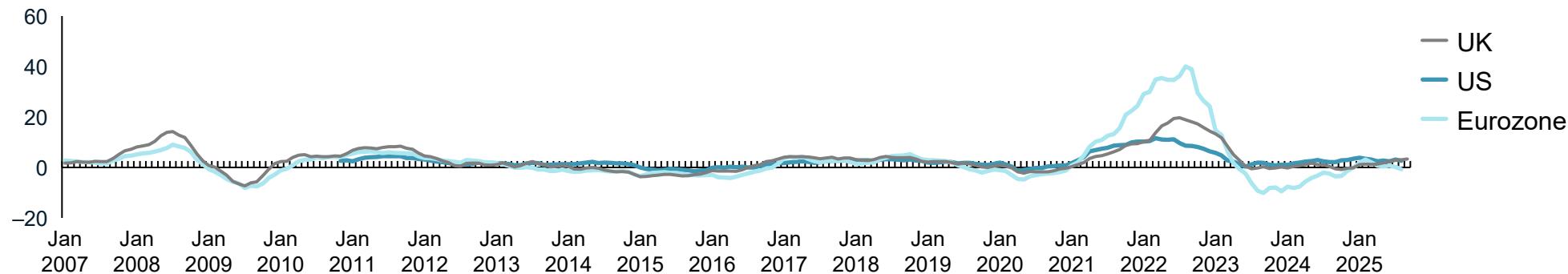
## Consumer price indexes: Developed economies

% year over year (monthly)



## Producer price indexes: Developed economies

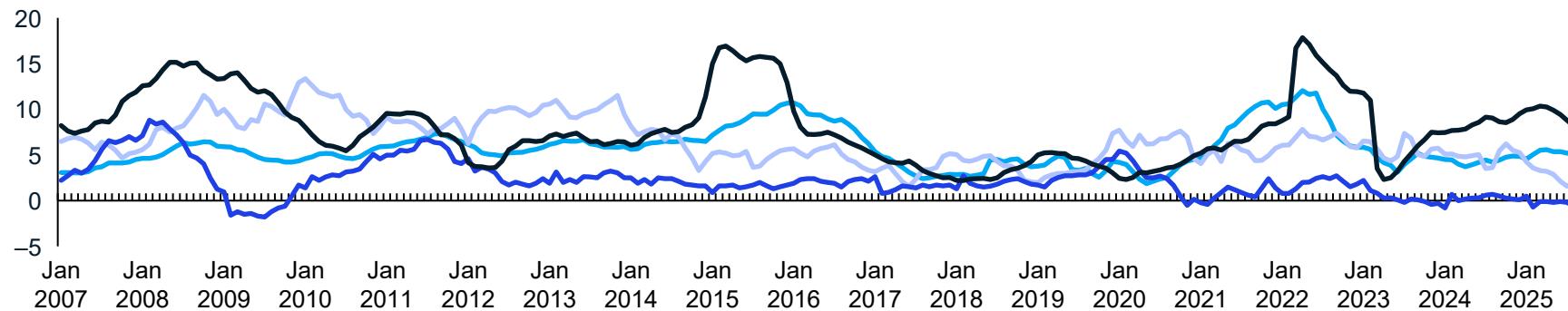
% year over year (monthly)



# Among developing countries, consumer price inflation is easing, driven mainly by declining food prices

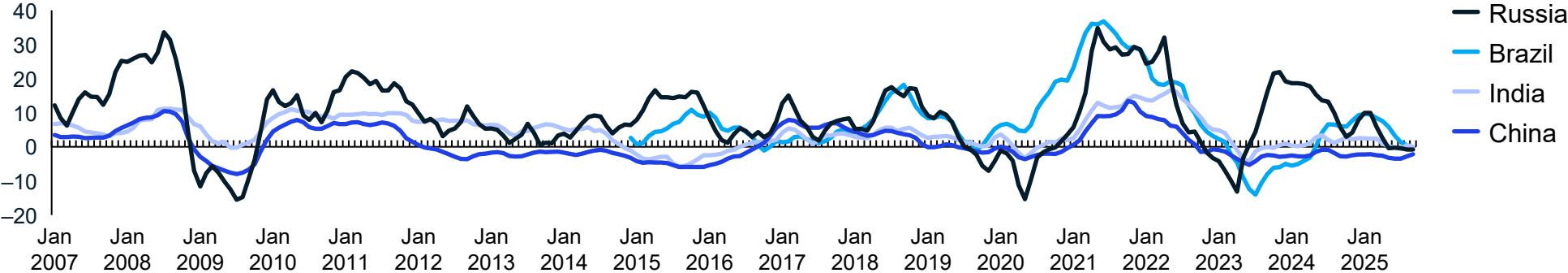
## Consumer price indexes: Emerging economies

% year over year (monthly)



## Producer price indexes: Emerging economies

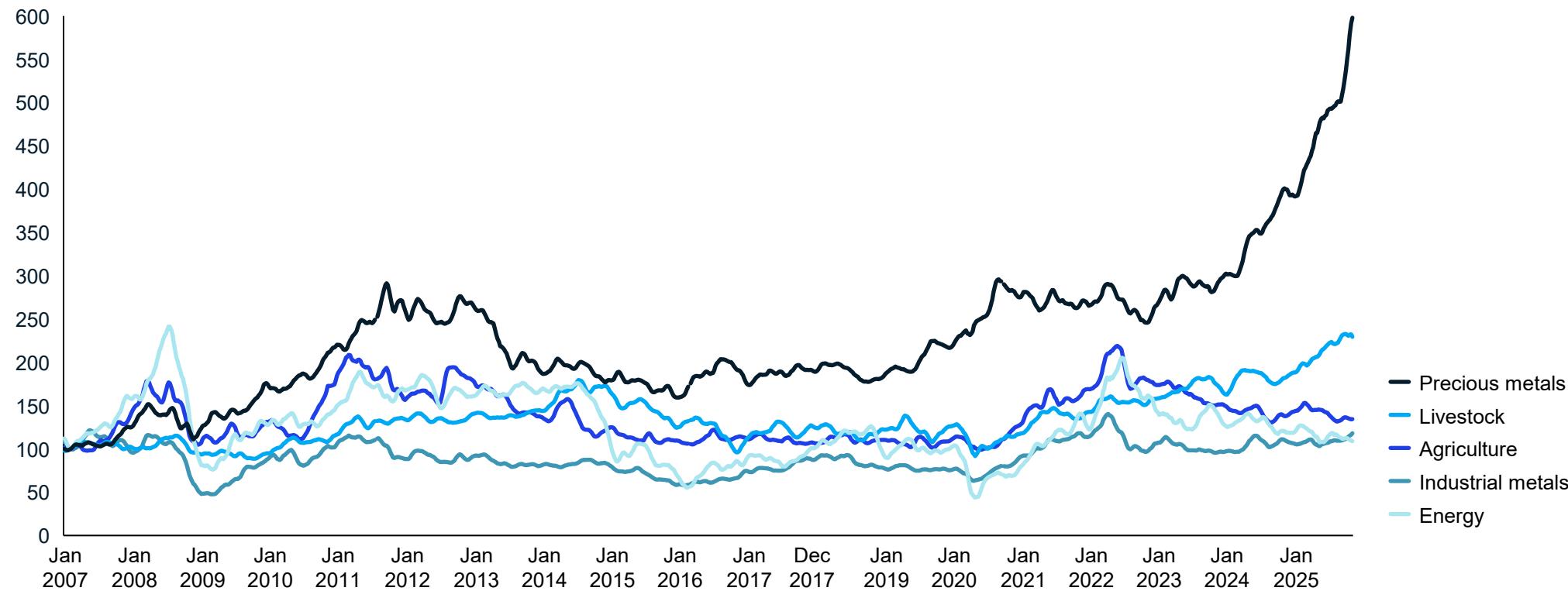
% year over year (monthly)



# Precious metal prices continue to rise rapidly, driven by heightened uncertainty surrounding geopolitical tensions

## Commodities indexes<sup>1</sup>

Moving five-week average, indexed to Jan 2007



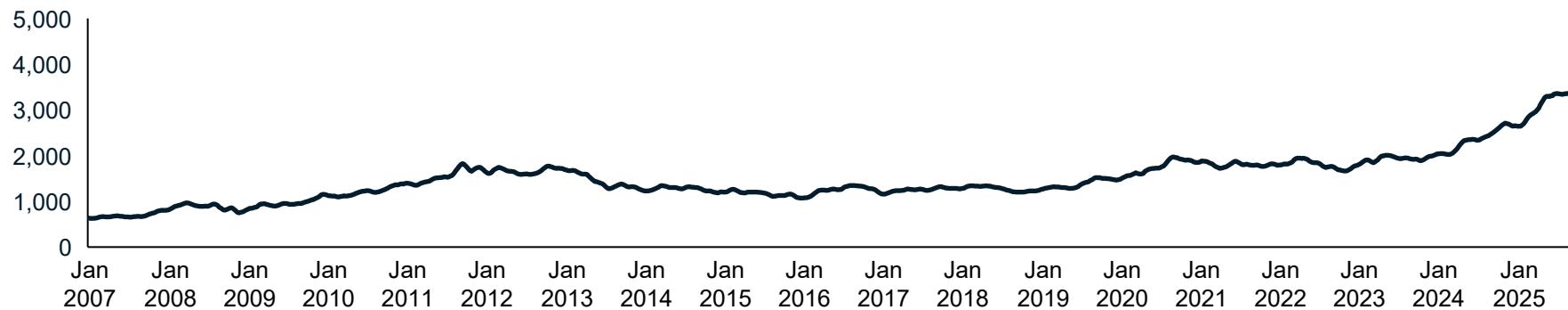
1. Updated through October 27, 2025; commodity data are taken from the GS Commodities Index, with components weighted by production.

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%.

# Gold is reaching new record highs, fueled by rising demand

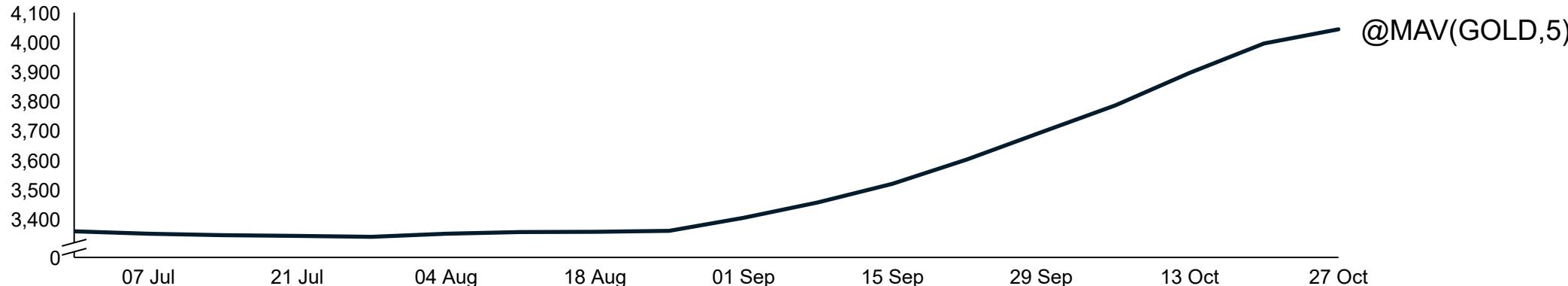
## Gold spot price<sup>1</sup>

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



## Gold spot price over past 4 months

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



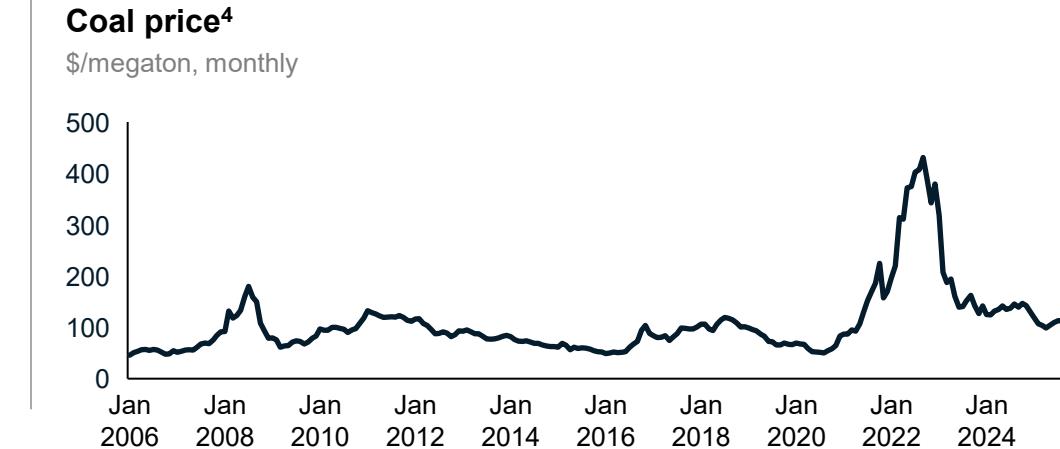
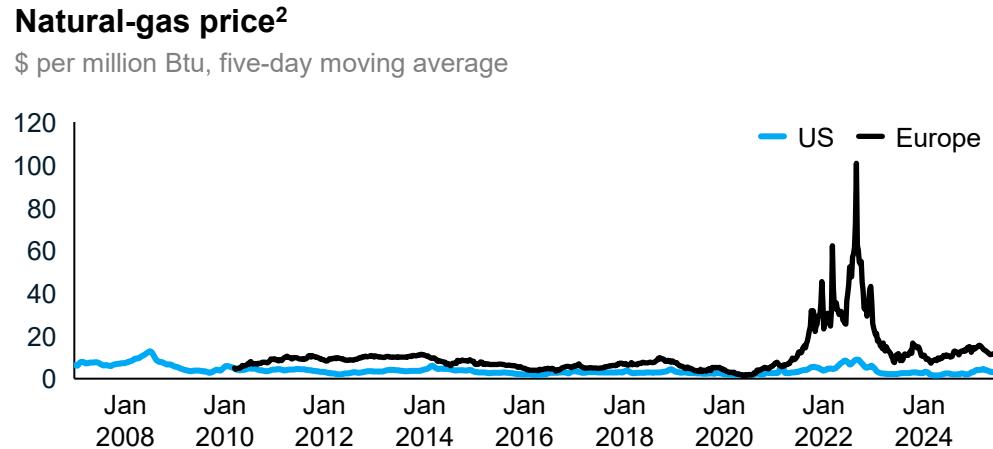
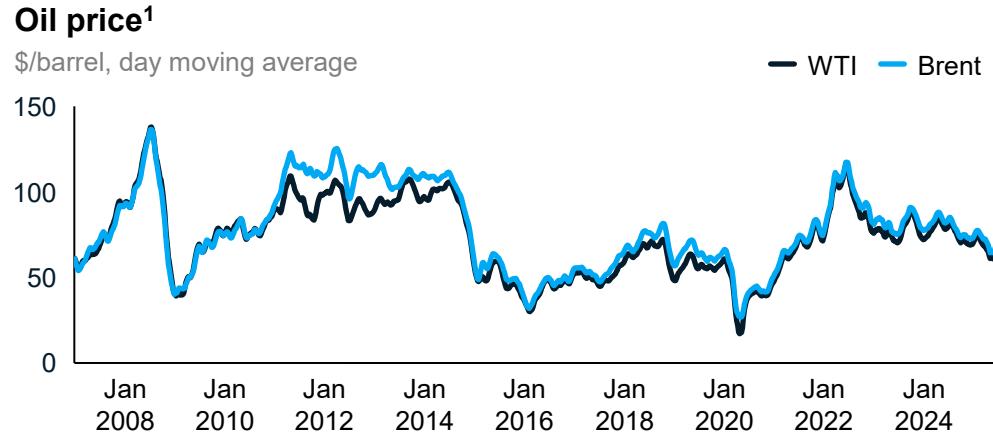
<sup>1</sup>Updated through October 27, 2025.

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

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# Oil prices continue to decline, falling to around \$60 per barrel as demand weakens and production increases



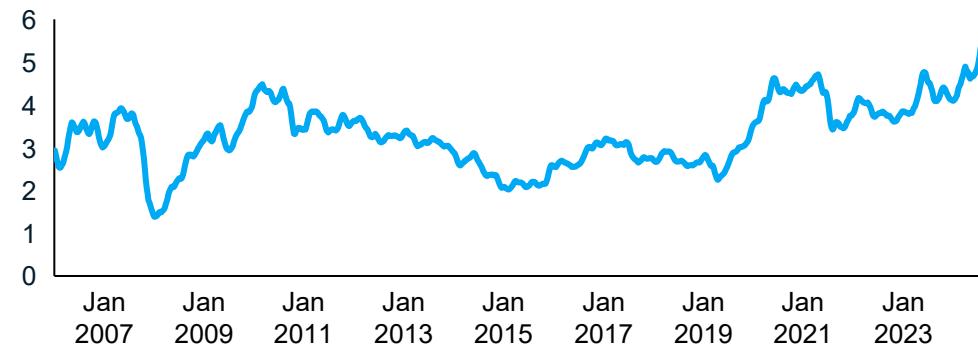
1. Crude Brent, Henry Hub (Nymex). WTI (West Texas Intermediate) prices as of October 27, 2025. 2. Henry Hub, LA; prices as of October 27, 2025. ICE Dutch TTF Gas Base Load Futures.

3. New York Harbor No. 2. heating-oil prices as of October 27, 2025. 4. Australia coal prices; coal prices as of September 2025.

# Aluminum and copper prices have increased, while nickel prices remained largely unchanged

## Copper<sup>1</sup>

\$/pound, five-week moving average



## Aluminum<sup>3</sup>

\$/Mt, five-week moving average



1. Copper, high grade: COMEX Spot Price, updated through October 27, 2025.

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 October 27, 2025.

4. UK: LME nickel, closing cash price (\$/metric ton), updated through October 27, 2025.

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

## Steel<sup>2</sup>

\$/gross metric ton (monthly)



## Nickel<sup>4</sup>

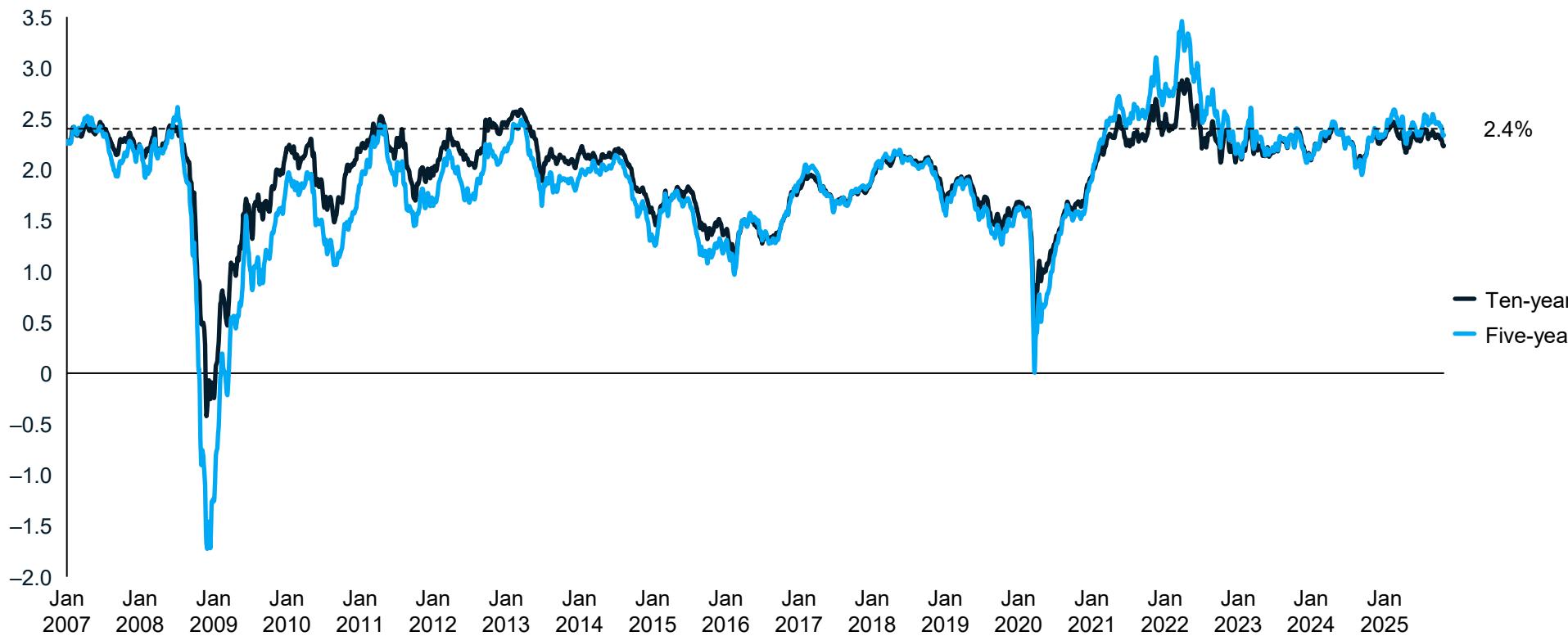
\$/Mt, five-week moving average



# Inflation expectations eased by 0.1 percentage points for both the medium and long term

Implied inflationary expectations from five- and ten-year TIPS yields<sup>1</sup> (spread between T-bill and TIPS of same maturity)

% (daily), five-day moving average

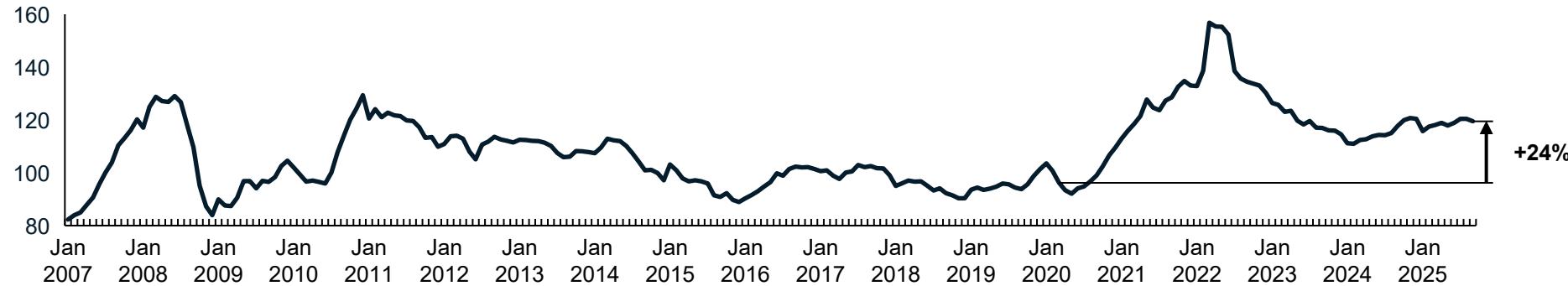


<sup>1</sup>Updated through October 24, 2025.

# Food prices declined globally in September, providing some breathing room for consumers

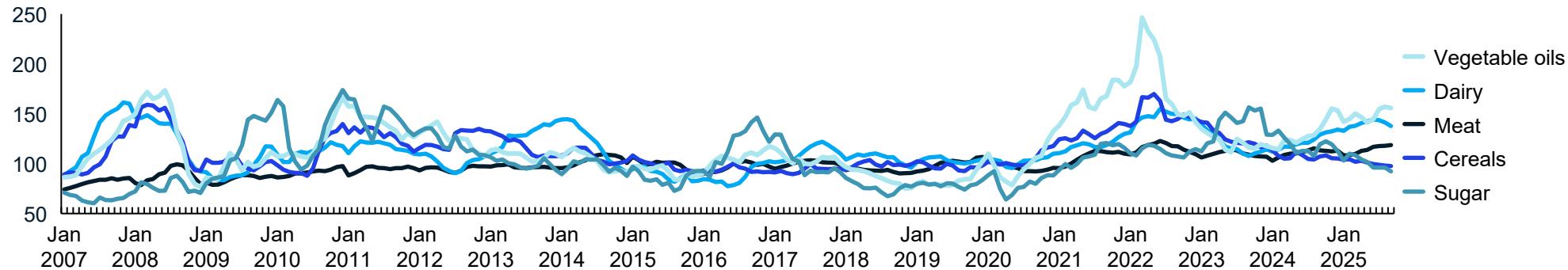
## FAO Food Price Index by month, in real terms

Overall index, 2014–16 = 100



## Component indexes<sup>1</sup>

Index level, 2014–16 = 100

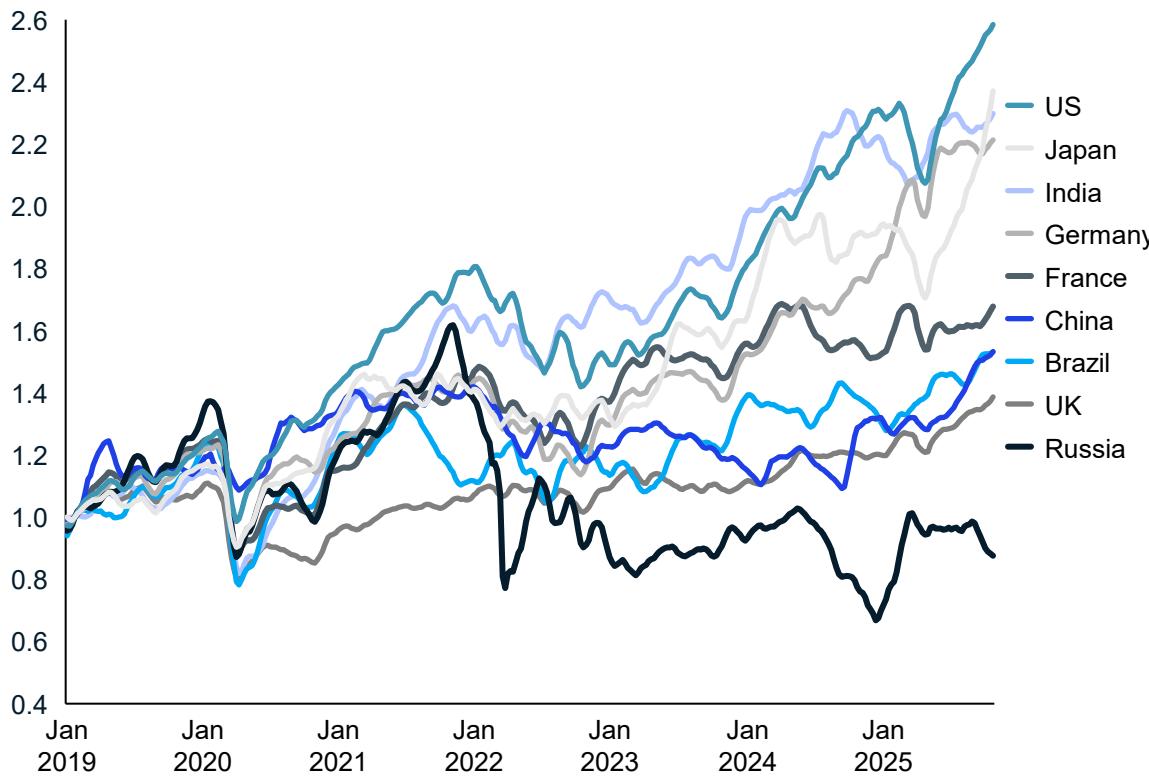


<sup>1</sup>The values of the five indexes are compiled and then weighted by the average export shares of each group in 2002–04. The final figure represents the current value of the FAO Food Price Index.

# August and September were strong months for investors, with equities in several countries—including the US and Japan—reaching new record highs

## Equity markets<sup>1</sup>

Five-week moving average, daily, index (Jan 2019 = 1)



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.

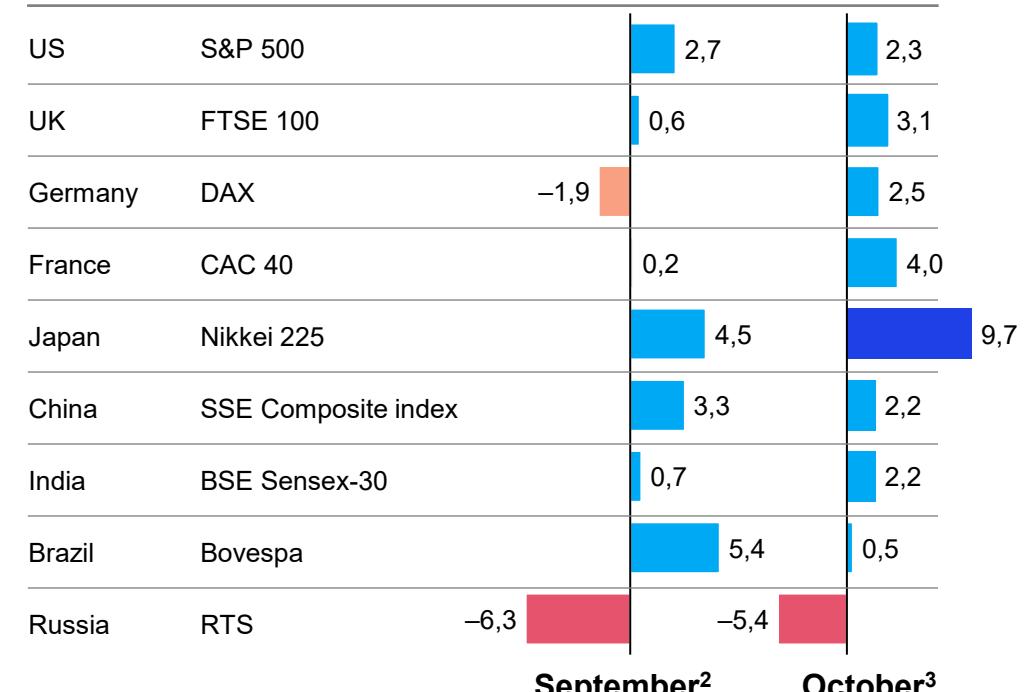
2. Growth rate calculated as average value of each index in September over average value in August.

3. Growth rate calculated as average value of each index in October (October 27) over average value in September.

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

## Change from prior month

%

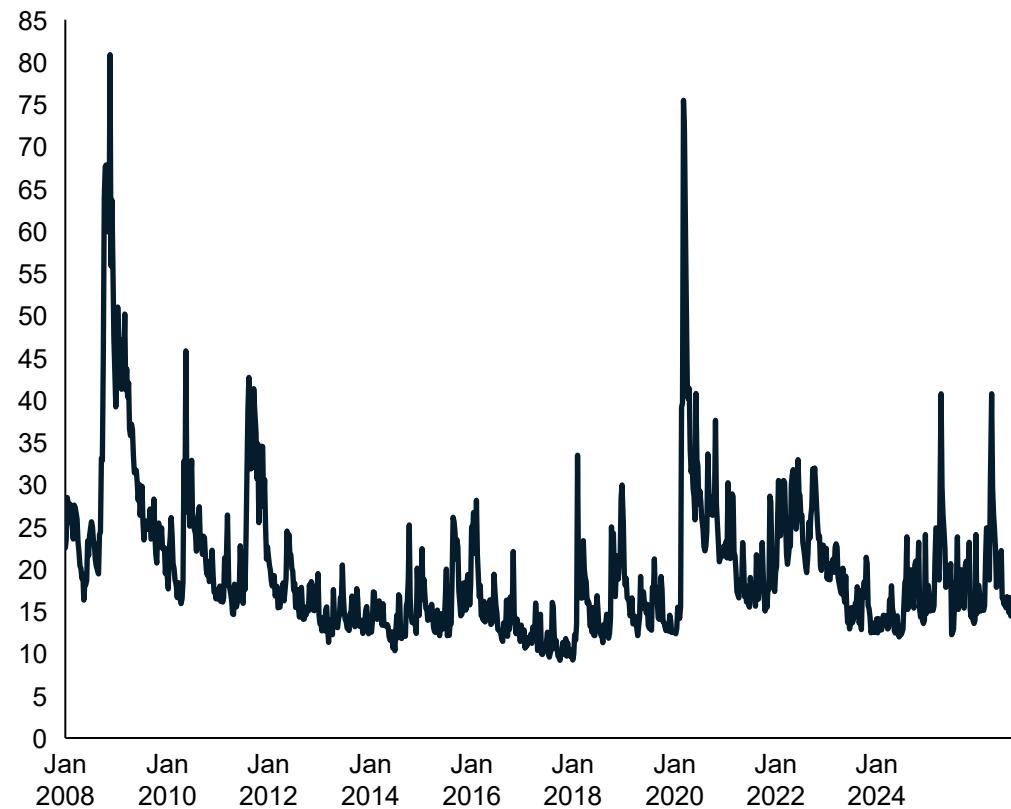


Versus previous period:

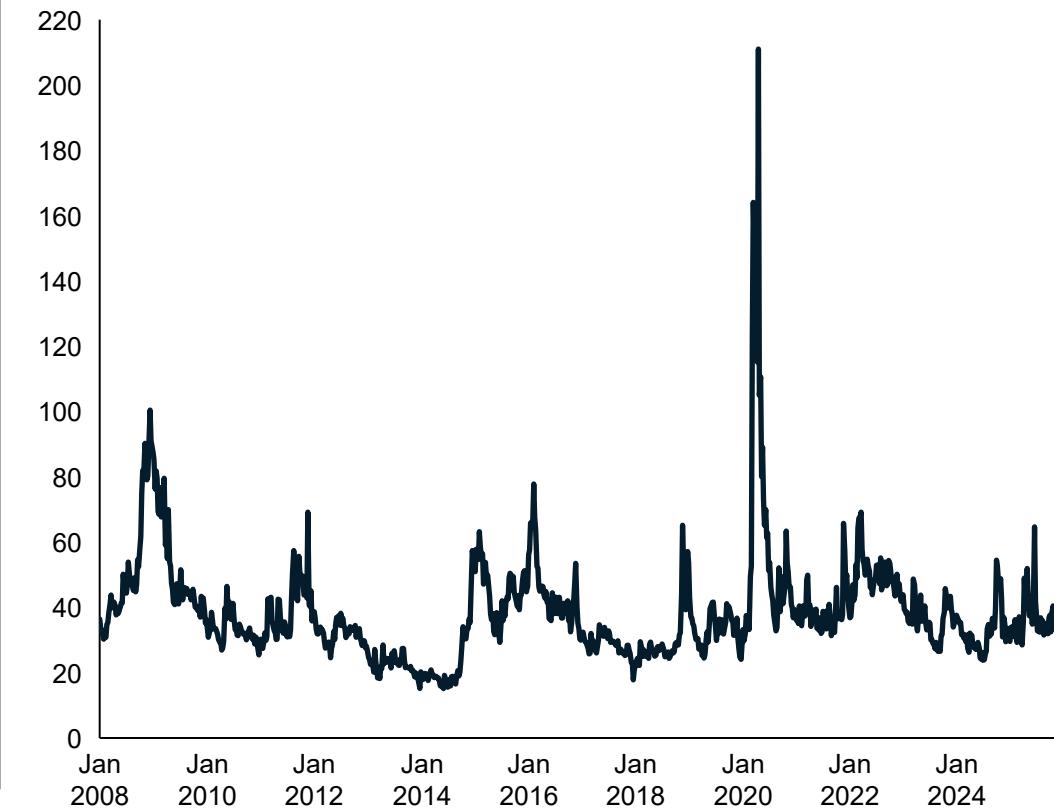
■ Significant increase   ■ Increase   ■ Decline  
 ■ Severe decline   ■ No significant change

# Volatility remains relatively low

CBOE S&P 500 Index Option Volatility Index (VIX)<sup>3</sup>



CBOE Crude Oil Volatility Index (OVX)<sup>1, 2, 3</sup>



1. Based on United States Oil Fund (USO) option prices.

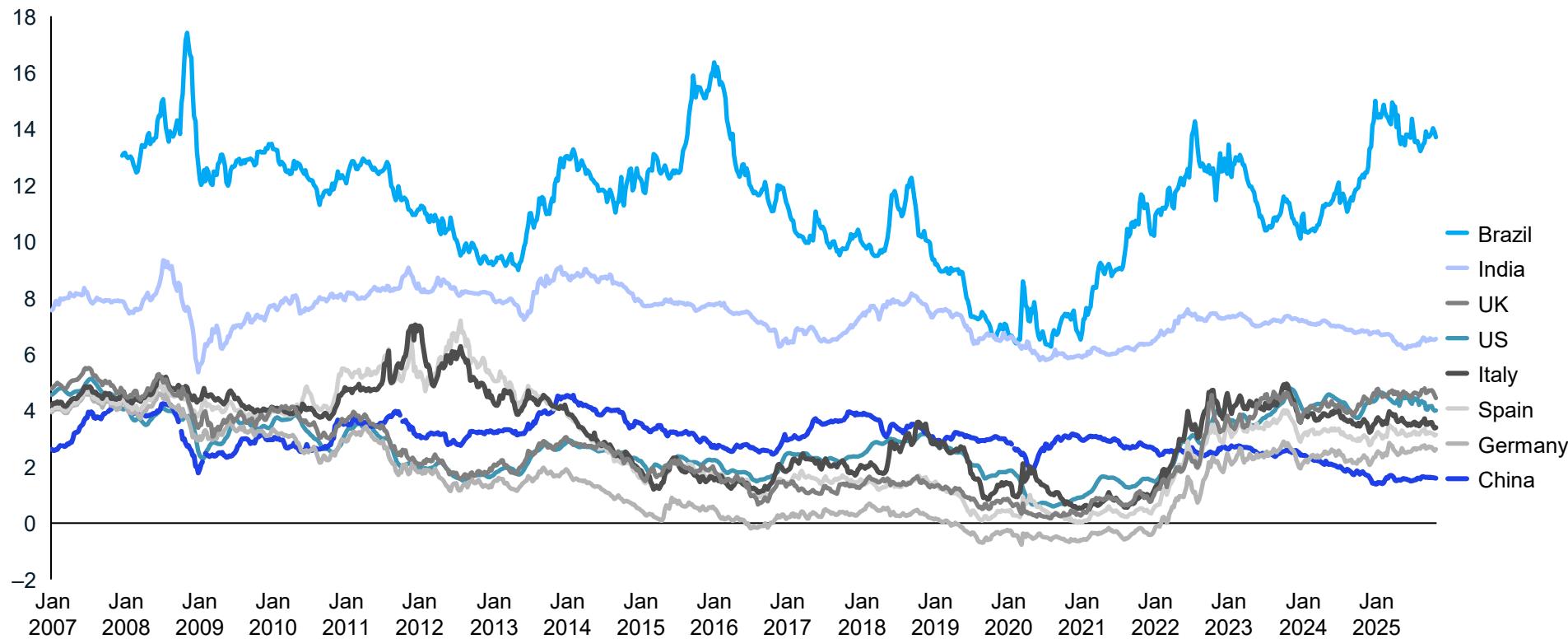
3. Updated through October 30, 2025.

2. March–June 2020 have been removed from Crude Oil Volatility as outlier.

# The cost of capital remains elevated across the board

## Ten-year government bonds<sup>1</sup>

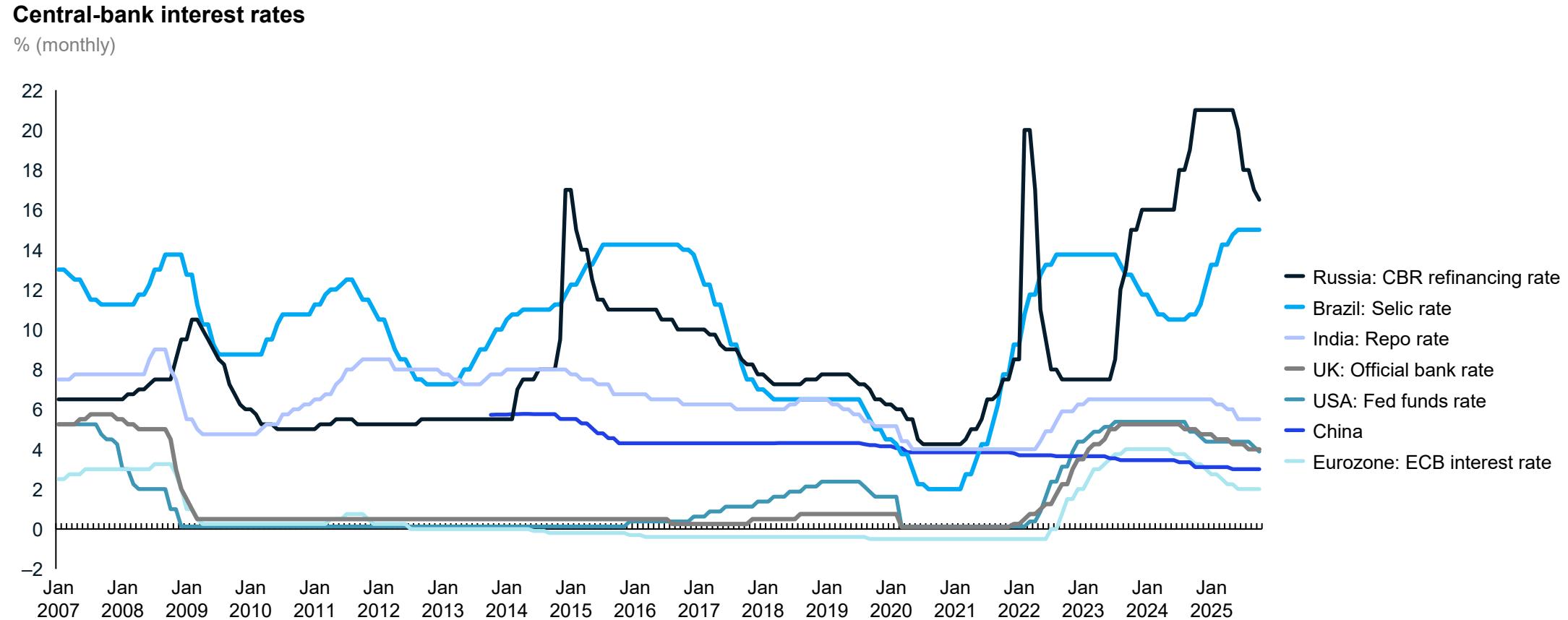
Five-day moving average,<sup>2</sup> % (daily)



1. Five-year government bond yields used for China.

2. Updated through October 27, 2025.

# Central banks in the US and Russia cut interest rates—a second consecutive cut for the US was driven by worsening macroeconomic data



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