

# ECONOMIC PULSE

## GLOBAL MARITIME FREIGHT STABILISES AFTER JANUARY'S JUMP

Global maritime freight stabilised in February after the previous month's sharp rise following the escalation of tensions in the Red Sea. The Freightos index (Chart 5) is currently stable, with a decline even observed on routes between China and Europe which had been most directly affected by the conflict in the Middle East and by the rise in transport costs. The New York Federal Reserve's global supply chain pressure index (Chart 3) was unchanged in January but is expected to rise again in February, reflecting longer delivery times in the PMIs (Chart 6).

The latest global PMI survey seems to indicate that the manufacturing sector as a whole is recovering a little at the start of the year. The sector's PMI hit the 50-expansion threshold in January for the first time in a year and a half. This increase is in line with the improvement in the production new orders subcomponent. The latter has indeed returned to expansion territory since November 2023, reaching 51.4 in January. However, the new export orders index (Chart 2) remains in negative territory at 48.8, although it rose again in January.

However, a couple of concerns persist. First, a divergence in the evolution of PMI indices is observable between economies: robust in South Asia (India and Indonesia in particular), slightly positive in China and the United States, and much less favourable in Japan and the Eurozone. Preliminary figures for February also point to a further deterioration in activity in both regions: the manufacturing PMI in Japan and the Eurozone (pulled down by Germany) fell from 48.0 to 47.2 and from 46.6 to 46.1 respectively. The decline in Taiwan's new export orders is another unfavourable development (chart 1). They fell by almost 20% in the last two months of 2023 (seasonally adjusted data), dragged down by the decline in orders for electronic equipment and in the information and communication sector.

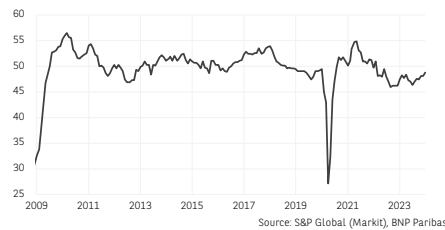
Guillaume Derrien

### INDICATORS OF INTERNATIONAL TRADE

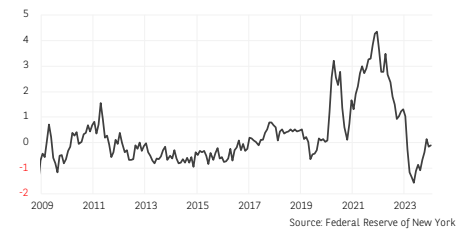
1. Taiwan new export orders (USD billion, seasonally-adjusted data)



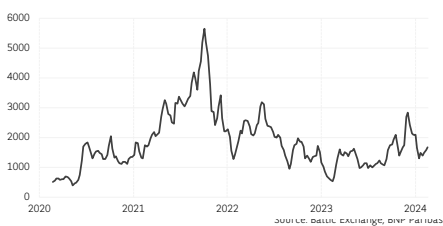
2. Global manufacturing PMI, New export orders



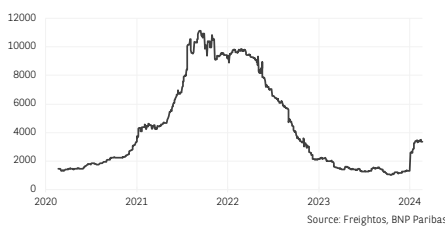
3. Global supply-chain pressures index



4. Baltic Exchange Dry Index



5. Freight rate index



6. Global manufacturing PMI, Delivery times (Inverted line)

