

17 April 2025

Charts of the Week

From Blue To Red

HAVER ANALYTICS[®]

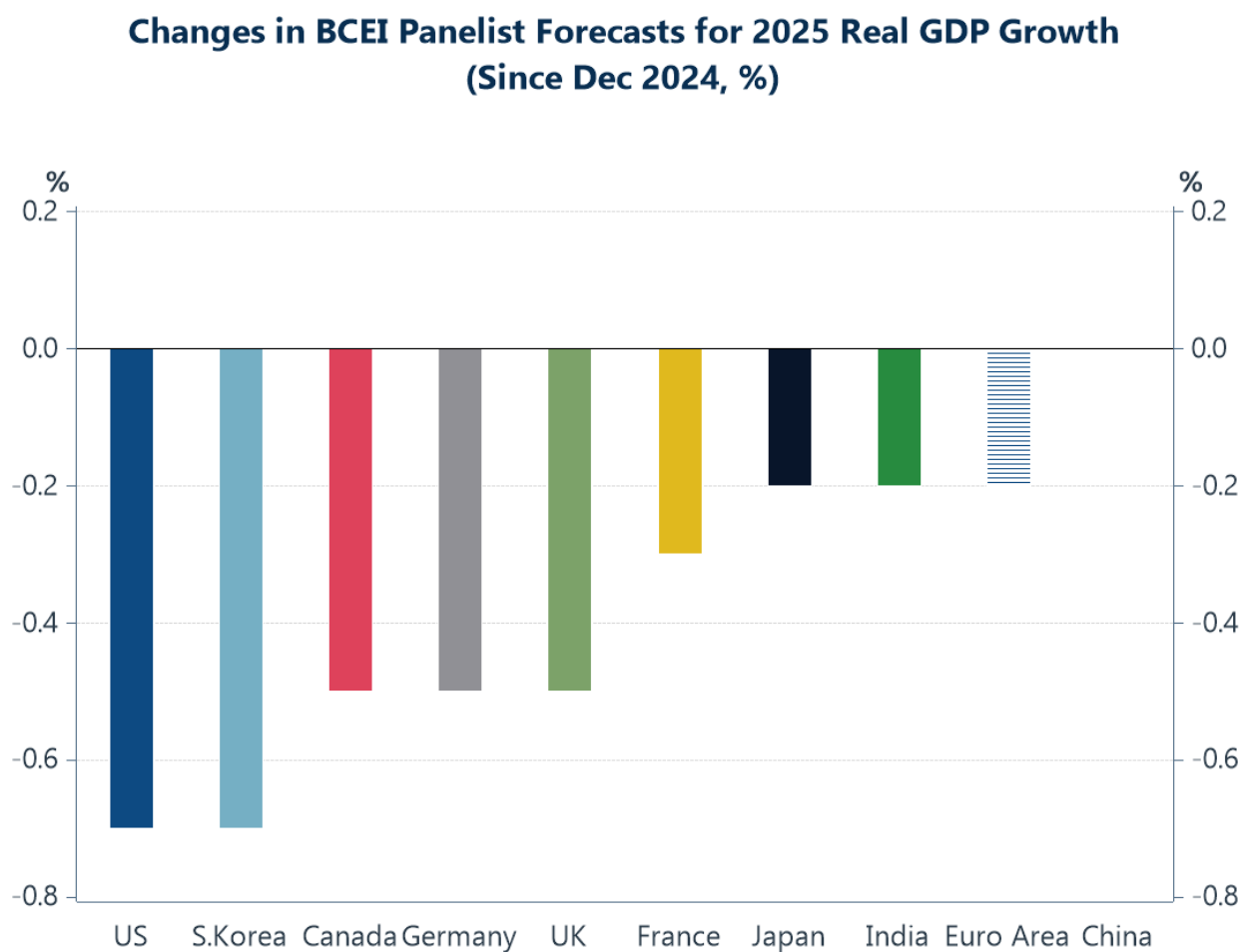
Link to online commentary: <https://haverproducts.com/charts-of-the-week/>
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U.S. policy decisions have sparked a sharp rise in financial market volatility in recent weeks, reflecting mounting investor unease about the global economic outlook. Consensus forecasts for growth in 2025 have been revised down significantly, while inflation expectations—particularly in the US—have moved higher, highlighting the stagflationary risks associated with the sweeping tariff measures introduced in early April (Charts 1 and 2). Although these actions have since been partially rolled back, the broader shift toward protectionism is already disrupting global trade flows and could soon feed through to consumer prices, compounding the challenge for central banks already struggling with sticky inflation. In parallel, measures of financial market stress have climbed to multi-month highs as investors reassess risks in an increasingly fragmented and uncertain environment (Chart 3). Business sentiment has also deteriorated notably, with this week's Empire State Manufacturing Survey showing a collapse in forward-looking expectations (Chart 4). Adding to concerns, global shipping costs have begun to rise again, raising the risk that renewed supply chain frictions will put upward pressure on goods inflation across advanced economies (Chart 5). Finally, in China, hopes for stabilization in the property sector are fading. Despite some recent stabilisation in house prices, real estate investment continues to contract sharply, suggesting that structural headwinds remain firmly in place (Chart 6). Taken together, this week's charts point to a fragile global economy contending with greater protectionism, rising inflation risks, weakening business confidence, and subdued demand—all of which are reinforcing the ongoing malaise in investment sentiment.

The Blue Chip Growth consensus

Our first chart this week highlights the widespread downward revisions GDP growth forecasts for 2025 across major economies seen in the latest Blue Chip Economic Indicators survey that have been made in recent months. The most significant downward adjustment has been seen in the United States. But export-reliant economies such as South Korea, Canada, and Germany have also seen sharp downgrades, possibly reflecting their exposure to US demand and cross-border industrial linkages. These adjustments underscore growing concerns that escalating protectionism may weigh heavily on global growth prospects.

Chart 1: The Blue Chip Growth Consensus: Changes in GDP forecasts for 2025



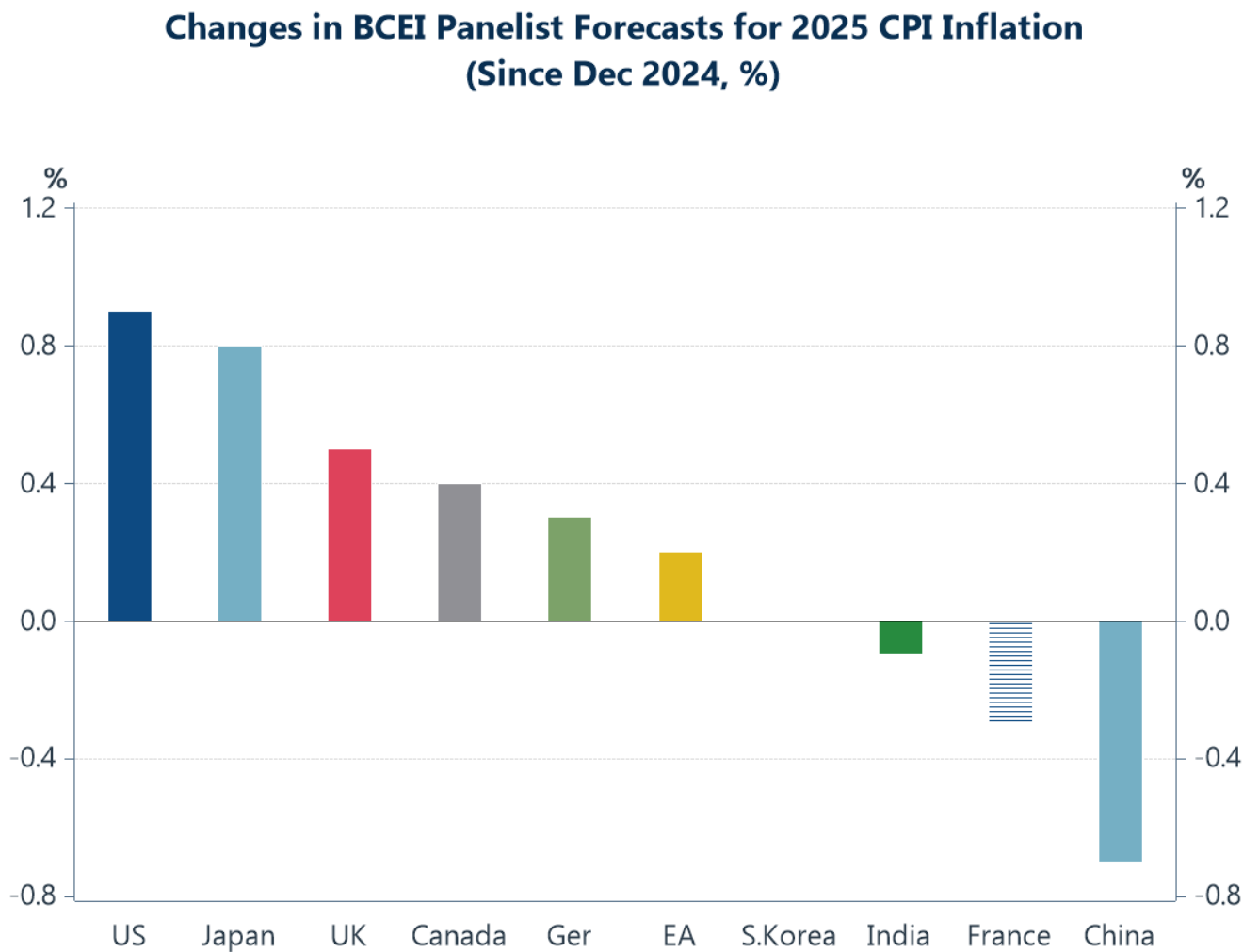
Source: Wolters Kluwer/Haver Analytics

The Blue Chip Inflation Consensus

Our second chart highlights a concomitant marked upward revision to CPI inflation forecasts for 2025 for several major economies—most notably for the US and Japan. Together with the first chart above, this illustrates how US tariff policies could not only be dampening global growth but could also be amplifying

inflationary pressures—raising the spectre of stagflation and complicating the task for central banks navigating an increasingly fractured economic landscape.

Chart 2: The Blue Chip Inflation Consensus: Changes in CPI forecasts for 2025



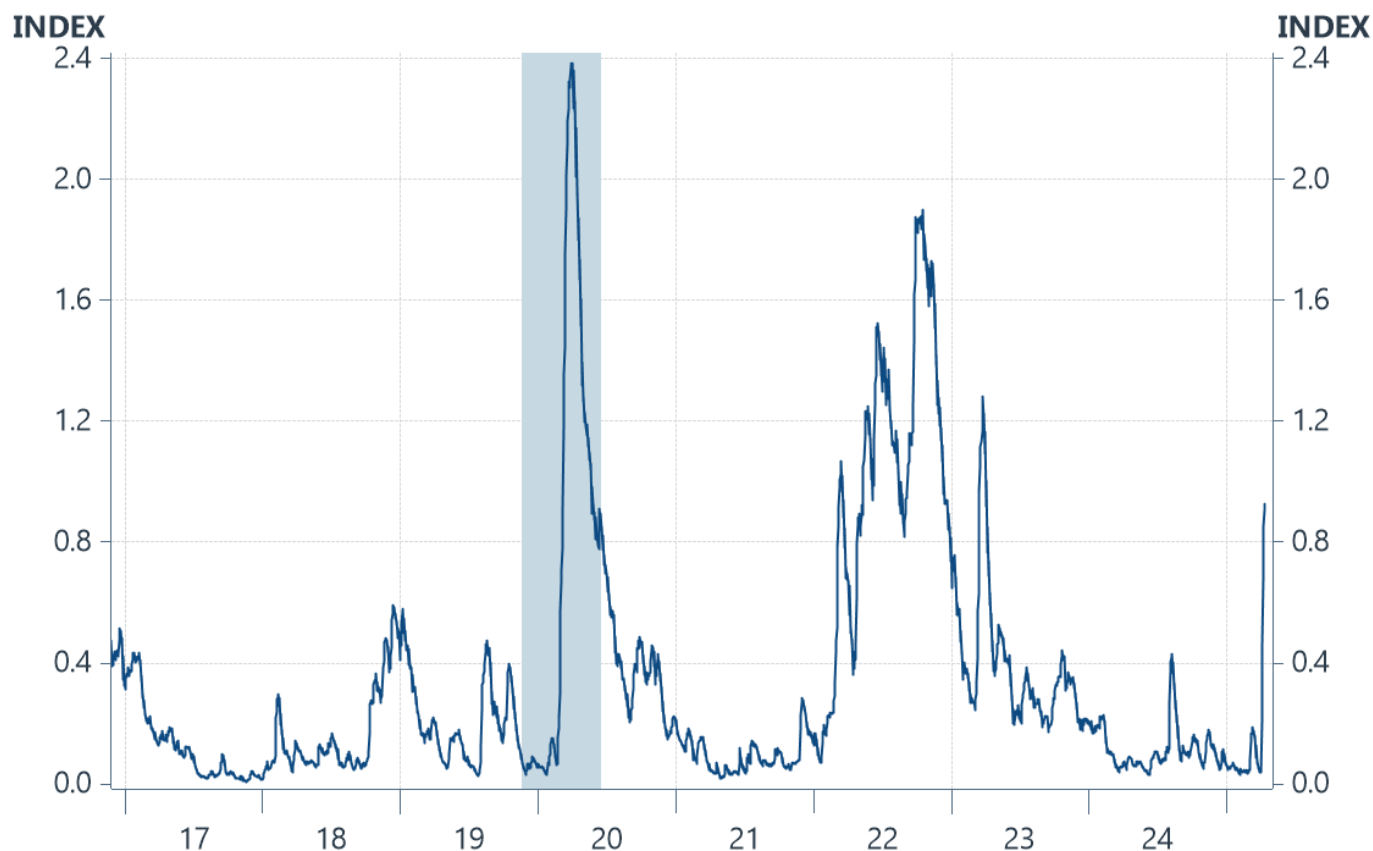
Source: Wolters Kluwer/Haver Analytics

Global financial conditions

Our next chart shows the ECB Composite Indicators of Stress and specifically an unweighted average for the US, UK, Euro Area, and China. These show a sharp spike in recent weeks reflecting rising investor anxiety about escalating trade tensions. Their rapid uptick is a warning sign of potential spillovers from rising policy and economic uncertainty into credit markets, investor sentiment, and broader financial stability.

Chart 3: ECB Indicators of Financial Market Stress

ECB Composite Indicator of Stress (unweighted avg. US, UK, EA and China)

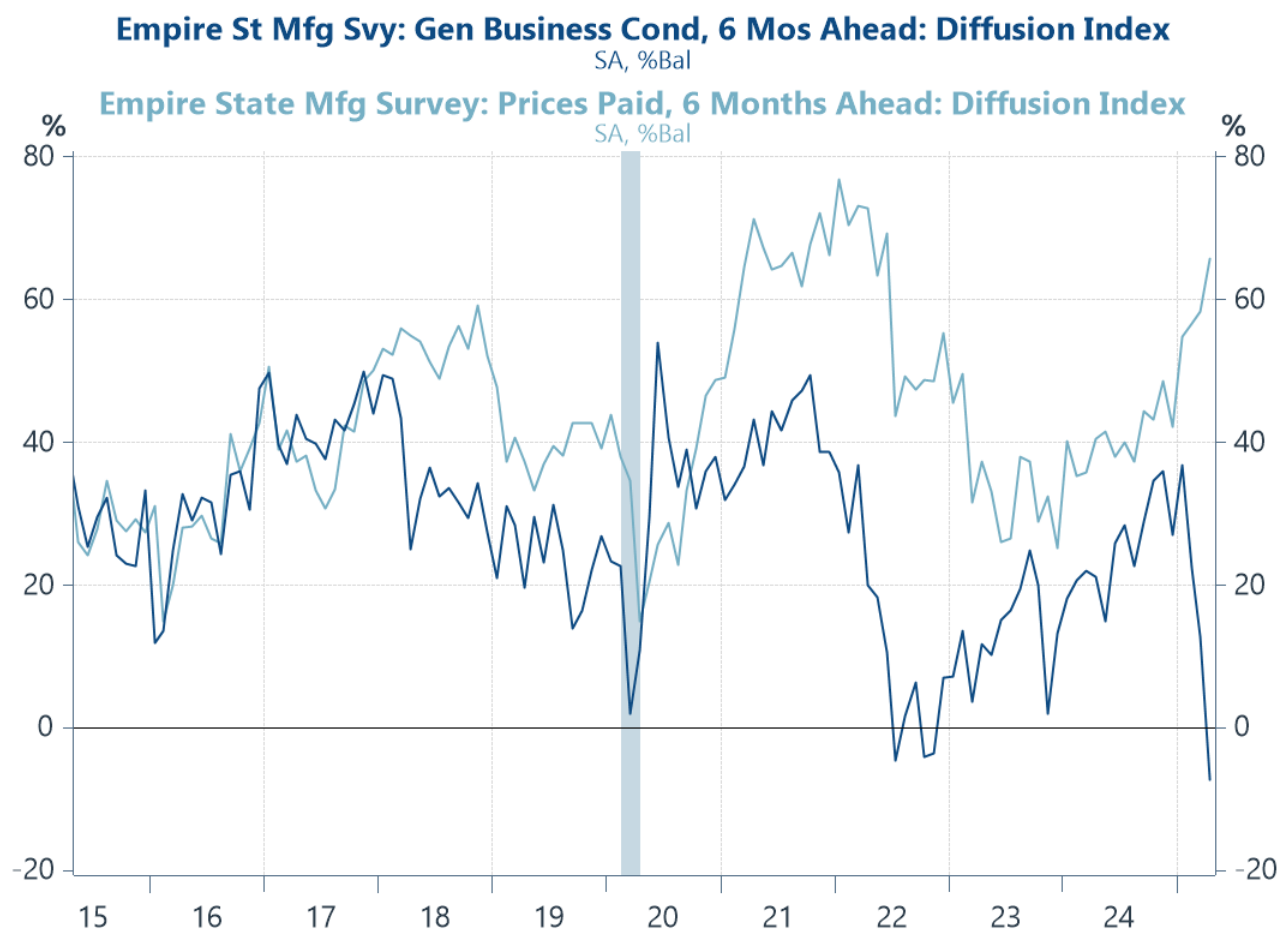


Source: Haver Analytics

US business sentiment

This week's US Empire State Manufacturing Survey additionally paints a more concerning picture of the near-term economic outlook. The diffusion index for general business conditions over the next six months ahead has plunged into negative territory—its lowest reading since the early pandemic period. In the meantime, expectations for prices paid have surged, suggesting that firms anticipate significant cost pressures in the months ahead. This divergence points squarely to stagflation risks: a scenario of slowing or contracting economic activity coupled with rising input prices. The recent spike in price expectations likely reflects the anticipated impact of newly enacted US tariffs, which are raising costs for imported components and materials.

Chart 4: US Empire State Survey: 6-month ahead expectations for business activity and inflation

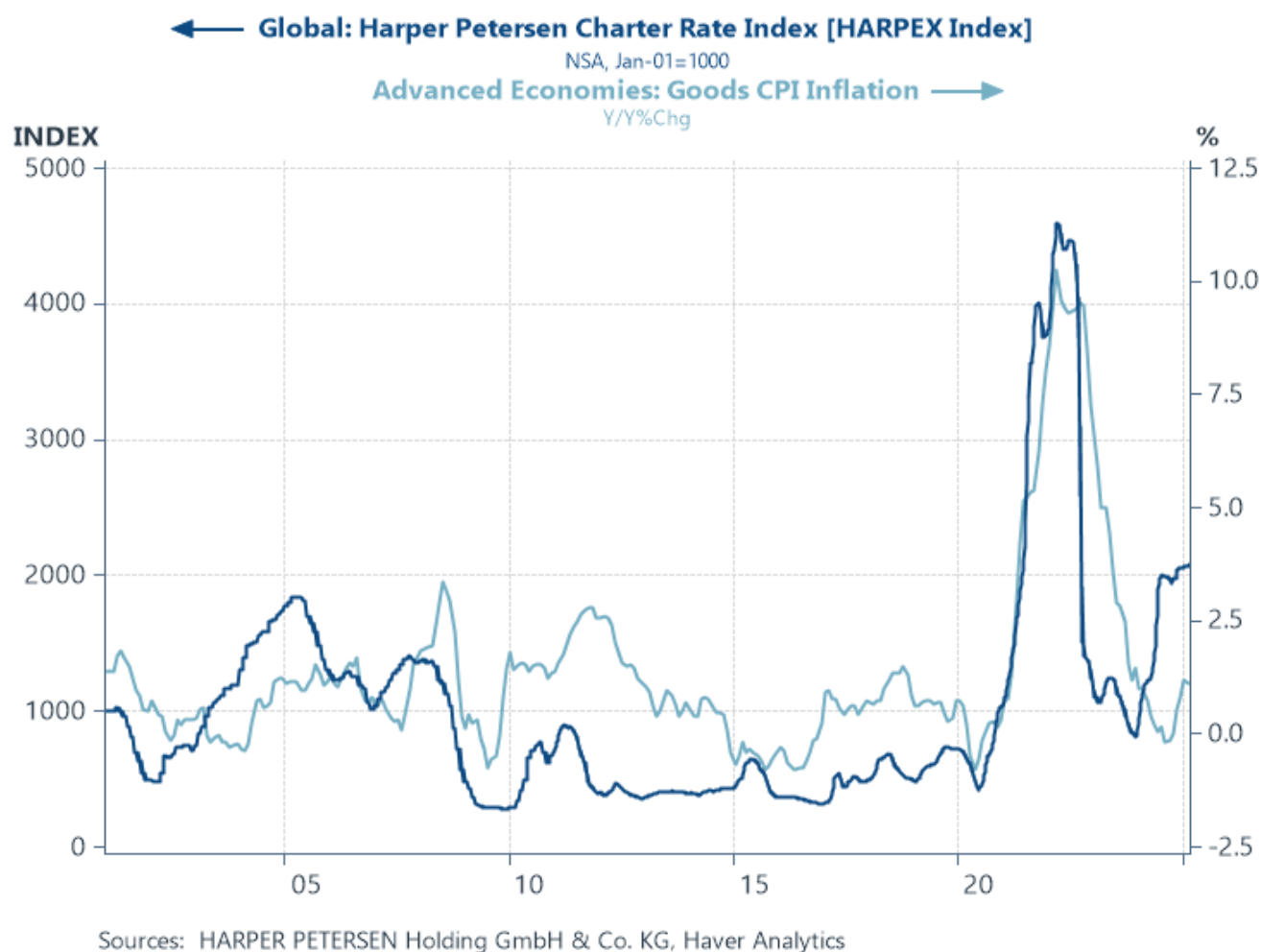


Source: Federal Reserve Bank of New York/Haver Analytics

Supply chain bottlenecks

Our next chart, showing the Harper Petersen Charter Rate Index, suggests that global shipping costs have started to climb again. This follows a prolonged post-pandemic decline and suggests fresh disruptions or capacity constraints in global freight markets—likely linked to the latest wave of US tariffs and retaliatory trade actions that are altering shipping patterns and congesting key trade routes. Notably, the past strong correlation between HARPEX and goods CPI inflation in advanced economies highlights the potential inflationary pass-through from higher transport costs to consumer prices. Although goods inflation has moderated from its pandemic-era highs, the recent rebound in shipping rates could reignite upward pressure, especially if firms are forced to pass on elevated logistics and import costs.

Chart 5: China's Real Estate Sector



China's economy

Our final chart this week turns to China's real estate sector, where recent hopes that the market may have finally found a bottom appear to be fading. While the price index for existing residential buildings has shown tentative signs of stabilization, the continued and pronounced contraction in real estate investment—still running at double-digit negative year-on-year rates—points to persistent fragility. Confidence among developers and financial institutions remains deeply impaired, and despite a modest rebound from the lows of early 2024, the latest data suggest that structural challenges—excess supply, tight credit conditions, and cautious homebuyers—are still weighing heavily on the sector. With investment activity still in decline, the prospect of a durable recovery in housing and construction—long a cornerstone of China's domestic demand—looks increasingly remote.

Chart 6: Shipping costs and goods price inflation in advanced economies



About the author



Haver Analytics is pleased to bring [Andy Cates's](#) commentaries on the state of the global economy to its clients. Andy has more than 25 years of experience forecasting the global economic outlook and in assessing the implications for policy settings and financial markets. He has held various senior positions in London in a number of Investment Banks including as Head of Developed Markets Economics at Nomura and as Chief Eurozone Economist at RBS. These followed a spell of 21 years as Senior International Economist at UBS, 5 of which were spent in Singapore. Prior to his time in financial services Andy was a UK economist at HM Treasury in London holding positions in the domestic forecasting and macroeconomic modelling units. He has a BA in Economics from the University of York and an MSc in Economics and Econometrics from the University of Southampton.

Series info:

Chart 1: The Blue Chip Growth Consensus: Changes in GDP forecasts for 2025

Series 1: `diff(AAAD25@BLUECHIP,4)`

AAAD25@BLUECHIP [BCEI: US Real GDP: 2025 Forecasts: Consensus (Y/Y % Chg)]

Series 2: `diff(AKRD25@BLUECHIP,4)`

AKRD25@BLUECHIP [BCEI: Change in Real GDP: South Korea: Consensus: 2025 Forecast (%)]

Series 3: `diff(ACAD25@BLUECHIP,4)`

ACAD25@BLUECHIP [BCEI: Change in Real GDP: Canada: Consensus: 2025 Forecast (%)]

Series 4: `diff(ADED25@BLUECHIP,4)`

ADED25@BLUECHIP [BCEI: Change in Real GDP: Germany: Consensus: 2025 Forecast (%)]

Series 5: `diff(AGBD25@BLUECHIP,4)`

AGBD25@BLUECHIP [BCEI: Change in Real GDP: United Kingdom: Consensus: 2025 Forecast (%)]

Series 6: `diff(AFRD25@BLUECHIP,4)`

AFRD25@BLUECHIP [BCEI: Change in Real GDP: France: Consensus: 2025 Forecast (%)]

Series 7: `diff(AJPD25@BLUECHIP,4)`

AJPD25@BLUECHIP [BCEI: Change in Real GDP: Japan: Consensus: 2025 Forecast (%)]

Series 8: `diff(AIND25@BLUECHIP,4)`

AIND25@BLUECHIP [BCEI: Change in Real GDP: India: Consensus: 2025 Forecast (%)]

Series 9: `diff(AEZD25@BLUECHIP,4)`

AEZD25@BLUECHIP [BCEI: Change in Real GDP: Euro area: Consensus: 2025 Forecast (%)]

Series 10: `diff(ACND25@BLUECHIP,4)`

ACND25@BLUECHIP [BCEI: Change in Real GDP: China: Consensus: 2025 Forecast (%)]

Chart 2: The Blue Chip Inflation Consensus: Changes in CPI forecasts for 2025

Series 1: `diff(DAAD25@BLUECHIP,4)`

DAAD25@BLUECHIP [BCEI: US Consumer Price Index: 2025 Forecasts: Consensus (Y/Y % Chg)]

Series 2: `diff(DJPD25@BLUECHIP,4)`

DJPD25@BLUECHIP [BCEI: Change in Consumer Price Index: Japan: Consensus: 2025 Forecast (%)]

Series 3: `diff(DGBD25@BLUECHIP,4)`

DGBD25@BLUECHIP [BCEI: Change in Consumer Price Index: UK: Consensus: 2025 Forecast (%)]

Series 4: `diff(DCAD25@BLUECHIP,4)`

DCAD25@BLUECHIP [BCEI: Change in Consumer Price Index: Canada: Consensus: 2025 Forecast (%)]

Series 5: `diff(DDED25@BLUECHIP,4)`

DDED25@BLUECHIP [BCEI: Change in Consumer Price Index: Germany: Consensus: 2025 Forecast (%)]

Series 6: `diff(DEZD25@BLUECHIP,4)`

DEZD25@BLUECHIP [BCEI: Change in Consumer Price Index: Euro area: Consensus: 2025 Forecast (%)]

Series 7: `diff(DKRD25@BLUECHIP,4)`

DKRD25@BLUECHIP [BCEI: Change in Consumer Price Index: South Korea: Consensus: 2025 Forecast (%)]

Series 8: `diff(DIND25@BLUECHIP,4)`

DIND25@BLUECHIP [BCEI: Change in Consumer Price Index: India: Consensus: 2025 Forecast (%)]

Series 9: `diff(DFRD25@BLUECHIP,4)`

DFRD25@BLUECHIP [BCEI: Change in Consumer Price Index: France: Consensus: 2025 Forecast (%)]

Series 10: `diff(DCND25@BLUECHIP,4)`

DCND25@BLUECHIP [BCEI: Change in Consumer Price Index: China: Consensus: 2025 Forecast (%)]

Chart 3: ECB Indicators of Financial Market Stress

Series 1: `((V023CSS@INTDAILY + V112CSS@INTDAILY) + V924CSS@INTDAILY) + V111CSS@INTDAILY)`

V023CSS@INTDAILY [Euro Area: Composite Indicator of Systemic Stress (0=No Stress, 1=High Stress)]

V112CSS@INTDAILY [UK: Composite Indicator of Systemic Stress (0=No Stress, 1=High Stress)]

V924CSS@INTDAILY [China: Composite Indicator of Systemic Stress (0=No Stress, 1=High Stress)]

V111CSS@INTDAILY [United States: Composite Indicator of Systemic Stress(0=No Stress,1=High Stress)]

Chart 4: US Empire State Survey: 6-month ahead expectations for business activity and inflation

Series 1: EM6GI@SURVEYS

EM6GI@SURVEYS [Empire St Mfg Svy: Gen Business Cond, 6 Mos Ahead: Diffusion Index (SA, %Bal)]

Series 2: EM6PI@SURVEYS

EM6PI@SURVEYS [Empire State Mfg Survey: Prices Paid, 6 Months Ahead: Diffusion Index (SA, %Bal)]

Chart 5: Shipping costs and goods price inflation in advanced economies

Series 1: W1NTWHI@TRANSPRT

W1NTWHI@TRANSPRT [Global: Harper Petersen Charter Rate Index [HARPEX Index] (NSA, Jan-01=1000)]

Series 2: N110GIC@G10

N110GIC@G10 [Advanced Economies: Goods CPI Inflation (Y/Y%Chg)]

Chart 6: Shipping costs and goods price inflation in advanced economies

Series 1: yyr%(N924HK@EMERGEPR)

N924HK@EMERGEPR [China: 70 Cities: Price Index of Existing Residential Buildings (NSA, 2020=100)]

Series 2: yyr%(N924HDT@EMERGEPR)

N924HDT@EMERGEPR [China: Investment Completed in Real Estate Development (NSA, Bil.Yuan)]

Get in touch

Email sales@haver.com and someone from our team will connect with you to discuss your data needs.

