



Global Eco Pulse: Divergences from traditional survey based on Global PMI

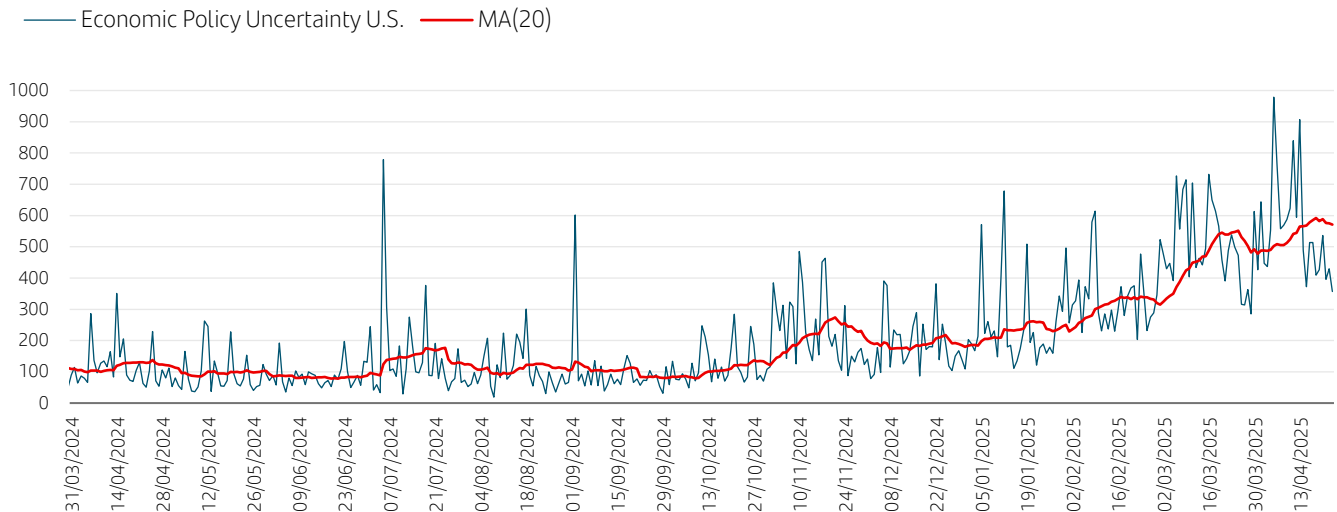
While PMI remains near the neutral 50 mark, the Eco Pulse has rolled over sharply, reaching its most negative reading since 2022

Over recent weeks, one of our proprietary nowcasting tool — the Global Eco Pulse — has diverged meaningfully from traditional survey-based indicators such as the Global PMI. While PMIs remain a widely followed gauge of business sentiment, they are limited by their monthly frequency and slower responsiveness to real-time developments. In contrast, the Eco Pulse is built on high-frequency survey data capturing shifts in economic sentiment, offering a more forward-looking signal on global economic momentum than traditional hard data, which tends to reflect changes with a lag.

As shown in the chart below, the Global Eco Pulse (red line, right-hand scale) has recently moved below the Global PMI (blue line, left-hand scale), having previously signaled a more constructive outlook throughout much of 2024. That relative outperformance proved correct at the time, as global activity was firm in early 2024, despite the lackluster PMI level. While the Global PMI (blue line, left-hand axis) remains near the neutral 50 mark — implying neither expansion nor contraction — the Eco Pulse (red line, right-hand axis) has rolled over sharply, reaching its most negative reading since the height of the 2022 slowdown. The current shift — with the Eco Pulse not only softening more visibly but also having reversed from a level well above the PMI to now below it— reflects a faster and more granular read of emerging macro headwinds and reinforces the importance of tracking dynamic shifts in leading indicators.

Opposite performance

Source: Santander Asset Management & Bloomberg



This evolving backdrop coincides with renewed policy uncertainty in the U.S., where recent tariff announcements and a more protectionist tone from the administration have introduced downside risks to global trade and sentiment. Tariffs function much like a negative fiscal impulse, dampening demand while disrupting global supply chains. More broadly, heightened policy unpredictability weighs on financial conditions and corporate decision-making worldwide. While some hard data—such as industrial production or employment—has yet to reflect these shifts, we see this more as a timing lag than a contradiction, with broader effects likely to surface in the coming weeks or months unless tariff rhetoric and implementation de-escalate meaningfully. Our close monitoring of both high-frequency and traditional indicators continues to inform our strategy in a prudent and forward-looking manner.

Disclaimer

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Proin pretium orci nec mauris ultrices euismod. Duis venenatis tincidunt mattis. Nunc eu vestibulum dui, ac laoreet urna. Ut aliquam euismod purus, nec vestibulum ante tempor vel. Nulla non finibus erat, id commodo metus. Proin a ipsum purus. Cras hendrerit sit amet metus vitae congue.

Nunc nulla nisl, hendrerit ac turpis vitae, lacinia tempus justo. Morbi lectus est, consectetur eget neque ut, semper pharetra libero. Quisque porttitor porta condimentum. Phasellus imperdiet, justo quis pharetra iaculis, nulla elit laoreet magna, sit amet ornare nisl nulla at nunc. Morbi mauris arcu, tempus nec elit eget, lacinia sollicitudin augue. Fusce pretium pharetra mi, vitae pharetra tellus consequat et. Suspendisse suscipit nisl ut sem dapibus, in cursus nibh tincidunt. Suspendisse venenatis rutrum vehicula. Proin id consectetur sapien.

Sed tortor ante, aliquam id neque sit amet, dapibus convallis ligula. Nullam quis fermentum augue, ut tempor tortor. Etiam varius faucibus dolor eu aliquam. Sed scelerisque pulvinar mauris ut ornare. Pellentesque facilisis tellus a nunc dapibus mattis. Curabitur at tincidunt neque, eu vehicula ex. Phasellus malesuada ligula in lorem viverra tincidunt. Suspendisse vitae quam nisi. Vivamus congue tellus a convallis fermentum. Pellentesque mollis ultricies lorem sed hendrerit. Sed placerat convallis sodales. Etiam lobortis egestas cursus. Curabitur dignissim ultricies lectus ut suscipit. Vestibulum luctus ex a odio aliquam, in mattis massa elementum. Nullam tincidunt risus nec auctor viverra.

Aenean euismod ligula sed ex vulputate sagittis. Sed pulvinar ultricies tellus a scelerisque. Praesent vel justo sed mauris eleifend vehicula. Suspendisse tincidunt aliquet ultricies. Aenean vitae posuere justo. In ac tortor vel massa vehicula auctor. Cras viverra mattis ultrices. Etiam vitae congue orci. Quisque sit amet justo vitae eros pharetra volutpat in vel urna. Maecenas id justo libero. Nulla lobortis sem eu lacus porta, dictum ultrices dolor imperdiet. Quisque interdum nibh et lacus elementum pulvinar.

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Proin pretium orci nec mauris ultrices euismod. Duis venenatis tincidunt mattis. Nunc eu vestibulum dui, ac laoreet urna. Ut aliquam euismod purus, nec vestibulum ante tempor vel. Nulla non finibus erat, id commodo metus. Proin a ipsum purus. Cras hendrerit sit amet metus vitae congue.

Nunc nulla nisl, hendrerit ac turpis vitae, lacinia tempus justo. Morbi lectus est, consectetur eget neque ut, semper pharetra libero. Quisque porttitor porta condimentum. Phasellus imperdiet, justo quis pharetra iaculis, nulla elit laoreet magna, sit amet ornare nisl nulla at nunc. Morbi mauris arcu, tempus nec elit eget, lacinia sollicitudin augue. Fusce pretium pharetra mi, vitae pharetra tellus consequat et. Suspendisse suscipit nisl ut sem dapibus, in cursus nibh tincidunt. Suspendisse venenatis rutrum vehicula. Proin id consectetur sapien.

Sed tortor ante, aliquam id neque sit amet, dapibus convallis ligula. Nullam quis fermentum augue, ut tempor tortor. Etiam varius faucibus dolor eu aliquam. Sed scelerisque pulvinar mauris ut ornare. Pellentesque facilisis tellus a nunc dapibus mattis. Curabitur at tincidunt neque, eu vehicula ex. Phasellus malesuada ligula in lorem viverra tincidunt. Suspendisse vitae quam nisi. Vivamus congue tellus a convallis fermentum. Pellentesque mollis ultricies lorem sed hendrerit. Sed placerat convallis sodales. Etiam lobortis egestas cursus. Curabitur dignissim ultricies lectus ut suscipit. Vestibulum luctus ex a odio aliquam, in mattis massa elementum. Nullam tincidunt risus nec auctor viverra.

Aenean euismod ligula sed ex vulputate sagittis. Sed pulvinar ultricies tellus a scelerisque. Praesent vel justo sed mauris eleifend vehicula. Suspendisse tincidunt aliquet ultricies. Aenean vitae posuere justo. In ac tortor vel massa vehicula auctor. Cras viverra mattis ultrices. Etiam vitae congue orci. Quisque sit amet justo vitae eros pharetra volutpat in vel urna. Maecenas id justo libero. Nulla lobortis sem eu lacus porta, dictum ultrices dolor imperdiet. Quisque interdum nibh et lacus elementum pulvinar.