
dun & bradstreet

Global Insight Report

World

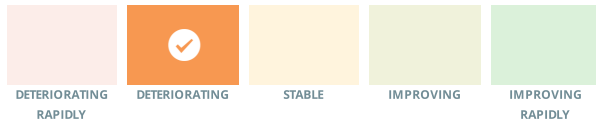
October 2022

SAMPLE



GLOBAL INSIGHT

Current Trend Indicator:

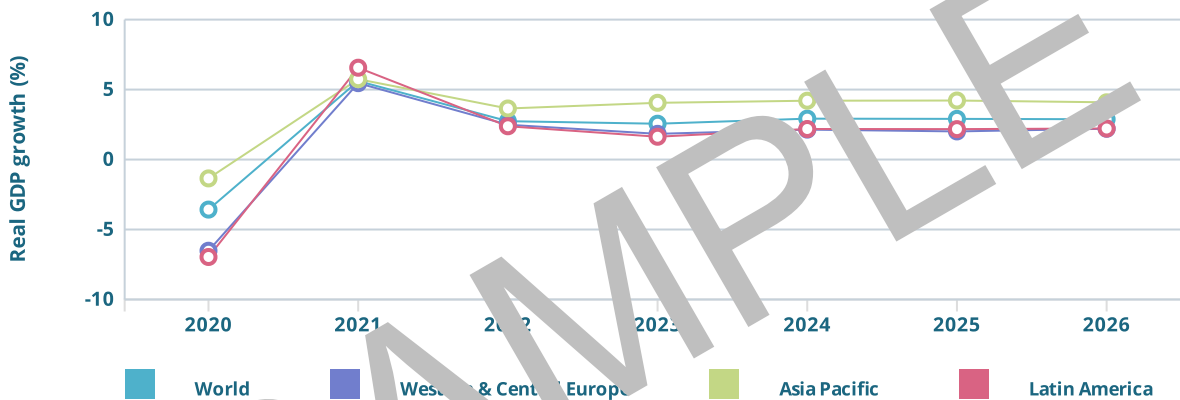


- Current Trend is **DETERIORATING**
- Last Change: March 2022 (Stable → Deteriorating)

Recent Developments

- The US Fed delivered a third consecutive 75 bps rate hike as core inflation remains strong.
- The Middle East's outlook moved to stable from deteriorating, to reflect healthier near-term economic prospects and an elevated geopolitical profile of several countries in the region.
- Risk to economic growth has increased across Europe, exerting additional pressure on the Euro, and prompting monetary and fiscal policy actions (e.g., the UK).
- Ukraine's counteroffensive has invoked a strong rhetoric from the Russian President, elevating risks of further escalation.
- Exports in APAC began waning; also, leading indicators suggest China's economy may see a better H2 vs. H1 2022, but overall growth prospects remain weak.

Global Growth Forecast



Source: Haver Analytics/Dun & Bradstreet

Risks and Opportunities

- Domestic political risks remain elevated globally; upcoming presidential elections in Brazil and Italy, and the US midterms remain key events to watch.
- Aggressive US Fed tightening exerts downward pressure on the currencies of developing economies.
- Due to the rising cost of debt, highly-leveraged households and debt-laden sovereigns and corporates may create pockets of distress, especially in emerging markets.
- China's reopening from lockdowns can support manufacturing, but higher Covid case numbers remain a risk to supply chain normalisation.
- The fragility of the EU's energy security has been exposed by the Ukraine war; this may test the EU's cohesion as Russia uses its leverage by reducing/stopping gas supplies.

Call to Action

- Focus on volumes, not revenues, as price rises could obfuscate underlying business strength.
- Expect further monetary tightening in the US as inflation remains the Fed's top priority.
- Establish alerts for negative changes in customers' and suppliers' viability.
- Review payment terms and ensure timely collections to minimise credit risks.
- Conduct end-to-end supply chain reviews; European businesses should specifically work to secure energy supplies before winter.