

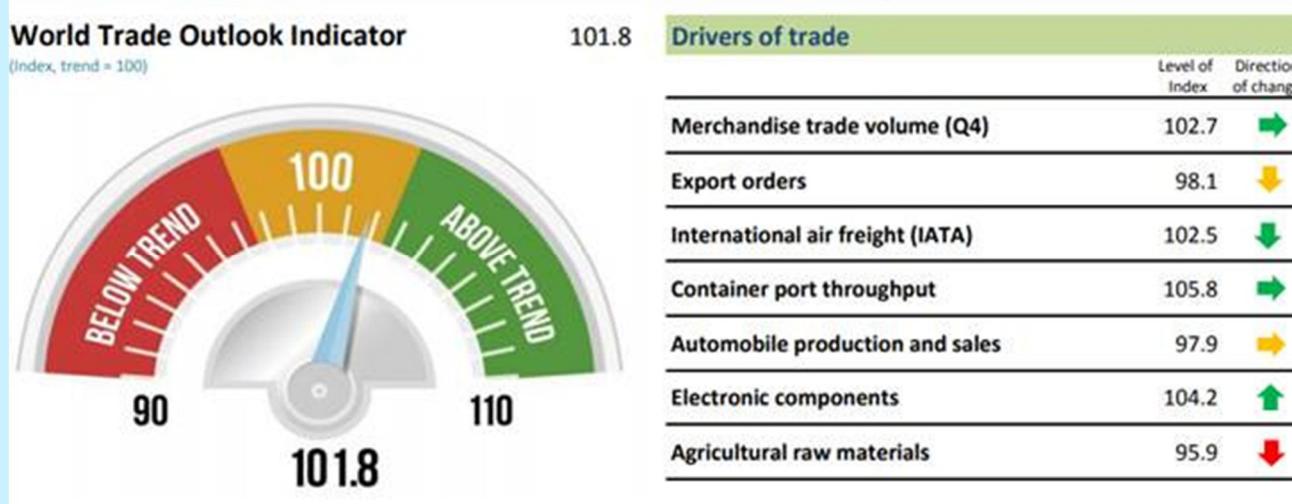
## **WTO suggests strong global trade growth to continue but get soften in Q2-2018**

The World Trade Organization's (WTO's) latest World Trade Outlook Indicator (WTOI) suggests that strong trade growth continues but may soften in second quarter of 2018. The latest value of 101.8 is down from 102.3 in the last WTOI release in February 2018 but above the baseline value of 100 indicating growth in line with recent trends, which suggests continued solid trade growth in the second quarter but probably at a slightly slower pace than in the first quarter.

The moderate dip in the overall WTOI index was driven by declines in component indices for export orders and air freight. The forward-looking export orders index dropped from an above trend plateau to a below trend value in the latest month. While the IATA air freight index remains above trend, it has also lost momentum recently. Container port throughput remains above trend but shows signs of plateauing, while automobile sales and raw materials are currently weighing down the WTOI. In contrast, electronic components trade has turned up, climbing above trend. These results are broadly in line with the latest WTO trade forecast, which predicted a moderation of merchandise trade volume growth from 4.7% in 2017 to 4.4% in 2018.

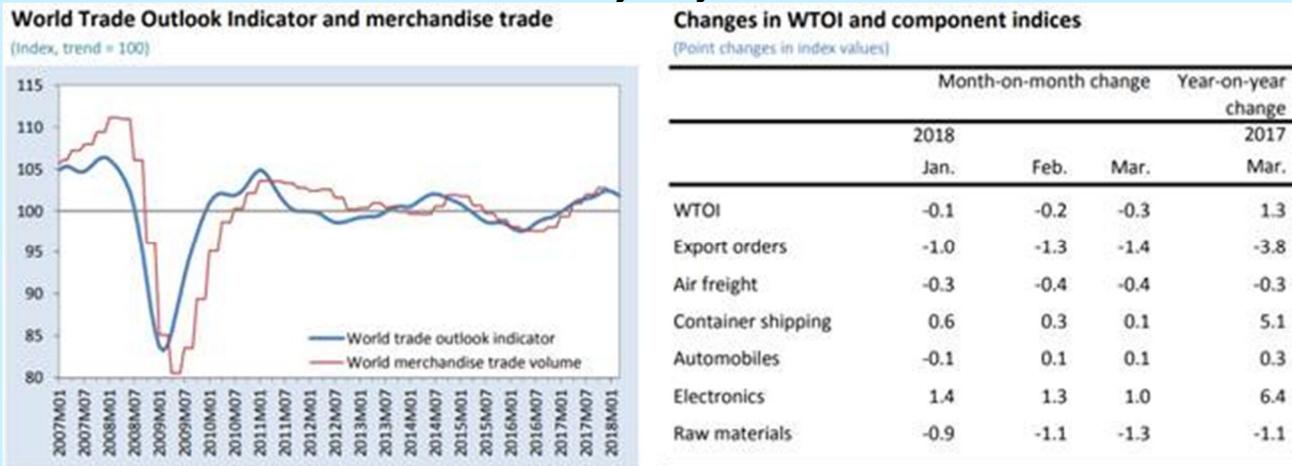
About the Indicator: Readings of 100 indicate growth in line with medium-term trends; readings greater than 100 suggest above trend growth, while those below 100 indicate the opposite. The direction of change reflects momentum compared the previous month.

## World Trade Outlook Indicator (as on May 2018)



Source: World Trade Organization

## World Trade Trajectory and Momentum



Note: Component indices of the WTOI are derived from various sources and are seasonally adjusted, smoothed, de-trended and amplitude adjusted by the WTO. As a result, values differ from original data series. For more information on interpretation, see methodological note.

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Warm regards,

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