

ECONOMIC PULSE

ECONOMIC UNCERTAINTY IS DECLINING

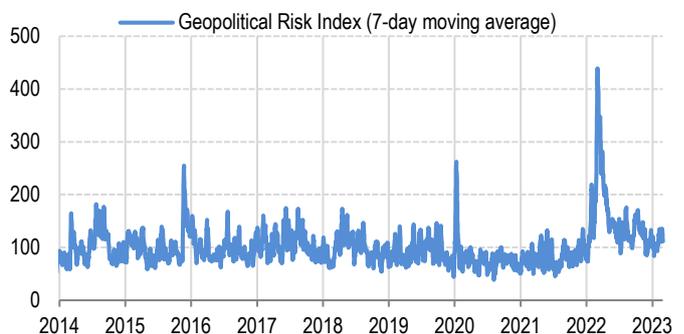
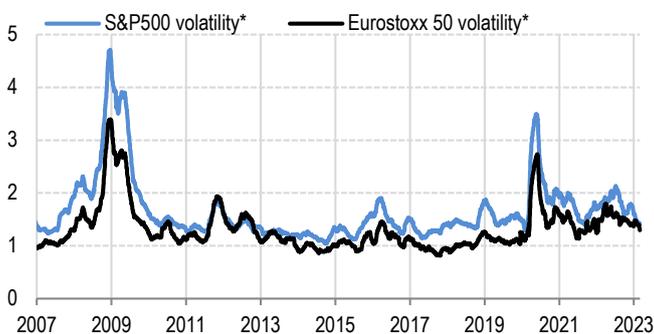
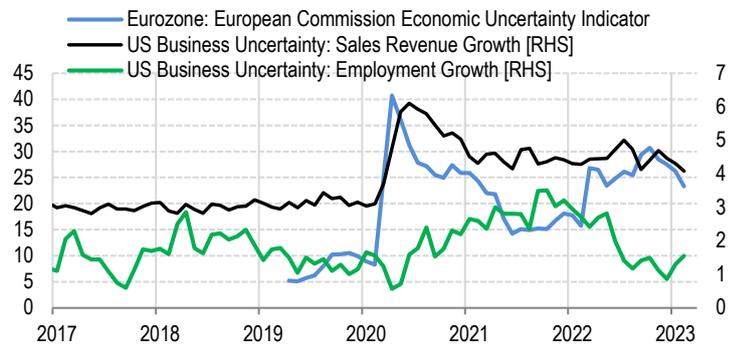
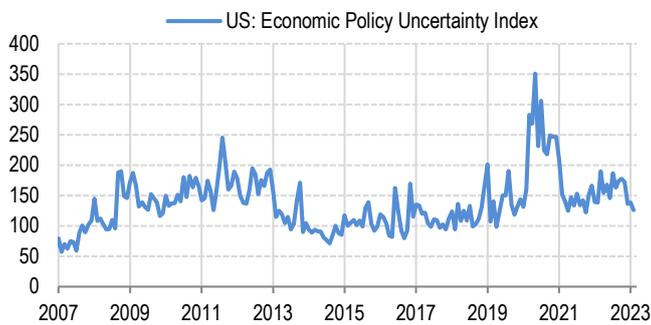
Our various uncertainty indicators are complementary in terms of both scope and methodology. In the top left chart on media coverage, the slight upward trend observed since mid-April 2021 has reversed course since year-end 2022 and early 2023, probably in line with the signs of easing inflation through January. Continuing clockwise, the next chart shows that in the United States, business uncertainty concerning sales revenues declined in February for the third consecutive month. In contrast, uncertainty over employment prospects rose reflecting the persistent difficulty of filling job vacancies.

For the fourth consecutive month, the European Commission’s economic uncertainty index declined in February, reflecting diminished uncertainty across the various business sectors.

The geopolitical risk index (*lower right chart*), which is based on media coverage, increased recently but remains highly volatile. Lastly, our equity market uncertainty indicator (dispersion of the daily performance of equity market components) remains on a downward trend, more distinctly in the United States than in the Eurozone.

Tarik Rharrab

CHANGES IN UNCERTAINTY



*volatility = 60-day moving average of the cross-sectional standard deviation of daily returns of the index constituents

SOURCE: REFINITIV, ECONOMIC POLICY UNCERTAINTY, EUROPEAN COMMISSION, ATLANTA FED, GPR INDEX (MATTEOIACOVIELLO.COM), BNP PARIBAS