

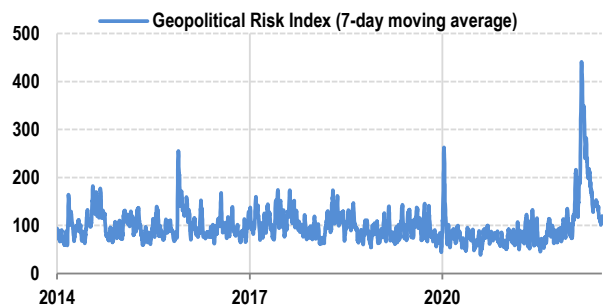
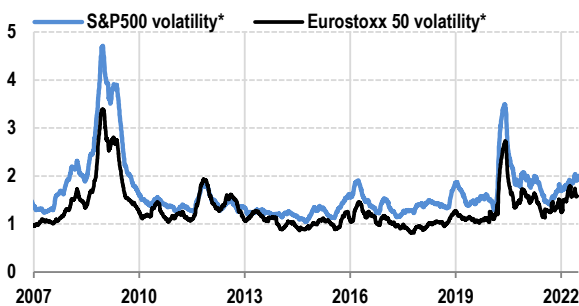
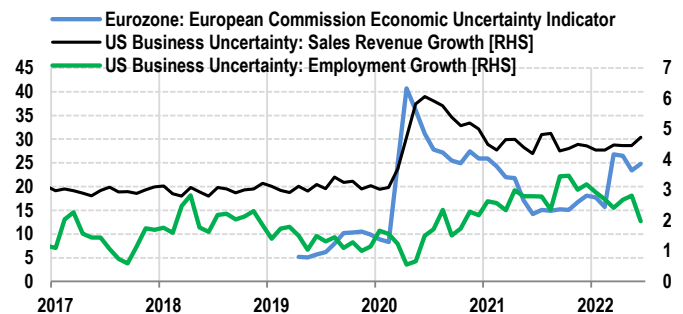
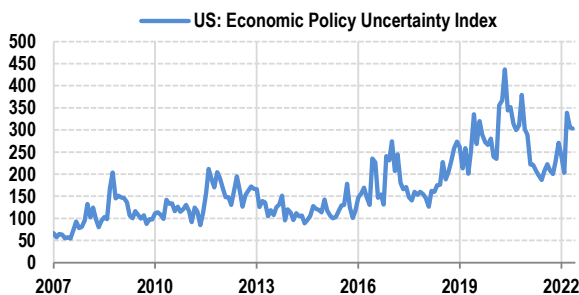
# ECONOMIC PULSE

## UNCERTAINTY: ECONOMIC UNCERTAINTY STABILISES

Our different uncertainty gauges are complementary, in terms of scope and methodology. Starting top left and continuing clockwise, US economic policy uncertainty based on media coverage has eased slightly in recent weeks after a significant increase, triggered, at least in part, by concern about the prospect of aggressive rate hikes by the Federal Reserve. In the United States, business uncertainty about sales revenue growth has increased slightly as of late but it has decreased significantly with respect to employment growth. The European Commission’s uncertainty index has edged higher. After having jumped following the war in Ukraine, it has essentially been moving sideways. The geopolitical risk index, which is based on media coverage, has declined further after spiking in February and March due to the war in Ukraine. The cross-sectional standard deviation of daily stock market returns of individual companies – a measure of financial uncertainty – has been on a rising trend in recent months in the United States and the euro area.

William De Vijlder

### 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 (MATTEOACIOVIELLO.COM), BNP PARIBAS

