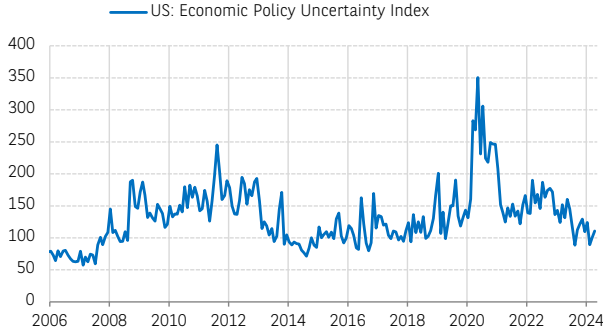


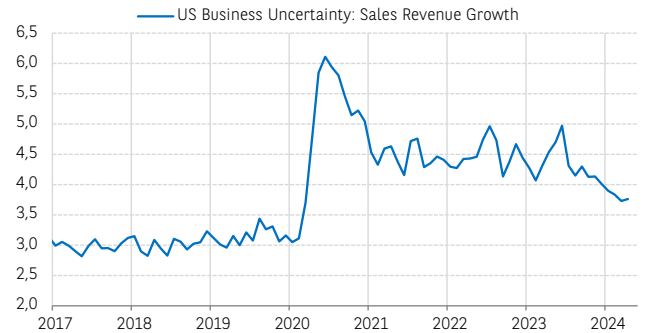
ECONOMIC PULSE

TREND IN UNCERTAINTY INDICATORS IN APRIL



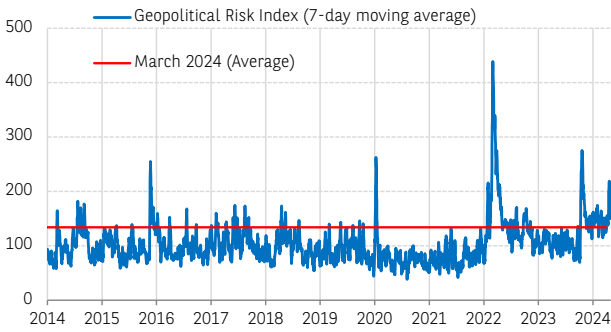
Sources : Economic Policy Uncertainty, BNP Paribas

In the United States, economic policy uncertainty based on media coverage increased in April for the second time in a row. There appears to be a correlation between this result and the spillover from the disappointing inflation data in the first quarter, which caused various players (central banks and markets) to postpone and drastically reduce their rate cut expectations for the year. In addition, according to the Chair of the Fed, inflation remains high and the restrictive policy will need to be kept in place even longer in order to keep progressing towards the 2% target.



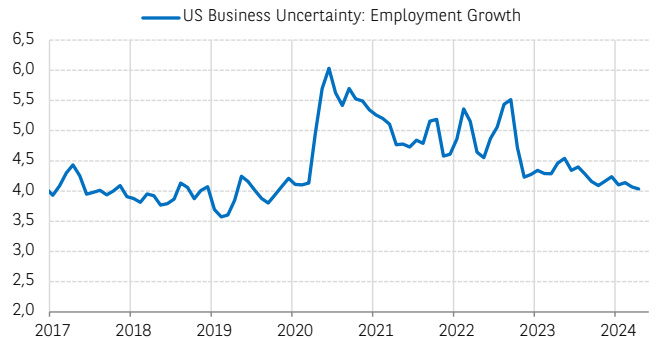
Sources: Atlanta Fed/Chicago Booth/Stanford Survey of Business Uncertainty (SBU), BNP Paribas

In April, there was a very slight increase in uncertainty over sales growth among US companies. This is not a significant development at this stage, but it should be monitored if it marks a trend reversal and heralds a deterioration in economic conditions, driven by persistent inflation and the Fed keeping interest rates high.



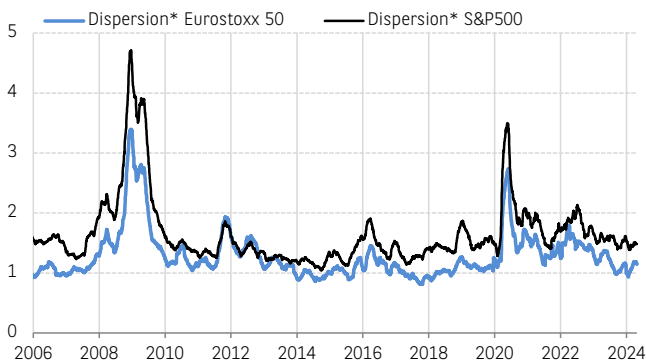
Sources: GPR Index (MATTEO IACOVIELLO.COM), BNP Paribas

The geopolitical risk index, also based on media coverage, rose sharply in April, following a fall in the last two weeks of March, as a result of renewed tensions in the Middle East. The index rose from 133 on average in March to 164 in April.



Sources: Atlanta Fed/Chicago Booth/Stanford Survey of Business Uncertainty (SBU), BNP Paribas

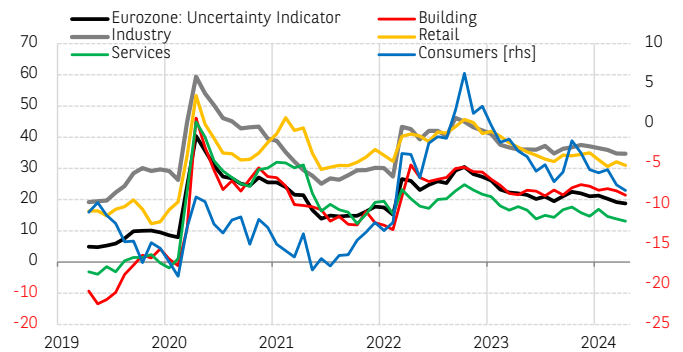
Conversely, the uncertainty felt by US companies about the employment outlook fell in April for the second month running, hitting its lowest level since December 2019.



Sources: Refinitiv, BNP Paribas

The market-based uncertainty indicator* plateaued in April in the Eurozone, bringing an end to its upward movement since mid-January 2024. In the United States, it fell in the last three weeks of April after rising during the first week.

* dispersion of the daily performances of individual companies.



Sources: European Commission, BNP Paribas

In the Eurozone, the European Commission's economic uncertainty index continued to fall in April (black curve). However, in a new and encouraging development, this fall can now be seen in all sectors, including the retail trade sector (yellow curve), which had risen in March.

