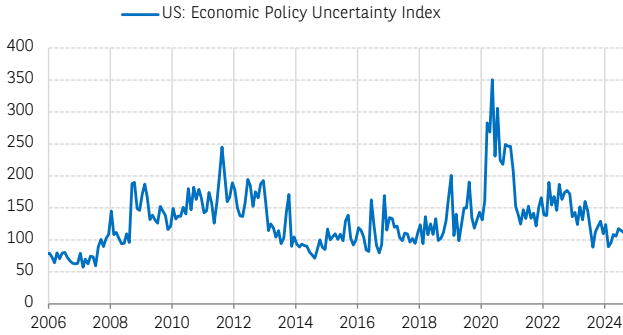


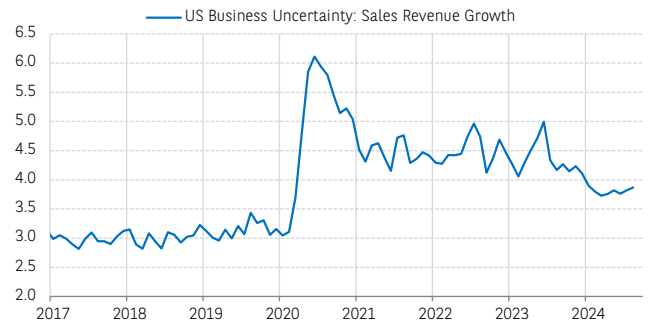
ECONOMIC PULSE

TREND IN UNCERTAINTY INDICATORS IN AUGUST



Source: Economic Policy Uncertainty, BNP Paribas

Uncertainty around US economic policy, based on media coverage, fell for a second month in a row in August. This drop is likely due to Jerome Powell's speech on 23 August at Jackson Hole, where the Chair of the Federal Reserve stated that the time has come for policy to adjust, meaning it is time to lower rates. This announcement echoed the views of some Fed officials, as expressed in the Federal Reserve's minutes published on 21 August.



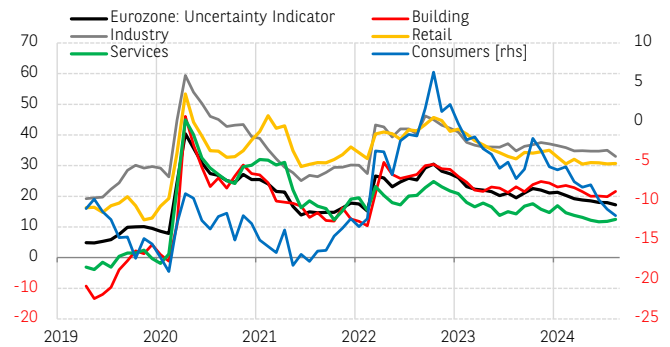
Source: Atlanta Fed/Chicago Booth/Stanford Survey of Business Uncertainty (SBU), BNP Paribas

In August, US companies reported increased uncertainty about their revenue growth, for the second consecutive month. This increase likely reflected the renewed concerns about the extent of the US economic slowdown, against a backdrop of fiscal and geopolitical uncertainty in the run-up to the presidential election on 5 November.



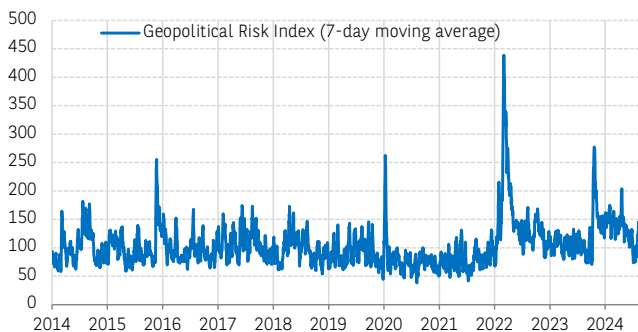
Source: Atlanta Fed/Chicago Booth/Stanford Survey of Business Uncertainty (SBU), BNP Paribas

Uncertainty about the employment outlook also increased in August, following a brief decrease in July. The August rise remains limited though, in view of the more clear-cut signs of the US labour market slowdown in July, particularly in terms of non-farm payrolls gains and the rise in the unemployment rate to 4.3%, its highest level since December 2021.



Source: European Commission, BNP Paribas

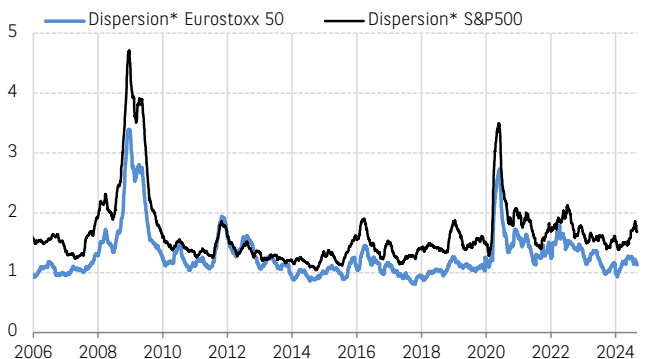
In the Eurozone, the European Commission's economic uncertainty index continued on its downward trend in August (black curve), thanks to the fall in consumers' uncertainty (blue curve) and in industry in particular (grey curve), while uncertainty remained generally stable in retail (yellow curve). Conversely, uncertainty increased again in the construction sector (red curve) and continued to trend slightly upwards in services (green curve).



Source: GPR Index (MATTEOICIACOVIELLO.COM), BNP Paribas

The geopolitical risk index, which is also based on media coverage, rose sharply in August, reflecting the ongoing tensions in the Middle East and the conflict in Ukraine. One should keep in mind though that this index is highly volatile.

* dispersion of the daily performances of individual companies.



Source: Refinitiv, BNP Paribas

The stock market-based uncertainty indicator* continued to fall in the Eurozone, while the uptrend in the United States reversed in August.

Tarik Rharrab