

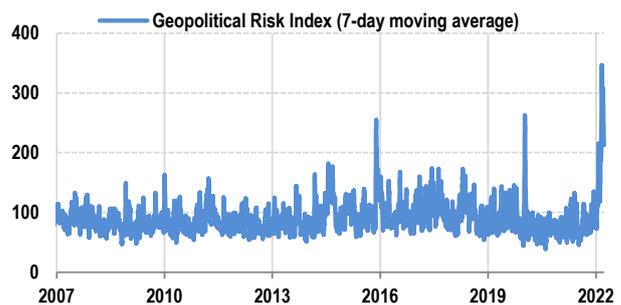
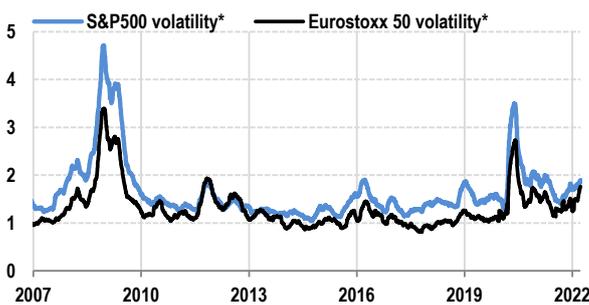
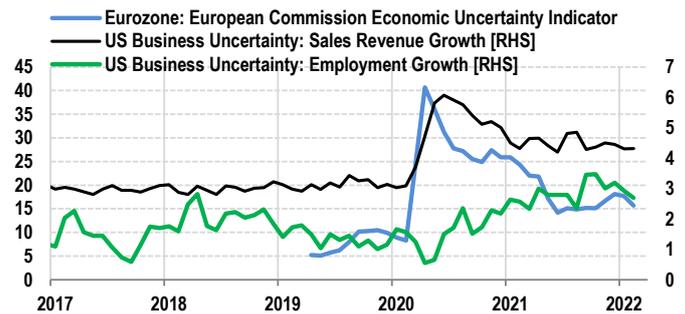
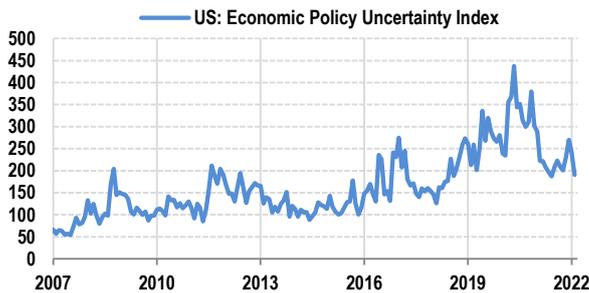
ECONOMIC PULSE

WAR IN UKRAINE CAUSES JUMP IN UNCERTAINTY

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 declined since the start of the year but the latest data are for February and do not yet reflect the impact of the war in Ukraine. That also applies to uncertainty based on business surveys, which has been declining since the beginning of the year. Geopolitical risk – based on media coverage – has seen a huge jump following the invasion of Ukraine. For the same reason, the cross-sectional standard deviation of daily stock market returns of individual companies – a measure of financial uncertainty – has risen in the US and the euro area, although to a rather limited extent.

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, ATLANTA FED, BNP PARIBAS

