

ECONOMIC PULSE

8

UNCERTAINTY: DIVERGENT TRENDS

Our various uncertainty indicators are complementary in terms of both scope and methodology. Some discrepancies have become apparent in the most recent surveys.

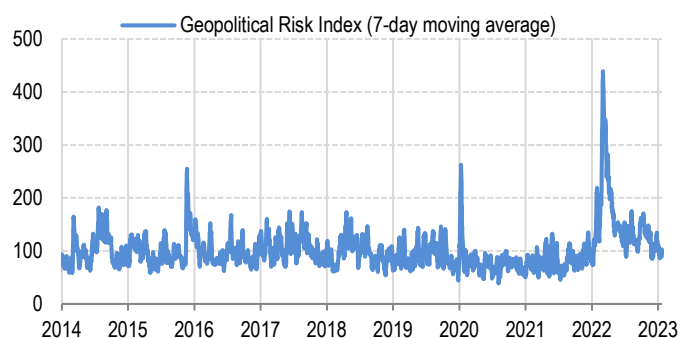
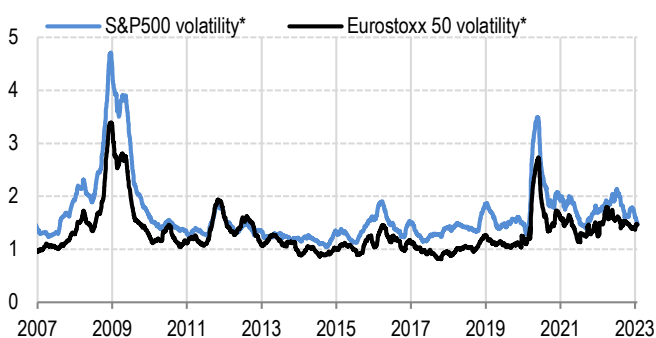
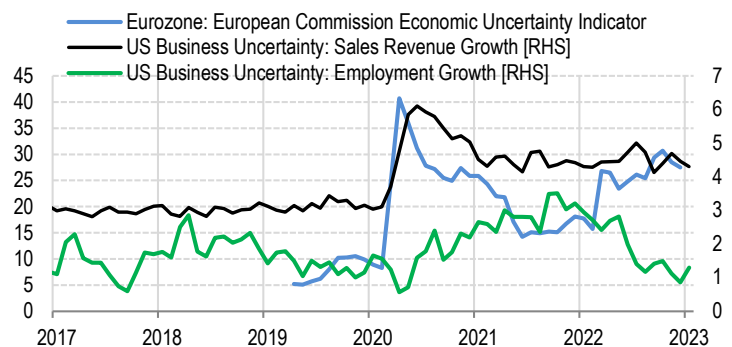
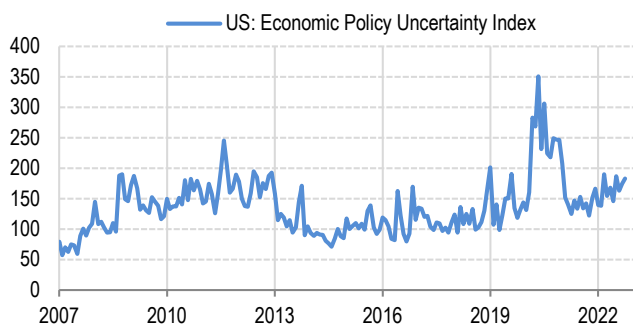
As can be seen in the top left of the set of charts, uncertainty about US economic policy, based on media coverage, has continued on an upward trend since mid-April 2021, on the back of the tightening of monetary policy by the Federal Reserve. Continuing in a clockwise direction, in the United States uncertainty among companies about their turnover reduced (after a brief upturn), but it increased in relation to employment prospects, a slight increase in the context of a downward trend ongoing since October 2021.

The European Commission's economic uncertainty index fell slightly, due to less uncertainty in the various sectors of activity, with the exception of households (which rose slightly).

The geopolitical risk index (bottom right), which is based on media coverage, is showing signs of stabilising since the start of 2023 after a decline over the final months of 2022. Finally, our uncertainty indicator based on stock markets (cross-sectional dispersion of individual share price changes) rose slightly as of late in the eurozone, while it remains on a downward trend in the United States.

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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



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