

ECONOMIC PULSE

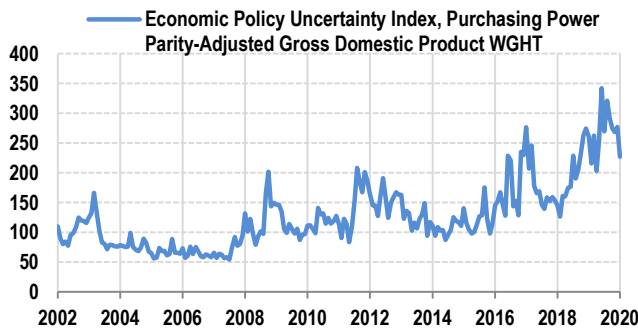
UNCERTAINTY: CONFLICTING SIGNALS

The data used to chart different measures of uncertainty do not yet take into account the impact of the coronavirus. With this caveat in mind, the signals nevertheless go in different directions. Starting top left and going clockwise, the media coverage based economic policy indicator has eased, which probably reflects the US-China phase 1 trade deal as well as positive news from the UK on Brexit. German companies feel slightly less uncertain but the level remains high. Surprisingly – against the background of the trade deal- uncertainty of US companies has jumped although it should be noted that his series is very volatile.

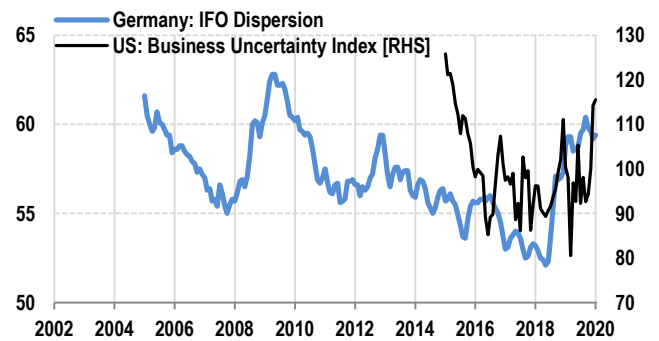
The media coverage based geopolitical uncertainty index has jumped very recently, which is probably related to events in the Middle East and the Gulf region. Finally, uncertainty based on the dispersion of individual share prices has declined somewhat. One should expect most of these series to rebound as the effect of the epidemic becomes visible in the data used to construct the uncertainty measures.

William De Vijlder

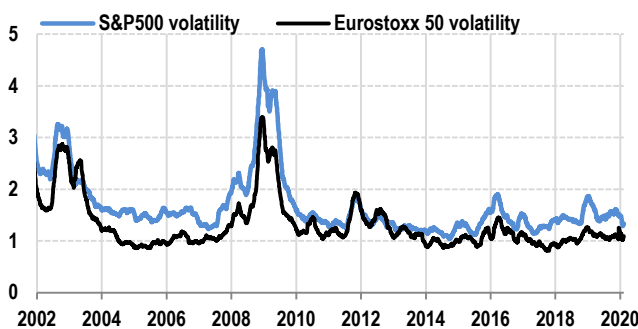
ECONOMIC POLICY UNCERTAINTY INDICATOR



UNCERTAINTY OF US AND GERMAN COMPANIES

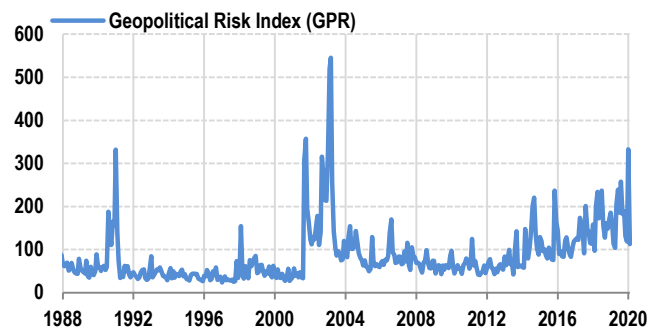


STOCK MARKET BASED UNCERTAINTY



volatility = 60-day moving average of the cross-sectional standard deviation of daily returns of the index constituents

MEDIA COVERAGE BASED GEOPOLITICAL UNCERTAINTY



SOURCE: ECONOMIC POLICY UNCERTAINTY, BLOOMBERG, IFO, ATLANTA FED, BC, BNP PARIBAS

