

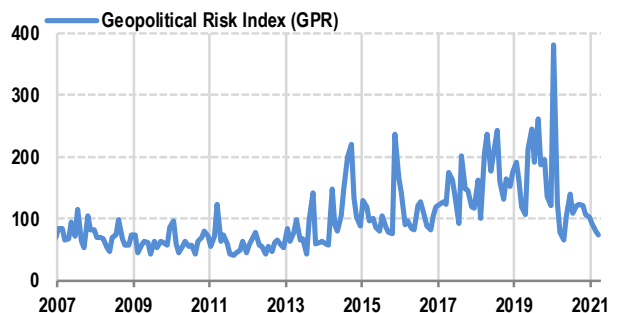
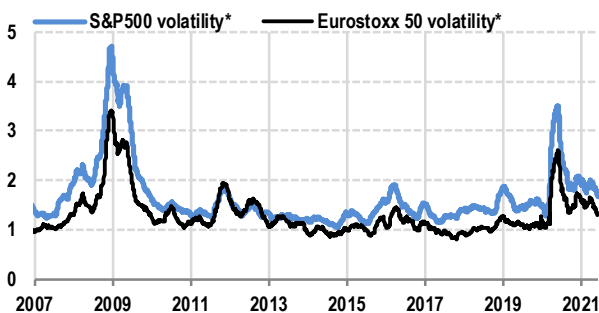
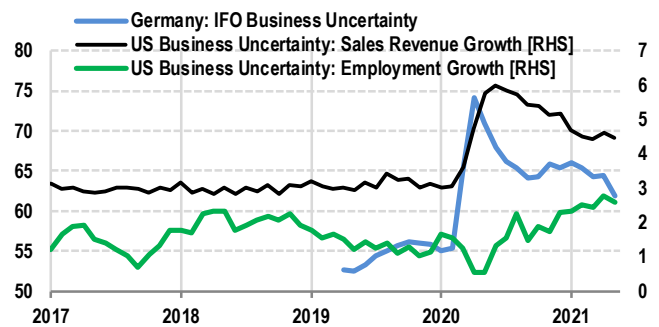
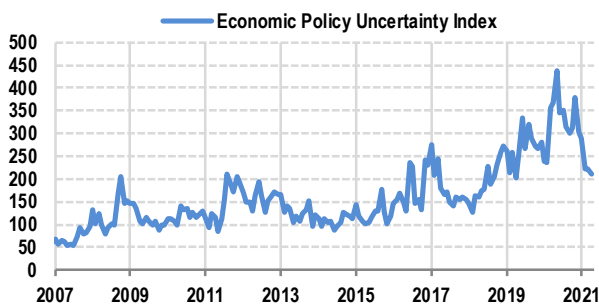
ECONOMIC PULSE

UNCERTAINTY DECLINING ACROSS THE BOARD

Our different uncertainty gauges are complementary, in terms of scope or methodology, yet, based on the latest readings, they all point towards a reduction in uncertainty. Such a uniform, positive message is quite unique and reflects the combination of a significant increase in many countries of administered vaccine doses, the lifting of restrictions and better economic data. Starting top left and following clockwise, economic policy uncertainty based on media coverage has declined further in recent weeks. Uncertainty based on business surveys has dropped in Germany and eased in the US. Geopolitical risk – based on media coverage – has declined since the start of the year. Finally, the cross-sectional standard deviation of daily stock market returns of individual companies has declined in the US and the Eurozone.

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, IFO, ATLANTA FED, BNP PARIBAS

