

# ECONOMIC PULSE

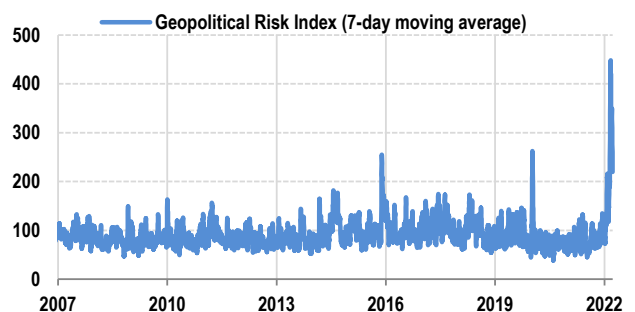
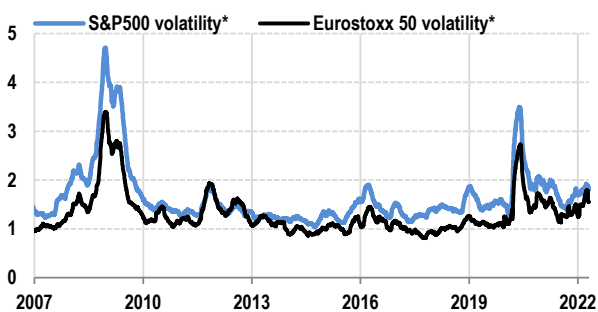
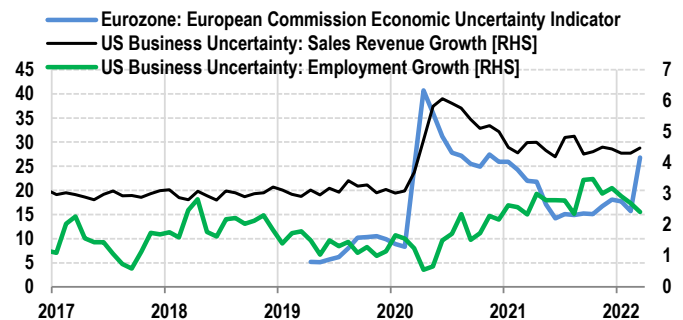
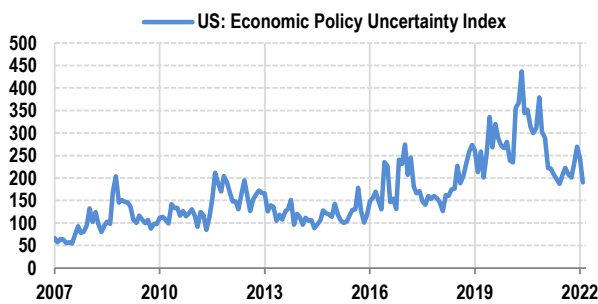
## UNCERTAINTY: DOMINATED BY GEOPOLITICS

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. In the US, business uncertainty about sales revenue growth has been edging higher whereas uncertainty about employment growth continues its downtrend.

The European Commission’s uncertainty index has jumped following the war in Ukraine. This has also caused an exceptionally large increase in the geopolitical risk index, which is based on media coverage. 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, albeit to a limited degree.

**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

