

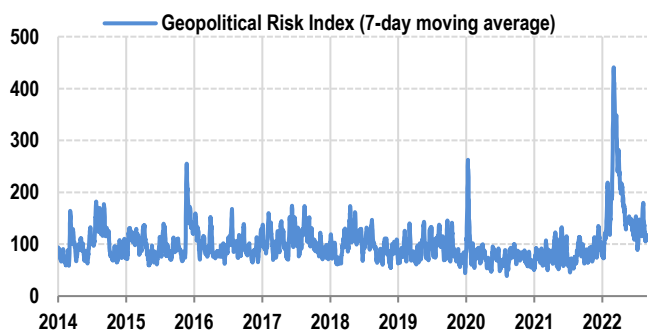
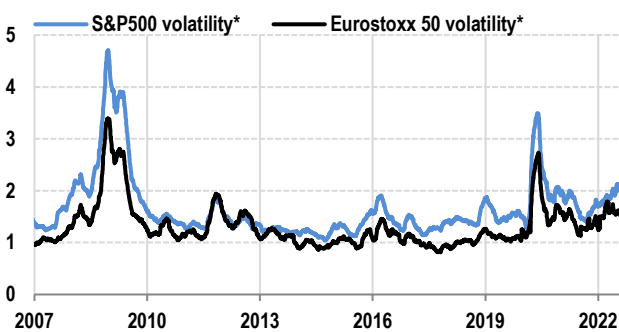
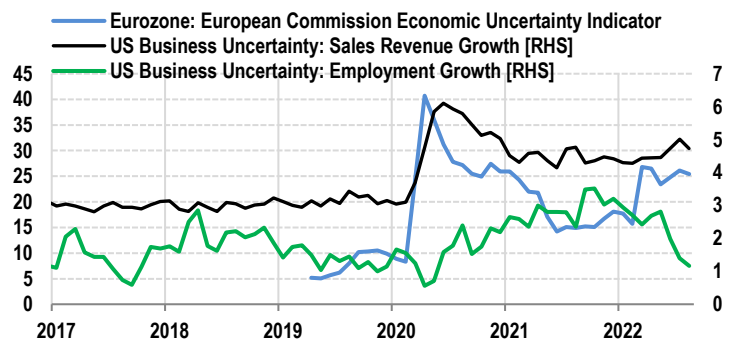
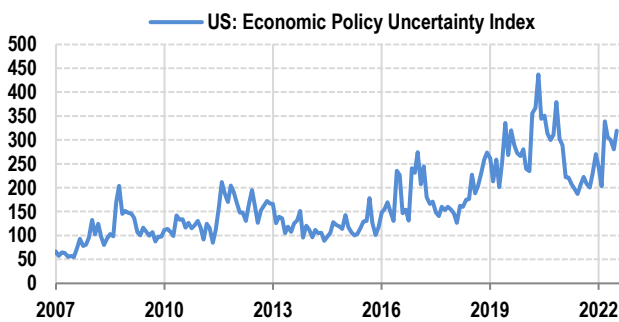
ECONOMIC PULSE

UNCERTAINTY: MOST INDICATORS ARE EDGING DOWN

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 increased slightly recently, reflecting the hawkish tone of the Federal Reserve and hence concern about the extent and the impact of additional monetary tightening. In the US, business uncertainty about sales revenue growth has declined slightly as of late after a rising trend lasting several months. Uncertainty with respect to employment growth has dropped in recent months, which could reflect an easing of labour market tensions. The European Commission's uncertainty index has recently seen a minor decline. Following the jump triggered by the war in Ukraine, it has essentially been moving sideways. The latest observations of the geopolitical risk index, which is based on media coverage, show a decline. Finally, the cross-sectional standard deviation of daily stock market returns of individual companies – a measure of financial uncertainty – has also moved lower after having been on a rising trend in recent months.

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

