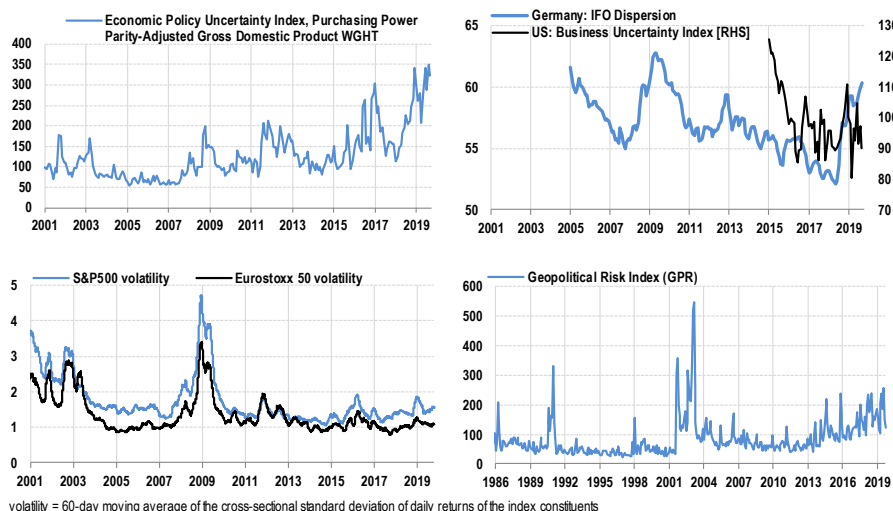


Pulse

Uncertainty: at a peak?

We monitor uncertainty by means of different metrics. Starting top left and moving clockwise, the economic policy uncertainty index, which is based on media coverage, is at a historical high, on the back of US-China trade tensions and fears about a disorderly Brexit. The recent trade deal between the US and China, although of a very limited scope, and the agreement between the UK government and the European Union on Brexit, have fuelled hope that uncertainty will abate in the near term. This obviously remains to be seen. Uncertainty of companies in Germany is still increasing whereas it has eased a bit in the US. The geopolitical risk index, again based on media coverage, is on a rising longer-term trend. Moreover, it has rebounded as of late. Uncertainty based on individual share price performance remains low although in the US the trend is up. This could reflect growing unease about the outlook despite an accommodative monetary environment.



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

Source: Economic Policy Uncertainty, Bloomberg, IFO, Atlanta Fed, BC, BNP Paribas

Indicators preview

As usual around this time of the month, we have a heavy schedule of important releases: flash PMIs in various countries, business climate in Germany (IFO) and France, eurozone consumer confidence, University of Michigan household sentiment. In France we also have labour market data and in the US, several statistics with respect to housing. The ECB survey of professional forecasters will be interesting to check how growth and, in particular, inflation expectations have evolved. Finally, the highlight of the week will be the press conference after the ECB meeting, now that everybody has had enough time to digest the decisions of the previous meeting.

Date	Country/Region	Event	Period	Survey	Prior
10/22/2019	United Kingdom	CBI Trends Total Orders	Oct	--	-28
10/22/2019	United States	Richmond Fed Manufact. Index	Oct	--	-9
10/22/2019	United States	Existing Home Sales MoM	Sep	-0.7%	1.3%
10/23/2019	France	Business Confidence	Oct	--	106
10/23/2019	United States	MBA Mortgage Applications	Oct	--	0.5%
10/23/2019	Eurozone	Consumer Confidence	Oct	--	-6.5
10/24/2019	Japan	Jibun Bank Japan PMI Composite	Oct	--	51.5
10/24/2019	France	Markit France Composite PMI	Oct	--	50.8
10/24/2019	Germany	Markit/BME Germany Composite PMI	Oct	--	48.5
10/24/2019	Eurozone	Markit Eurozone Manufacturing PMI	Oct	--	45.7
10/24/2019	Eurozone	Markit Eurozone Services PMI	Oct	--	51.6
10/24/2019	Eurozone	Markit Eurozone Composite PMI	Oct	--	50.1
10/24/2019	Eurozone	ECB Deposit Facility Rate	Oct	--	-0.500%
10/24/2019	United States	Durable Goods Orders		-0.8%	0.2%
10/24/2019	United States	Markit US Composite PMI	Oct	--	51.0
10/24/2019	United States	New Home Sales MoM	Sep	-0.4%	7.1%
10/24/2019	United States	Kansas City Fed Manf. Activity	Oct	--	-2
10/25/2019	Japan	Machine Tool Orders YoY	Sep	--	-35.5%
10/25/2019	Germany	GfK Consumer Confidence	Nov	--	9.9
10/25/2019	Germany	IFO Business Climate	Oct	--	94.6
10/25/2019	Eurozone	ECB Survey of Professional Forecasters			
10/25/2019	France	Total Jobseekers	3Q	--	3.3773e+06
10/25/2019	United States	U. of Mich. Sentiment	Oct	--	96.0

Source: Bloomberg, BNP Paribas

