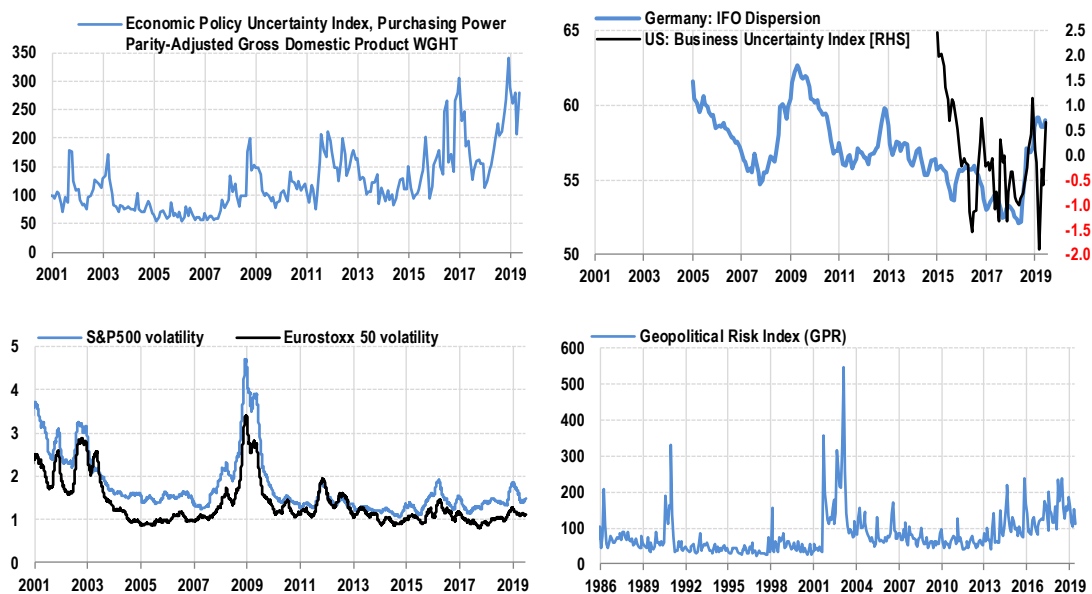


## Pulse

### Uncertainty: persistently high

High levels of uncertainty can have a profound impact on economic activity and financial markets. Our Pulse presents different metrics. Starting top left and moving clockwise, the economic policy uncertainty index, which is based on media coverage, remains very high. This doesn't come as a surprise considering ongoing trade tensions. Companies in Germany still feel very uncertain and, after a brief dip, the uncertainty level of US companies has rebounded. The geopolitical risk index, again based on media coverage, has eased a bit in recent months, although the longer-term trend is still up. Uncertainty based on individual share price performance is still rather low: the prospect of monetary policy easing clearly helps.



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

Source: Bloomberg, Markit, BNP Paribas

### Indicators preview

A rather light week ahead of us in terms of data with industrial production for the month of May in Germany, France, the eurozone and Japan. In the UK, the monthly GDP estimate will show how the economy is doing faced with ongoing Brexit uncertainty. China will publish trade balance data (important given the trade confrontation with the US and the economic slowdown) as well as information on aggregate financing. In France and Germany we will have inflation numbers. The Banque de France will publish its industrial sentiment index for June. In the US, inflation numbers will be released as well as mortgage applications. The FOMC meeting minutes will be eagerly awaited considering the shift in tone towards easing.

Date Time	Region	Event	Period	Survey	Prior
07/08/2019	Greece	Industrial Production SA MoM	May	0.5%	-1.9%
07/08/2019	France	Bank of France Ind. Sentiment	June	--	99
07/09/2019	United States	NFIB Small Business Optimism	June	--	105.0
07/09/2019	China	Aggregate Financing CNY	June	1.8955e+12	1.4e+12
07/10/2019	France	Industrial Production MoM	May	--	0.4%
07/10/2019	United Kingdom	Monthly GDP 3M/3M Change	May	0.0%	0.3%
07/10/2019	United States	MBA Mortgage Applications	July-05	--	-0.1%
07/10/2019	United States	FOMC Meeting Minutes	June-19	--	--
07/11/2019	Germany	CPI EU Harmonized MoM	June	--	0.1%
07/11/2019	France	CPI EU Harmonized MoM	June	--	0.3%
07/11/2019	United States	CPI MoM	June	0.0%	0.1%
07/12/2019	Japan	Industrial Production MoM	May	--	2.3%
07/12/2019	Eurozone	Industrial Production SA MoM	May	0.2%	-0.5%
07/12/2019	United States	PPI Final Demand MoM	June	0.1%	0.1%
07/12/2019	China	Trade Balance	June	4.5e+10	4.165e+10

Source: Bloomberg, BNP Paribas

