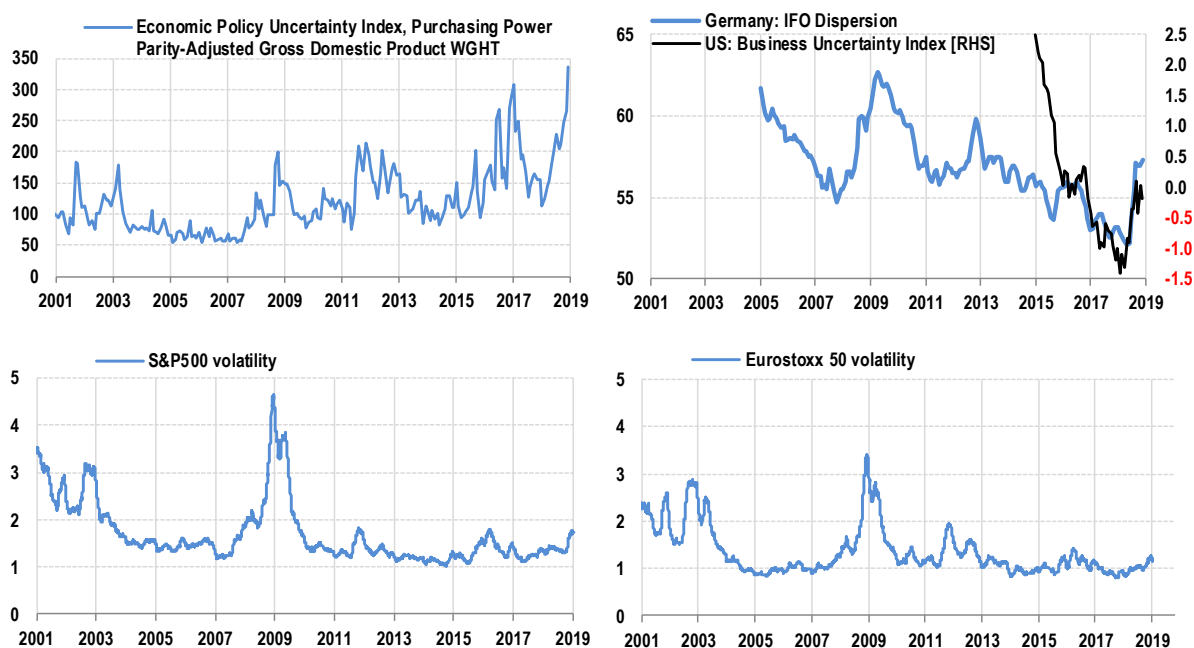


## Pulse

### Uncertainty on the rise

The economic policy uncertainty index, which is based on media coverage of this topic, has seen a huge increase since the middle of last year, even surpassing the previous high reached at the end of 2016. Measures of business uncertainty in Germany and the US have also risen. The dispersion of individual stock returns, a third measure of uncertainty, has also increased in the US and to a lesser extent in the eurozone. The different indicators lead to the same conclusion of a rising trend in uncertainty on the back of trade war fears, Brexit concerns, slower growth. A prolonged period of high uncertainty would end up acting as a headwind to growth.



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, BNP Paribas

### Indicators preview

Highlights of next week are the meetings of the Bank of Japan and the ECB. Markets will be looking for signs of a possible change in the assessment of the outlook. Also worth noting are several indicators for the month of January: Markit PMI, business confidence in France and the UK, the IFO business climate in Germany, consumer confidence in the eurozone as well as the Richmond Fed and Kansas City Fed manufacturing index. All in all, by the end of next week we will have a better picture of how key countries have started the year.

Date	Country	Event	Period	Surv(M)	Prior
01/16/19-01/22/19	United States	New Home Sales MoM	Nov	4.2%	-8.9%
01/16/19-01/25/19	United States	Trade Balance	Nov	-5.4e+10	-5.55e+10
01/17/19-01/25/19	United States	Retail Sales Control Group	Dec	0.4%	0.9%
01/19/19-01/25/19	United Kingdom	CBI Business Optimism	Jan	--	-16
01/21/19	United Kingdom	Rightmove House Prices MoM	Jan	--	-1.5%
01/22/19	United Kingdom	ILO Unemployment Rate 3Mths	Nov	--	4.1%
01/22/19	United States	Existing Home Sales MoM	Dec	-0.9%	1.9%
01/23/19	France	Business Confidence	Jan	--	102
01/23/19	United States	Richmond Fed Manufacturing Index	Jan	--	-8
01/23/19	Eurozone	Consumer Confidence	Jan	--	-6.2
01/23/19	Japan	BOJ Policy Balance Rate	Jan 23	--	-0.100%
01/24/19	France	Markit France Manufacturing PMI	Jan	--	49.7
01/24/19	France	Markit France Composite PMI	Jan	--	48.7
01/24/19	Eurozone	Markit Eurozone Manufacturing PMI	Jan	--	51.4
01/24/19	Eurozone	Markit Eurozone Composite PMI	Jan	--	51.1
01/24/19	Eurozone	ECB Main Refinancing Rate	Jan 24	--	0.000%
01/24/19	United States	Kansas City Fed Manufacturing Activity	Jan	--	3
01/25/19	Germany	IFO Business Climate	Jan	--	101.0
01/25/19	United States	Durable Goods Orders	Dec	--	--

Source: Bloomberg, BNP Paribas

