

# ECONOMIC PULSE

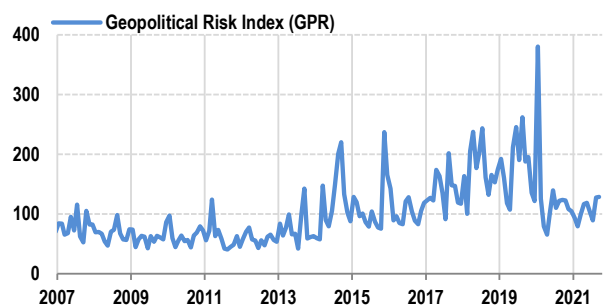
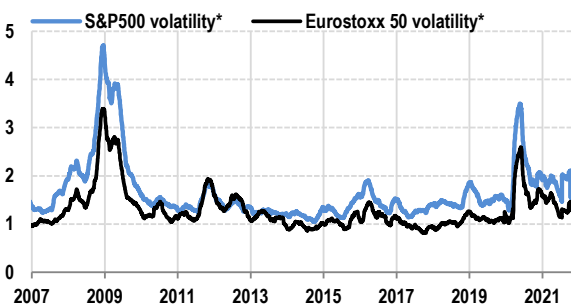
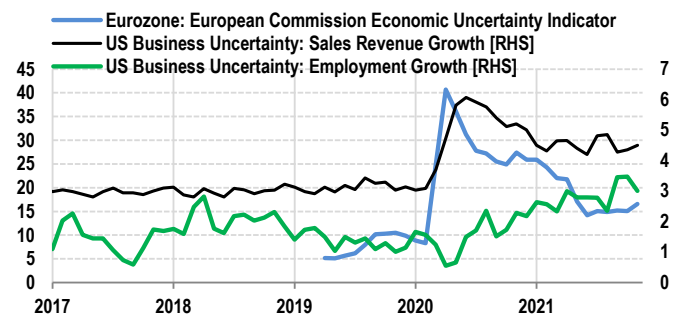
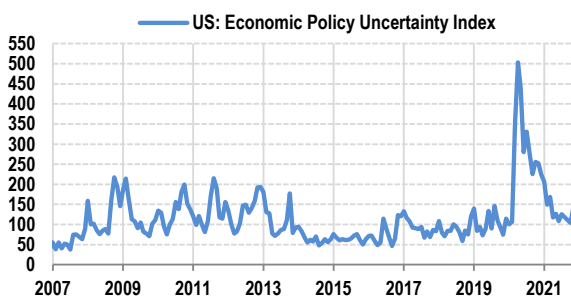
## UNCERTAINTY: SLIGHT INCREASE

Our different uncertainty gauges are complementary, in terms of scope and methodology. Based on the latest readings, several uncertainty gauges show a slight increase. This reflects a combination of ongoing supply disruption and bottlenecks but also and in particular, renewed concern about the pandemic, considering the significant rise in several countries of infections with the Delta variant and concern about the Omicron variant.

Starting top left and continuing clockwise, US economic policy uncertainty based on media coverage has rebounded, which reflects the more hawkish tone of Jerome Powell in recent statements. Uncertainty based on business surveys is rising slowly in the euro area and in the US as well, as far as sales-related uncertainty is concerned. This reflects the issue of supply bottlenecks and long delivery lags. In the US, uncertainty with respect to employment growth has eased but remains high, reflecting the difficulty of finding staff. Geopolitical risk – based on media coverage – has edged slightly higher in recent months but stays at a low level. Finally, the cross-sectional standard deviation of daily stock market returns of individual companies – a measure of financial uncertainty – is not showing any clear direction.

**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

