

Indicator of uncertainty in the equity market*

Chart 2.5



Sources: Bloomberg, Markit and Bundesbank calculations. * The squared deviation of the equity index from an estimated value (conditional variance) is shown. The estimate is based on the variation of credit and volatility indices, government bond yields and temporal effects. The deviation represents price developments that cannot be explained by the estimation. It can be interpreted as a non-diversifiable risk or as an indicator of uncertainty.