The clear winner of last week’s election was YouGov, the polling company that got the result just about right. For the rest of us, uncertainty looms. While it’s commonplace to say uncertainty is bad for the economy – and it is – we can read too much into the short-term impact of elections. The medium-term consequences will matter more.

Weak. The UK service-sector PMI fell to 53.8 in May suggesting decent enough albeit slower growth. Apparently delays in decision-making ahead of the election and a general sense of economic uncertainty put a brake on business-to-business sales. Respondents also said that tighter household budgets are intensifying competition. The silver-lining is that it’s leading to slower price increases with that incdicator slipping to the lowest level since November.

Momentum. After three months of back-to-back declines, UK industry boosted production by 0.2% in April. Manufacturing output was up but the opposite was true in construction, where output fell by 1.6%, with house building down a sobering 7.1% on the month. In short, a mixed bag, especially as the service sector saw turnover fall in April. At best there’s little to suggest the UK economy is roaring ahead.

Wobbly. The Halifax reported that the price of the average UK house rose by 0.4% in May. However, prices were down 0.2%q/q while the y/y change was 3.3%, far distant from 9.6% a year ago. The market is still adjusting to changes in buy-to-let taxation and to the referendum on EU membership, both of which have especially affected the London market. The nation's surveyors reckon the market could remain subdued for some time yet. They expect little change in prices in the next few months with the number of people wanting to sell and to buy both falling. Their explanation is that uncertainty about the outcome of the election was putting people off from making big decisions. If that's correct…

Wait and see? There are many factors that impact on the housing market, and in seems that last week's General Election could have been one of them. According to the latest RICS and Ulster Bank survey, the number of potential homebuyers active in Northern Ireland increased during May, and more properties became available, but newly agreed sales actually fell back slightly. Anecdotal evidence suggests that, whilst potential purchasers were looking, some were taking a 'wait and see approach' until after the results of the vote were known. In keeping with this theory, surveyors expect sales to rise in the quarter ahead. Though three months is a long time in the housing market and there is no shortage of other factors that could come into play.

Swing. 2016 was a record year for car showrooms but was it the peak? UK new car sales fell by 8.5% y/y in May with N.Ireland faring slightly worse (-9.4%). Reform to vehicle excise duty (VED) has created some noise in the figures but the trend is clear. Over the last year the number of new cars sold nationally has been flat. But Scotland, Wales and NI have posted y/y declines year-to-date. Car sales are a useful indicator of consumer confidence. With inflationary headwinds set to intensify, they're worth keeping an eye on.

Strong. The UK's trade deficit almost halved in April but that's no thanks to exports, which stagnated in April. Exports to the EU fell by 4.6% while sales to the rest of the world rose by almost the same margin. The balance of trade improvement stemmed from a 5% fall in imports. Over the last year or so, the exchange rate has benefited exporters but had not diminished our penchant for imports. The squeeze on spending power might now be doing that job.

For the many. The Eurozone economy enjoyed an excellent start to the year, growing by 0.6% in Q1. This takes annual growth to 1.8% and compares favourably to the UK's 0.2% and the US' 0.3%. Evidence that this is more than superficial are that it's broad-based (even Italy outgrew the UK) and long-lasting (growth has averaged almost 0.5% per quarter for two years). Yet, perhaps unfairly, the region still can't shake the perception that the recovery's skin deep. Monetary policy remains hugely supportive, so I guess the litmus test will be maintaining growth unsupported by bond purchases.

Hold. The European Central Bank (ECB) raised it's expectations for future economic growth across the region but made no change to monetary policy. Well, not officially. It kept its main interest rate unchanged and confirmed its commitment to buying €60bn of bonds each month until at least December "or beyond, if necessary". Yet in these circles what's unsaid is often as important as what's spoken. And by dropping a reference to future rate cuts the ECB has, if not opened the door, then at least turned the handle to the possibility to future tightening. A small step, but potentially a significant one.

Marginal. Weak productivity growth isn't just a UK problem. It grew by a decent-enough 1.2%y/y in the US in Q1. But growth in both countries has been lame – 0.6%y/y in the UK since 2014 with the US at 0.7%. Some culprits are familiar – education and infrastructure. Some are less so – diffusion of technology, regulation, strength of competition and planning regulations. Fixing these can be politically difficult and take a long time to bear fruit. It would be best to start on them now.

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