

Eurozone consumer confidence rebounds in April

Consumer confidence improves to 0.4 in April, up from 0.1 in March



The start of the Eurozone confidence figures for April is a mixed bag. The ZEW Index dropped sharply earlier this week but consumer confidence rebounded quite surprisingly. Even though worries about the global economy have been increasing on the back of trade war concerns and a higher oil price, there is still a lot to like for the Eurozone consumer. Inflation has remained subdued despite the higher oil price and unemployment continues to decrease. While consumers may not be on cloud nine anymore, the economic environment remains positive for consumption.

Last month, consumer confidence was stable at 0.1, but underlying data revealed another deterioration in consumer sentiment. The lower expectations for inflation count positively in the indicator, making up for deteriorating views on the global economy, personal finances and chances of unemployment. The uncertainty in the global economy stemming from trade war concerns seems to play an important role here. ECB president Mario Draghi recently commented that the direct effects of a trade war on the economy would be quite limited, but that damage through weaker confidence could have a more harmful effect on growth. This release suggests that this channel may not be that concerning for consumers so far, but next week's PMI release may prove Draghi's concerns to be more significant for the business sector.

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