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Snap

Eurozone consumer confidence ends year at new high

December marks the highest reading in consumer confidence since January 2001. This rounds out a year of Eurozone optimism with the economic data to back it up

Eurozone consumer confidence reached a new high of 0.5 increasing from 0.1. That means good news for children across the Eurozone as their parents have rarely been more confident, and that usually translates to more gifts under the tree. An increase in gifts seems to be justified as many economic actors have been nice this year.

Employers have been hiring, consumers have been spending, central bankers have been printing, and trade partners have been buying. Economic growth has surprised on the upside, and survey data suggests GDP growth in the fourth quarter will not disappoint either.

Even though wage growth has disappointed and even dropped in the third quarter, as Eurostat published last week, the outlook for consumption remains positive. With inflation still low and employment improving, disposable income is likely to continue to rise in the months ahead.

This means that confidence is destined to remain high in Q1 as well. With domestic demand being an important driver of growth, we expect Eurozone GDP growth of above 2% for 2018.

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