

## Eurozone consumer confidence improves in May

Consumer confidence improved from -22 to -18.8 in May as the gradual easing of lockdown measures marks the start to a cautious recovery of output



Source: Shutterstock

While investor sentiment has been recovering for some time now and can be considered strong at this point, consumer confidence has been coming down sharply during the lockdown. May's confidence numbers show that the gradual reopening of economies has also helped consumer confidence recover a little bit despite rising unemployment, although it remains far below its long-term average.

The recovery of consumer confidence is key because it is an important factor in the demand recovery as the eurozone economy reopens. The May data show that a first cautious start has happened already, but these numbers are nothing to get optimistic about as they are still too weak to expect a swift recovery of demand to pre-corona levels.

While economic data will remain very poor for some time to come, activity will already be higher in May than in April. This indicates that the worst is likely behind us in terms of economic output - bar any further lockdowns or second waves of the virus that is. The pace of the recovery will

depend highly on a few factors, including how long restrictive measures remain in place and how fast demand bounces back.

Today's data shows that the latter might take a while, but as unemployment is rising, the downward risk to confidence numbers remain. In that sense, today's confidence figures can be seen as encouraging.

June will certainly see fewer restrictions judging from government plans, but also more unemployment, another increase next month would be an encouraging sign for the demand recovery in the months ahead.

## Author

### Bert Colijn

Senior Economist, Eurozone

[bert.colijn@ing.com](mailto:bert.colijn@ing.com)

## Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.