

## Eurozone consumer confidence rises in February

After the declines in 2018, consumer confidence has perked up in January and February. The February increase of 0.5 points to -7.4 justifies some cautious optimism about the state of the Eurozone economic slump. Expect March to be a nail-biting month as deadlines approach



Source: Shutterstock

The Eurozone economy has started the year with a big question unanswered: is the worst already behind us?

Consumer confidence – like the German ZEW Index yesterday indicated some optimism about the state of the economy in February. With uncertainty abound, the European consumer is gaining some confidence as the fundamentals remain strong.

As petrol prices have settled at a comfortable level for consumers and the labour market continues to be the bright spot for the Eurozone economy, consumer's personal financial situation seems to be improving. Of course, concerns about the general economic situation are a key drag on confidence for the moment, and March could prove to be a nail biter in the sense as a series of

deadlines around Brexit and trade negotiations. Possible US tariffs on European cars could add to the mix.

But if some of the downside risks don't materialise, what would stand in the way of a more confident consumer in 2019? The geopolitical risks that play out over the coming weeks are therefore likely to decide on very divergent confidence scenarios for the Eurozone consumer. With finances in a strong position, consumption is likely to be an important driver of the economy in uncertain times as today's figures indicate.

## 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>.