

Eurozone consumer confidence increases slightly in August

Confidence is now at levels previously seen at the peak of economic strength in 2000 and 2007, which bodes well for consumer spending.



Strong job growth, low inflation and an improving economy, what's not to like for Eurozone consumers? Confidence is sky-high at the moment, which is boosting the outlook for domestic spending in the months ahead. Just under the June peak, confidence among consumers currently exactly the same as it was at the 2007 peak.

While confidence plummeted immediately after reaching this peak a decade ago, this is unlikely to happen again right now. The outlook for the economy remains quite robust, businesses are indicating that hiring is likely to continue at a fast pace and inflation is likely to remain subdued for a while to come. This means that all the ingredients are there for the Goldilocks economy to continue to please consumers.

Together with this morning's PMI, August is shaping up to be another good month for Eurozone growth. Optimism among businesses and consumers rides high for the moment, which means that Q3 promises to be a continuation of strength in the Eurozone economy.

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