

## Eurozone consumer confidence plummets

Of course it did. As new rounds of lockdowns have been introduced, a new decline in November confidence was to be expected. The drop from -15.5 to -17.6 was in line with expectations but does indicate another large decline in consumer spending



You can't be 'non-essential' goods in French supermarkets

**-17.6** Eurozone consumer confidence  
November

Consumer confidence in the eurozone fell back to -17.6, which is still well above the April reading of -22 but nevertheless corresponds to significantly declining consumer spending. This confirms our expectations of another decline of eurozone GDP on the back of the new restrictive measures that are currently in place to battle the high new daily numbers of Covid-19 cases.

The question is now whether measures will be lengthened or whether cases came down enough at the end of the month to see a loosening of restrictions. Given recent developments, it is likely that extensions are indeed on the cards – at least for quite a few countries – which indicates that a swift recovery of consumer sentiment in December is a tall order even if vaccine rollouts seem to

be getting closer.

The question is how retail sales will be affected in the coming weeks. As non-essential retail has been closed in France, Belgium and Ireland, expect a significant decline for November. At the same time, high savings and the curbed possibility of services' spending does see the potential for another large increase in online shopping for the holiday season. That's unlikely to make up for the losses in other spending of course, but this could alleviate the drop to some extent.

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