

Eurozone consumer confidence ticked up further in September

The increase from -14.7 to -13.9 shows that second wave worries have not dented confidence so far, but at these low levels it is also difficult to see the recovery in household consumption maintain the pace of the first months of recovery



Shoppers in Dublin, Ireland

Slowly but surely, consumer confidence is on the up. After a quick rebound in the first months of reopening and a reality check in July, it ticked up in both August and September. The slow recovery reflects worries about increasing unemployment and possible bankruptcies that are still to come, but also about a possible second wave of the virus. This means that concerns about the highly uncertain path of recovery and relief about the start of the recovery with a relatively small increase in unemployment so far have kept each other in check when it comes to confidence so far.

Historically, consumer confidence still measures at a rather low level and as the pace of recovery has been slow over the summer months, this means that it indicates a slowing in household consumption growth. That is not a surprise, the first months of reopening naturally meant a quick growth pace, but from here on, moderation can be expected as consumers are likely to remain cautious with all the downside risks that hang over the economic outlook for the rest of the

year.

Author

Bert Colijn

Chief Economist, Netherlands

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 www.ing.com.