

## 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.

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