

Snap | 22 October 2020

Eurozone consumer confidence ticks down in October

As Eurozone consumer confidence ticks down from -13.9 to -15.5, risks to the outlook are increasing rapidly with a double-dip becoming a somewhat realistic scenario



Source: Shutterstock

While August and September still showed cautious gains in confidence, October shows that the spike in new Covid-19 cases is probably having a negative effect on consumers.

With uncertainty increasing significantly on the back of new restrictive measures, consumer confidence has dipped back below the -15 reading last seen in May.

Consumption has already dampened significantly at the start of the fourth quarter due to restrictive measures across eurozone countries that mainly affect the recreational side of consumption. Think of Belgium, Netherlands and Ireland where restaurants and bars are completely shut again. With consumer confidence falling, it is likely that a somewhat smaller chunk of that lost spending will be used for spending elsewhere.

As new measures are being introduced at a fast pace at the moment, risks to the outlook

are increasing rapidly at the moment. A double-dip has become a realistic scenario for the fourth quarter and the dip in consumer confidence only adds to those concerns.

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