

Snap | 22 April 2021

Eurozone consumers jubilant on job progress

Consumer confidence just soared to the highest level since the start of the pandemic as progress on vaccinations finally picks up and reopenings come closer. This boosts our own confidence in a strong rebound once restrictions are lifted



The surprising jump in consumer confidence is actually more noteworthy than any [action at the ECB meeting](#) this afternoon. The increase from -10.8 to -8.1 in April reveals an optimistic consumer that finally sees light at the end of the tunnel. This is the highest reading since February last year, marking the best reading since the start of the pandemic. It far surpasses the levels seen in the summer of last year when reopenings led to only modest improvements in confidence, indicating that consumers really feel close to the end of things.

This confirms the picture of a consumer ready to go out and spend once restrictions are lifted more structurally. Recent consumer behaviour has shown eagerness among consumers to spend once parts of the economy reopen. Retail sales have been jumping around on the easing and tightening of restrictions, which indicates that consumers do not seem to be delaying spending. With unemployment having increased only modestly over the course of the crisis, precautionary savings may be less of an issue now compared to previous recessions, adding to our view of a

strong rebound in domestic demand.

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