

## Eurozone consumers (slightly) more optimistic in May

Consumer confidence picked up to a seven-month high in May, indicating that decent consumption growth is likely to continue in the second quarter.



Source: Shutterstock

Decent consumption growth is likely to continue to underpin modest eurozone GDP growth in the second quarter. So far, consumers aren't showing any signs of delayed spending due to global uncertainty at the moment and higher petrol prices have also not caused material concern about personal finances. Real disposable income growth is developing favourably at the moment, boosting consumer spending ability.

While concerns about global economic conditions and possible impact on employment were a key factor in driving confidence in 2018, 2019 has started with more optimism. It seems personal finance are driving the story at the moment, which would be favourable for confidence development among low unemployment and modest inflation expectations for the summer months. But with global trade concerns flaring up again, concerns about global economic conditions could make a comeback.

This first confidence indicator of the month brings cause for modest optimism as it helps the household consumption outlook for Q2. With industry continuing to show concerning signs for growth in April, the question is whether May will bring stronger numbers from the PMI later this week.

## Author

### Bert Colijn

Chief Economist, Netherlands

[bert.colijn@ing.com](mailto: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](http://www.ing.com).