

## Largest monthly drop in Eurozone consumer confidence ever in March

Eurozone consumer confidence dropped from -6.6 to -11.6 in March, providing a glimpse of the economic fallout from Covid-19



Source: iStock

There it is, the first look at March data for the eurozone and it's not looking pretty at all. But given the economic circumstances, this is hardly a surprise.

When February data was collected, Covid-19 was still a rather distant concern given its spread was mainly in China. But in March, this became a European problem too. Since then, the entire eurozone economy has experienced large fallout from the virus. The dropped confidence levels were last seen in November 2014 and are consistent with a large decline in consumption.

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the economic fallout. As the duration, the extent of the pandemic and the restrictive measures on activity across the eurozone are still hard to gauge, the ultimate impact on growth will not really become any clearer from March confidence surveys.

Now, the key question for confidence and activity is when the virus will retreat and measures will be lifted again, which remains anyone's guess for now.

A recession is the base case for the moment, but the key is that government and European central bank policies will have the desired effect so that a v-shaped recovery remains a possibility depending on the development of the virus.

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