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## Eurozone retail sales grow as services remain the bright spot in a slowing economy

Retail sales increased by 0.4% in February and the services and composite PMI for March came in stronger than expected, providing further evidence decent service sector performance is keeping the eurozone economy afloat



Monthly retail sales growth slowed a little, which was expected after the jump in January, but the annual growth rate improved significantly from 2.2 to 2.8%. The improvement was broad-based as all sales categories show healthy yearly growth at the moment.

This sets the eurozone up for a decent first quarter in terms of consumption growth, especially as today's services and composite PMI for March were better than expected as well. We've been saying it for some time now; the service sector is keeping the eurozone economy afloat amidst uncertain times for manufacturing.

The outlook for retail sales remains quite benign despite the slow growth environment.

Consumer confidence has been on the rise since the start of 2019 as the real wage growth picture has been improving.

Over the past few months, confidence among retailers in the eurozone has also been on the rise again, showing that the concerns in the industrial sector aren't necessarily spilling over to the consumer market, for now at least.

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