

# US consumers unphased by recent political noise

A rise in confidence suggests US consumers aren't phased by the recent noise surrounding Trump's healthcare and fiscal policies.



Source: istock

# 121.1

Conference Board Consumer Confidence reading

representing an improvement in the perception of the current economic situation and expectations for the future

Better than expected

## So why are consumers so upbeat?

Consumer behaviour is typically less influenced by day-to-day political headlines than businesses (particularly larger ones), which are naturally more sensitive to the intricacies of any changes in government policy.

Instead, Tuesday's data shows that, against a reasonable economic backdrop, a recent drop in oil

prices and above all, a buoyant jobs market, consumers appear to be relatively upbeat. The stock market is also a key factor, and so long as the S&P continues to remain relatively supported, confidence probably will be too.

All this points to a rebound in consumer spending during the second quarter following a disappointing start to the year – we expect GDP growth to come in close to 3% on Friday. That's one reason why we are likely to see the Fed continue to strike an upbeat tone in its statement on Wednesday.

## Author

**James Smith**

Developed Markets Economist

[james.smith@ing.com](mailto:james.smith@ing.com)

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