GfK NOP Consumer Confidence - October 2009

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UK consumersâ€™ confidence continues to grow.

The GfK NOP Consumer Confidence Index rose by three points in October, to -13; the highest score since January 2008. Â

Confidence in â€œgeneral economy over the last 12 monthsâ€• jumped a huge ten points, but is still low, at -53. However, this is the highest it has been since April 2008.

Confidence in the â€œgeneral economy over the next 12 monthsâ€• showed the only drop â€“ falling one point to +3, but still in positive territory for only the second time since Jun 1999.

The â€˜major purchase Indexâ€™, has risen three points to -12, the highest this has been since November 2007.

Rachael Joy in the Consumer Confidence team at GfK NOP commented,
â€œConsumer Confidence in the UK improved for the second month running to -13, a level that we have not seen since January 2008. While this is still in negative territory, we have now not seen a drop in the monthly confidence rating throughout 2009 â€“ indicating a steady, if cautious, uplift in British confidence in our economic situation. Only 1 out of the 4 measures that make up our Index figure showed a drop, and that was a one-point drop in our confidence in the general economy over the next 12 months, suggesting that consumers are still wary of the future and so the overall trend towards uplift is still fragile.

Joy continues,
â€œWhile the measures for personal finances both showed uplift of one point each, the measure that showed a major jump was our confidence in the general UK economy over the last 12 months. This shot up by 10 points â€“ but nevertheless remains very low at minus fifty-three. Together with the other readings, we believe this indicates a possible adjustment in UK attitude towards the new â€˜age of austerityâ€™, where people are becoming more comfortable with living with restricted spending.â€•

UK Consumer Confidence Measures â€“ October 2009
The overall index score this month improved again by three points and is now at a score of -13, twenty-three points better than this time last year.

Four of the five measures this month experienced a marked improvement. The annual moving average also improved and is now, -28.

Personal Financial Situation
The index measuring changes in personal finances during the last twelve months has improved by one point to a score of -12; this is six points higher than this time last year.

The forecast for personal finances over the next twelve months increased one point to a score of +6. This is eighteen points higher than October â€™08.

General Economic Situation
The measure for the general economic situation of the country during the last twelve months has risen by ten points to â€“53; nineteen points higher than this time last year.

An expectation for the general economic situation over the next twelve months dropped by one point to a score of +3; forty points higher than October â€™08.

Climate for Major Purchases
The major purchases measure has risen by three points to -12; thirty-one points higher than this time last year.

Savings Index
The â€˜now is a good time to saveâ€™ Index, has dropped one point to -6, fifteen points lower than in October â€™08.

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