



After a general feeling of catastrophe in April, consumer pessimism eased in May

GKI's consumer confidence index grew again in May and eliminated almost a third of its April fall. The 38-point drop in April was followed by an improvement of more than 11 points in May. The index rose, presumably as a result of the lockdown easing measures announced by the government, to an otherwise extremely pessimistic -38.5 point after its -50 points in April.

GKI's consumer confidence index has never improved by such an extent in a single month, albeit this happened after an unprecedented fall in April. The last time the index was so low was in the summer of 2013. (Data collection was carried out online, in the same way as in April.)

GKI's consumer confidence index, 2006-2020



In April, the **fear of unemployment** by households increased the most, and households were the most pessimistic in this respect. Fear eased markedly in May; however, only one-fifth of the decline in April was eliminated, and this remained by far the most negative factor for consumers. The assessment of the **prospects of the Hungarian economy** improved the most. Households assessed **their financial situation** less deteriorating than in April, and the improvement in sentiment is close to the average of the consumer confidence index. Their assessment of their **current savings capacity** was much worse in April than before, and it hardly improved in May. At the same time, households did not assess their **future savings potential** much worse in April than in previous months, and in May this indicator eliminated almost its entire decline of the previous month. It should be noted that the assessment of this aspect has always been relatively stable due to the relatively small number of households able to save. However, the large difference between the assessment of the current and the expected savings potentials suggests that respondents consider the situation regarding savings to be temporary rather than permanent. Although **inflationary expectations** of consumers became significantly more subdued in May, they are still far from their March level.

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