As 2019 Kicks In, Consumer Confidence Soars in Brazil and Mexico while Dipping in China, Turkey and France

Globally, a Small Month-over-Month Uptick Is Too Small to Buck a Downward Trend

At 49.9, Ipsos's Global Consumer Confidence Index for January 2019 is up 0.3 point over last month's reading. However, the small uptick in the 24-country index is not sufficient to buck a declining trend as it remains 0.4 points below its level of October 2018. While consumer confidence is rebounding in several countries, it is receding or stagnating in most of the world's largest economies. The Consumer Confidence Index, also called the "National Index, reflects consumer attitudes on the current and future state of their local economy, their personal finance situations, their savings and their confidence to make large investments.

- Typical of countries that recently elected a new president, Brazil (+8.7 points over the past three months) and Mexico (+4.4) show steep gains in their National Index. Other countries recording significant gains are Saudi Arabia (+3.9), Argentina (+2.6), and South Africa (+1.9).
- In contrast, six countries have seen their National Index drop strongly that same period: China (-5.4 points), Turkey (-4.3), France (-3.6), Russia (-3.5), South Korea (-2.3), and Belgium (-1.5). The United States shows a smaller decrease (1.0 point), bringing its National Index back to its level of July 2018.
- While lower than at any point in the past six months, China's National Index of 70.2 remains the highest of all 24 countries surveyed. Countries showing the next highest levels of consumer confidence are Saudi Arabia (63.6), India (63.0), the United States (61.7), and Sweden (60.1).
- At the other end of the spectrum, the countries with the lowest levels of consumer confidence are Turkey (32.2), Argentina (38.7), Russia (38.7), and France (39.1).

Job Security

January 2019's Jobs Index, a subset of the National Index indicative of perceived job security, shows a global average of 58.4, unchanged from December, but down 0.5 point over the past three months.

- Turkey shows the steepest three-month drop in its Job Index (-7.4), followed by Russia (-4.2), Israel (-3.6), France (-2.5), Sweden (-2.5), and Canada (-2.1).
- In contrast, Brazil sees its Job Index rebound strongly (+7.5), followed by Mexico (+4.7), Argentina (+2.8), Poland (+2.5), and India (+2.0).
- Overall, the U.S. (74.2 points), Germany (73.0), Sweden (71.8), and China (69.3) continue having the highest Job Index levels of all 24 countries surveyed. Turkey (37.4) has fallen behind Brazil (42.7) as the country with the lowest Job Index scores.
- The next lowest Jobs Index scores are seen in South Africa (44.1), Argentina (44.4), and Russia (45.8).

Outlook

The Expectations Index, another subset of the National Index reflecting consumers' personal and community economic outlook, averages globally at 57.9, nearly unchanged from its December level. However, the January reading shows a drop of 0.3 point over the past three months to 57.9 and a notable 2.0-point decline from its record high of April 2018.

- Ten of the 24 countries record a three-month drop of at least 1.5 points in their Expectation Index. Chief among them are South Korea (-2.8 points), France (-2.6), Russia (-2.6), Great Britain (-2.2), and China (-2.0).
- Only four countries show significant gains during the same period: Brazil (+5.9), Saudi Arabia (+2.5), Mexico (+2.2), and South Africa (+2.1).
- China (72.8) remains the country where expectations are highest, followed by India (70.5).
- Countries with the most pessimistic view of future economic conditions are Turkey (41.4), France (46.7), Russia (47.6), and South Korea (48.6).

Investment

January's global Investment Index score has regained losses of the past two months. At 43.5, it is down only 0.1 point from its level of three months ago and down 0.8 point from its all-time high in February and March of 2018.

- The investment climate is clearly up in the five countries showing significant three-month index gains: Brazil (+10.5), Saudi Arabia (+6.3), Mexico (+4.6), South Africa (+3.7), and Argentina (+3.0).
- Meanwhile, eight countries show a drop of 1.5 points or more: China (-9.1), France (-4.6), Russia (-3.3), Turkey (-3.1), South Korea (-2.3), Australia (-2.2), Belgium (-1.6) and the U.S. (-1.5).
- Despite showing a steep decline, China's Investment Index (70.0) remains the highest among all 24 countries, followed by those of Saudi Arabia (66.7) and India (62.7).
- Countries with the lowest Investment index scores are: Turkey (25.9), France (26.7), Japan (27.0), South Korea (30.4), Argentina (31.9), Russia (32.9) and Hungary (33.6).

Methodology

These findings are based on data from Refinitiv/Ipsos' Primary Consumer Sentiment Index (PCSI) collected in a monthly survey of consumers from 24 countries via Ipsos' Global Advisor online survey platform. For this survey, Ipsos interviews a total of 17,500+ adults aged 18-64 in the United States of America, Canada, and Israel, and age 16-64 in all 21 other countries each month. The monthly sample consists of 1,000+ individuals in each of Australia, Brazil, Canada, China, France, Germany, Italy, Japan, Spain, Great Britain and the USA, and 500+ individuals in each of Argentina, Belgium, Hungary, India, Israel, Mexico, Poland, Russia, Saudi Arabia, South Africa, South Korea, Sweden and Turkey.

Data collected each month are weighted so that each country's sample composition best reflects the demographic profile of the adult population according to the country's most recent census data. Data collected each month are also weighted to give each country an equal weight in the total "global" sample. Online surveys can be taken as representative of the general working age population in Argentina, Australia, Belgium, Canada, France, Germany, Great Britain, Hungary, Italy, Japan, Poland, South Korea, Spain, Sweden, and the United States. Online samples in Brazil, China, India, Israel, Mexico, Russia, Saudi Arabia, South Africa and Turkey are more urban, more educated and/or more affluent than the general population and the results should be viewed as reflecting the views of a more "connected" population.

Sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error, and measurement error. The precision of the Refinitiv/Ipsos online polls is measured using a Bayesian Credibility Interval. Here, the poll has a credibility interval of +/- 2.0 points for countries where the 3-month sample is 3,000+ and +/- 2.9points for countries where the 3-month sample is 1,500+. For more information on the Ipsos use of credibility intervals, please go to www.ipsos-na.com/news-polls/pressrelease.aspx?id=5836.

The results reported each month in the Refinitiv/Ipsos' Primary Consumer Sentiment Index (go to https://financial.thomsonreuters.com/en/products/data-analytics/market-data/indices/ipsos-surveys.html) are based only on that month's data (hence, the base for each country is 500+ or 1,000+) and comparisons are made against results from other months which are also each based on one month's data. In contrast, the results reported any given month in Ipsos's Global Consumer Confidence at-a-Glance are based on data collected not only that month, but also during to the two previous months

and consist of past 3-month "rolling averages". This technique allows for tripling the sample size for each metric. Hence, the base for any country ranges from 1,500+ to 3,000+. This increases the reliability of the findings and the statistical significance of reported variations over time, However, to heighten the freshness of the findings reported any given month, the data from the same month is given a weight of 45%, the data from the previous month a lesser weight of 35%, and the data from the earliest of the three months an even lesser weight of 20%.

The Refinitiv/Ipsos Primary Consumer Sentiment Index (PCSI), ongoing since 2010, is a monthly survey of consumer attitudes on the current and future state of local economies, personal finance situations, savings and confidence to make large investments. The PCSI metrics reported each month for each of the 24 countries surveyed consist of a "Primary Index" based on all 11 questions below and of several "sub-indices" each based on a subset of these 11 questions. Those sub-indices include an Expectations Index; Investment Index; and, Jobs Index.

The questions used for the PCSI and for Ipsos's Global Consumer Confidence at-a-Glance are the following:

1. Now, thinking about our economic situation, how would you describe the current economic situation in [Country]? Is it… very good, somewhat good, somewhat bad or very bad*

2. Rate the current state of the economy in your local area using a scale from 1 to 7, where 7 means a very strong economy today and 1 means a very weak economy.*

3. Looking ahead six months from now, do you expect the economy in your local area to be much stronger, somewhat stronger, about the same, somewhat weaker, or much weaker than it is now?*

4. Rate your current financial situation, using a scale from 1 to 7, where 7 means your personal financial situation is very strong today and 1 means it is very weak

5. Looking ahead six months from now, do you expect your personal financial situation to be much stronger, somewhat stronger, about the same, somewhat weaker, or much weaker than it is now?

6. Compared to 6 months ago, are you NOW more or less comfortable making a major purchase, like a home or car?

7. Compared to 6 months ago, are you NOW more or less comfortable making other household purchases?

8. Compared to 6 months ago, are you NOW more or less confident about job security for yourself, your family and other people you know personally?

9. Compared to 6 months ago, are you NOW more or less confident of your ability to invest in the future, including your ability to save money for your retirement or your children's education?

10. Thinking of the last 6 months, have you, someone in your family or someone else you know personally lost their job as a result of economic conditions?

11. Now look ahead at the next six months. How likely is it that you, someone in your family or someone else you know personally will lose their job in the next six months as a result of economic conditions?

The PCSI Index is normalized to a 0 to 100-point range with "50" representing the historical median economic conditions. Index numbers are calculated by utilizing data from the survey results. Responses are divided into aggregated Top Box (Reward) numbers and Bottom Box (Penalty) numbers with the input deriving from the difference between the reward and penalty. An Importance factor, which the ultimate weight of the particular question in the index, is the magnitude of each question divided by the total magnitude of all questions.

The most recent Global Advisor fieldwork periods were:

- Jan 2019 wave: December 21 – January 9

- Dec 2018 wave: November 23 – December 7

- Nov 2018 wave: October 26 – November 9

- Oct 2018 wave: September 21 - October 5

- Sep 2018 wave: August 24 - September 7

- Aug 2018 wave: July 20 – August 3

* Trended percentage results to each of these three questions were reported monthly in Ipsos's Economic Pulse of World