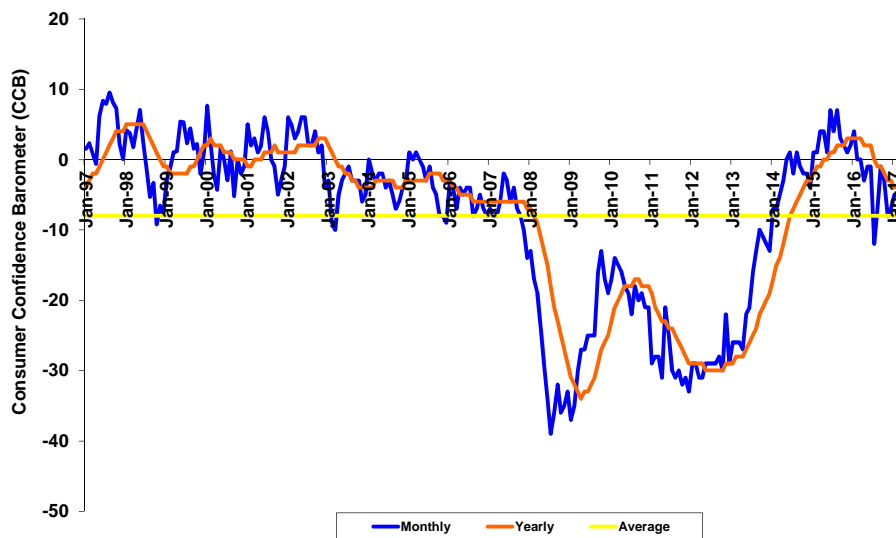


Caution watchword in Year of the Rooster for consumers

Calm and peaceful describes the presence of a Rooster according to American folklore. UK consumers' mood at the start of 2017 is cautious with most of the measures on the dashboard turning slightly higher in January.

The headline GfK measure gained 2 points to -5, down 9 points on a year ago but at a 3-month high, and climbing a little above its 20-year average of -8.

UK Consumer confidence January 1997 – January 2017



Source: GfK / European Commission / JGFR

Of the underlying measures both personal finances picked up while the combined current and future economic situation measures also were slightly better.

Only the spending climate measure fell in January, down 2 points to -10, 6 points below a year ago when there was a notable January bounce in mood and spending confidence.

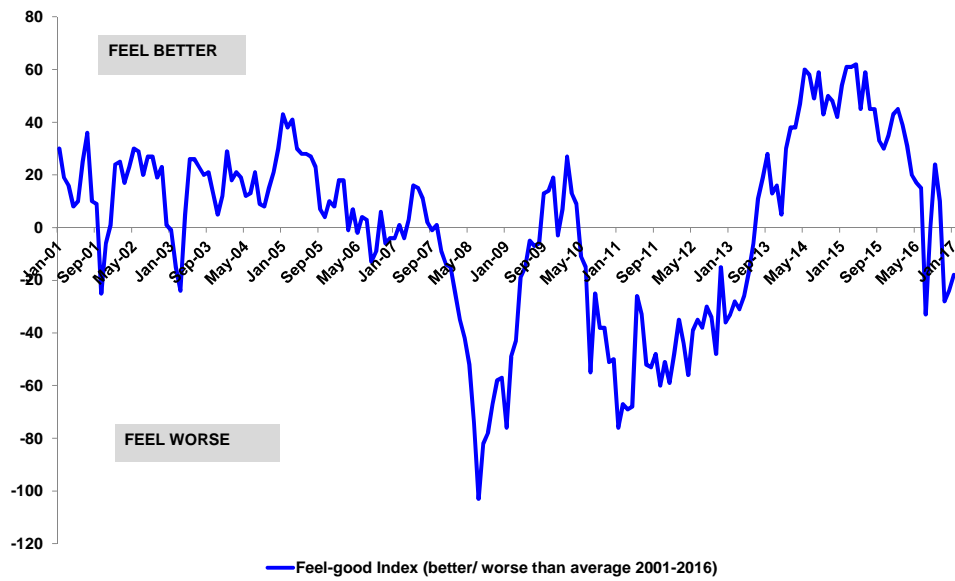
Consumer spending has been very strong in recent months, fuelled by borrowing, and this post-Brexit mini-boom may be coming to an end. Spending intentions both on major household goods and on major items such as cars, property and home renovation were also lower.

Household finances and financial wellbeing improved a little in January; the JGFR Financial Wellbeing Index gained 6 points to 71, also a 3-month high but 20 points down on a year ago and well above its long term average (15).

In contrast the JGFR Feel-Good Index measuring future inflation, unemployment, personal finances and the general economic situation continues at well below its 16-year average, although up slightly in January.

Caution, together with resilience appears to reflect the consumer mood in an ever changing world.

JGFR Feel-Good Index January 2001-17



Source: GfK / European Commission / JGFR

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