

## UK Consumer Confidence Dips as Economic Uncertainty Looms

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Consumer sentiment in the UK has taken another hit, as persistent inflation and sluggish economic growth continue to cloud the outlook for households and investors alike. According to fresh data released Friday, the GfK Consumer Confidence Index fell to -19 in July, slipping one point from June's reading of -18 and erasing last month's modest uptick.

The index compiled in partnership with the Nuremberg Institute for Market Decisions captures the mood of British consumers across a range of metrics, including personal finances, economic expectations, and purchasing intent. This latest decline signals growing unease among households grappling with a mix of global headwinds and domestic challenges.

“The data points to a rising sense of anxiety, with some consumers expecting stormy conditions ahead,” said Neil Bellamy, head of consumer research at GfK. Ongoing geopolitical tensions, unresolved trade frictions, and high living costs are all playing into this sense of unease. Bellamy also pointed to speculation surrounding the upcoming Autumn Budget as a contributing factor, noting that “rumours of potential tax hikes are dampening confidence and fuelling uncertainty.”

Despite a decline in headline inflation from its recent peak, price pressures remain elevated across key sectors such as food, energy, and housing. Wage growth has failed to keep pace with rising costs, squeezing disposable incomes and forcing many families to rein in spending. This caution is evident in reduced consumer appetite for major purchases and a more pessimistic view of future personal finances.

The current economic backdrop poses a dilemma for investors. After strong gains in equity markets throughout 2024, valuation concerns have led to a more cautious stance among market participants. Yet, for those willing to take a calculated approach, opportunity still exists. AI-powered investment tools like ProPicks have identified several outperforming stocks, including two that surged more than 150% this year alone.

Curated portfolios focused on tech, mid-caps, and global indices continue to offer potential upside for those navigating volatility with discipline.

As the UK enters a critical phase ahead of the Autumn Budget, all eyes are on policymakers to provide clarity and confidence. For now, both consumers and investors remain on edge, bracing for what may be a turbulent close to the year.