

10 July 2024

# Spending Monitor

## Spending setback in June

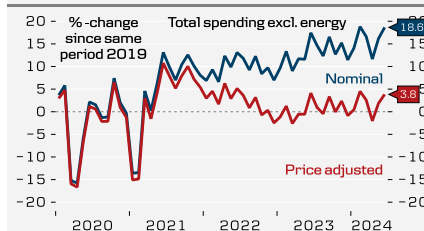
- Danish card data suggests that spending excluding energy increased by 1.0% in June compared to the same month the year before. Consumer prices excluding energy increased 1.3% over the same period, meaning that in real terms spending excluding energy decreased by 0.3%.
- The setback in consumption is a bit surprising to us considering solid increases in real wages and consumer confidence during Q2. We still expect decent growth in consumption in 2024, but the consumption figures from June indicate that although the overall trend is strengthening consumption, we can see setbacks now and then. In addition, the upside risk that we previously highlighted for consumption has decreased due to upward adjustments in historical data from Statistics Denmark for consumption relative to income.
- Retail trade decreased 0.4% in real terms in June, and especially spending in clothing, shoe, DIY and jewellery stores dropped compared to June last year. On the other hand, spending in furniture stores continue to perform well nominally, and with prices down around 11% compared to June last year, furniture spending is increasing rapidly in real terms. However, spending in furniture stores is still below pre-covid levels if we adjust for price developments. We also saw decent growth in sporting goods stores as well as electronics stores.
- Travel spending improved somewhat in June. Spending at travel agencies bounced back into positive growth territory for the first time since March. Nominal airlines spending growth continues to be positive but taking into account flight prices increasing nearly 16% in June, real airlines spending is still lower than last year.

### Notes on the spending data

The spending data is based on transactions online and offline, both domestically and abroad, with cards in stores for around 1m Danske Bank Danish personal customers with active accounts. All data is anonymised and non-referable.

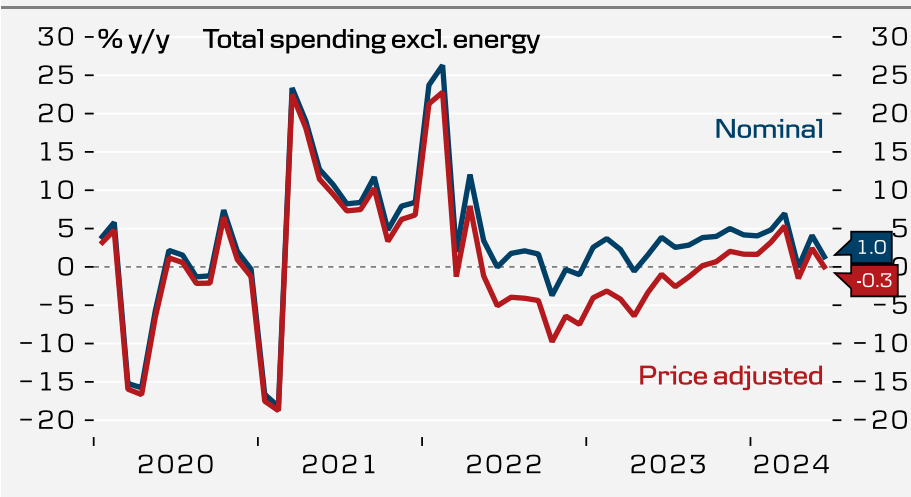
The spending data is used as a proxy for private consumption. However, it does not include cash spending, MobilePay and account transfers. Hence, notably, fixed costs and spending on housing are not included. Changes in cash and mobile spending patterns will also affect the data.

### Real spending was higher than pre-covid levels for second straight month



Source: Statistics Denmark, Danske Bank

### Real spending excluding energy fell 0.3% in June compared to same month last year



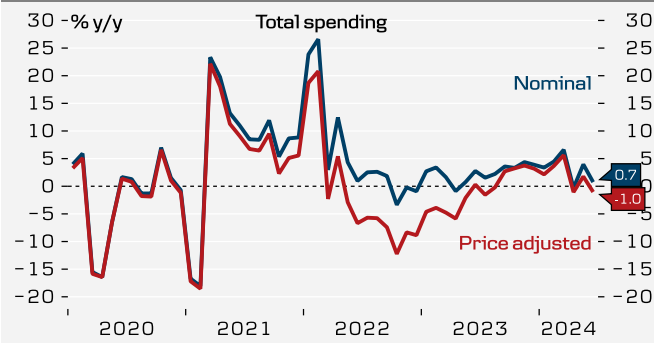
Source: Statistics Denmark, Danske Bank

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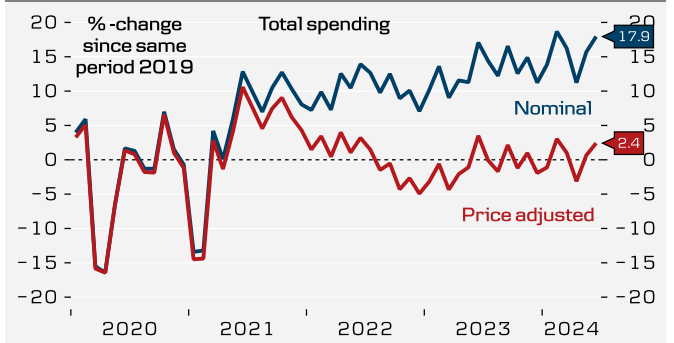
### Nominal and real changes in monthly spending

Spending seems to have weakened compared to early spring



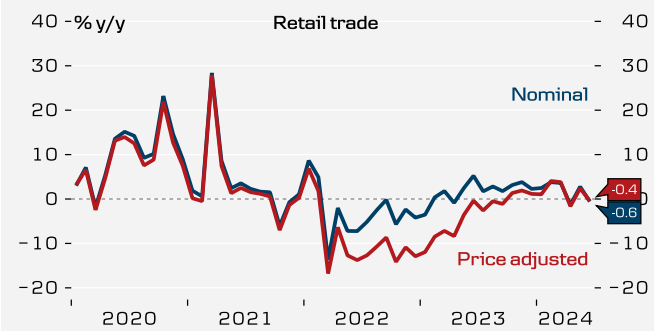
Source: Statistics Denmark, Danske Bank

Real spending is only slightly higher than in 2019



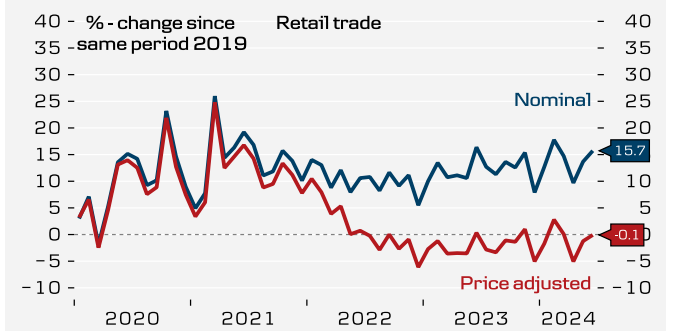
Source: Statistics Denmark, Danske Bank

Weak retail spending in June



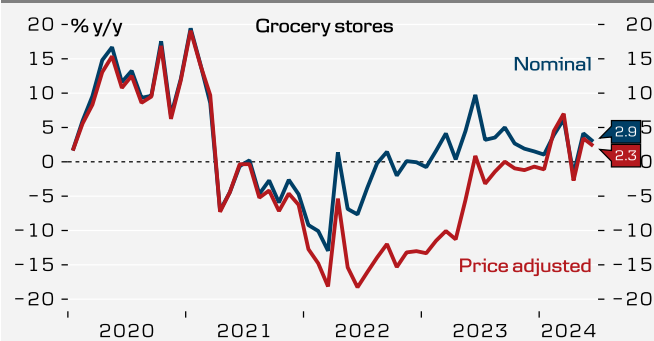
Source: Statistics Denmark, Danske Bank

In real terms retail trade is still slightly below 2019 levels



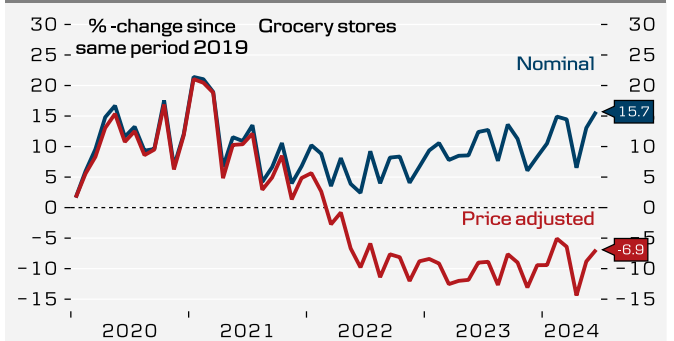
Source: Statistics Denmark, Danske Bank

Grocery spending continues to be above the level from a year back



Source: Statistics Denmark, Danske Bank

Still a lot of ground to cover, before real grocery spending is back to pre-covid levels



Source: Statistics Denmark, Danske Bank

**Very weak spending in clothing stores in June**



Notes: Due to very large growth rates driven by lockdowns, the y-axis has been capped.

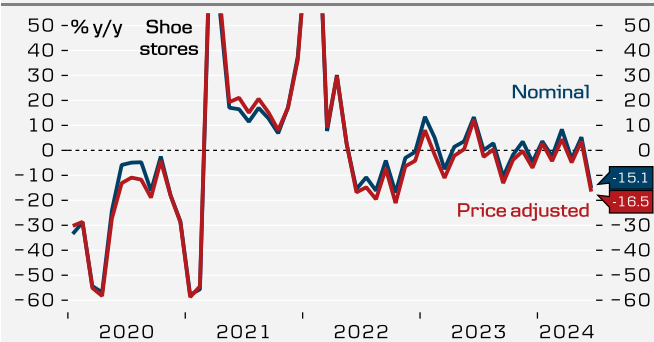
Source: Statistics Denmark, Danske Bank

**Spending in clothing stores continues to be above pre-covid levels**



Source: Statistics Denmark, Danske Bank

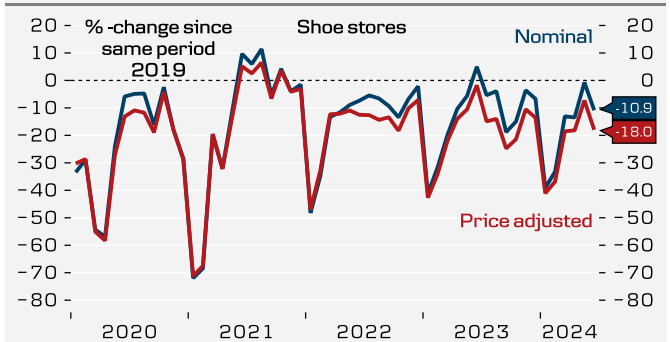
**Very weak spending in shoe stores in June**



Notes: Due to very large growth rates driven by lockdowns, the y-axis has been capped.

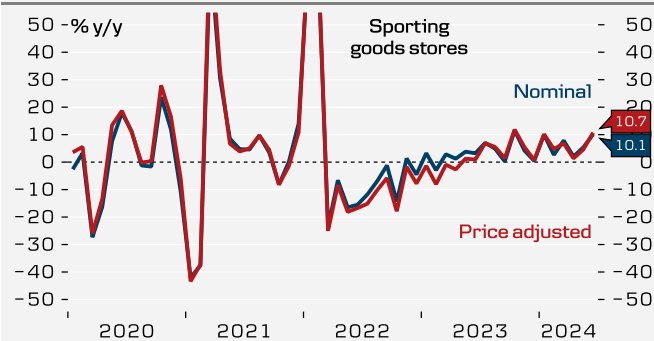
Source: Statistics Denmark, Danske Bank

**Real spending in shoe stores has been below pre-covid levels since 2021**



Source: Statistics Denmark, Danske Bank

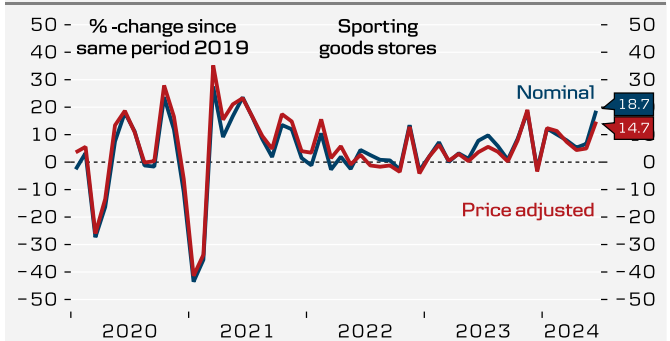
**Y/y growth in sporting goods stores have increased in recent months**



Notes: Due to very large growth rates driven by lockdowns, the y-axis has been capped.

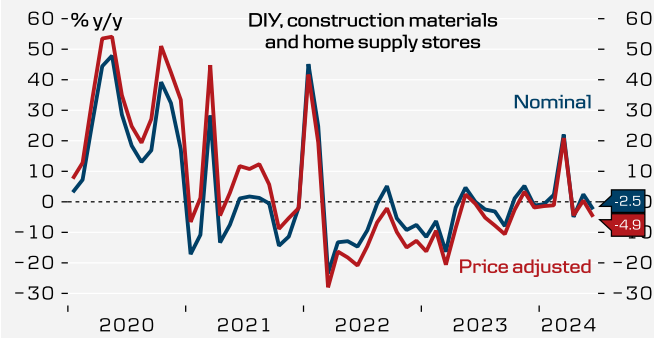
Source: Statistics Denmark, Danske Bank

**Spending in sporting goods stores continues to be above pre-covid levels**



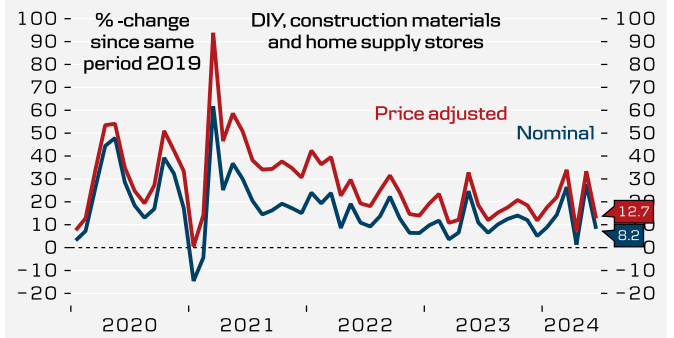
Source: Statistics Denmark, Danske Bank

DIY spending fell in June compared to same month last year



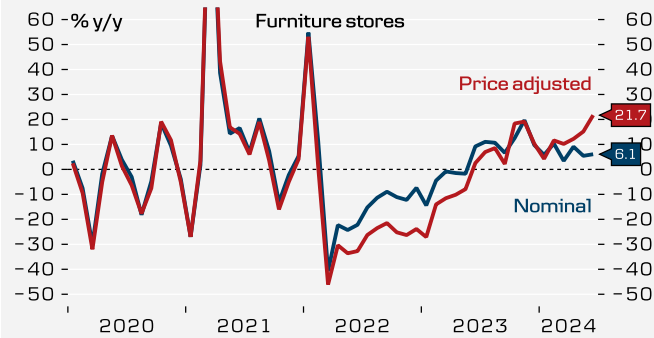
Source: Statistics Denmark, Danske Bank

Spending in DIY stores is well above pre-covid levels



Source: Statistics Denmark, Danske Bank

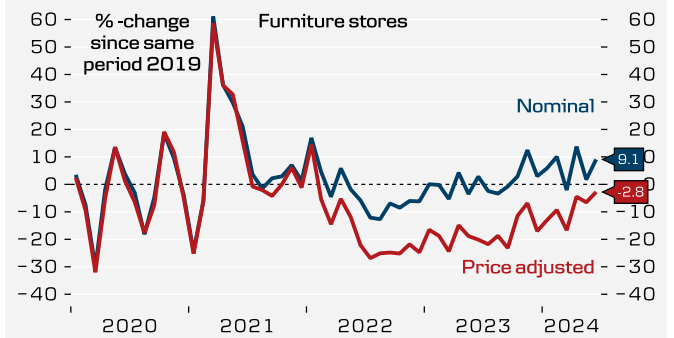
Compared to last year, and taking price decreases into account we observe very high spending growth in furniture stores



Notes: Due to very large growth rates driven by lockdowns, the y-axis has been capped.

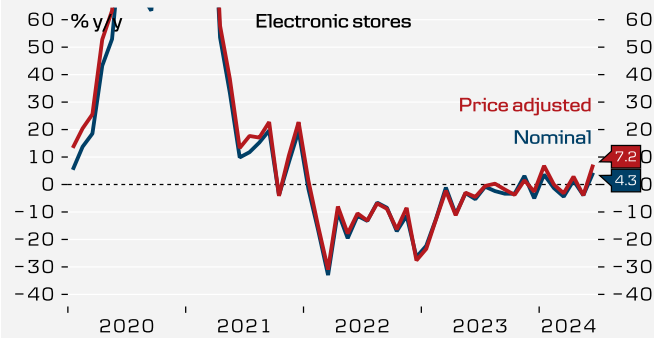
Source: Statistics Denmark, Danske Bank

Real furniture spending is nearing the pre-covid levels



Source: Statistics Denmark, Danske Bank

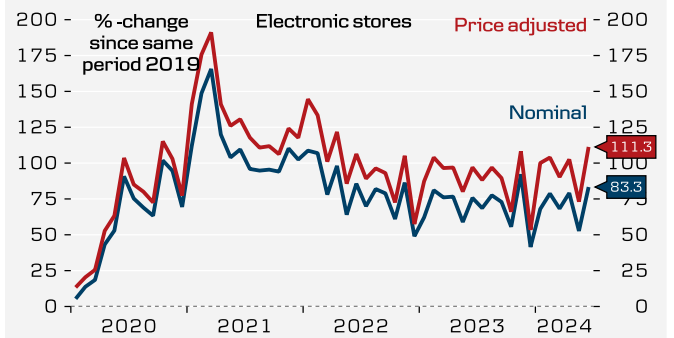
Electronic spending growth is back in positive territory in June



Notes: Due to very large growth rates driven by lockdowns, the y-axis has been capped.

Source: Statistics Denmark, Danske Bank

Spending in electronics stores continues to be much higher than pre-covid levels



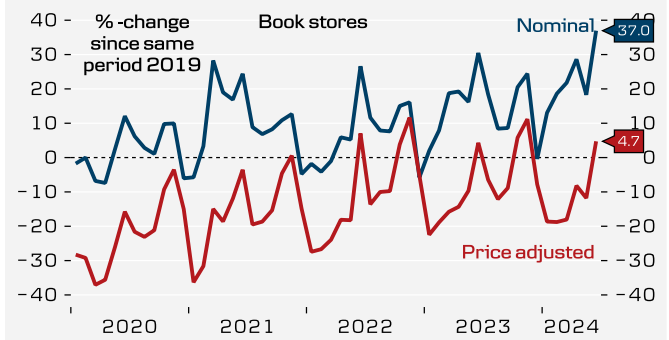
Source: Statistics Denmark, Danske Bank

**Real spending in book stores around the same level as June last year**



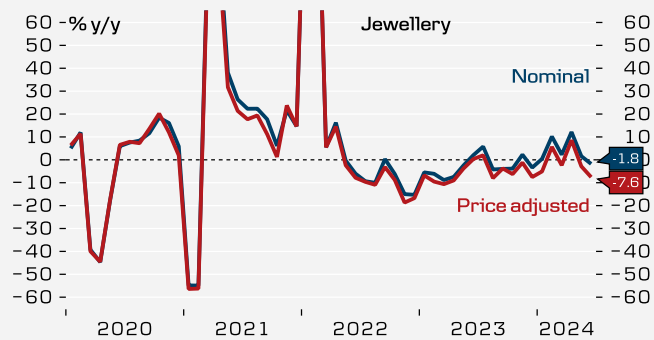
Source: Statistics Denmark, Danske Bank

**Book spending in June was above pre-covid levels**



Source: Statistics Denmark, Danske Bank

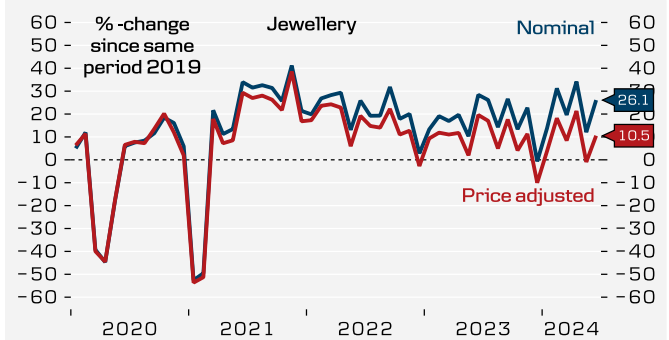
**Real y/y spending growth in Jewellery stores was negative for second straight month**



Notes: Due to very large growth rates driven by lockdowns, the y-axis has been capped.

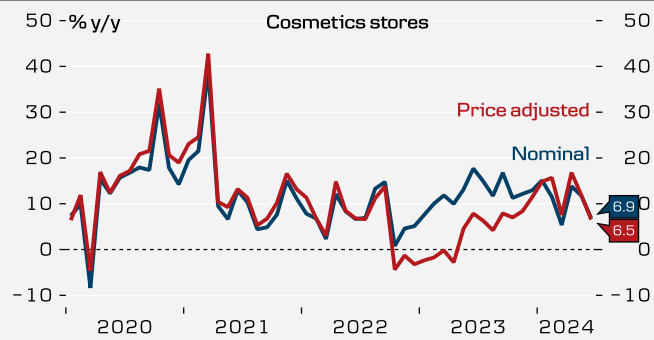
Source: Statistics Denmark, Danske Bank

**Spending in Jewellery stores was above pre-covid levels in June**



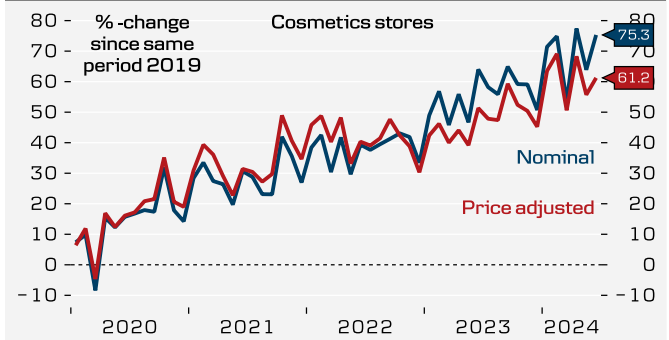
Source: Statistics Denmark, Danske Bank

**Spending growth in cosmetics stores dropped in June, however level is still well beyond level from a year ago**



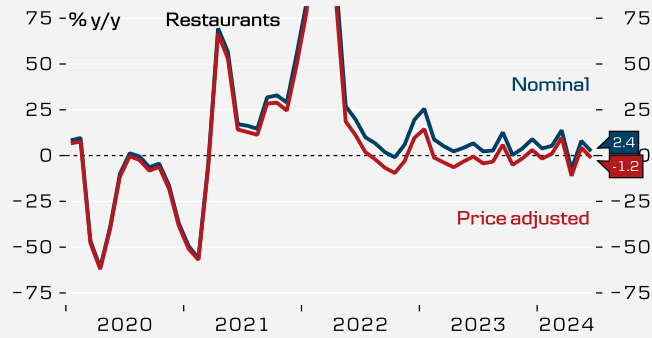
Source: Statistics Denmark, Danske Bank

**Spending in cosmetics stores continues to perform well compared to pre-covid levels**



Source: Statistics Denmark, Danske Bank

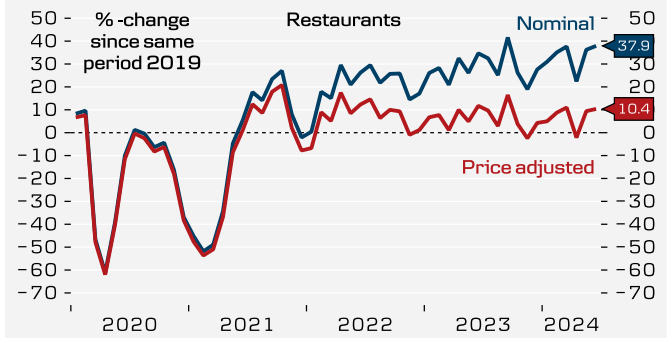
**Restaurant spending is fluctuating around the level from one year back**



Notes: Due to very large growth rates driven by lockdowns, the y-axis has been capped.

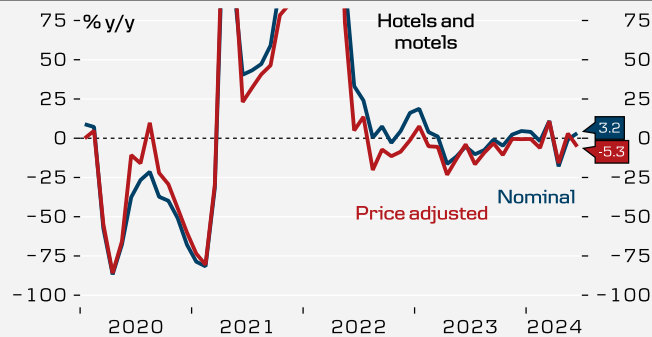
Source: Statistics Denmark, Danske Bank

**Most months restaurant spending is above pre-covid levels**



Source: Statistics Denmark, Danske Bank

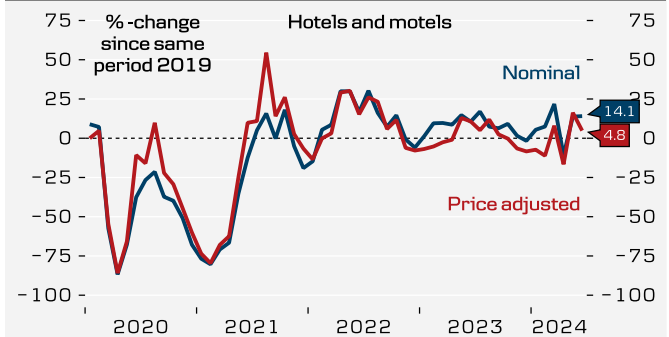
**Real spending in hotels was below the level from a year ago**



Notes: Due to very large growth rates driven by lockdowns, the y-axis has been capped.

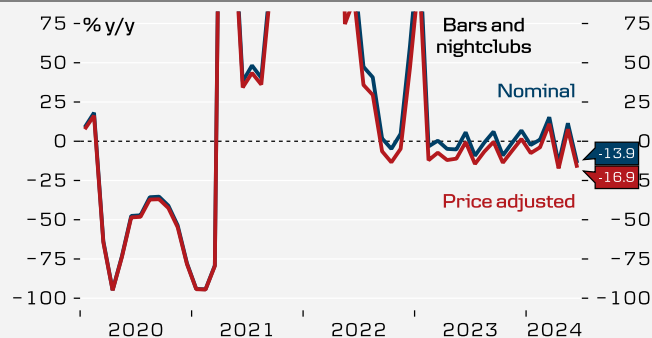
Source: Statistics Denmark, Danske Bank

**Spending in hotels seems to have stabilized above pre-covid levels**



Source: Statistics Denmark, Danske Bank

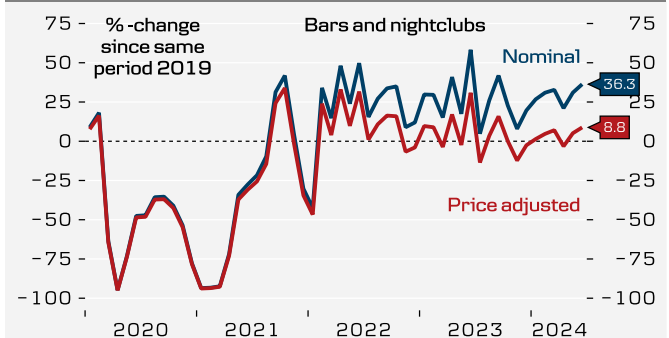
**Spending in bars and nightclubs was much lower than June last year, we suspect the later timing of Roskilde Festival in 2024 than 2023 to affect the result**



Notes: Due to very large growth rates driven by lockdowns, the y-axis has been capped.

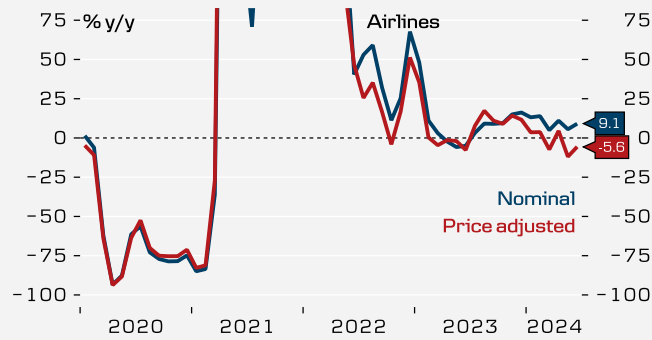
Source: Statistics Denmark, Danske Bank

**Spending in bars and nightclubs increased compared to June 2019**



Source: Statistics Denmark, Danske Bank

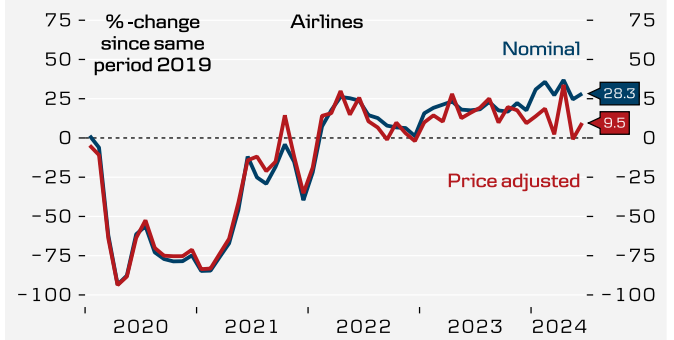
**Real airlines spending looks weak compared to June last year, mainly because of higher prices**



Notes: Due to very large growth rates driven by lockdowns, the y-axis has been capped.

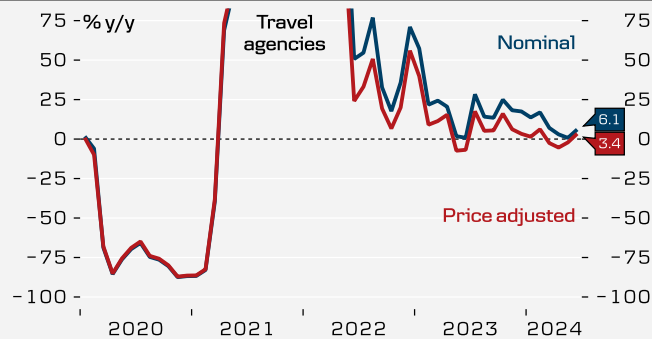
Source: Statistics Denmark, Danske Bank

**Airlines spending was above 2019 level in June**



Source: Statistics Denmark, Danske Bank

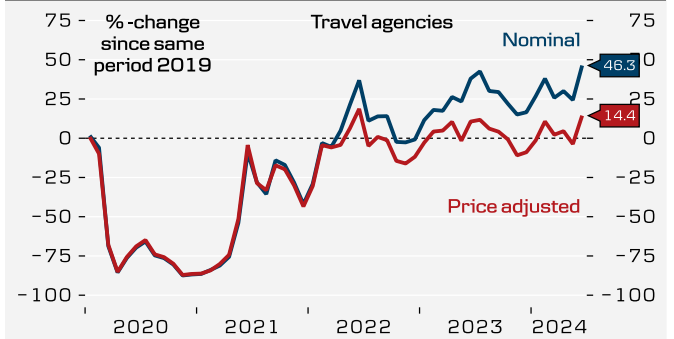
**Spending growth in travel agencies back in positive territory in June**



Notes: Due to very large growth rates driven by lockdowns, the y-axis has been capped.

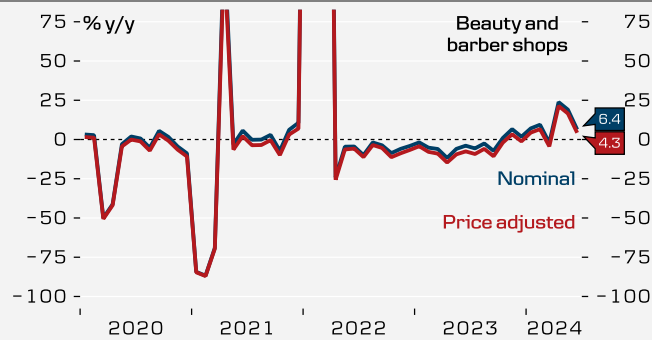
Source: Statistics Denmark, Danske Bank

**Spending in travel agencies back above pre-covid levels in real terms in June**



Source: Statistics Denmark, Danske Bank

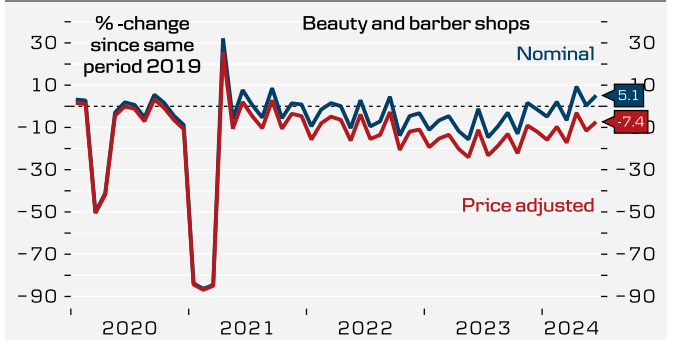
**Spending growth in beauty and barber shops has been above the level from a year ago for a few months now**



Notes: Due to very large growth rates driven by lockdowns, the y-axis has been capped.

Source: Statistics Denmark, Danske Bank

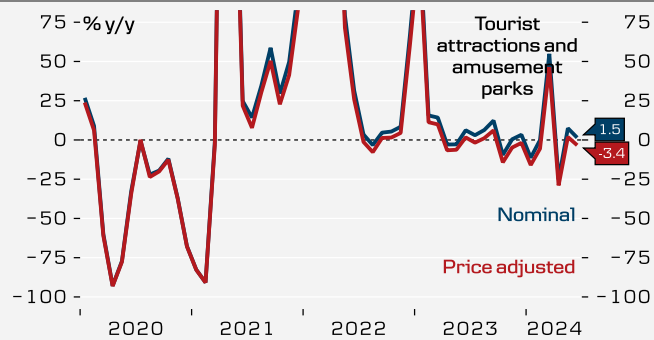
**Real spending in beauty and barber shops are still way below pre-covid levels**



Source: Statistics Denmark, Danske Bank



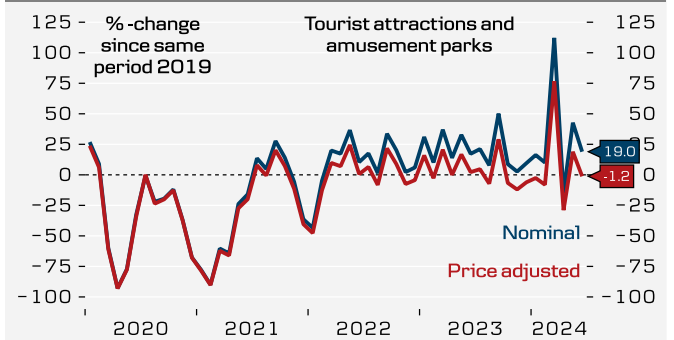
**Spending in tourist attractions back below the level from a year ago in June**



Notes: Due to very large growth rates driven by lockdowns, the y-axis has been capped.

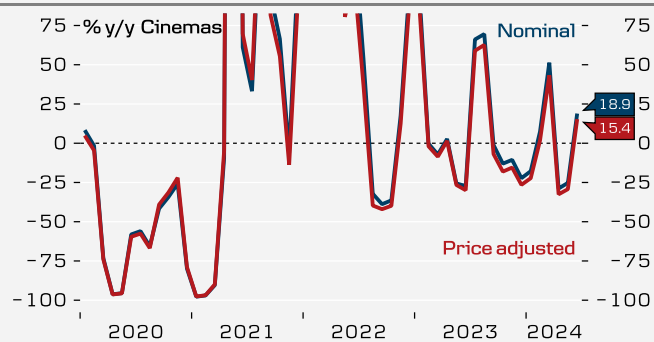
Source: Statistics Denmark, Danske Bank

**Spending growth in tourist attractions fluctuates heavily around the level from 2019**



Source: Statistics Denmark, Danske Bank

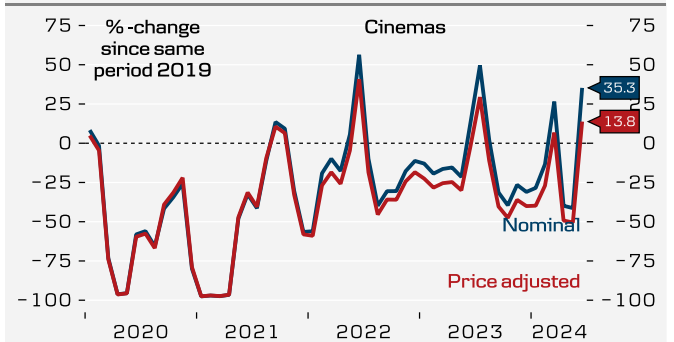
**Cinema spending increased compared to June from a year ago, but are very volatile**



Notes: Due to very large growth rates driven by lockdowns, the y-axis has been capped.

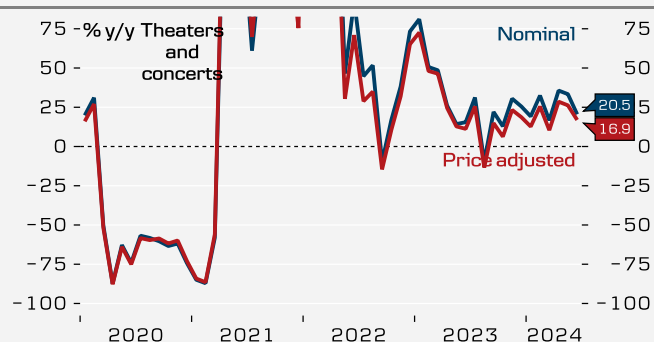
Source: Statistics Denmark, Danske Bank

**Cinema spending back in very positive growth territory**



Source: Statistics Denmark, Danske Bank

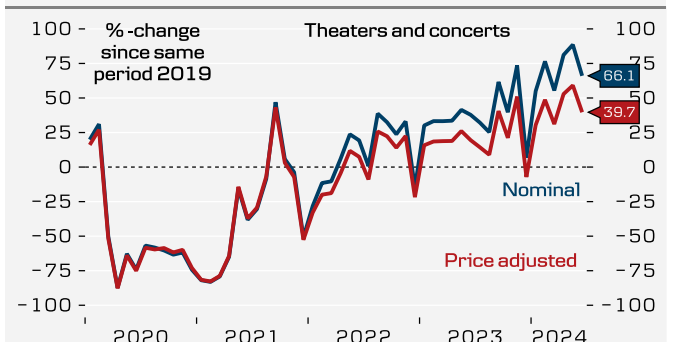
**Spending in cultural institutions continues to perform well**



Notes: Due to very large growth rates driven by lockdowns, the y-axis has been capped.

Source: Statistics Denmark, Danske Bank

**Spending in cultural institutions continues to be well above pre-covid levels**

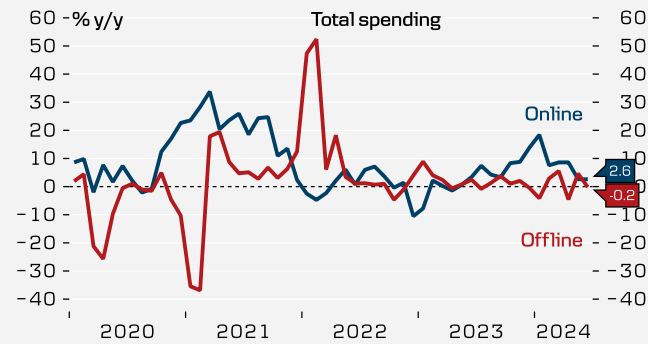


Source: Statistics Denmark, Danske Bank



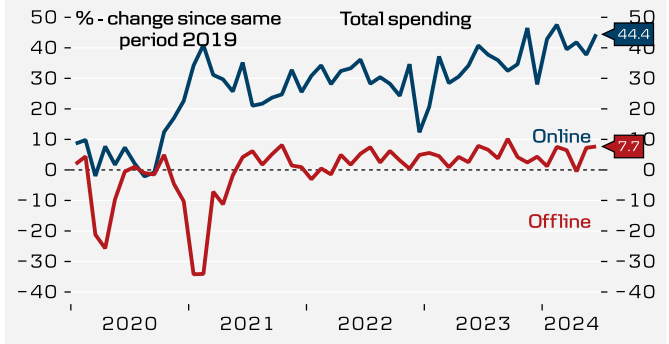
Nominal changes in monthly online and offline spending

Spending in physical stores was around the level from a year ago, while online spending was slightly higher



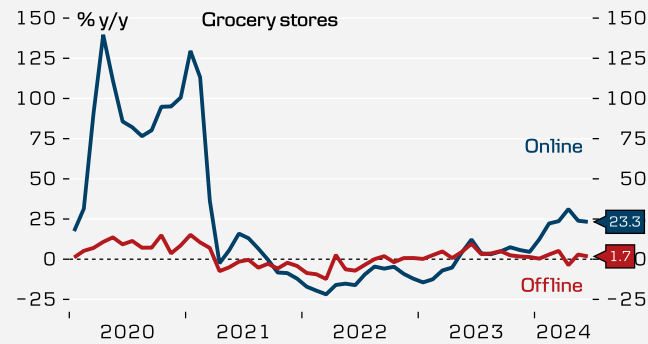
Source: Danske Bank

Nominal spending in physical stores have stabilized above pre-covid levels



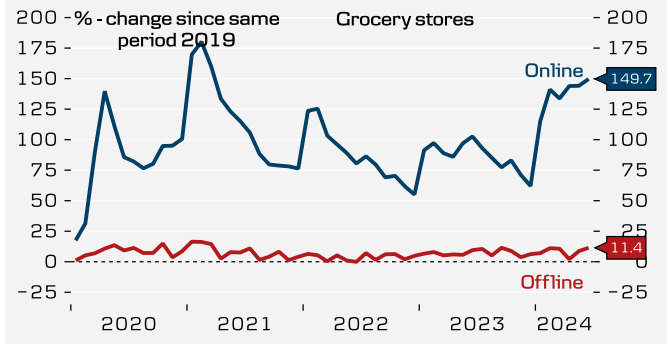
Source: Danske Bank

Rapid growth in online grocery spending over the past 6 months, while growth in physical stores is also slightly positive



Source: Danske Bank

Online grocery spending seems to have gained an extra boost during this spring



Source: Danske Bank

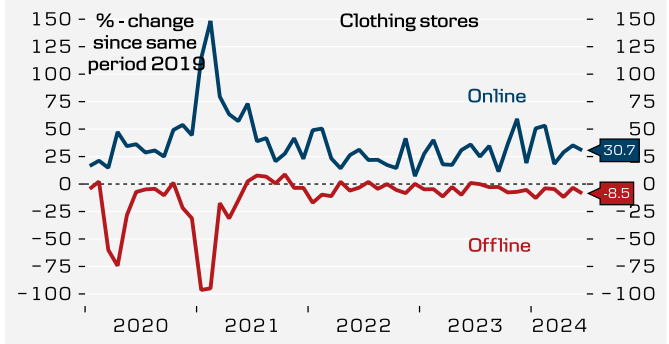
Both online and offline spending in clothing stores was lower than June last year



Notes: Due to very large growth rates driven by lockdowns, the y-axis has been capped.

Source: Danske Bank

Offline clothing spending still lacks behind pre covid levels



Source: Danske Bank

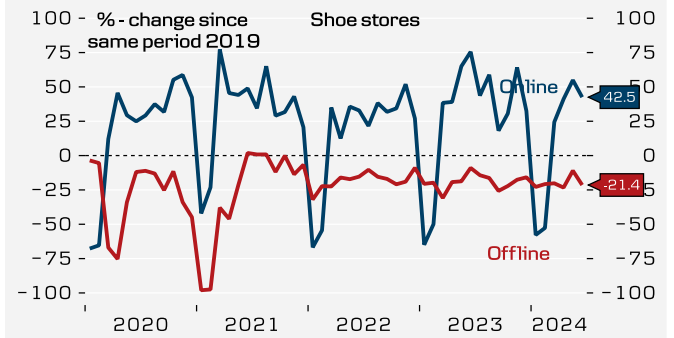
**Both online and offline spending in shoe stores was lower than June last year**



Notes: Due to very large growth rates driven by lockdowns, the y-axis has been capped.

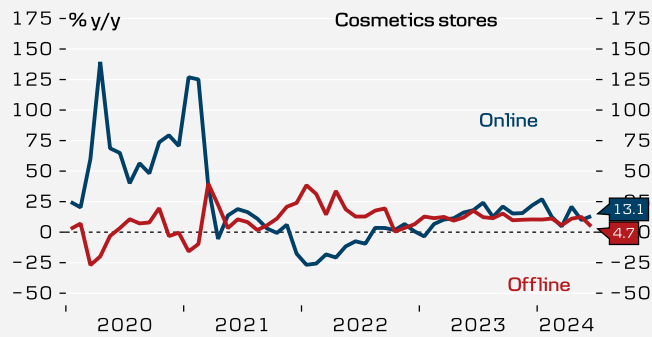
Source: Danske Bank

**Still some ground to cover before offline shoe spending is back to pre-covid levels**



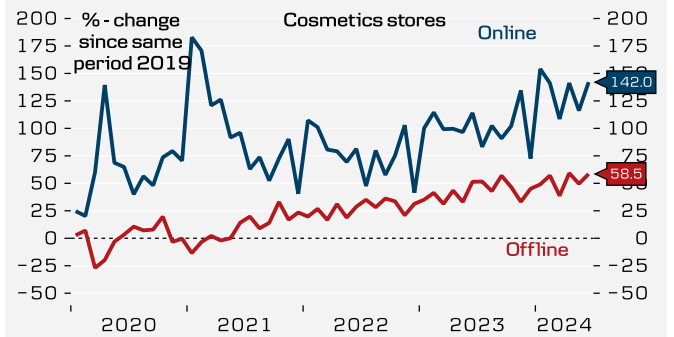
Source: Danske Bank

**Online cosmetics spending grew rapidly compared to June last year, while growth in physical stores was modest**



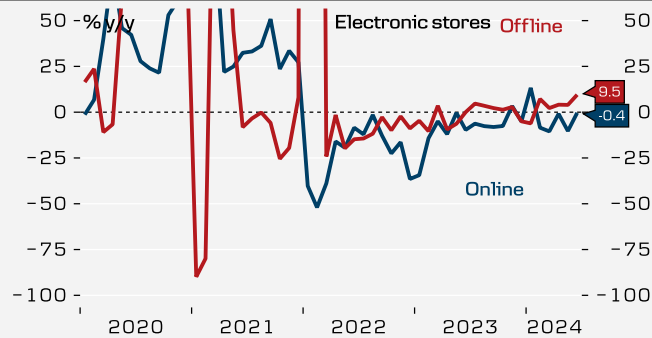
Source: Danske Bank

**Very high growth in cosmetics stores is primary driven by growth in online spending**



Source: Danske Bank

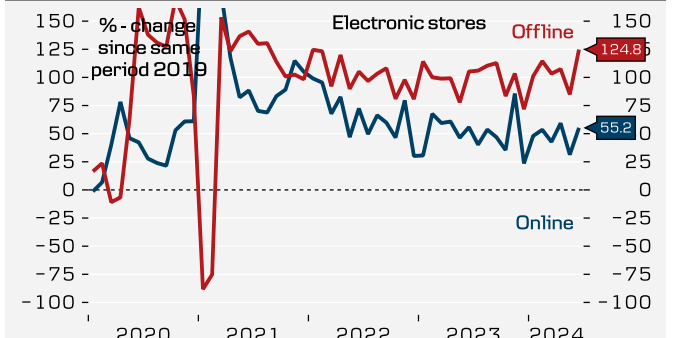
**Offline electronics spending higher than June last year, while online spending was lower**



Notes: Due to very large growth rates driven by lockdowns, the y-axis has been capped.

Source: Danske Bank

**Higher spending in electronics stores compared to pre-covid levels is primary driven by offline spending**



Source: Danske Bank

## Disclosure

This research report has been prepared by Danske Bank A/S ('Danske Bank'). The authors of this research report are Las Olsen, Chief Economist, and Magnus Poulsen, Assistant Analyst.

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### Expected updates

### Ad hoc

### Date of first publication

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