

# Spending Monitor

## Spending looks stronger in July after a weak end of June

- Danish spending data up to and including 6 July shows signs of improvement in a number of categories. Some of this is due to payday effects, which lifted the total spending level around 1 July but a number of the subcomponents where we saw weakness in late June seem to be looking stronger over the past week as well.
- Through most of June, we saw a decline in spending in clothing and shoe stores but over the past week, both categories returned to more normal spending levels. Note that we observe the effects only on nominal spending and lower prices than normal in June might have had an effect on spending. However, we saw an uptick in spending in cosmetic and jewellery stores, indicating good activity in shopping centres recently.
- Spending in the overall restaurant category has come down in recent weeks. However, this is due to very weak spending in the bars and nightclubs subcategory, which fell to only 25% of the normal level in the early summer holiday season, while spending in traditional restaurants is now back at normal levels.
- We are still to see a significant uptick in travel and airline spending. This is somewhat surprising, as the borders have now been open for a few weeks, indicating that it is more than formal restrictions driving travel patterns.
- Changing holiday patterns are likely to affect spending over the coming month, as we believe Danes are likely to vacation differently, spending their holidays at home rather than abroad. Though spending is at a more normal level, we are still not seeing an improvement large enough to compensate for the reduction in spending under lockdown.

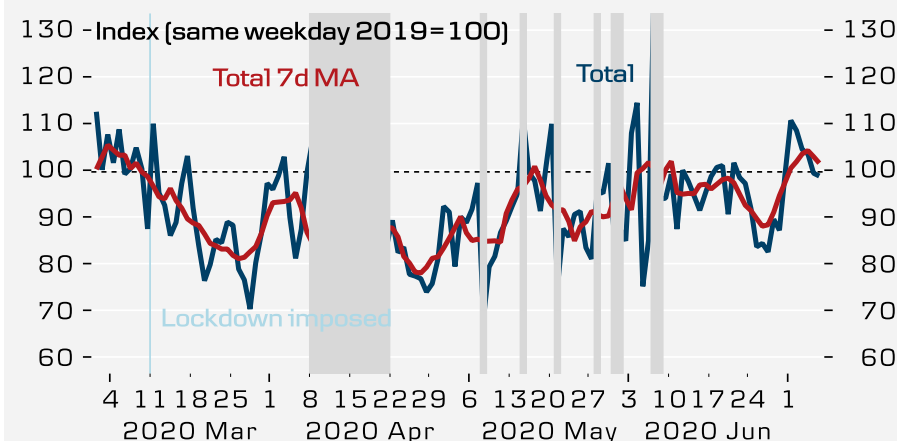
### Notes on the spending data

The spending data is based on transactions online and offline, both domestically and abroad, with cards and MobilePay 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 and account transfers. Hence, notably, fixed costs and spending on housing are not included. Also changes in cash spending patterns will affect the data.

The charts show spending in March – July 2020 compared with the same weekdays in 2019 (this is to correct for different spending patterns across the week). Data is not adjusted for price developments.

### Total spending hovers around 2019's level



Note: Spending by card and MobilePay does not include cash and account transfers; so it cannot be compared directly with private consumption in national accounts. Grey areas mark holidays in 2020 and 2019, which at different times from one year to another. These include Easter, General Prayer Day, Ascension Day and Whitsun Sunday and Monday.

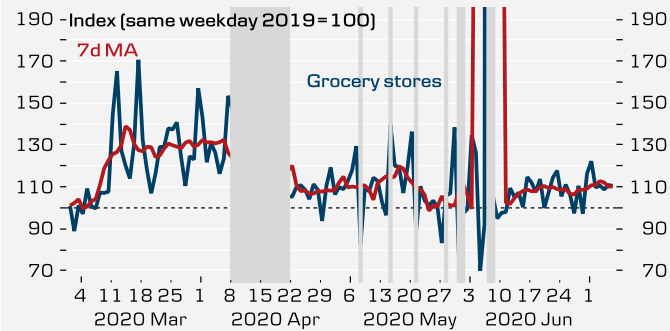
Source: Danske Bank

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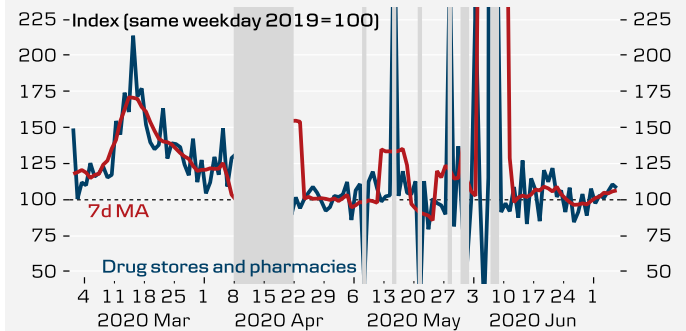
Selected charts with relative changes

Grocery store spending at more normal levels, especially considering the move from cash to card spending



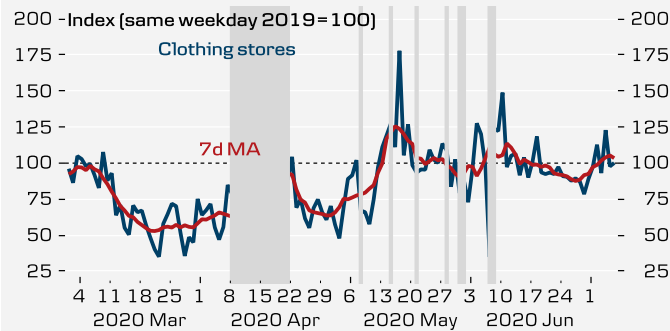
Source: Danske Bank

Health-related spending around normal levels



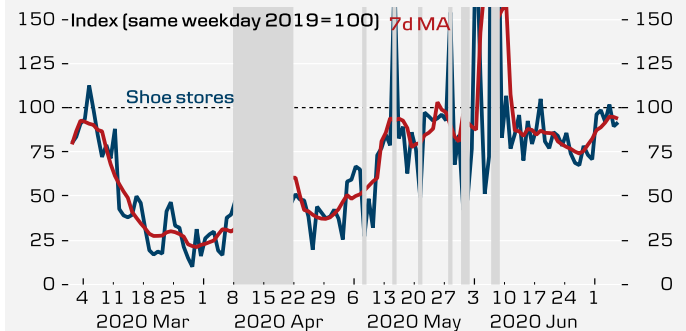
Source: Danske Bank

Spending at clothing stores recovered somewhat in early July



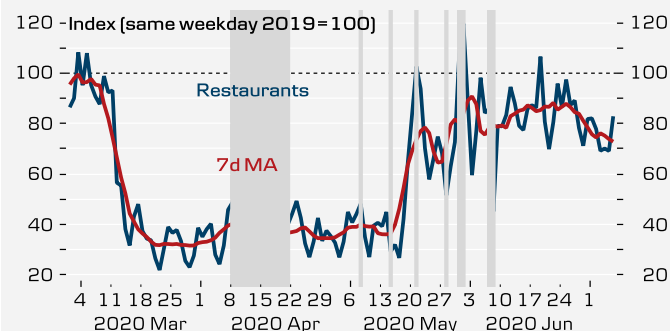
Source: Danske Bank

Spending at shoe stores has improved over the past week



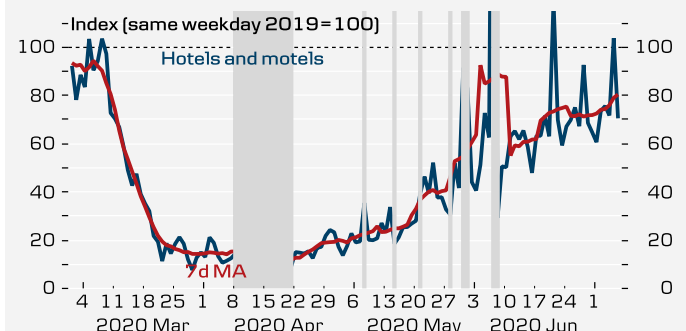
Source: Danske Bank

Activity at traditional restaurants has normalised but index is pulled down by weak spending in drinking establishments



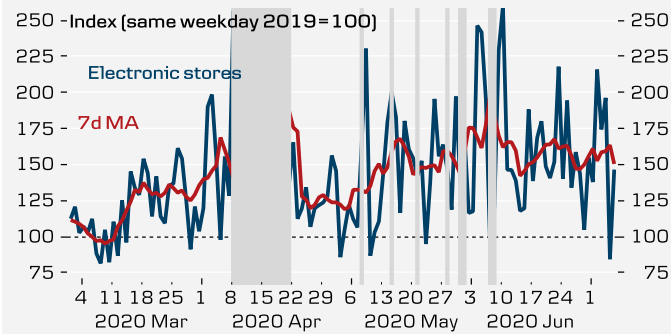
Note: The restaurant index include bars and nightclubs and fast food places  
Source: Danske Bank

Danes are spending around 20% less than normal - note the data does not cover foreigners



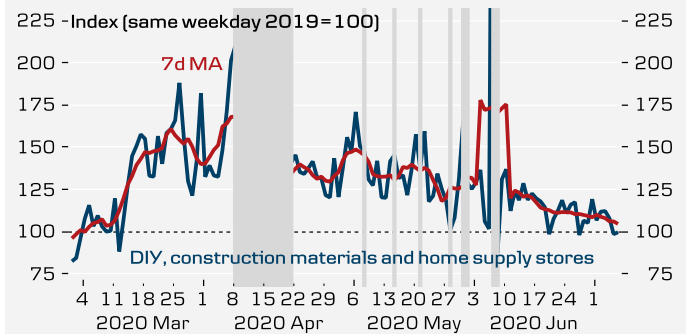
Source: Danske Bank

**Spending at electronics stores has been elevated since lockdown started**



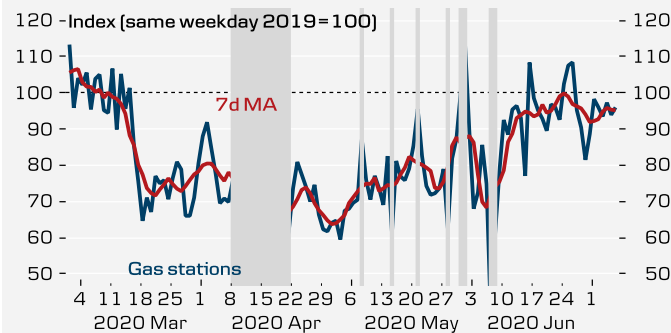
Source: Danske Bank

**DIY spending continues to move down towards normal levels**



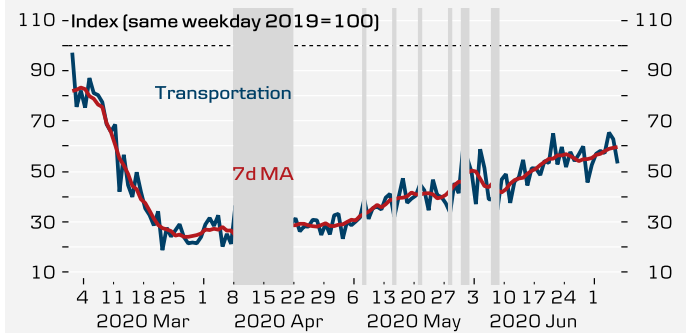
Source: Danske Bank

**Spending at gas stations has largely normalised, when taking lower prices than 2019 into account**



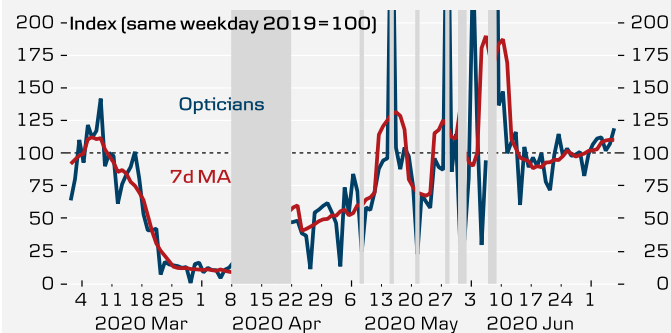
Source: Danske Bank

**Transportation spending still well below normal but clear signs of improvement**



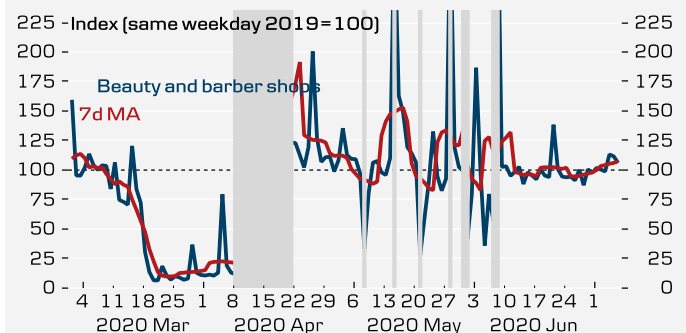
Source: Danske Bank

**Opticians at 2019's activity levels**



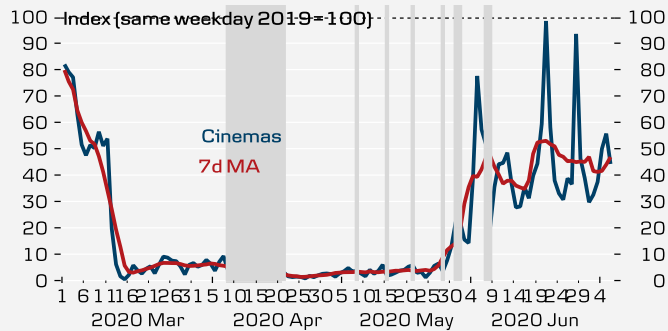
Source: Danske Bank

**Spending at hairdressers has returned to normal**



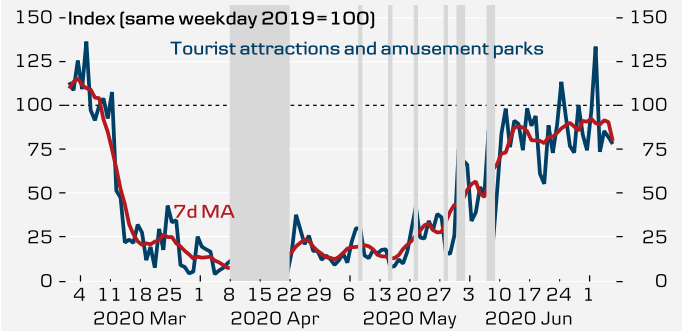
Source: Danske Bank

**Cinema spending at less than half of normal levels – good weather and limited supply of films dampening activity**



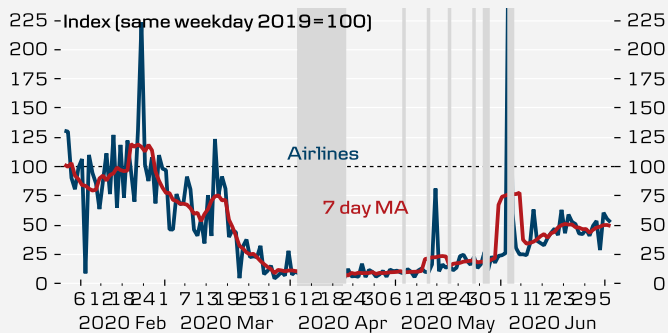
Source: Danske Bank

**Higher spending at tourist attractions still far from enough to compensate for absence of foreign tourists**



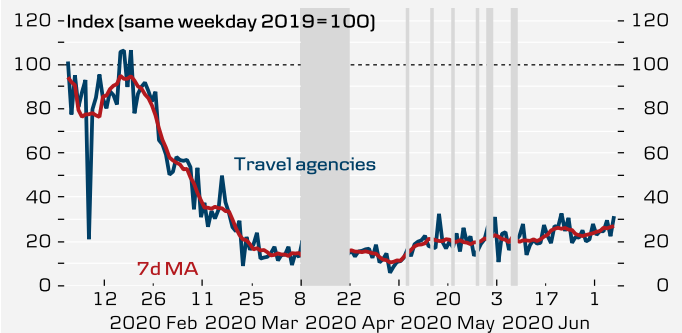
Source: Danske Bank

**Airline spending improving only very slowly and no signs of significant effects of border opening**



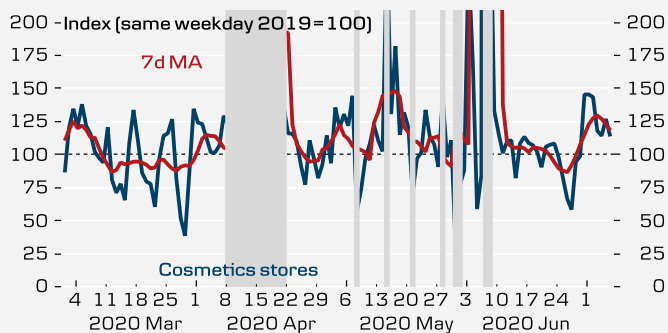
Source: Danske Bank

**Travel spending is still very depressed and no clear signs of the border opening lifting the data**



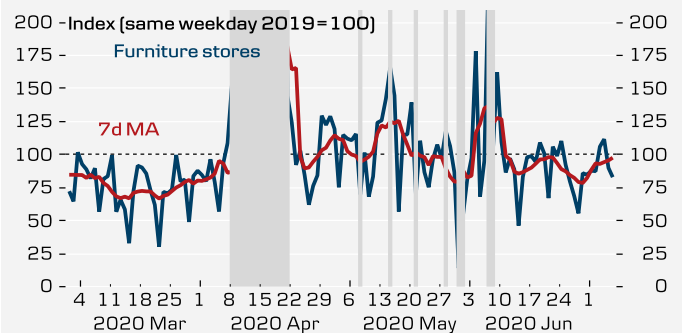
Source: Danske Bank

**Spending at cosmetics stores had a good start to July**



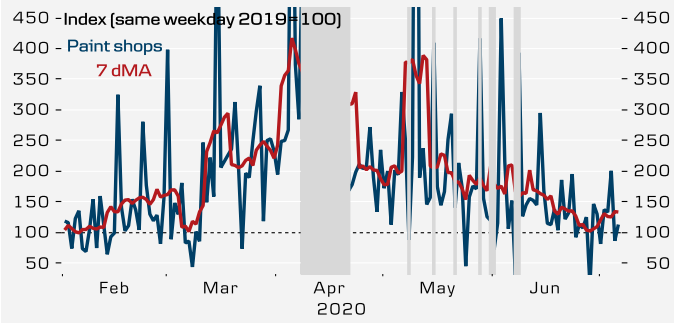
Source: Danske Bank

**Spending at furniture stores is slightly below normal levels**



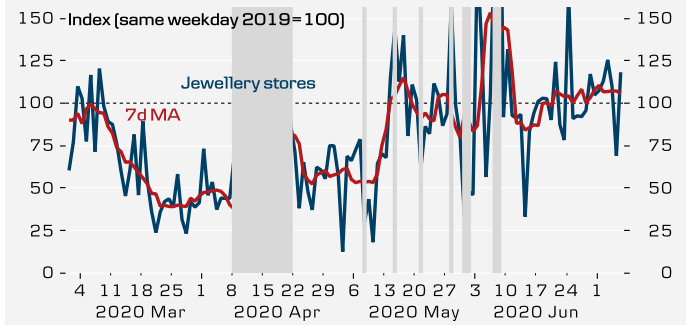
Source: Danske Bank

Spending on paint has normalised as well



Source: Danske Bank

Spending at jewellery stores rebounded after opening of department stores and malls



Source: Danske Bank

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