

Spending Monitor

New restrictions may dampen spending in coming weeks

- Danish card and MobilePay spending in September, up to and including 14 September, showed spending around normal levels. With cash spending still below last year's level, spending is around 3% lower than normal. However, strong car sales indicate good consumer activity in Denmark.
- In retail, the first week of September showed some weakness, with spending in clothing and shoe stores declining last week.
- Home improvement spending also weakened, along with spending in furniture stores. However, we expect these to increase in October, as we believe the payout of potentially over DKK30bn in holiday back pay to Danish consumers is likely to lift consumption in these categories significantly in Q4.
- Spending in restaurants declined last week, driven largely by weaker spending in bars and nightclubs, as opening hours were restricted again. As further restrictions on opening hours – not only for bars and nightclubs but also for more traditional restaurants – will take effect this week in some urban areas, we expect to see a noticeable weakening.
- Travel-related spending remains very low at around 75% below normal levels. We do not see any indication of increased travel activity in the autumn.
- As more Danes are working from home and more restrictions are imposed on restaurants and nightlife, we expect spending to come down over coming days and weeks. However, we do not expect anywhere near the same effects as in lockdown.

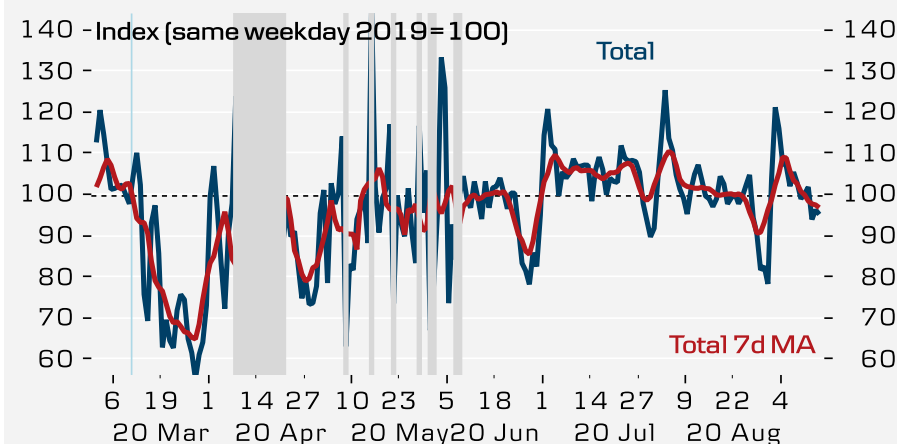
Notes on the spending data

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. Changes in cash spending patterns will also affect the data.

The charts show spending in March - September 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.

September spending at normal levels so far



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 that are at different times from one year to another. These include Easter, General Prayer Day, Ascension Day and Whitsun Sunday and Monday.

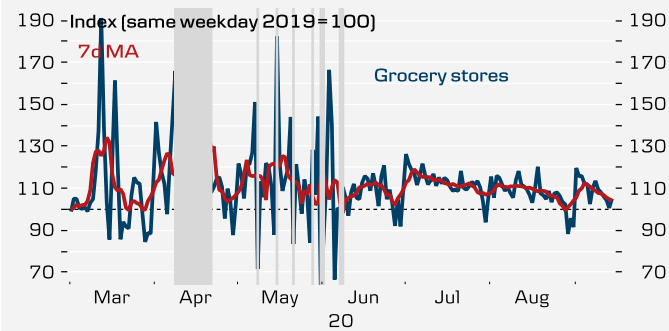
Source: Danske Bank

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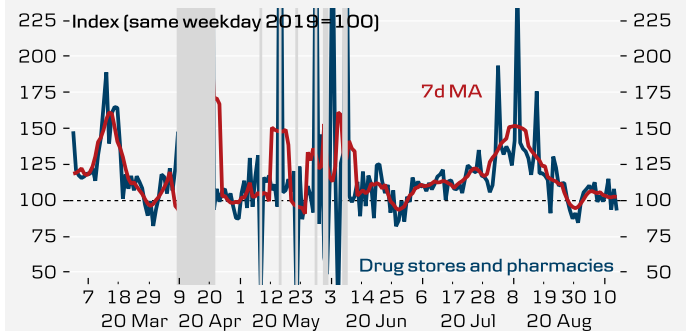
Selected charts with relative changes

Still no significant lift in grocery spending from more people working from home again



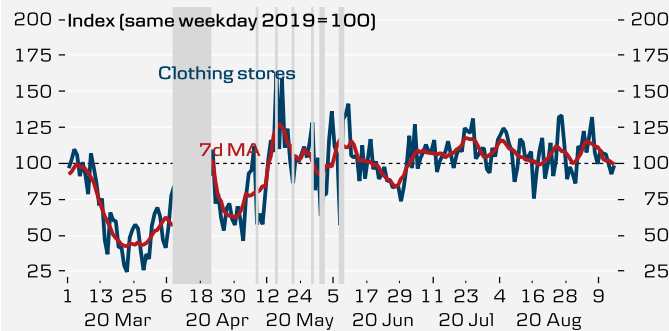
Source: Danske Bank

Health-related spending at around normal levels



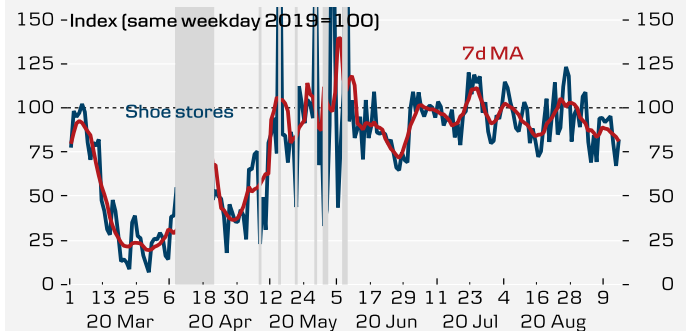
Source: Danske Bank

Spending at clothing stores declined last week



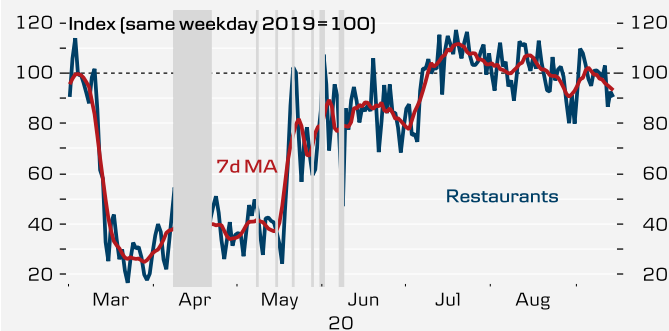
Source: Danske Bank

Spending at shoe stores continues to come down



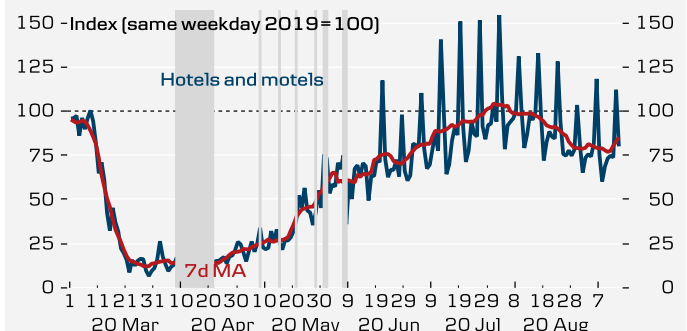
Source: Danske Bank

Spending on going out has come down somewhat but we expect further weakness as new restrictions are imposed



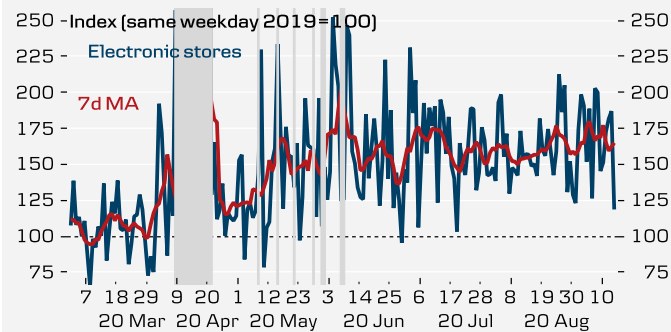
Note: The restaurant index includes bars and nightclubs and fast-food places
Source: Danske Bank

Danes' hotel spending has come down from high levels over the holiday season



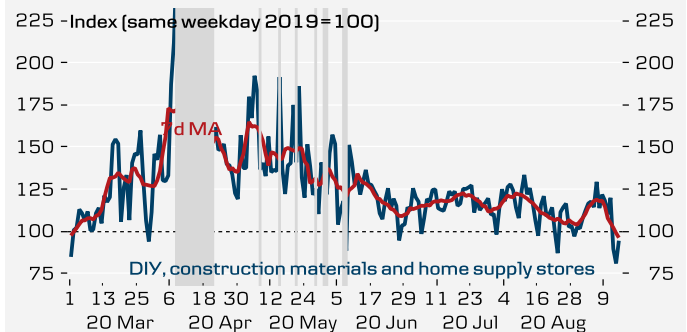
Source: Danske Bank

Spending at electronics stores has been elevated since lockdown started



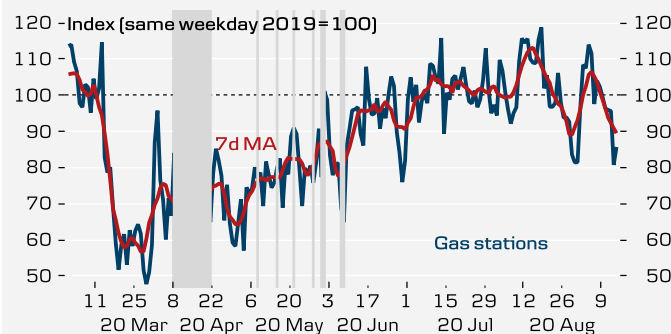
Source: Danske Bank

DIY spending weakened but expect further strengthening as a result of holiday back pay in Q4



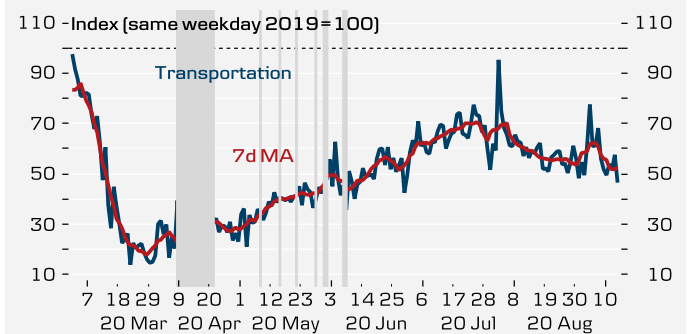
Source: Danske Bank

Spending at gas stations is falling, possibly a reaction to more Danes working from home again



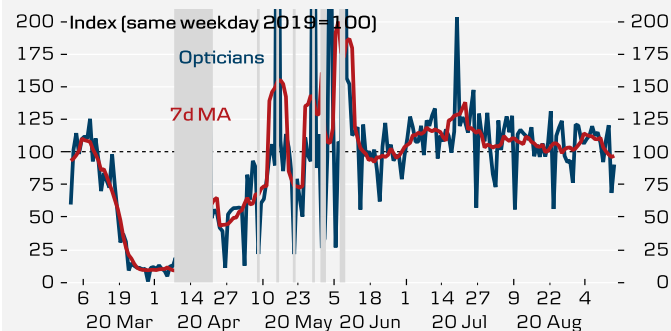
Source: Danske Bank

Transportation spending has declined since early September



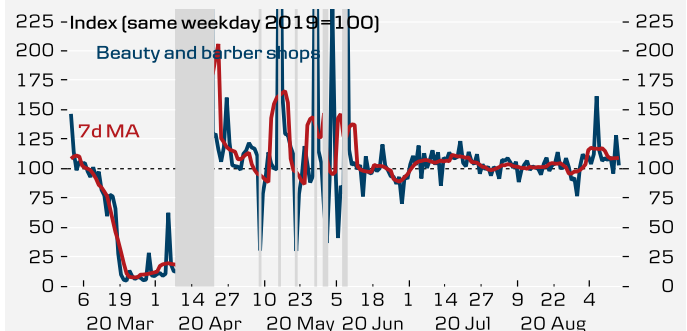
Source: Danske Bank

Opticians are seeing normal spending patterns



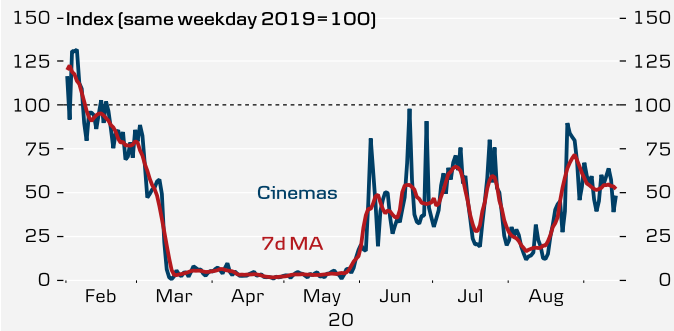
Source: Danske Bank

Spending at hairdressers has increased somewhat



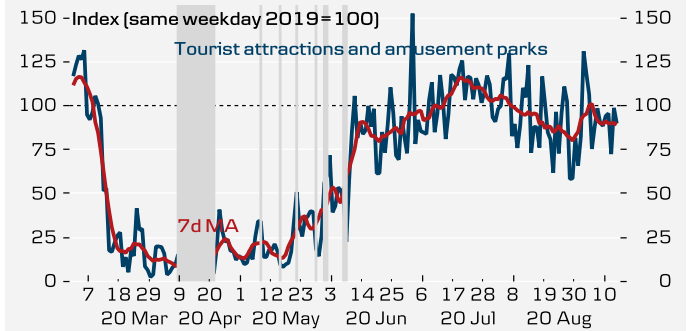
Source: Danske Bank

Cinema spending at only half of normal level



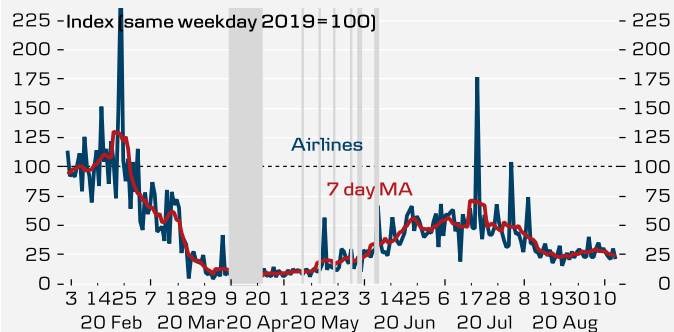
Source: Danske Bank

Spending at tourist attractions slightly below normal



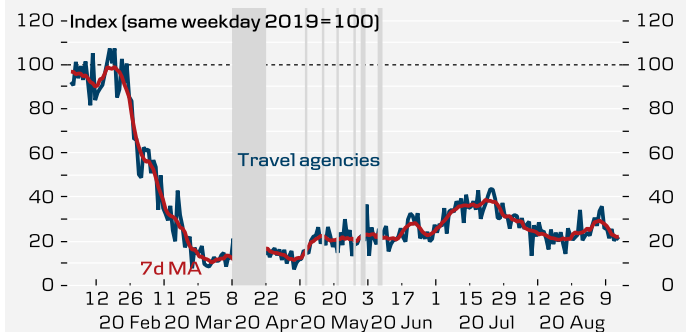
Source: Danske Bank

Airline spending stabilises at only a quarter of normal levels



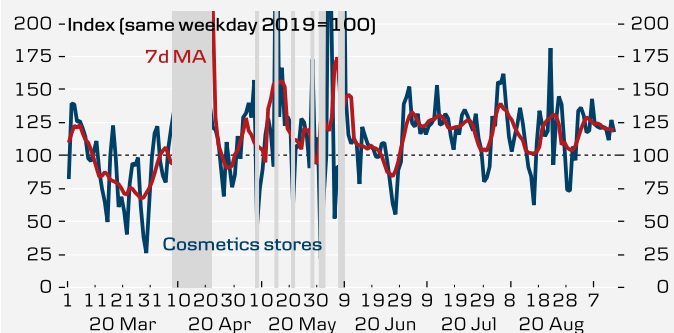
Source: Danske Bank

Travel spending remains very weak



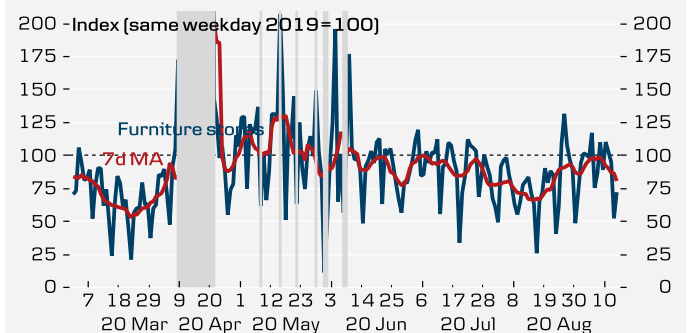
Source: Danske Bank

Spending at cosmetics stores elevated in September



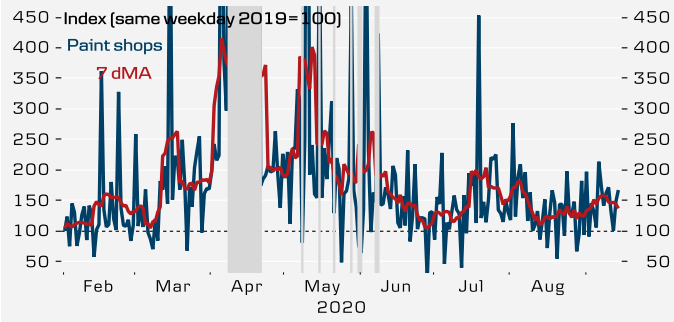
Source: Danske Bank

Spending at furniture stores has improved somewhat, likely due to high activity in the housing market



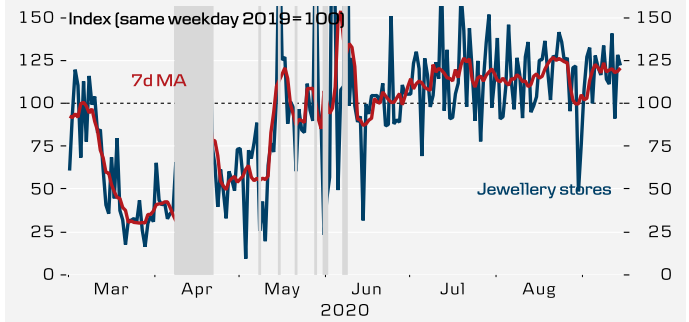
Source: Danske Bank

Spending on paint still elevated



Source: Danske Bank

Spending at jewellery stores back above normal level



Source: Danske Bank

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Report completed: 16 September 2020, 09:09 CEST

Report first disseminated: 16 September 2020, 10:35 CEST