

Spending Monitor

Retail spending weakens through first half of September

- Danish card data suggests that consumer spending was 1.5% higher in the first two weeks of September compared to the first two weeks of September last year. This points towards slightly weaker consumption in September than in August, where spending was 2.2% higher compared to same month the year before.
- Retail spending had a rough first two weeks of September. Compared to the same period last year retail spending was down 1.1%. We will have to wait for September CPI print medio October to know if prices have an effect on this development. Retail prices have remained elevated until now so there was likely a significant real decline in retail spending, unless retail inflation has decreased drastically in September or spending improves in second half of September.
- Clothing and shoe spending were much lower than usual for September. The unusually warm weather possibly plays a role for this development, since consumers may postpone their shopping for warmer clothes to later in the year.
- Looking at spending in gas stations, we can clearly see an effect of higher oil prices. Annual growth is still in negative territory, but it has gradually increased from -20% in the middle of July to just below zero in the latest observations in September.
- The great period for cinemas seems to have ended for now and annual growth is back to the negative rates that we saw in the spring. On the other hand, restaurant and theater spending growth are trending upwards. We still see positive growth rates in airlines and travel agency spending, even though the growth rates are not as high as they were in July and August.

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.

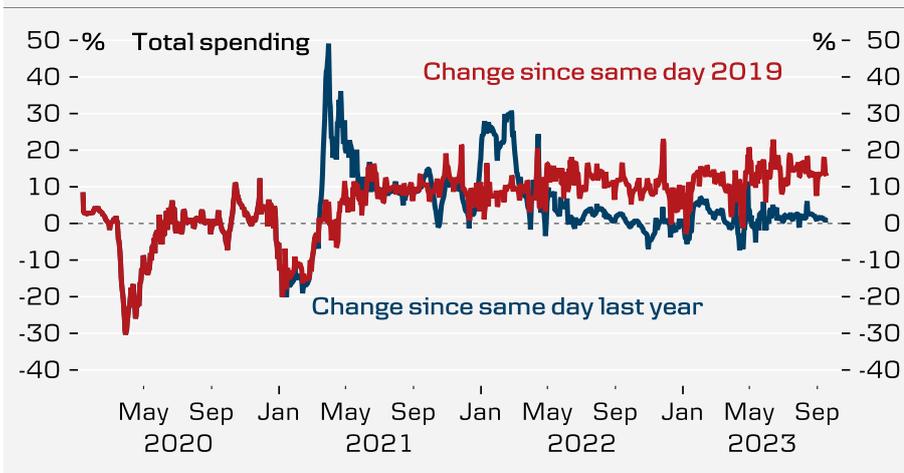
The spending data is used as a proxy for private consumption. However, it does not include cash spending, MobilePay and account transfers. Hence, notably, fixed costs and spending on housing are not included. Changes in cash and mobile spending patterns will also affect the data.

The charts show spending in 2020-2023 compared with the same week in 2019, and compared to the previous year.

Data is not adjusted for price developments, unless explicitly noted.

The most recent data is subject to revisions.

Year over year spending growth keeps being in slightly positive territory in first half of September



Note: Spending by card does not include cash, MobilePay and account transfers, so it cannot be compared directly with private consumption in national accounts. Daily data, 2-week moving average.

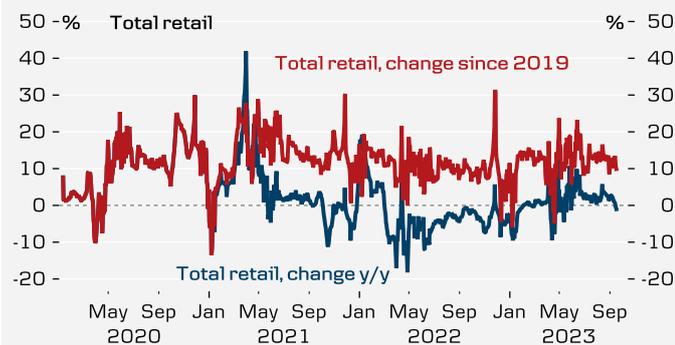
Source: Danske Bank

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Selected charts with relative changes since 2019 and the year before

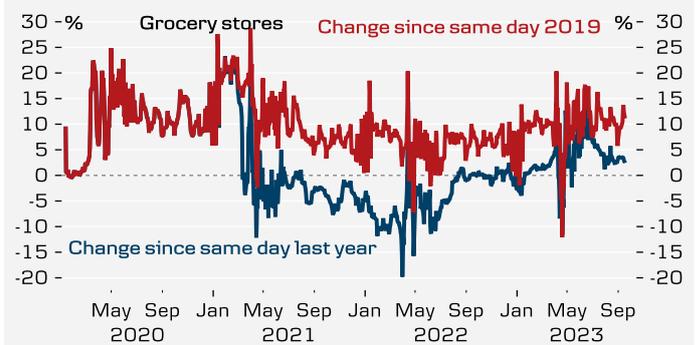
Year over year spending growth keeps being in slightly positive territory in first half of September



Note: Two week moving average

Source: Danske Bank

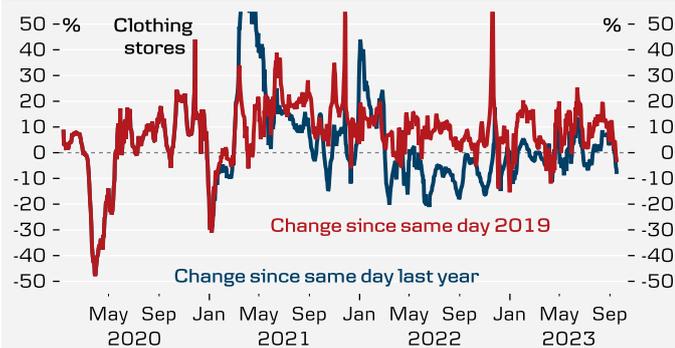
Growth in grocery spending has stabilized at a lower level than previous months



Note: Two week moving average

Source: Danske Bank

After some positive momentum in August, clothing spending had a hard time in first half of September

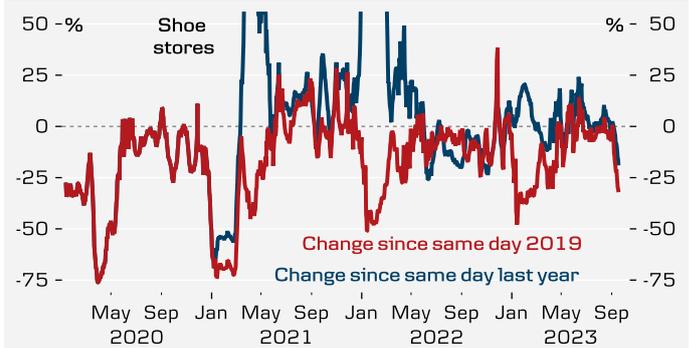


Notes: Two week moving average.

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

Source: Danske Bank

Shoe spending is performing really bad compared to normal september



Notes: Two week moving average.

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

Source: Danske Bank

Upward trend in restaurant spending growth in first half of September



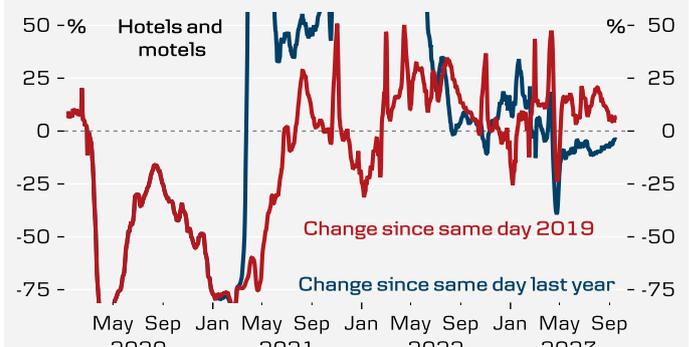
Notes: 2 week moving average.

The restaurant index includes bars and nightclubs and fast-food places.

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

Source: Danske Bank

Hotel spending keeps being higher than pre-covid levels, but lower than a year ago

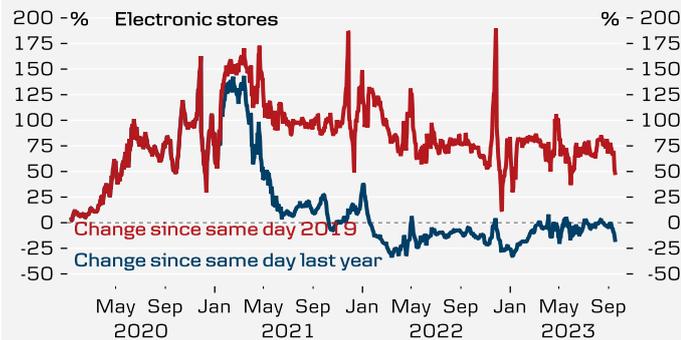


Notes: Two week moving average.

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

Source: Danske Bank

Annual growth in electronics spending is trending down in negative territory



Note: Two week moving average

Source: Danske Bank

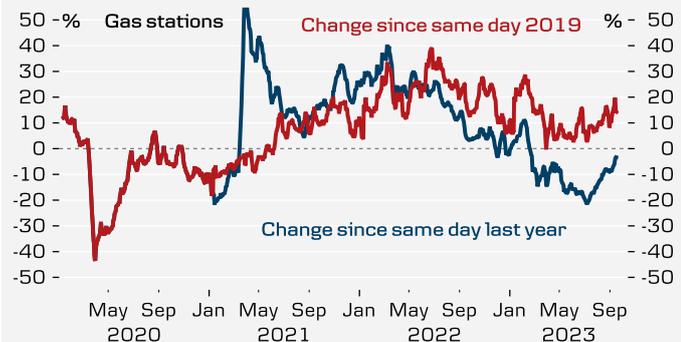
DIY and construction spending keeps being lower than a year ago, and annual growth is trending downwards



Note: Two week moving average

Source: Danske Bank

Due to recent increases in oil prices gas spending is now close to the same level as a year ago



Note: Two week moving average

Source: Danske Bank

Transportation spending growth trended downwards through September

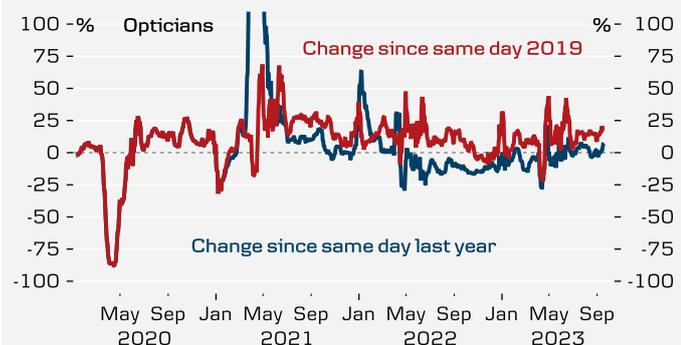


Notes: Two week moving average.

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

Source: Danske Bank

Optician spending was just around the same level as a year ago

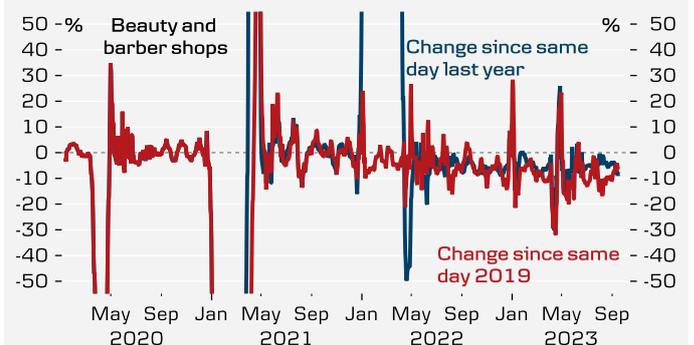


Notes: Two week moving average.

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

Source: Danske Bank

Spending in hairdressers continues to be lower than pre-covid levels - implying a significant real decline

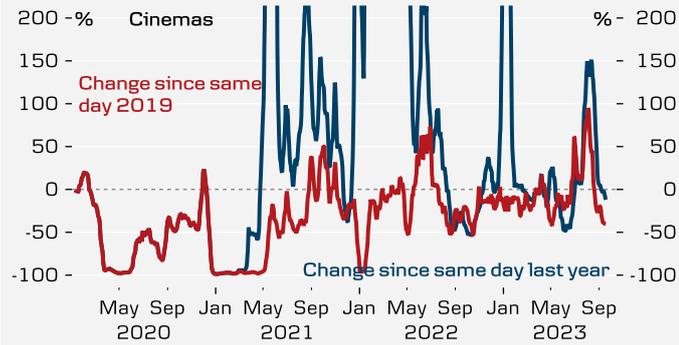


Note: Two week moving average.

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

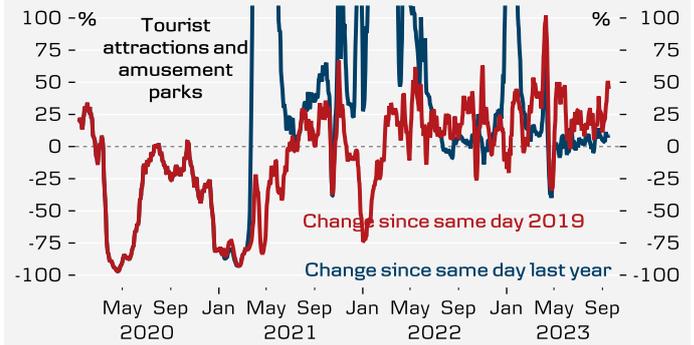
Source: Danske Bank

Cinema spending growth are back in negative territory after two really strong months



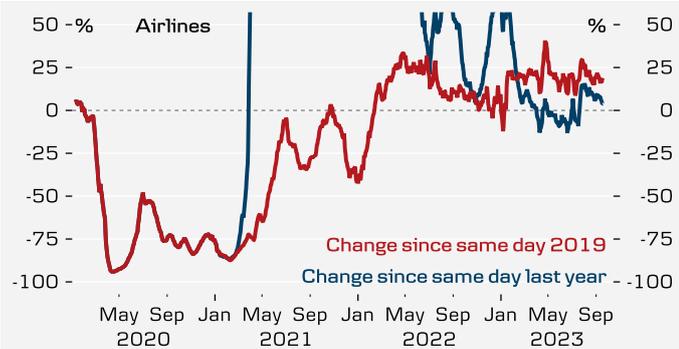
Note: Two week moving average.
 Due to very large growth rates driven by lockdowns, the y-axis has been capped.
 Source: Danske Bank

Spending in tourist attractions is a little higher than last year



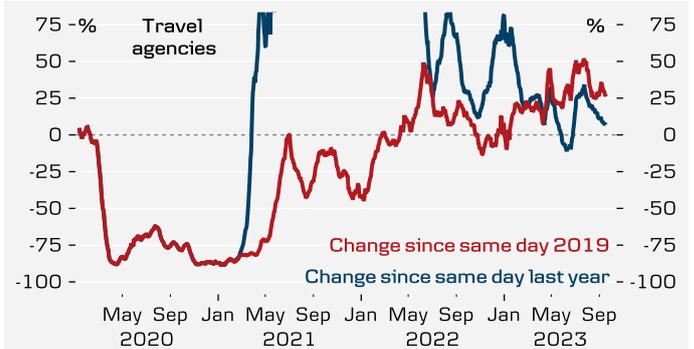
Note: Two week moving average.
 Due to very large growth rates driven by lockdowns, the y-axis has been capped.
 Source: Danske Bank

Airlines spending keeps being higher than a year ago, but annual growth is trending downwards



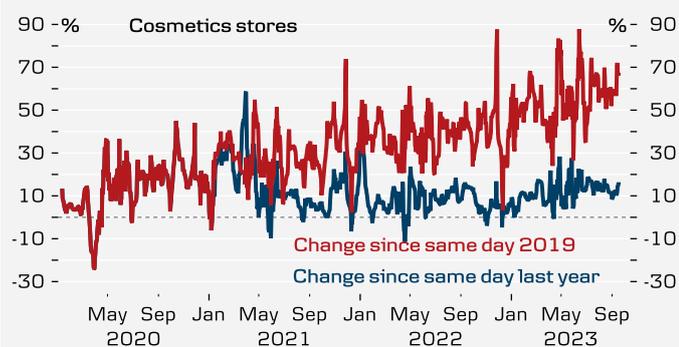
Notes: Two week moving average.
 Due to very large growth rates driven by lockdowns, the y-axis has been capped.
 Source: Danske Bank

Spending on packaged holidays is trending downwards after rainy summer sent growth rates up in high levels



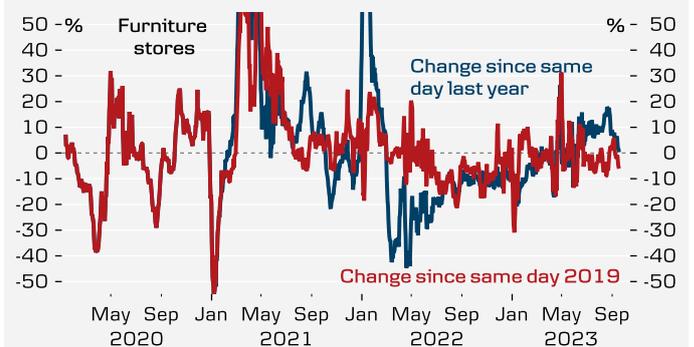
Note: Two week moving average.
 Due to very large growth rates driven by lockdowns, the y-axis has been capped.
 Source: Danske Bank

Spending in cosmetics stores keeps growing, but prices has also increased drastically over the past few years



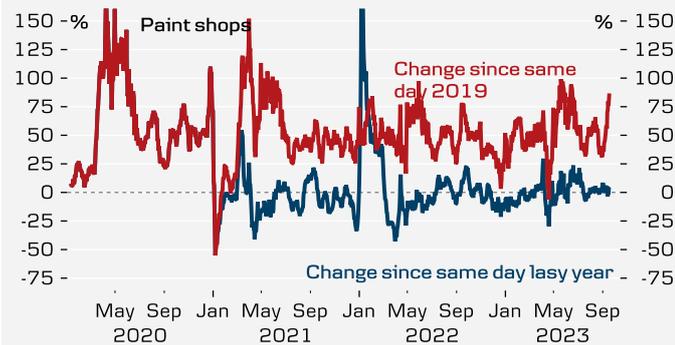
Note: Two week moving average
 Source: Danske Bank

Furniture spending growth is trending downwards after some strong summer month, but annual growth still slightly positive



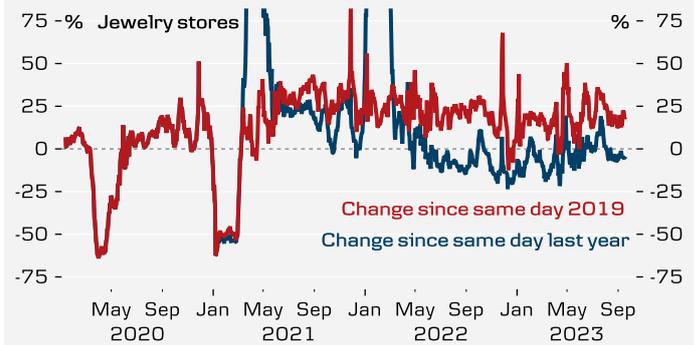
Notes: Two week moving average.
 Due to very large growth rates driven by lockdowns, the y-axis has been capped.
 Source: Danske Bank

Spending in paint shops is still higher than pre-covid levels, but prices has also increased drastically since then



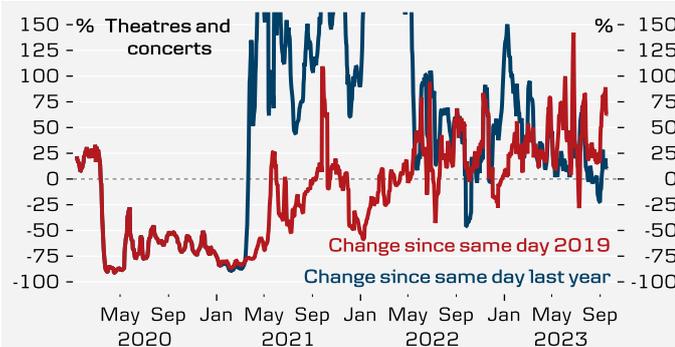
Notes: Two week moving average
 Due to very large growth rates driven by lockdowns, the y-axis has been capped.
 Source: Danske Bank

Spending in jewellery stores has stabilized on a level slightly below the level of last year



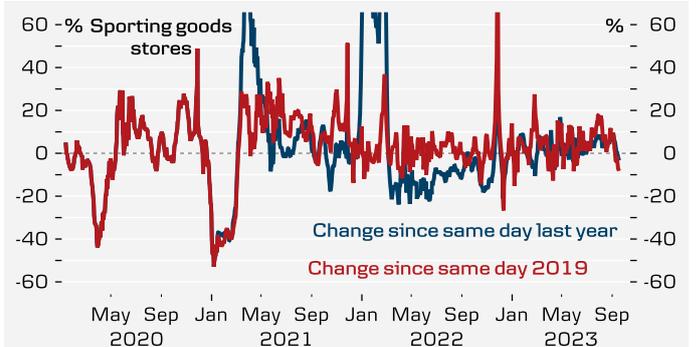
Notes: Two week moving average
 Due to very large growth rates driven by lockdowns, the y-axis has been capped.
 Source: Danske Bank

Annual spending growth in theatres and concert halls is back to positive territory and looks strong in start of September



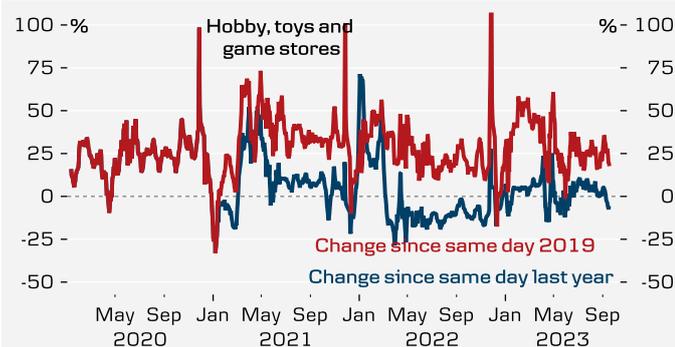
Note: Two week moving average.
 Due to very large growth rates driven by lockdowns, the y-axis has been capped.
 Source: Danske Bank

Growth in sporting goods spending trends downwards into negative territory in first weeks of September



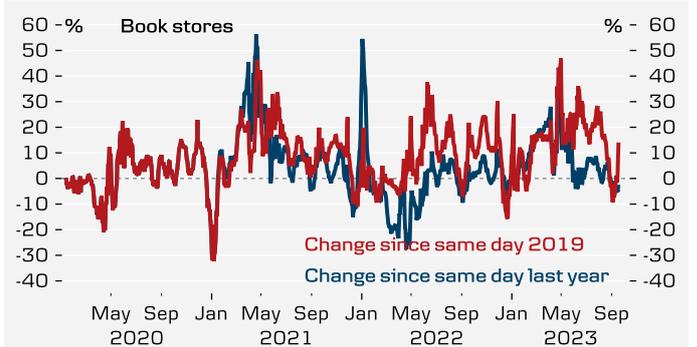
Note: Two week moving average.
 Due to very large growth rates driven by lockdowns, the y-axis has been capped.
 Source: Danske Bank

Spending on toys is a little lower than a year ago



Note: Two week moving average
 Source: Danske Bank

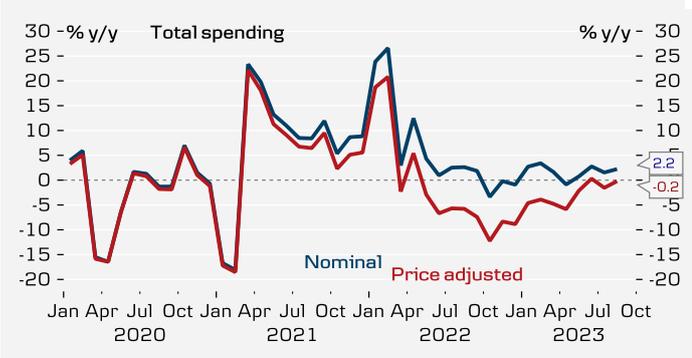
Book spending growth is lower than a year ago



Note: Two week moving average
 Source: Danske Bank

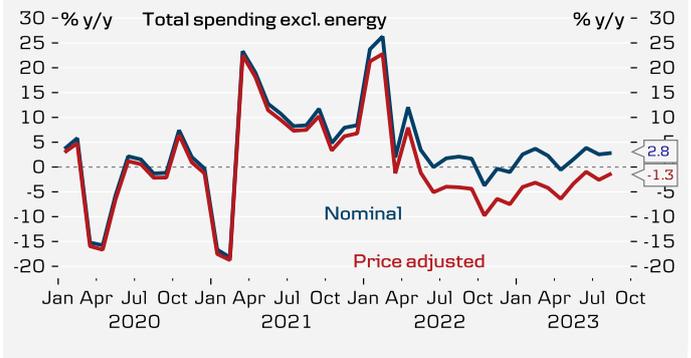
Selected charts with y/y nominal and real changes in total monthly spending

Inflation adjusted card spending was a little lower in August than the same month last year



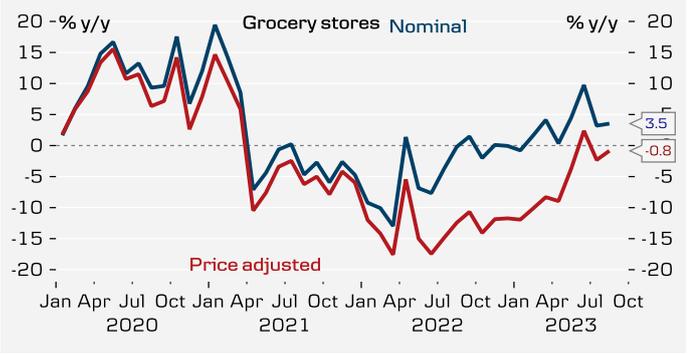
Source: Danske Bank and Statistics Denmark

Growth in inflation adjusted spending excluding energy is negative for the 15th straight month



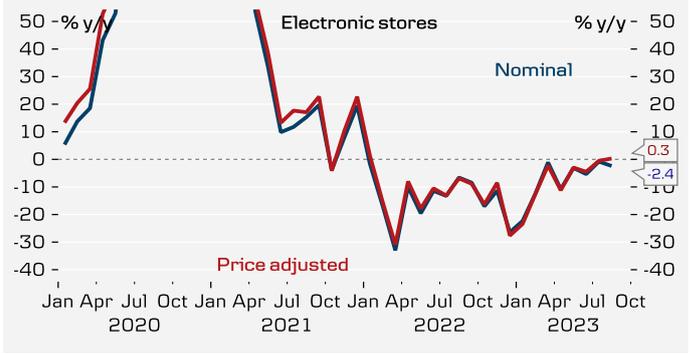
Source: Danske Bank and Statistics Denmark

Inflation adjusted grocery spending is still lower than a year ago



Source: Danske Bank and Statistics Denmark

Spending in electronic stores was around the same level in August of 2023 as the same month last year



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

Source: Danske Bank and Statistics Denmark

Spending in clothing stores grew 5.6% in August if we adjust for inflation. Highest annual growth since February 2022



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

Source: Danske Bank and Statistics Denmark

Annual growth were just around the level from last year if we adjust for inflation



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

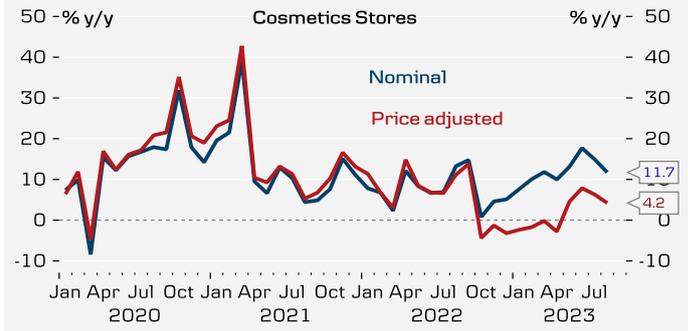
Source: Danske Bank and Statistics Denmark

Inflation adjusted spending on construction materials was nearly 10% lower than August last year



Source: Danske Bank and Statistics Denmark

Still positive annual growth in cosmetics spending, but a significant decrease in growth from July to August



Source: Danske Bank and Statistics Denmark

Travel agencies had a good month compared to August of last year, even though growth was lower than in impressive July



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

Source: Danske Bank and Statistics Denmark

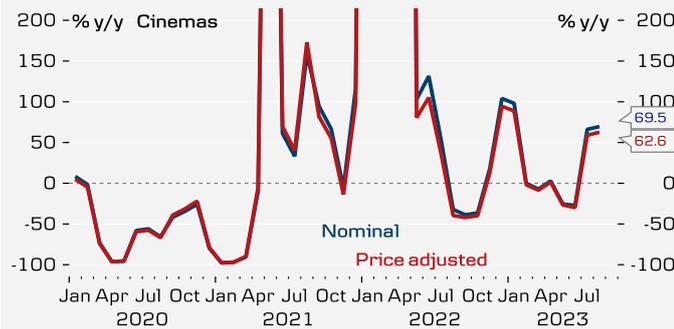
Cinema spending increased nearly 70% year over year for the second straight month



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

Source: Danske Bank and Statistics Denmark

Real flight spending rose 1.7% in August compared to same month last year if we adjust for lower prices



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

Source: Danske Bank and Statistics Denmark

Drastic decline in spending on cultural institutions, after a period with high growth rates

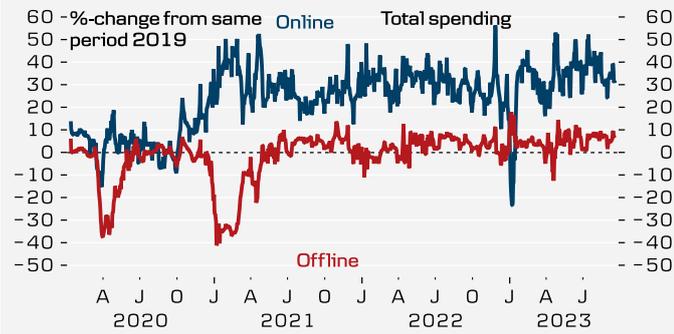


Note: Due to very large growth rates driven by lockdowns, the y-axis has been capped.

Source: Danske Bank and Statistics Denmark

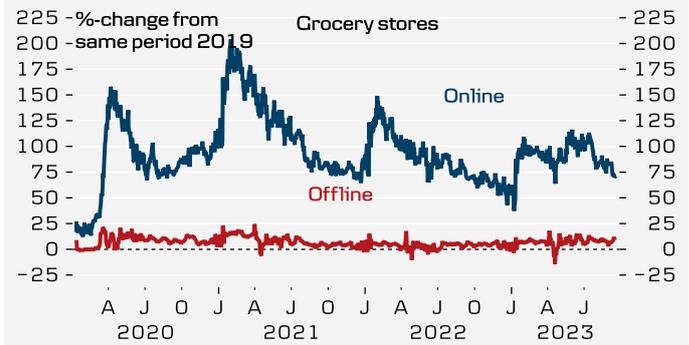
Spending by location - online/offline

Online spending continues to be much higher than pre-covid levels



Note: Two week moving average
Source: Danske Bank

Online grocery spending is still much higher than pre-covid levels



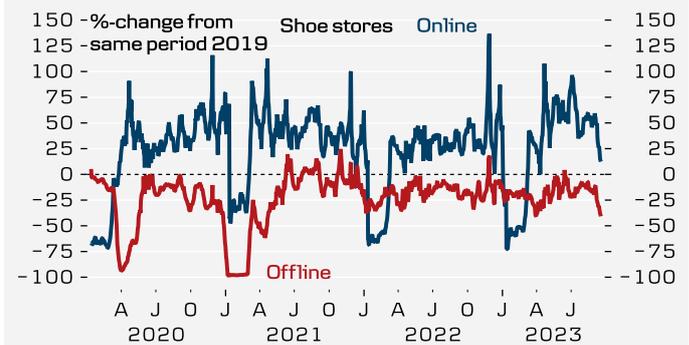
Note: Two week moving average
Source: Danske Bank

Especially decrease in online clothing spending are dragging growth down



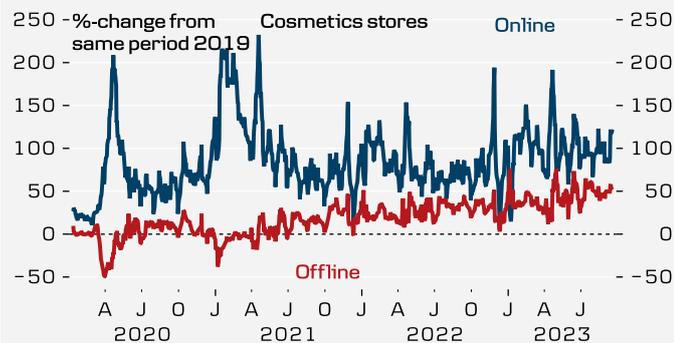
Note: Two week moving average
Source: Danske Bank

Both in-store and online shoes spending are dragging spending growth down



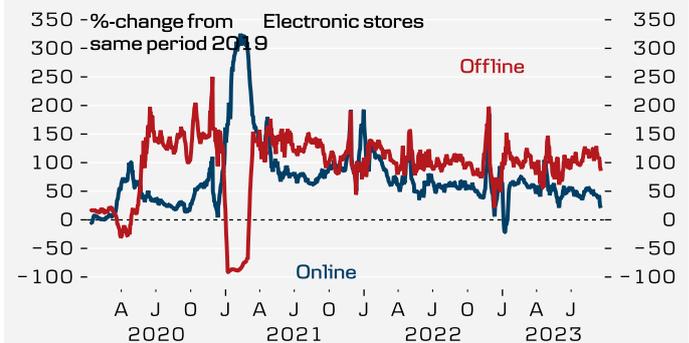
Note: Two week moving average
Source: Danske Bank

Both online and offline cosmetics spending continues to be higher than before covid, but prices has also increased drastically



Note: Two week moving average
Source: Danske Bank

Both online and offline electronics spending continues to be higher than pre-covid levels



Note: Two week moving average
Source: Danske Bank

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

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