

Spending Monitor

First signs of spending lift from holiday back-pay

- Danish card and MobilePay spending in October, up to and including 5 October, showed strong spending figures for the beginning of the month. Some of this is natural as spending surges in the beginning of the month, but there are also signs that spending, notably in retail, has been lifted by the payout of holiday back-pay, which was initiated late last week.
- So far, the Danes have applied for DKK40 bn. (before taxes) in holiday back pay, and with payouts starting last Friday, we are already seeing signs of higher spending.
- The big winners were in retail, with spending in clothing stores up 44% from Saturday-Monday compared with the week before. Shoe stores also saw a major increase in spending, and compared with the same weekend last year, spending in cosmetics stores was up by almost 50%.
- As expected we also saw a lift in spending on electronics, which almost doubled over the weekend compared with the same weekend last year. Spending on other home improvement related items was also up.
- It is still early days, and most of the holiday back-pay will be paid out over this week, however the early indications are that the Danes have chosen to put a significant portion of the money towards consumption.

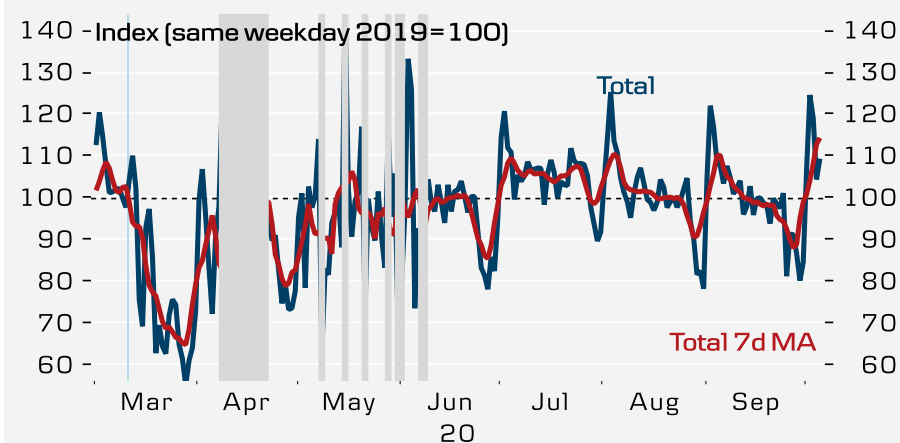
Notes on the spending data

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 - October 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.

October spending is lifted by holiday pay



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.

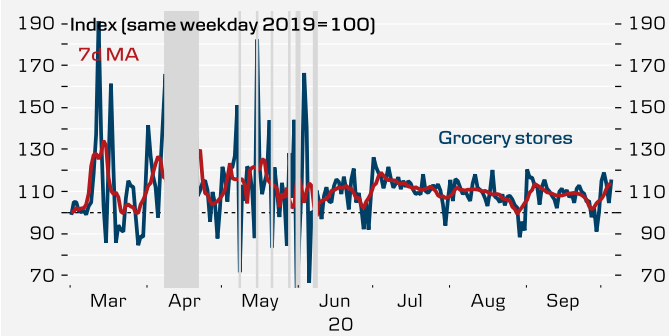
Source: Danske Bank

Senior analyst

Louise Aggerstrøm Hansen
+45 45 12 85 31
louhan@danskebank.dk

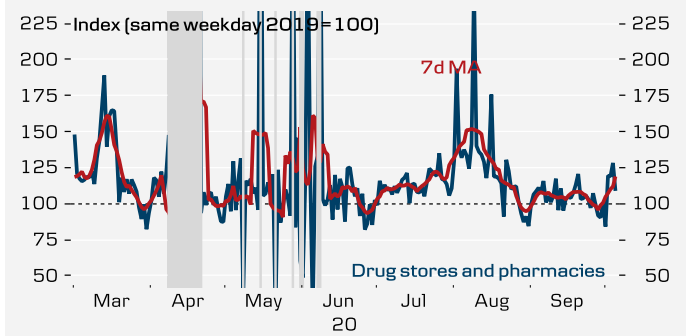
Selected charts with relative changes

Grocery spending rose over the weekend



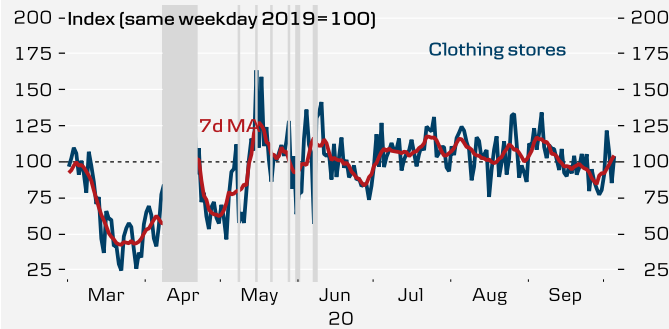
Source: Danske Bank

Health-related spending rose more than normal in early October



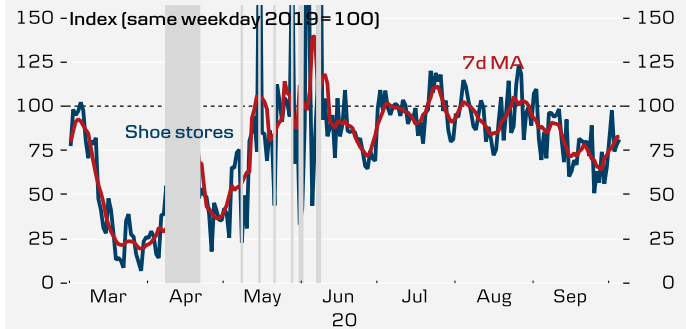
Source: Danske Bank

Spending at clothing stores jumped over the weekend, likely due to holiday back-pay



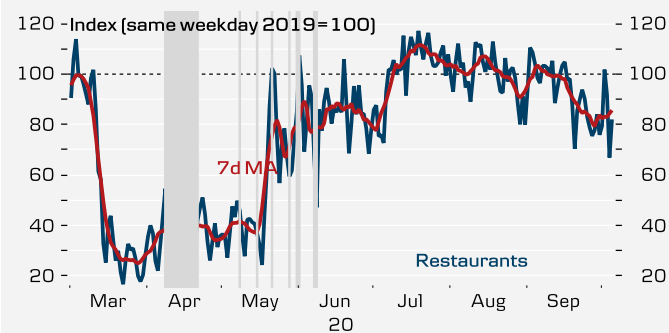
Source: Danske Bank

Spending at shoe stores also rose, after a weak September



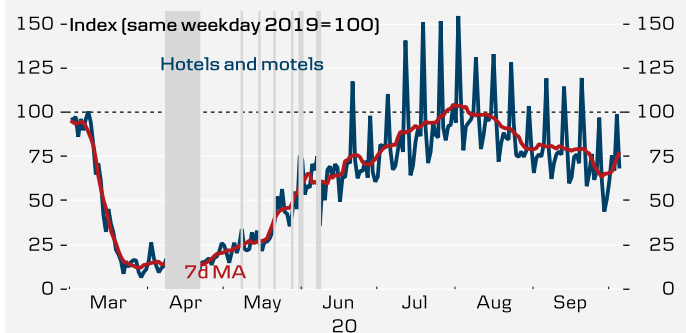
Source: Danske Bank

Restaurant spending was up, but nowhere near enough to compensate for the decline over recent weeks



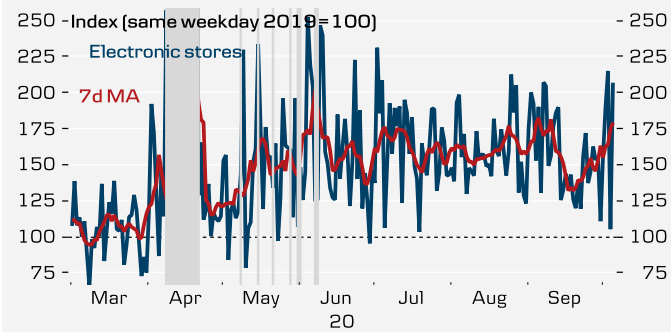
Note: The restaurant index includes bars and nightclubs and fast-food places
Source: Danske Bank

Danes' hotel spending at around 25% below normal



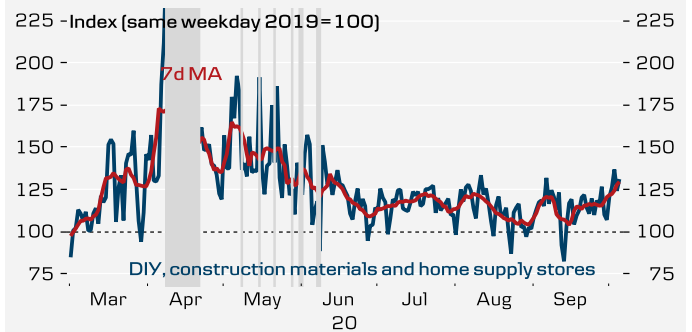
Source: Danske Bank

Spending at electronics stores rose massively over the weekend



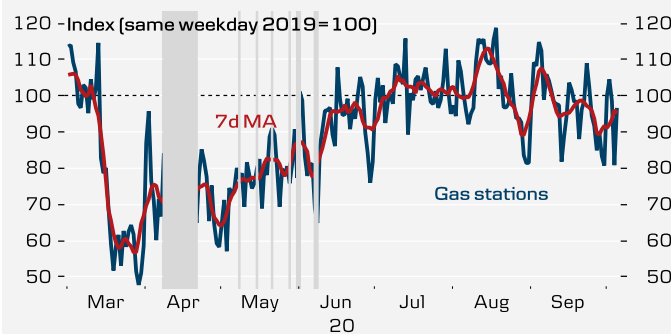
Source: Danske Bank

DIY spending moved higher on holiday back-pay spending



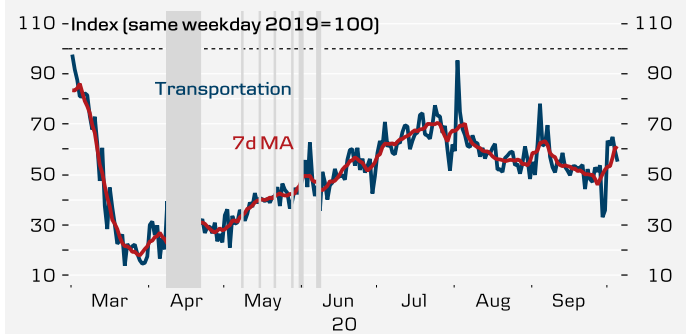
Source: Danske Bank

Spending at gas stations still below normal



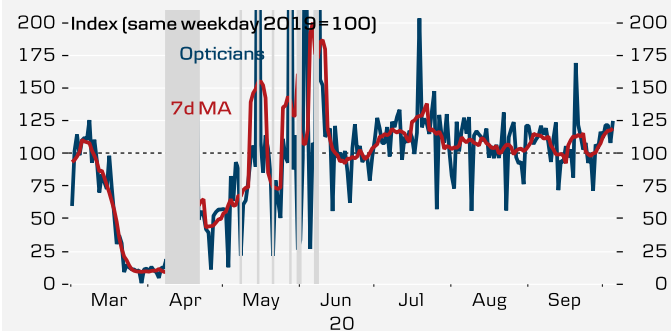
Source: Danske Bank

Transportation spending always increases around the turn of the month



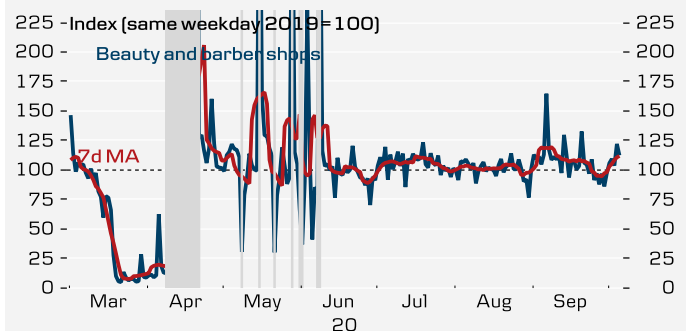
Source: Danske Bank

Opticians seeing higher spending



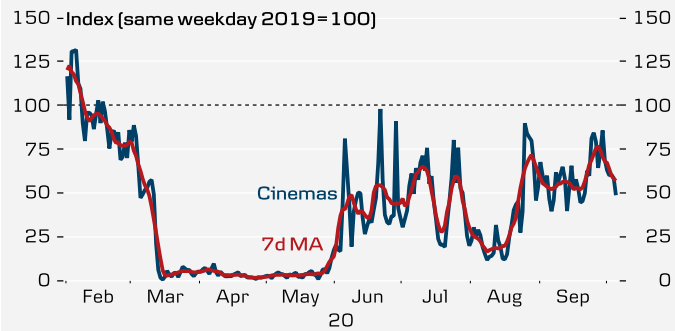
Source: Danske Bank

Spending at hairdressers has come up a bit



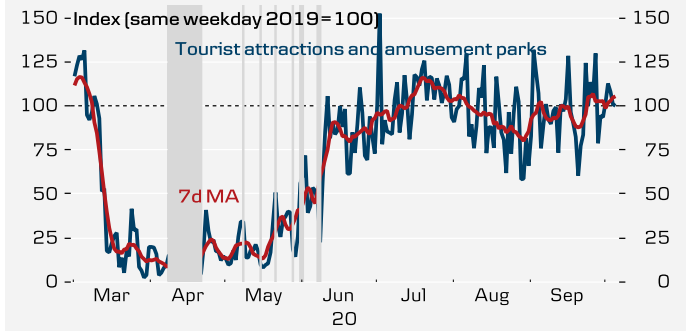
Source: Danske Bank

Cinema spending still below normal



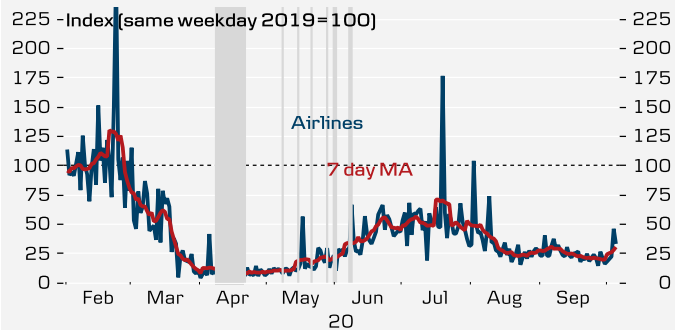
Source: Danske Bank

Spending at tourist attractions around normal levels



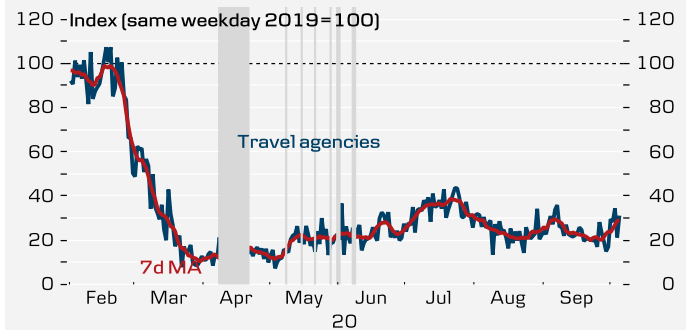
Source: Danske Bank

Airline spending shows no signs of improvement



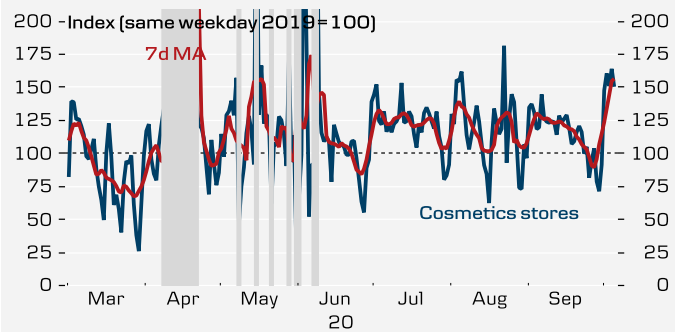
Source: Danske Bank

Travel spending remains very weak



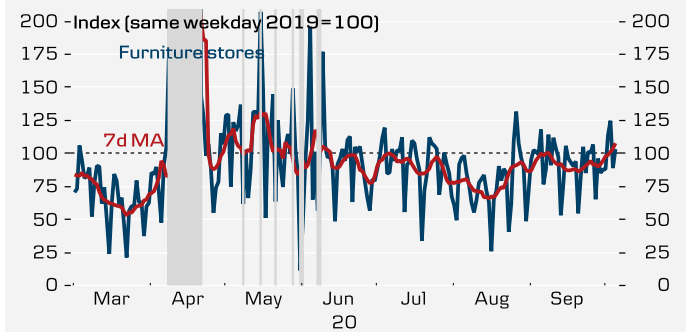
Source: Danske Bank

Spending at cosmetics stores rose sharply over the weekend



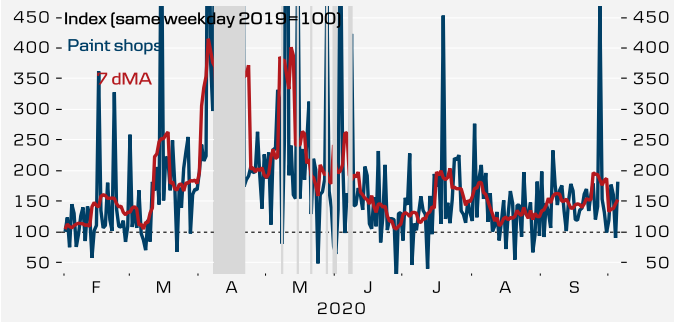
Source: Danske Bank

Spending at furniture stores up



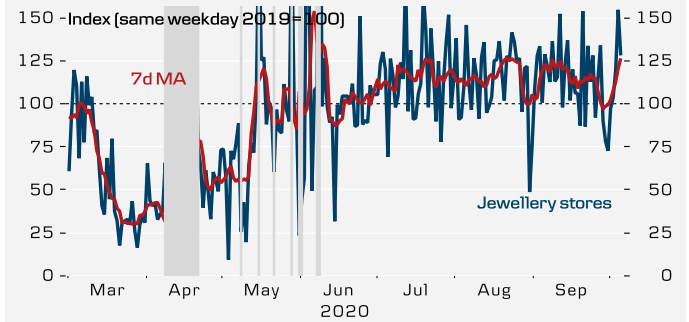
Source: Danske Bank

Spending on paint still elevated



Source: Danske Bank

Spending at jewellery stores lifted over the weekend



Source: Danske Bank

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