

Spending Monitor

COVID-19 leads to massive disruption of spending patterns

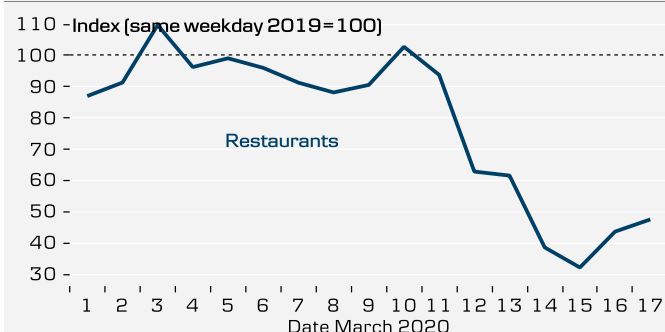
- Spending data up to and including March 17 shows massive changes in consumption patterns in recent weeks. Notably, following the announcement on the evening of 11 March that extensive measures to curb the spread of the coronavirus, including a shutdown of large sections of the public sector and strong recommendations to reduce social contact, would be put into place on 12 March.
- Service and entertainment consumption is significantly down compared to normally, as a number of service industries have been shut down completely, and others are only open to a very limited extent, such as restaurants opening up for takeaway.
- The first wave of spending decline has been in services, but as the crisis (and the scope of the crisis response) expands, we are starting to see reduced spending on a number of goods, such as spending on clothing and consumer durables.
- At the other end of the spectrum, spending in grocery stores is way up in the past week. With spending almost double that of a comparable day on Thursday 12 and Tuesday 17. These days follow major press announcements on the crisis response. This has supported overall spending.
- We will monitor developments in consumption, giving a weekly update and expanding to other types of consumption spending where we might see an effect.
- We measure spending patterns with card and MobilePay spending in stores as a proxy for private consumption. The figures show spending in March 2020 compared to the same weekday 2019 (this is to correct for different spending patterns across the week).

Notes on the spending data

The spending data is based on transactions both domestic and abroad with cards and MobilePay in stores for about 1m Danske Bank personal customers with active accounts. Data is anonymised and non-referable.

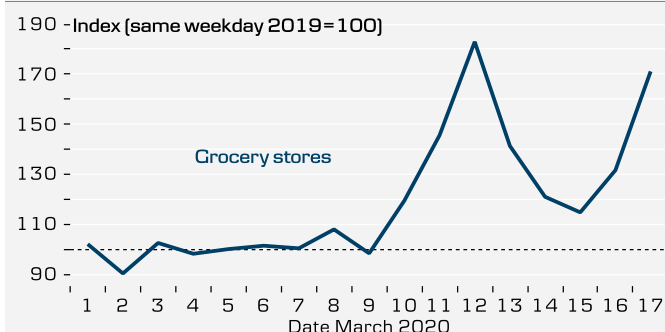
The spending data is used as a proxy for private consumption. However, it does not include cash spending and account transfers.

Restaurant spending is way down – small compensation from take away



Source: Danske Bank

Jump in grocery spending in wake of announcements of crisis response

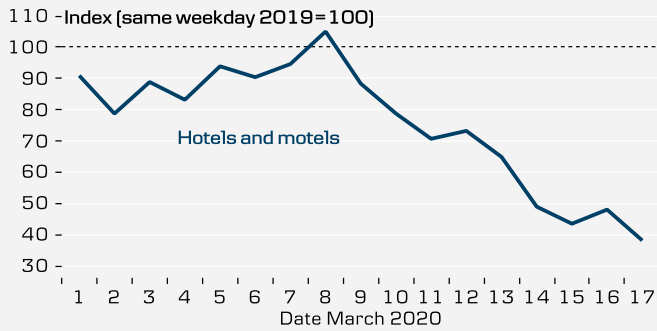


Source: Danske Bank

Senior analyst

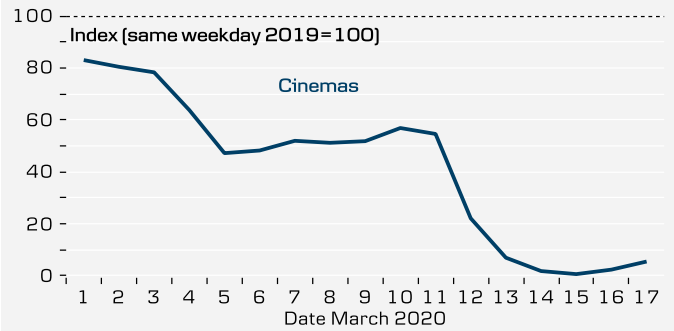
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Hotel spending down – look out for larger decline at Easter



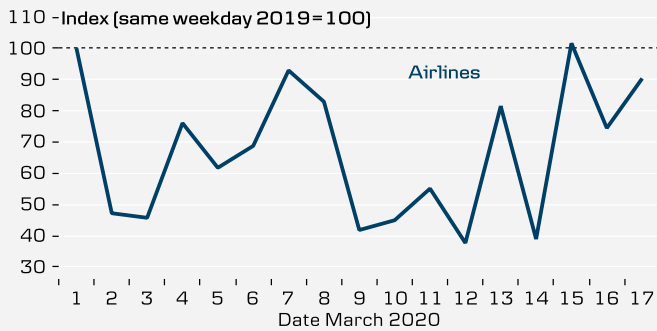
Source: Danske Bank

Cultural institutions have largely closed down



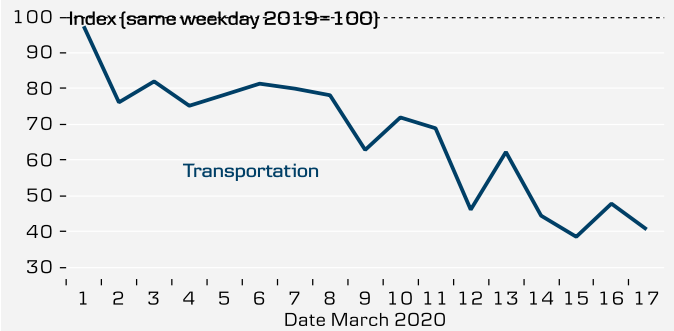
Source: Danske Bank

We are buying far fewer plane tickets



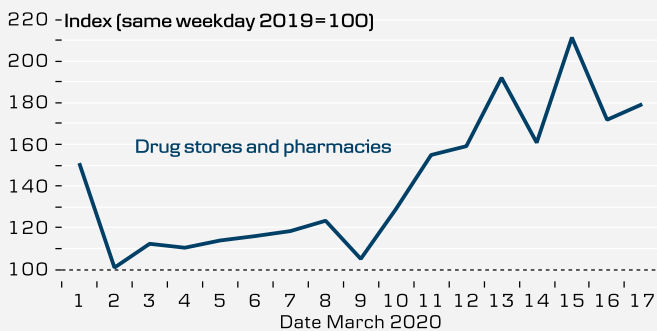
Source: Danske Bank

Transportation spending has been more than halved



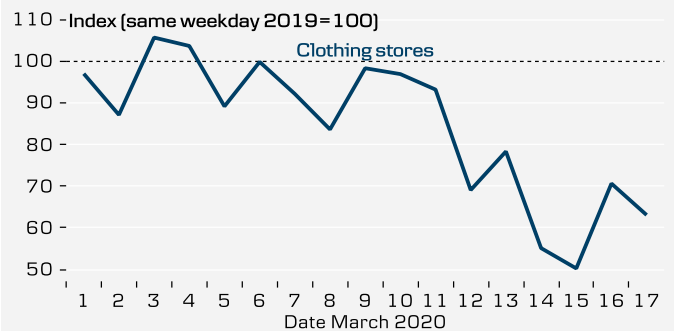
Source: Danske Bank

Health related spending is significantly up



Source: Danske Bank

Non-food retail stores are greatly affected



Source: Danske Bank

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This research report has been prepared by Danske Bank A/S ('Danske Bank'). The author of this research report is Louise Aggerstrøm Hansen, Analyst.

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Date of first publication

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