

# Spending Monitor

## Holiday back-pay gives significant boost to spending

- Danish card and MobilePay spending in October, up to and including 12 October, shows spending up by 15% last week, as Danes channel holiday back-pay of more than DKK40bn. (before taxes) towards consumption, leaving little doubt that the money will give a significant boost to private consumption in Q4.
- The big winners were in retail, with electronic stores continuing to post record sales. Last week as a whole showed spending in electronic stores more than doubling. DIY stores also saw a significant boost, with sales at 50% above normal last week. With furniture spending up as well, we see clear signs that Danes are spending on improvements at home.
- Personal items, such as clothing, footwear and cosmetics are also getting a boost compared with only two weeks ago.
- Restaurants continue to struggle following new restrictions to opening hours. However, we have seen some improvement over the past week, going from being down 15% compared with normal at the end of September to 6% below normal last week. Travel spending saw a slight uptick last week but the effect seems to have subsided.
- Overall, we are seeing the biggest uptick in spending in categories that have already been doing well over the past six months, while more service-oriented sectors continue to struggle.

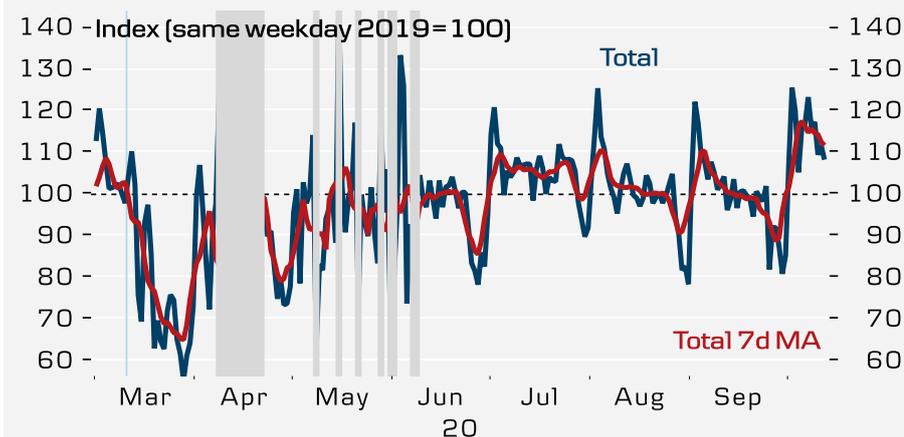
### Notes on the spending data

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 significantly 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.

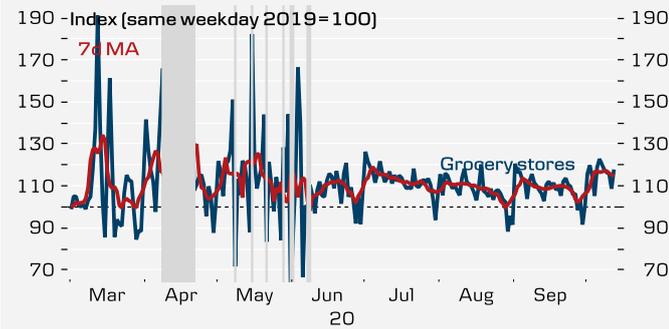
Source: Danske Bank

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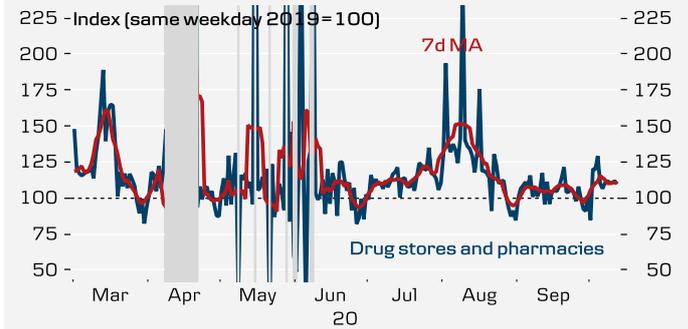
Selected charts with relative changes

Grocery spending is higher in October than in recent months



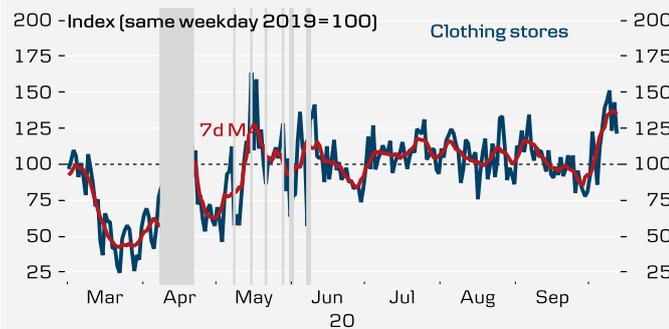
Source: Danske Bank

Health-related spending around 10% above normal levels



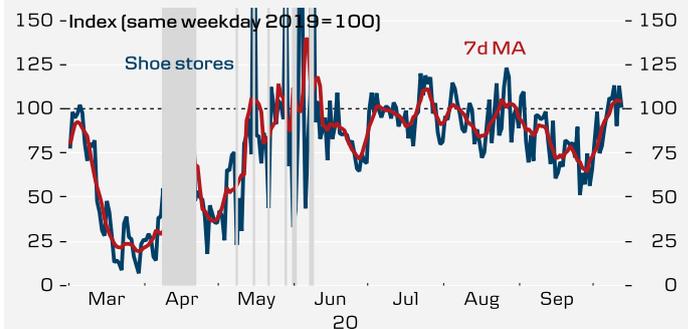
Source: Danske Bank

Spending at clothing stores jumped in October, likely due to holiday back-pay



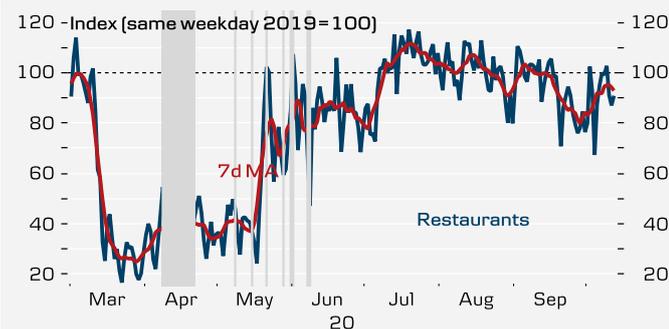
Source: Danske Bank

Spending at shoe stores also rose, after a weak September



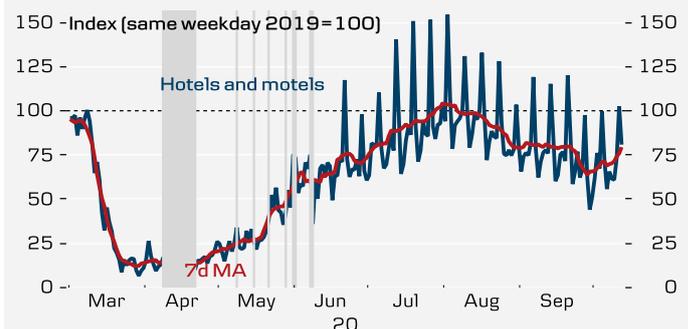
Source: Danske Bank

Restaurant spending was up but not enough to compensate for the decline over recent weeks



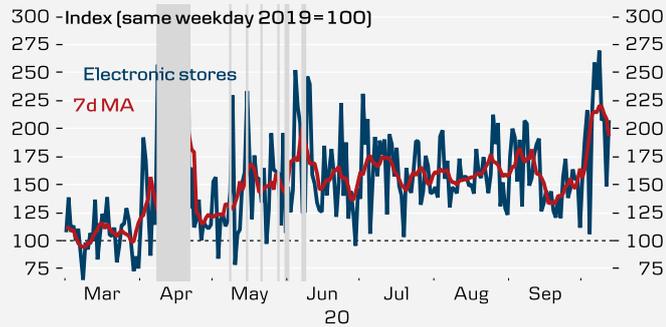
Note: The restaurant index includes bars and nightclubs and fast-food places  
Source: Danske Bank

Danes' hotel spending at around 25% below normal



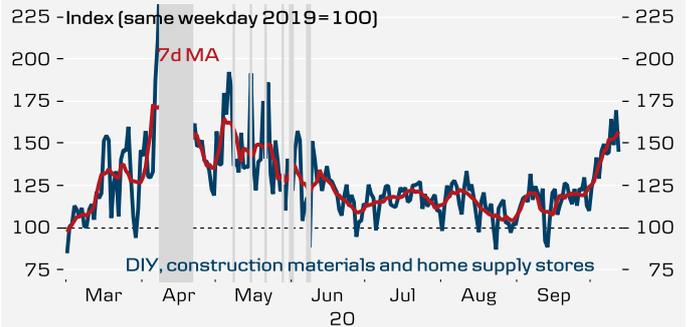
Source: Danske Bank

### Spending at electronics stores has seen a sunstantial boost from holiday back-pay



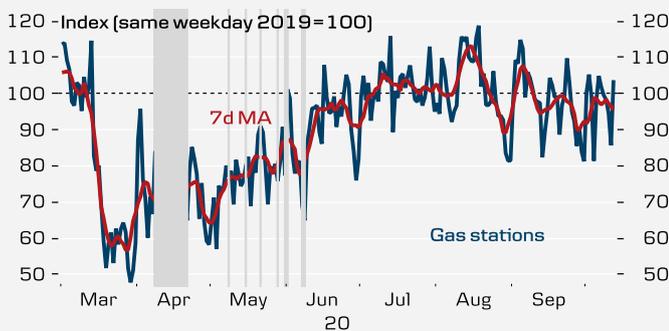
Source: Danske Bank

### DIY spending rises further as holiday back-pay is put towards home improvements



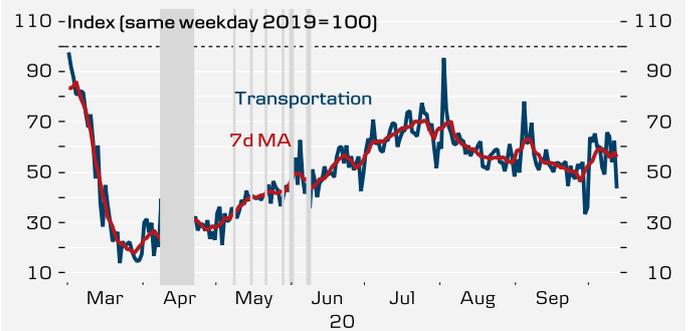
Source: Danske Bank

### Spending at gas stations still below normal



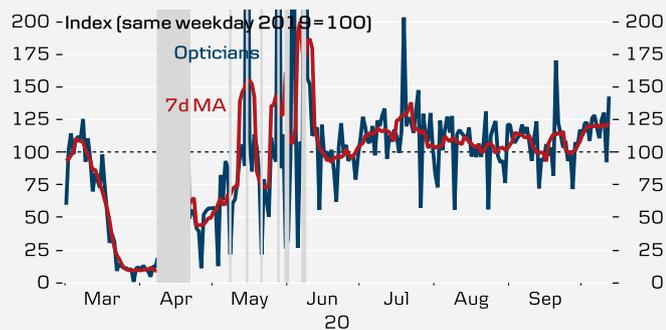
Source: Danske Bank

### Transportation spending still only 60% of normal levels



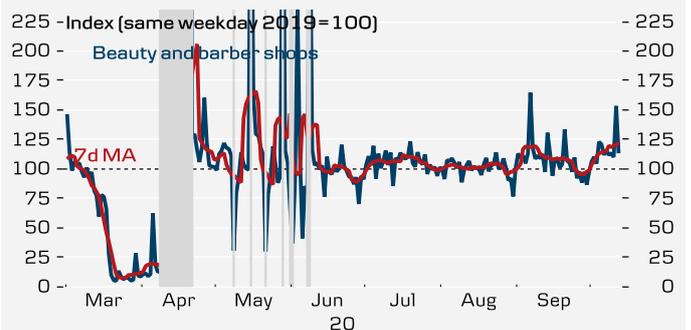
Source: Danske Bank

### Opticians seeing higher spending



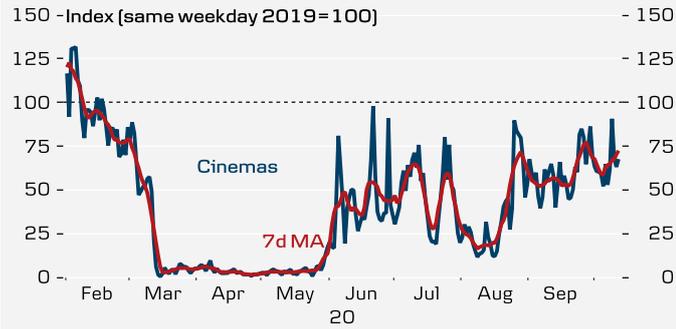
Source: Danske Bank

### Spending at hairdressers has come up somewhat



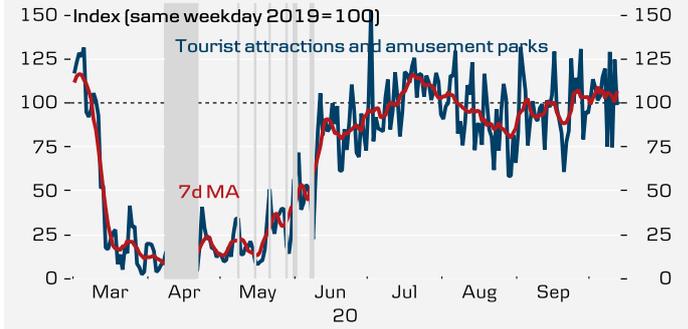
Source: Danske Bank

**Cinema spending still below normal**



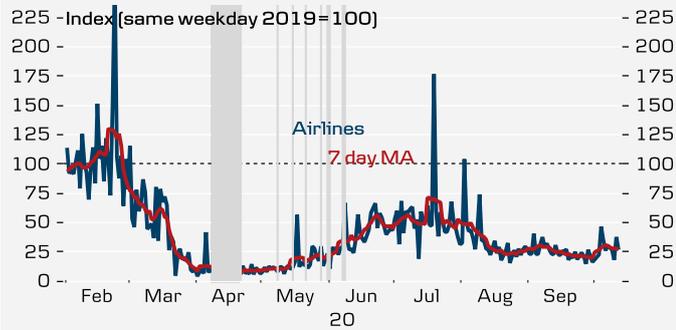
Source: Danske Bank

**Spending at tourist attractions around normal levels**



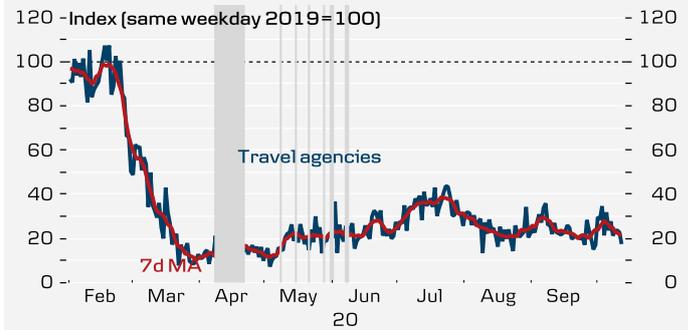
Source: Danske Bank

**Airline spending shows no signs of significant improvement**



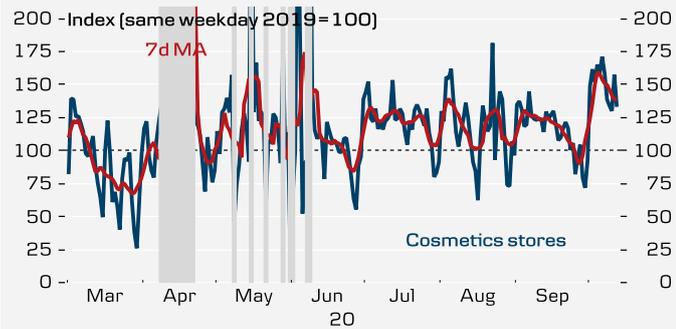
Source: Danske Bank

**Travel spending remains very weak - despite holiday back-pay**



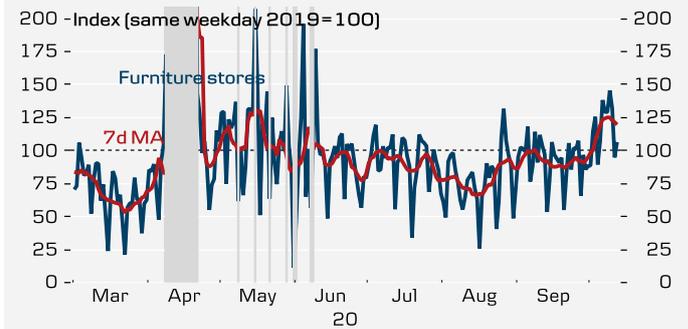
Source: Danske Bank

**Spending at cosmetics stores has seen a significant lift**



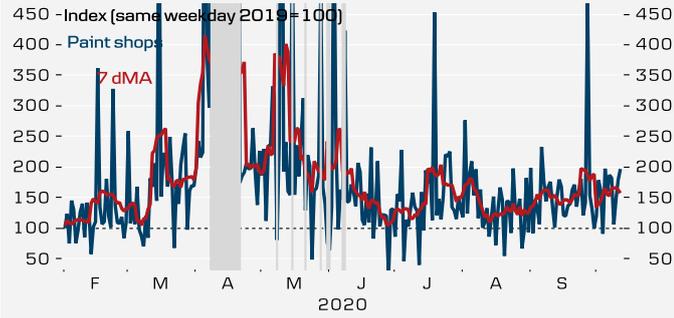
Source: Danske Bank

**Spending at furniture stores up by 25% compared with last year**



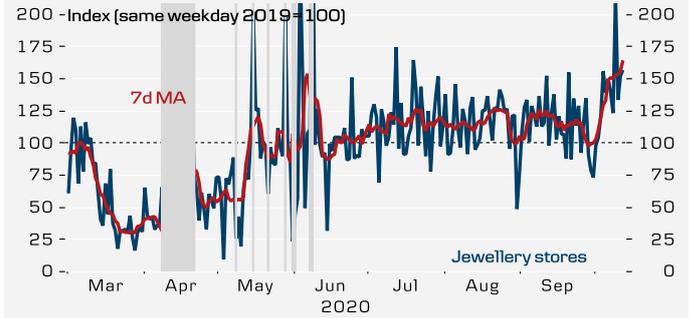
Source: Danske Bank

**Spending on paint still elevated but no significant lift from holiday back-pay**



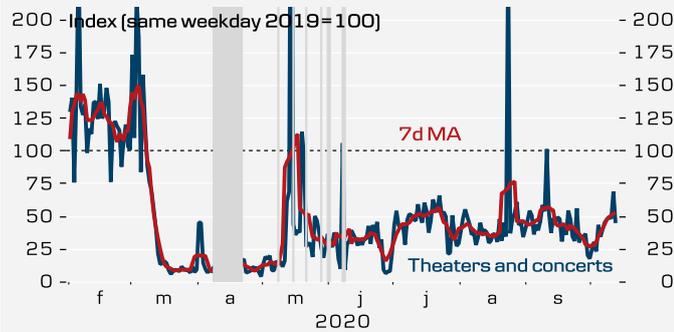
Source: Danske Bank

**Spending at jewellery stores 50% above normal**



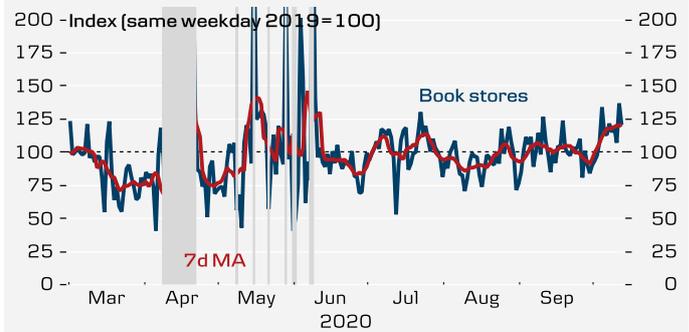
Source: Danske Bank

**Spending on cultural events rising in October but still far below normal**



Source: Danske Bank

**Spending in book stores has gone up noticeably in October**



Source: Danske Bank

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**Report completed:** 13 October 2020, 14:49 CEST

**Report first disseminated:** 13 October 2020, 15:20 CEST