

# Spending Monitor

## May marked the return to more normal spending behaviour

- Danish spending data up to and including 28 May confirms that spending is improving with the opening of the economy. The different timing of holidays between 2019 and 2020 unfortunately leads to a lot of noise in the data at the moment.
- Total card and MobilePay spending is approaching normal levels in recent weeks. During the lockdown, we have seen a reduction in cash spending of around 30%, as more Danes are paying by card and MobilePay. As cash is not included in these spending figures, they will tend to underestimate the decline in our spending measure by 3-5%. For the most recent observations, however, turn of the month effects lead to an overestimation of the decline in spending. Hence, total spending – including cash – is estimated to be around 5-7% below normal levels.
- The opening of restaurants last week clearly shows up in the data, and though spending remains 20-30% below normal levels, we are still seeing a massive improvement compared to before the reopening. It is good news that spending is up for all age groups, though more among younger consumers than older ones.
- The opening up of department stores and malls is clearly visible in spending, with spending in clothing stores even surpassing normal levels.
- With the opening up of restaurants and many Danes returning to schools and work places, we are seeing grocery store spending back at more normal levels for the first time since the beginning of the lock down.

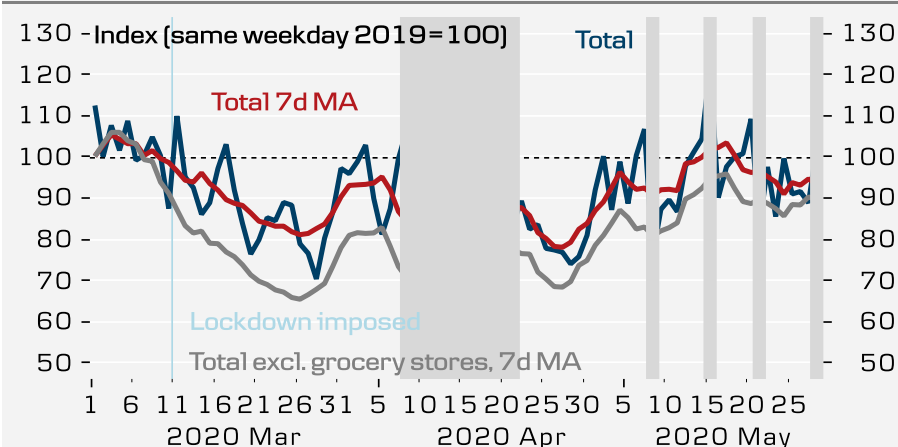
### Notes on the spending data

The spending data is based on transactions, 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. Also changes in cash spending patterns might affect the data.

The charts show spending in March, April and May 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.

### Signs of recovery continue, with total spending around a normal level



Note: Spending by card and MobilePay does not include cash and account transfers; hence, it cannot be compared directly with private consumption in national accounts. Grey areas mark holidays in 2020 and 2019 that are timed differently from one year to another. These include Easter, the General Prayer Day and Ascension Day.

Source: Danske Bank

### Senior Analyst

Louise Aggerstrøm Hansen

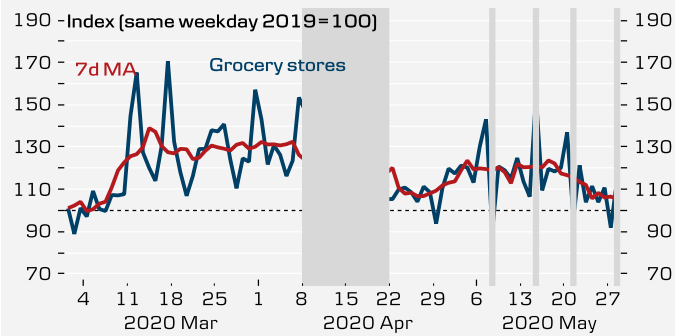
+45 45 12 85 31

+45 22 45 20 65

[louhan@danskebank.dk](mailto:louhan@danskebank.dk)

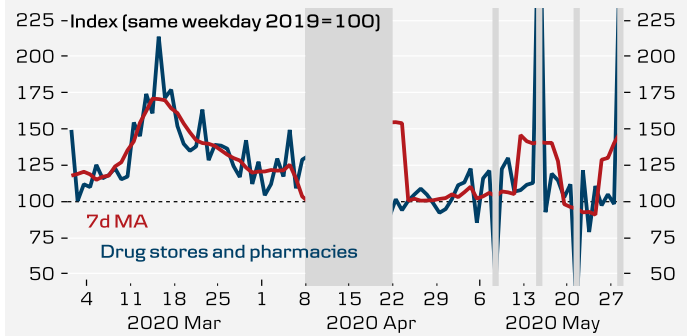
Selected charts with relative changes

Grocery store spending at more normal levels



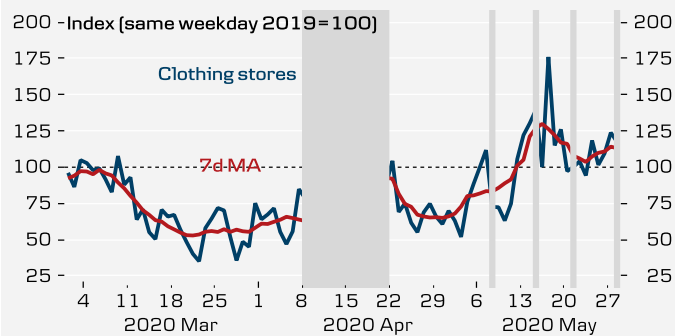
Source: Danske Bank

Health-related spending has returned to a normal level



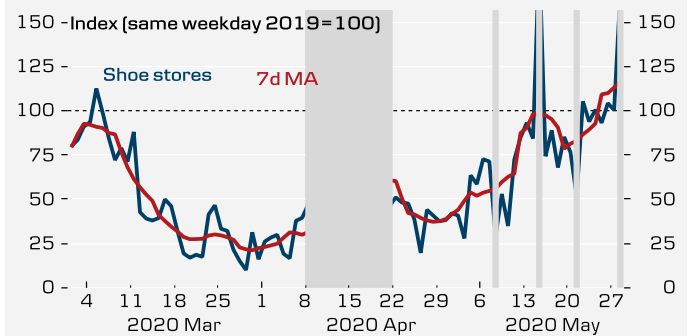
Source: Danske Bank

Signs of pent-up demand



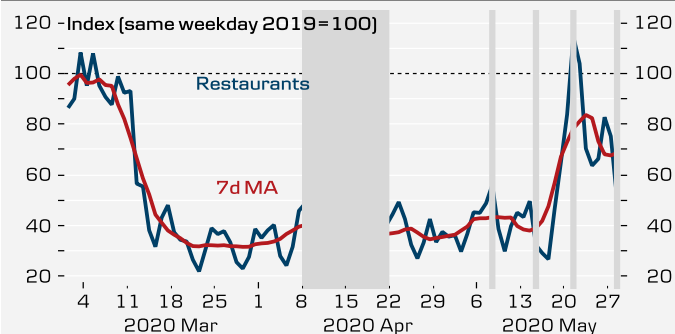
Source: Danske Bank

Spending in shoe stores is approaching a more normal level



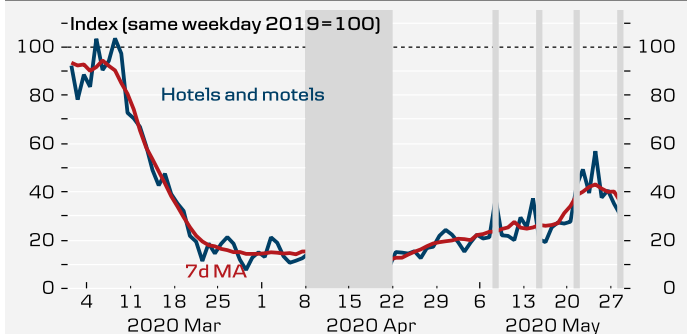
Source: Danske Bank

Activity in restaurants has gone up significantly, but remains below normal levels



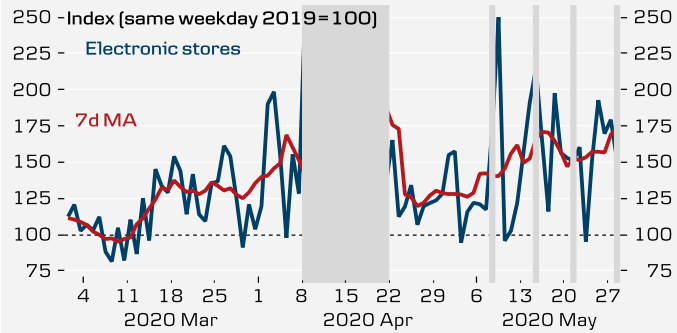
Note: Restaurants include bars and nightclubs  
Source: Danske Bank

Signs of improvement in hotel spending, but a long way from usual levels



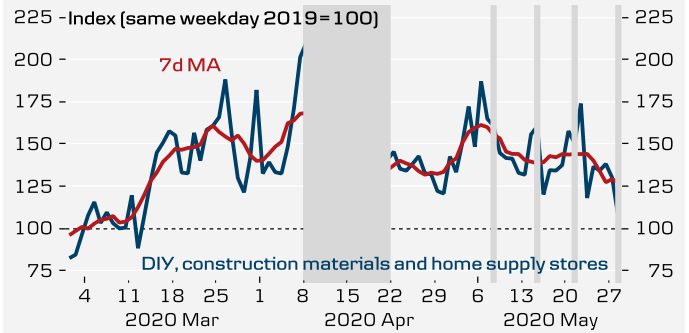
Source: Danske Bank

Spending in electronic stores remains elevated



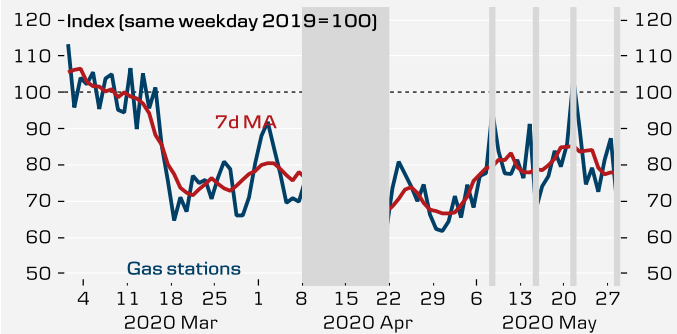
Source: Danske Bank

DIY spending is still above normal levels, but has come down somewhat



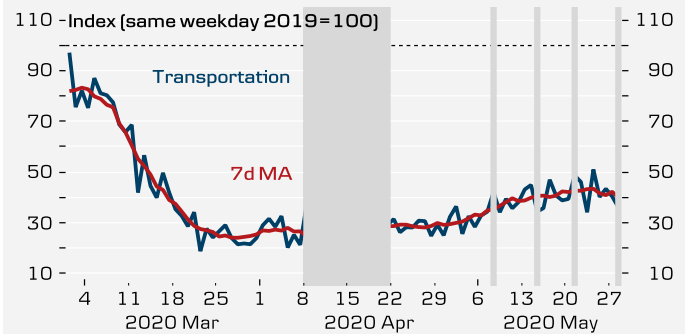
Source: Danske Bank

Increased spending in gas stations in May as mobility gradually rises



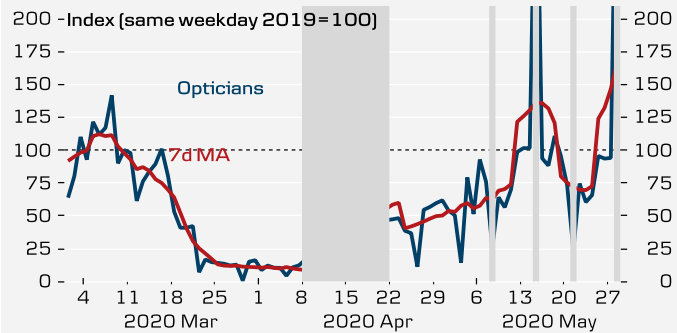
Source: Danske Bank

Transportation spending is rising slowly



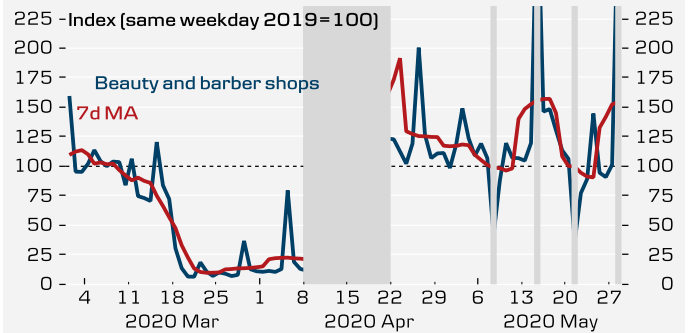
Source: Danske Bank

Opticians are at a more normal level



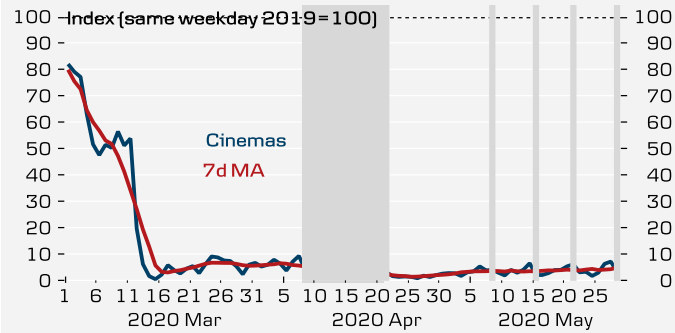
Source: Danske Bank

Spending at hairdressers has returned to a more normal level



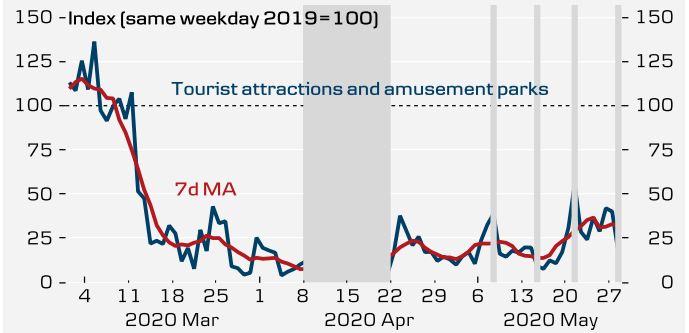
Source: Danske Bank

**Cinemas are opening this weekend, which should lift activity**



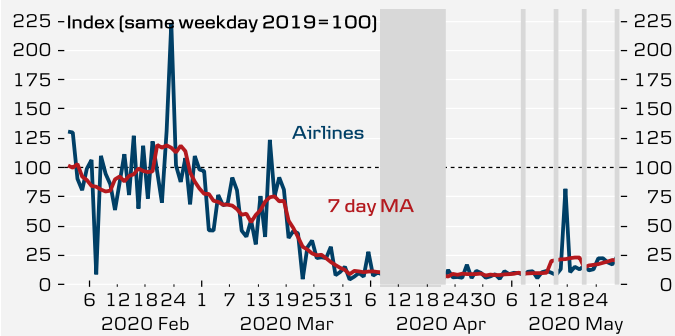
Source: Danske Bank

**Signs of improvement for amusement parks, etc., as some open slowly - next week should show further improvements**



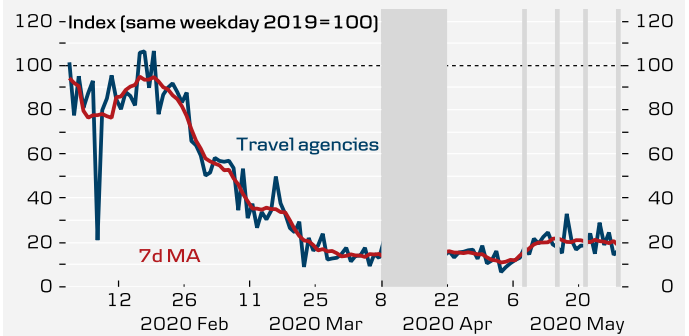
Source: Danske Bank

**No significant signs of improvement in air travel**



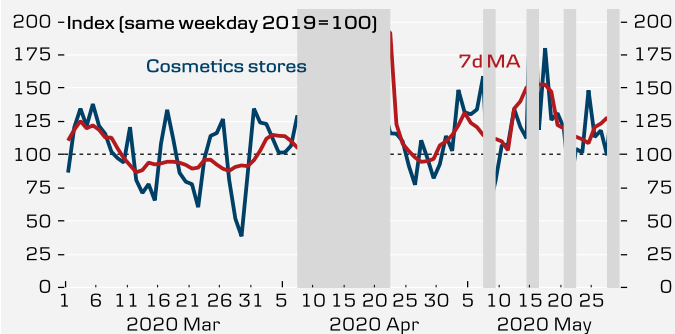
Source: Danske Bank

**Travel spending was hit earlier than other types of spending**



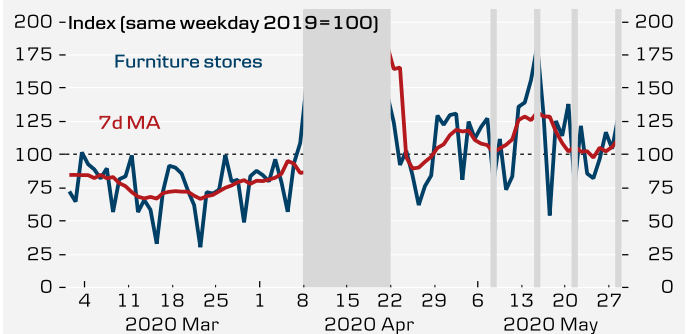
Source: Danske Bank

**Spending in cosmetics stores is elevated, higher foot traffic in department stores seems to have helped further**



Source: Danske Bank

**Spending in furniture stores has recovered as the lockdown has been lifted**



Source: Danske Bank

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