

Tracking Covid-19: high frequency indicators



Economics & Financial Research

Updated on January 11, 2022

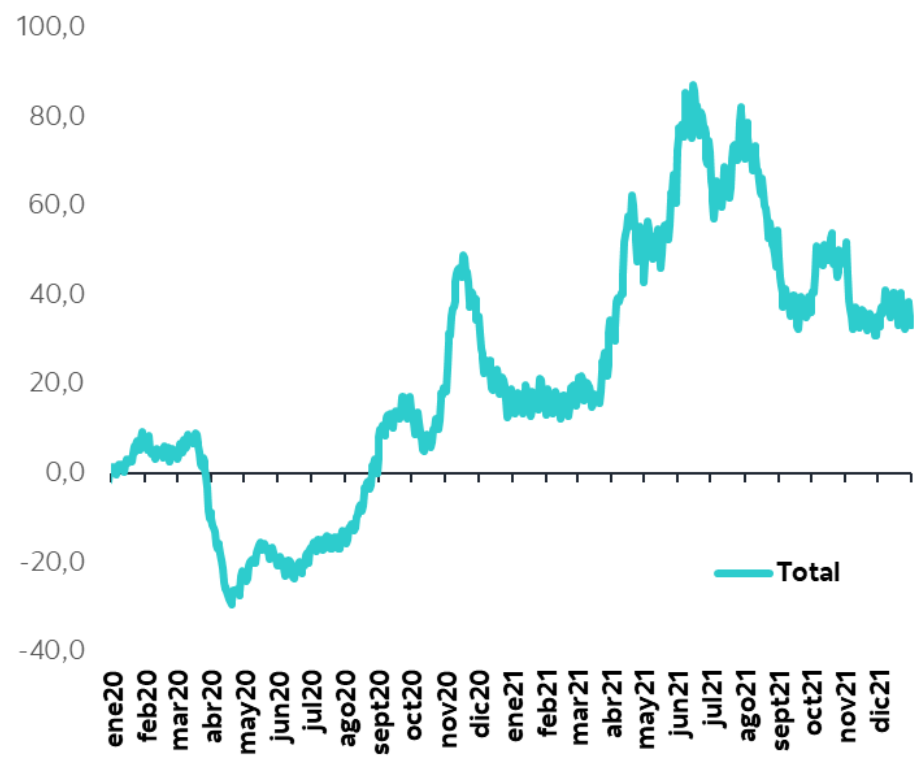


Key messages

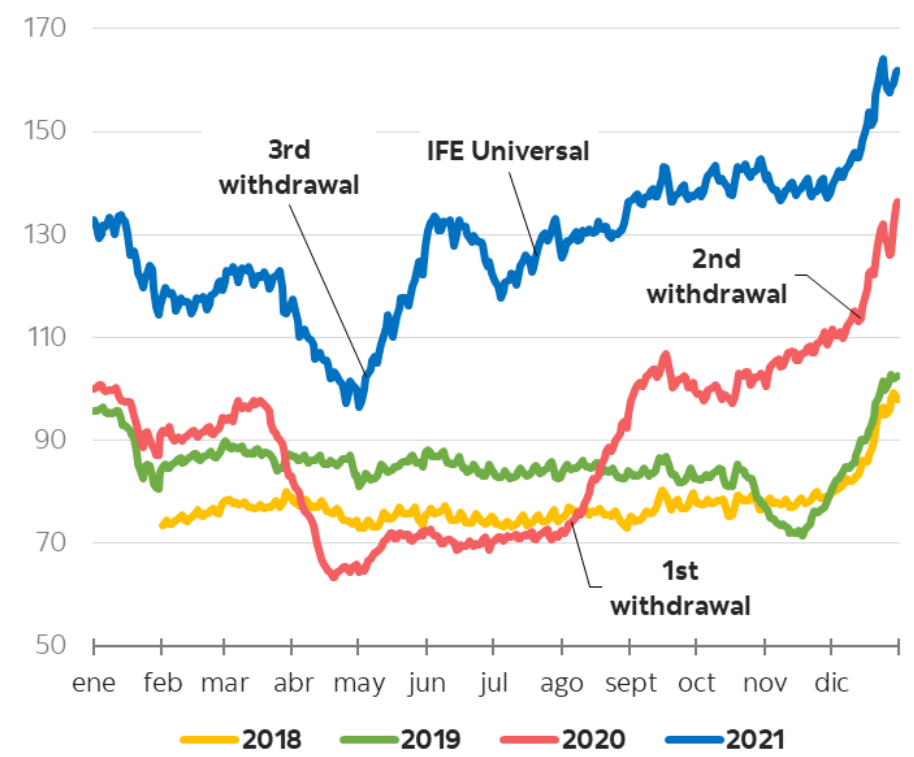
- **Purchases with credit and debit cards reaching new fresh highs in December.** Department stores continued to benefit from high liquidity while Restaurants and other services showed a relevant recovery. **We forecast Retail Sales expanding 19% y/y in December.**
- **Banking credit to medium and large firms recovers dynamism slowly.** Unsecure consumer loans showed seasonal weakness in December while mortgage loans remained solid amid rising interest rates.
- **Central Bank will increase the benchmark rate by "at least" 125 bp. in January's meeting. Monetary Policy Rate would reach 6.0 to 6.5% in the first half of the year.** Worrysome deanchoring of longer-term inflation expectations (3,7% in 2y and 3,1% in 3y) might trigger more aggressive response of the CB in the short-run.
- **The momentum of the economy is very positive entering into 2022.** The high liquidity in households' pockets and the possible approval of the Universal Pension would allow a less abrupt adjustment in private consumption during 2022. **Even though, we are considering a mild technical recession during 1Q22 and 2Q22 in our baseline scenario.** Political conditions/announcements will be key determinant of the performance of the economy during the second half of 2022. **For now, we forecast GDP growth of 3.5% in 2022, above consensus (2.0%).**
- **For December, we are expecting a monthly GDP growth between 10-11% y/y. So, the economy would have expanded 12% in 2021, in the upper part of Central Bank's baseline scenario.**

Private consumption remains strong. New fresh highs in purchases put pressure on supply chains.

Annual growth of purchases with cards*
(percentage, annual growth, 30-day moving average, up to Dec. 31)



Level of purchases with credit & debit cards*
(level, index 1-Jan-2020=100, 30-day moving sum, up to Dec. 31)

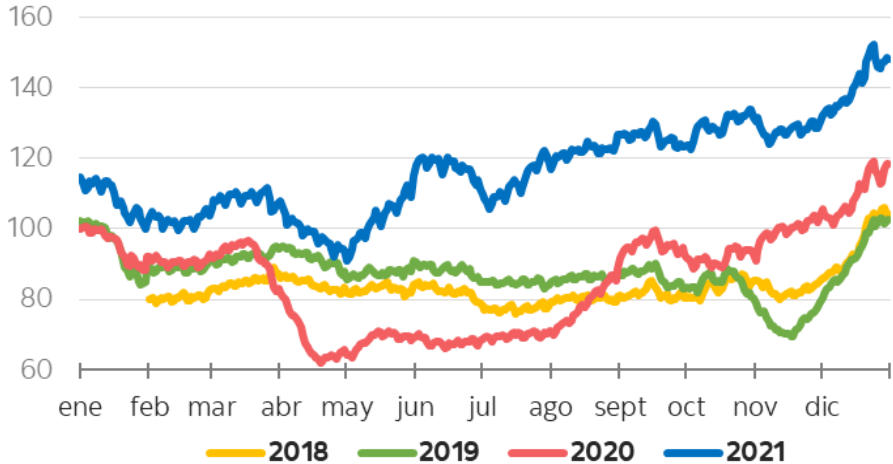


* Data show purchases with Scotiabank's credit and debit cards. The level of purchases is shown as an inflation-adjusted index.
Source: Scotiabank Economics

Superb performance in Department Stores and stabilization in Supermarkets

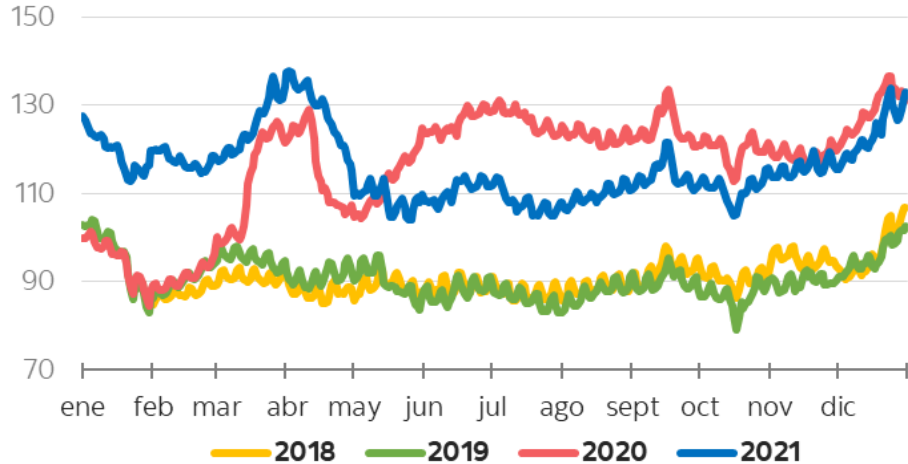
Total purchases*

(level, index 1-Jan-2020=100, 30-day moving sum, up to Dec. 31)



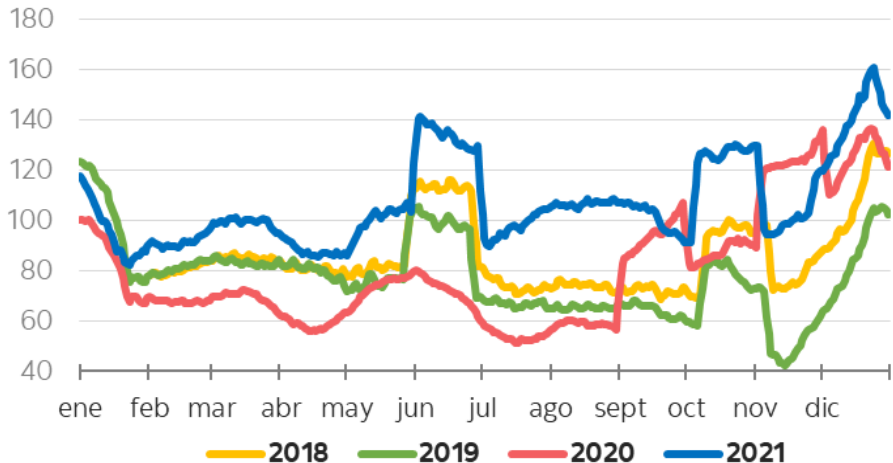
Supermarkets*

(level, index 1-Jan-2020=100, 30-day moving sum, up to Dec. 31)



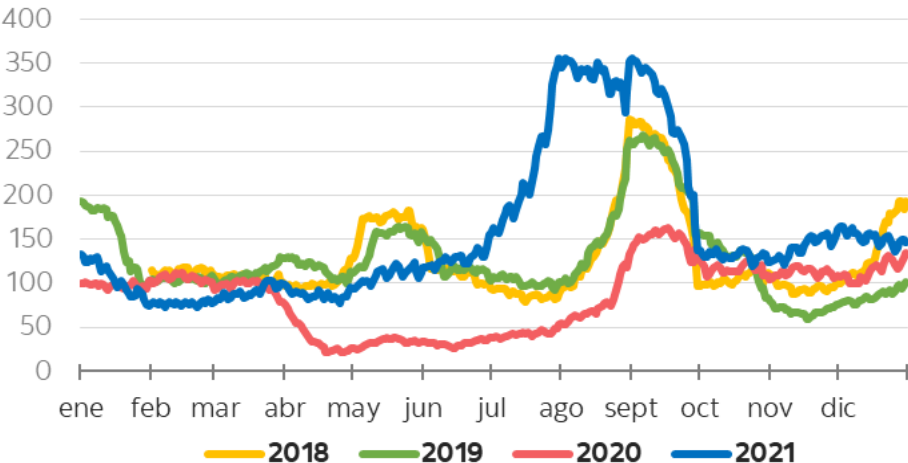
Department stores*

(level, index 1-Jan-2020=100, 30-day moving sum, up to Dec. 31)



Vehicles*

(level, index 1-Jan-2020=100, 30-day moving sum, up to Dec. 31)

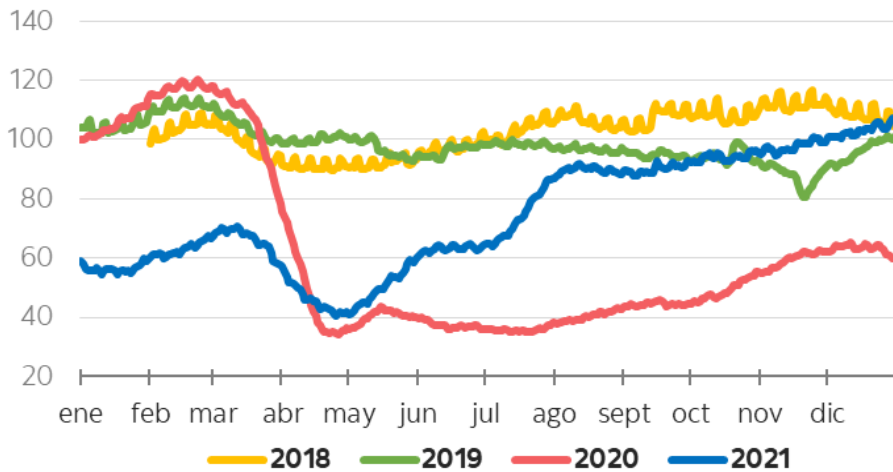


* Data show purchases with Scotiabank's credit and debit cards. The level of purchases is shown as an inflation-adjusted index. Source: Scotiabank Economics

Services (specially, restaurants and travels) show greater dynamism

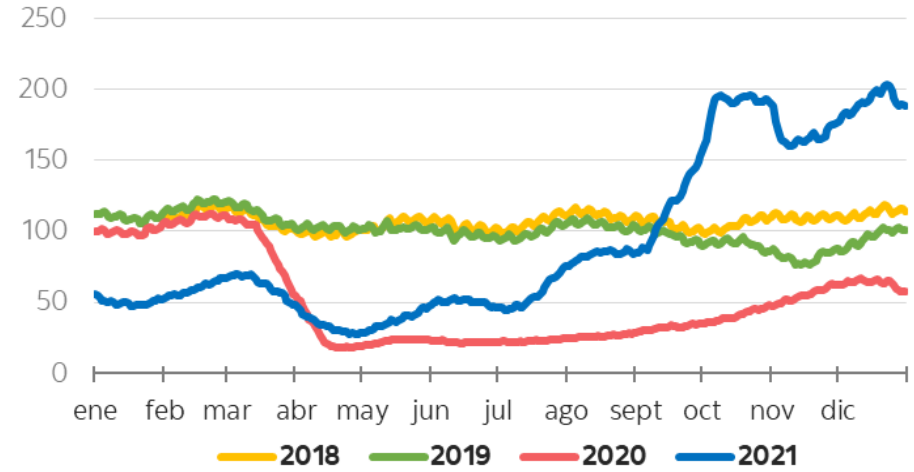
Fuels*

(level, index 1-Jan-2020=100, 30-day moving sum, up to Dec. 31)



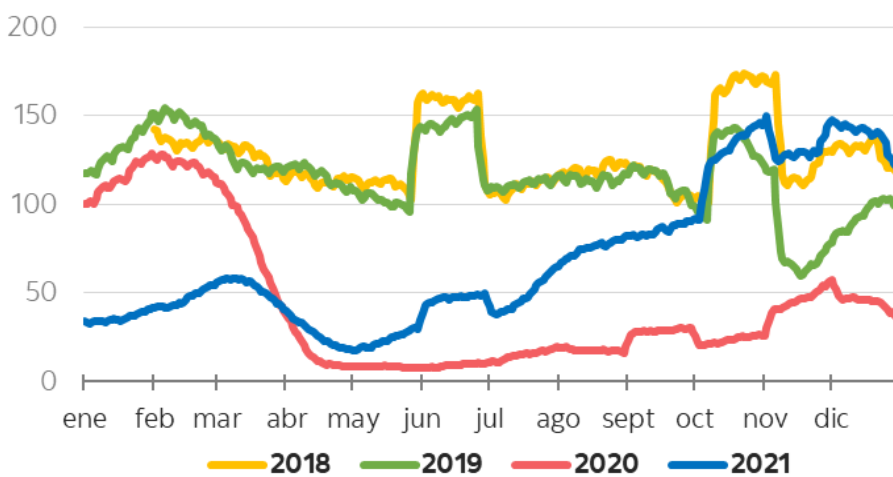
Restaurants*

(level, index 1-Jan-2020=100, 30-day moving sum, up to Dec. 31)



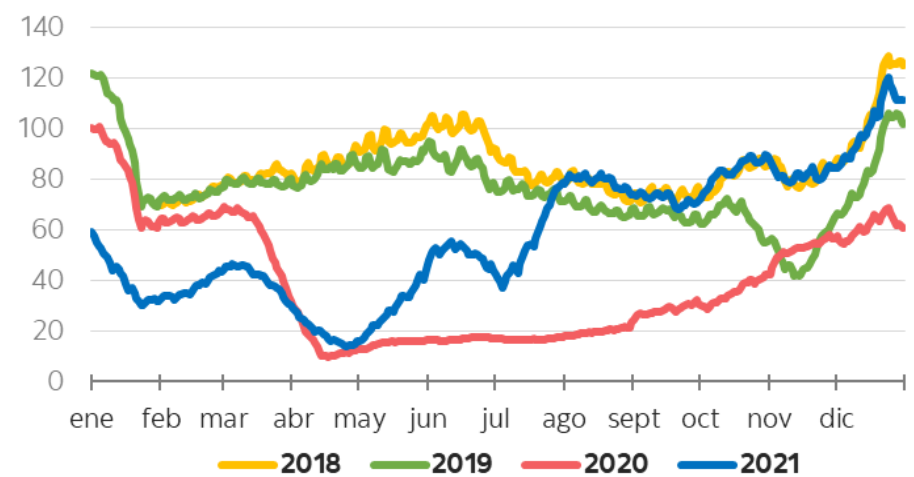
Tourism travel*

(level, index 1-Jan-2020=100, 30-day moving sum, up to Dec. 31)



Clothing and footwear*

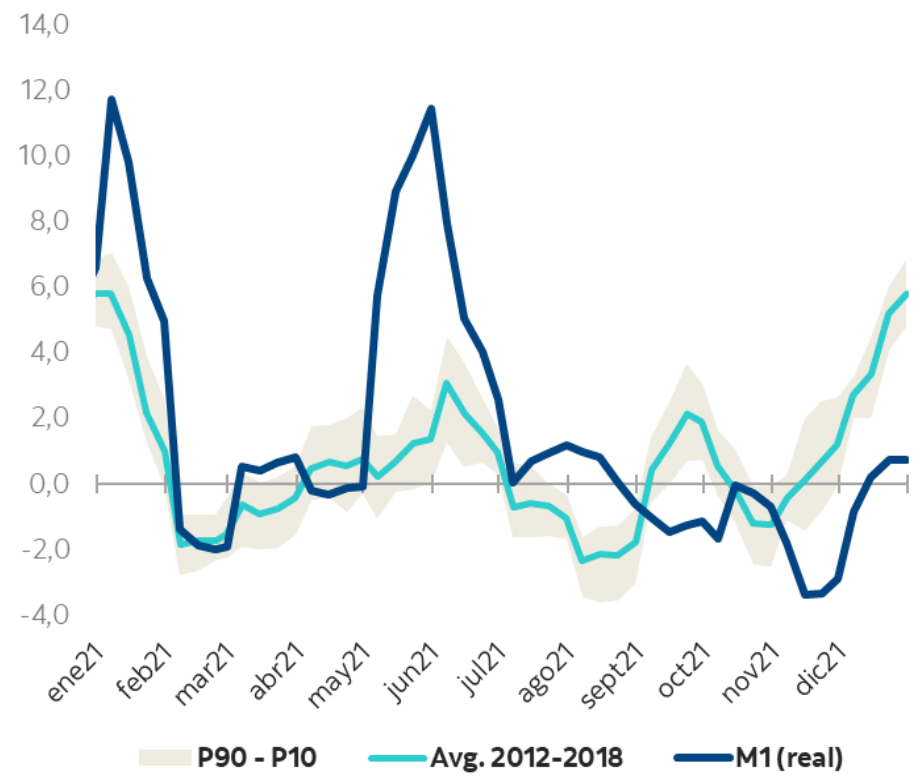
(level, index 1-Jan-2020=100, 30-day moving sum, up to Dec. 31)



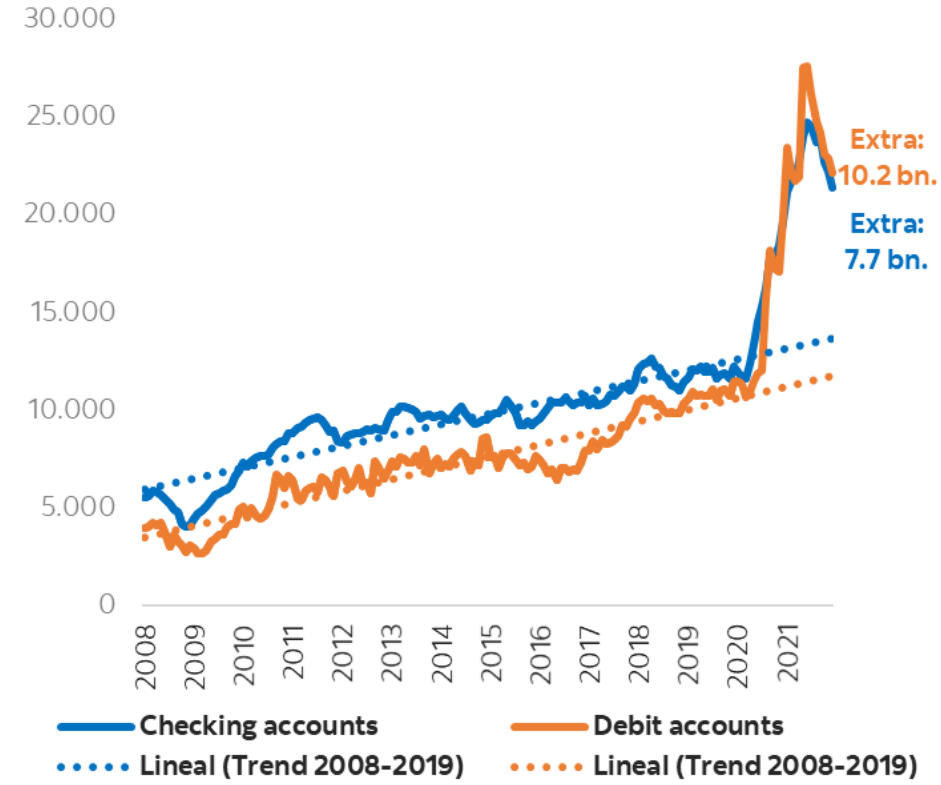
* Data show purchases with Scotiabank's credit and debit cards. The level of purchases is shown as an inflation-adjusted index.
Source: Scotiabank Economics

Liquidity is normalizing after the rejection of the fourth pension fund withdrawal. **There is still USD 18 billion in checking and debit accounts that will allow a smooth deceleration of private consumption**

Monthly dynamism of M1
(percentage, real monthly growth, weekly data)



Liquidity in non-remunerated accounts
(millions of USD, natural persons, as of Dec. 2021)



Source: Central Bank, Scotiabank Economics

Retail sales: we forecast an expansion of 19% y/y in December. New car sales reached a new high for the month (40,776 units)

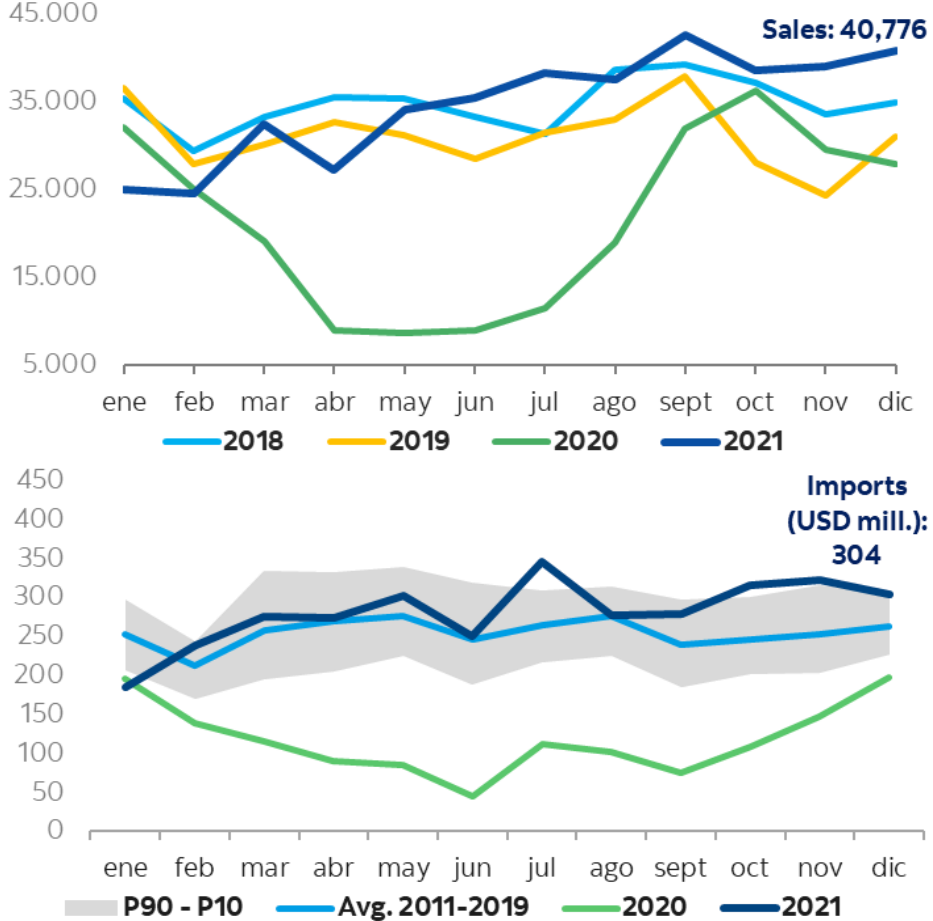
Retail sales (INE) vs Transactional data*

(percentage, annual growth)



New cars: sales & imports

(Sales: units per month; Imports: USD millions)

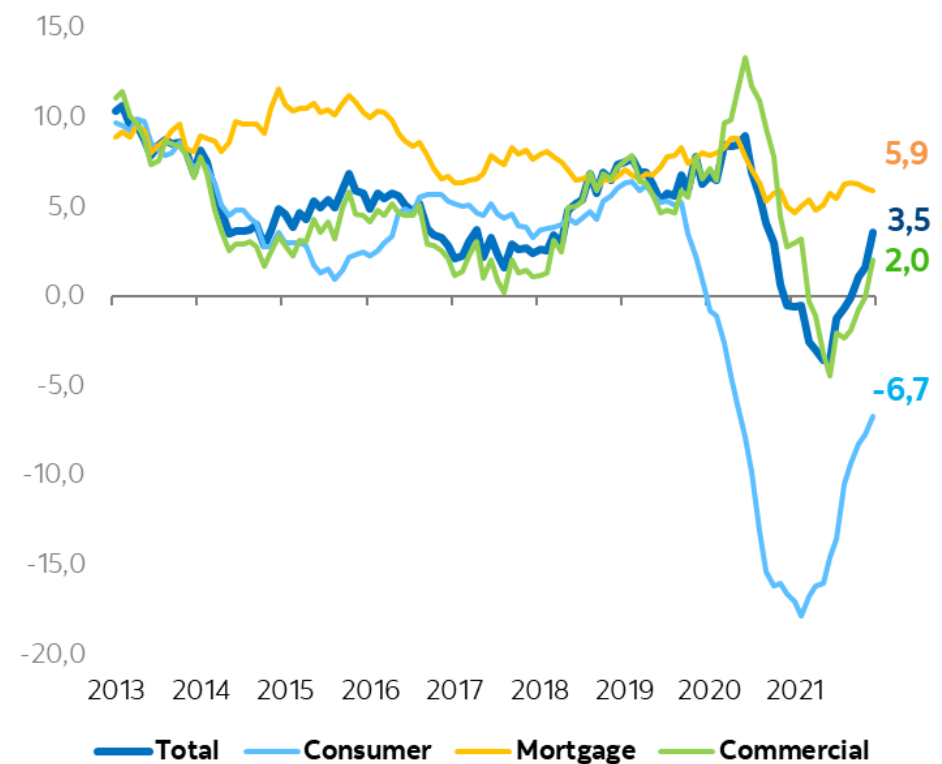


* This figure compares the INE's monthly retail sales indicator with our data on total purchases with credit & debit cards reported in previous slides. Source: National Bureau of Statistics (INE), ANAC, Central Bank, Scotiabank Economics

Banking credit recovers dynamism slowly

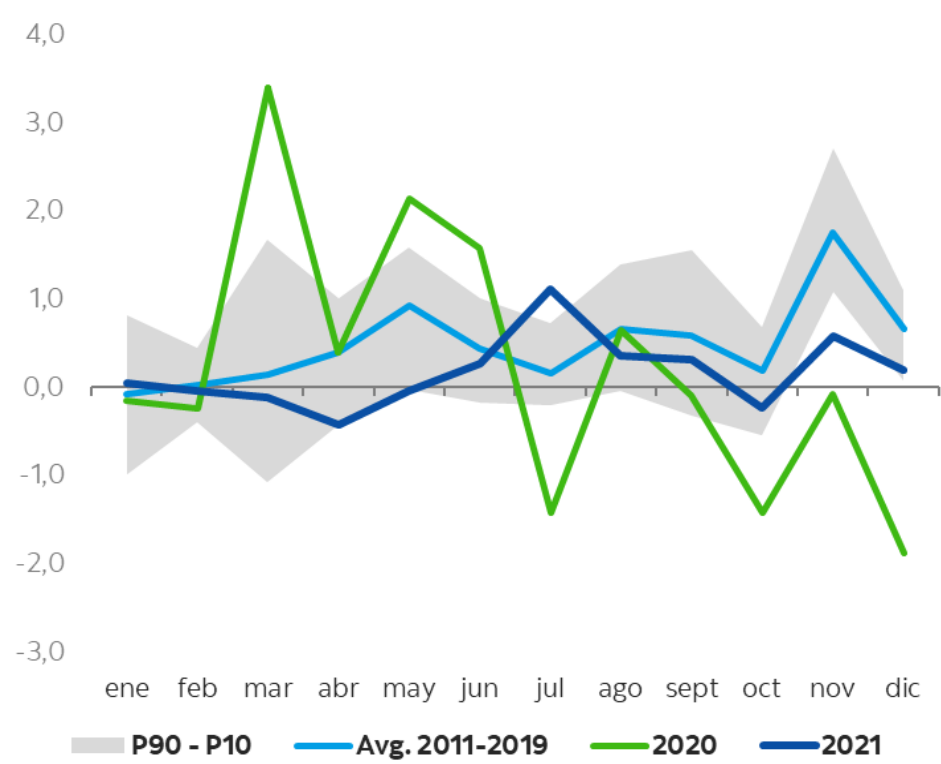
Loans by segment

(percentage, real annual growth)



Monthly dynamism of commercial loans

(percentage, real monthly growth)

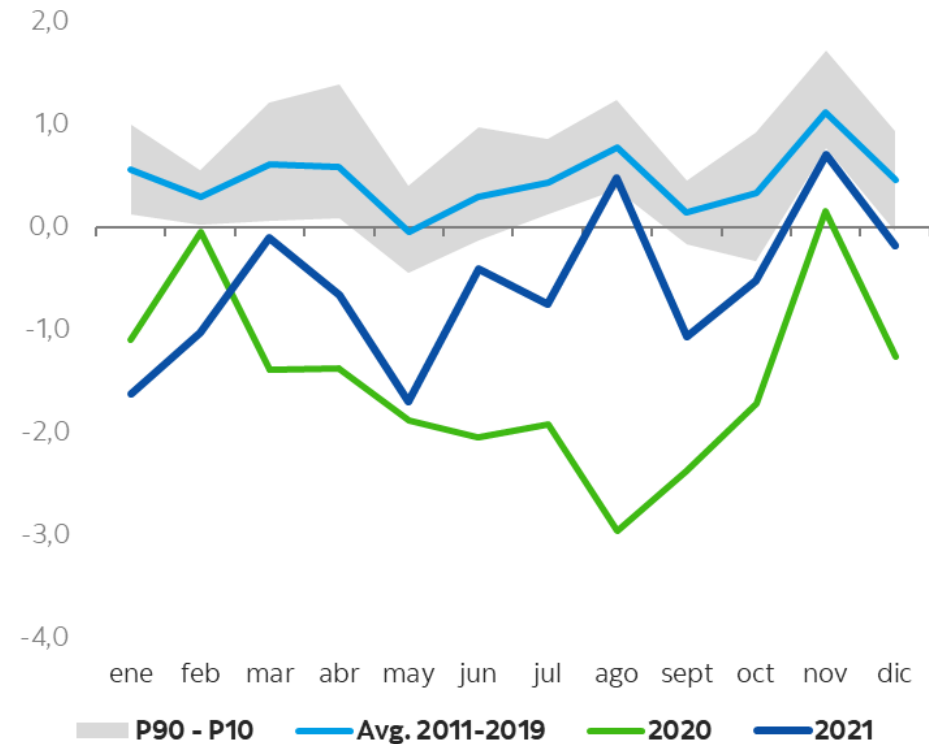


Source: Central Bank, Scotiabank Economics

Unsecured consumer loans showed seasonal weakness in December while mortgage loans remained solid

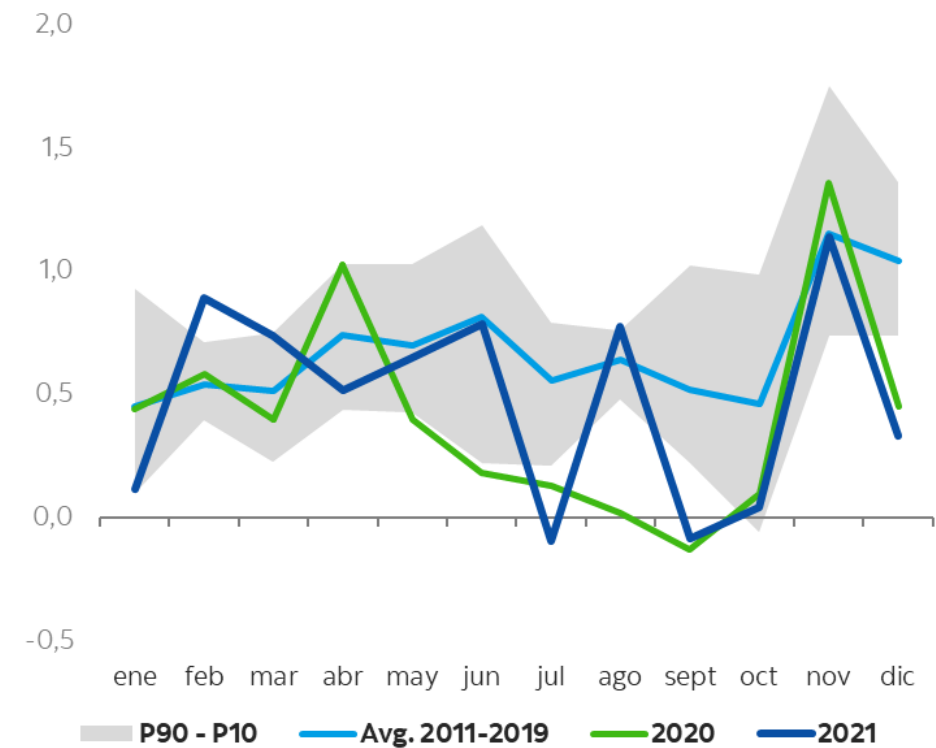
Monthly dynamism of consumer loans

(percentage, real monthly growth)



Monthly dynamism of mortgage loans

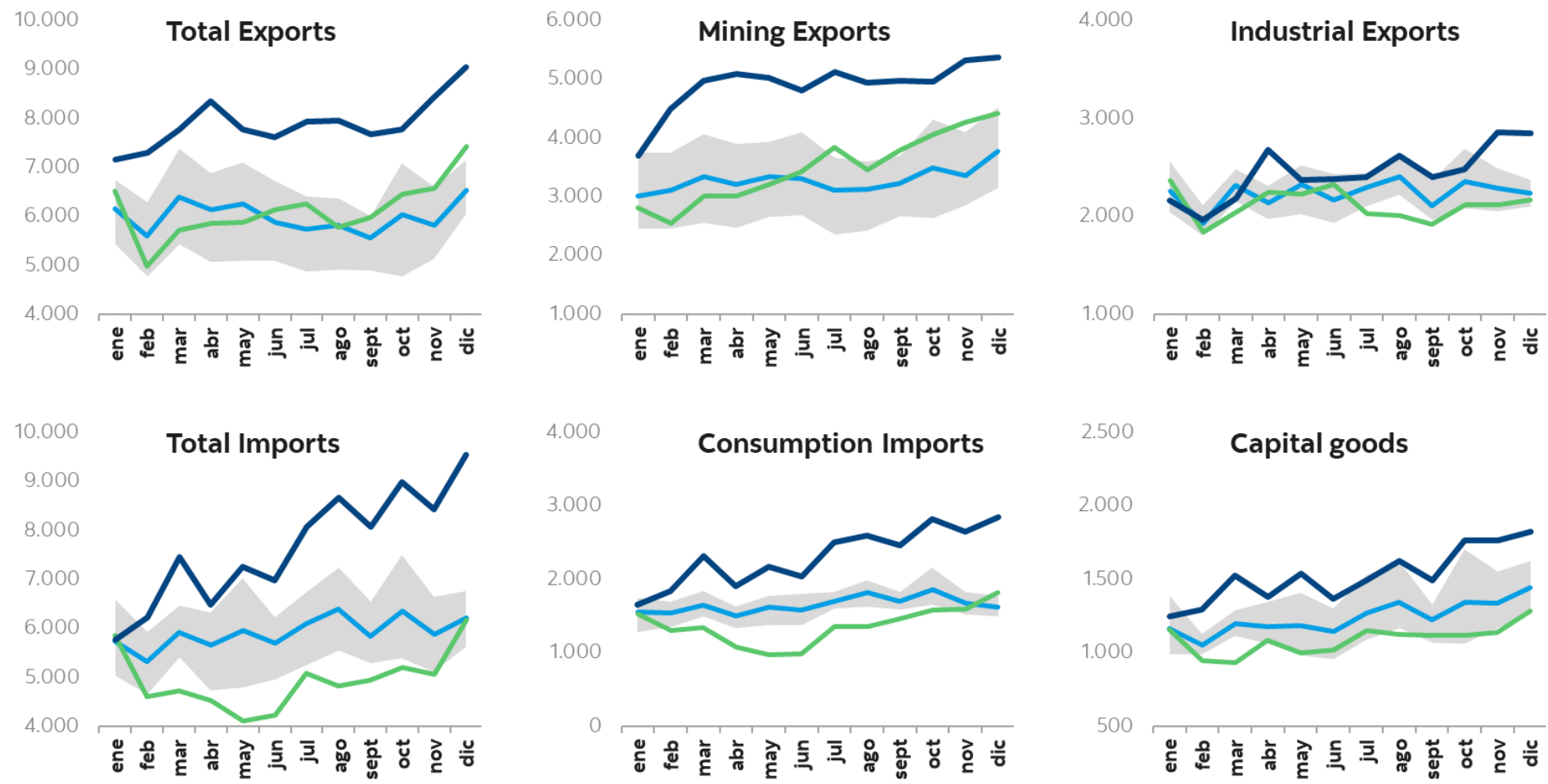
(percentage, real monthly growth)



Source: Central Bank, Scotiabank Economics

Strong recovery in exports. Inventory replenishment continues and capital goods imports remain solid

Monthly flow of Exports and Imports
(level, USD millions per month)



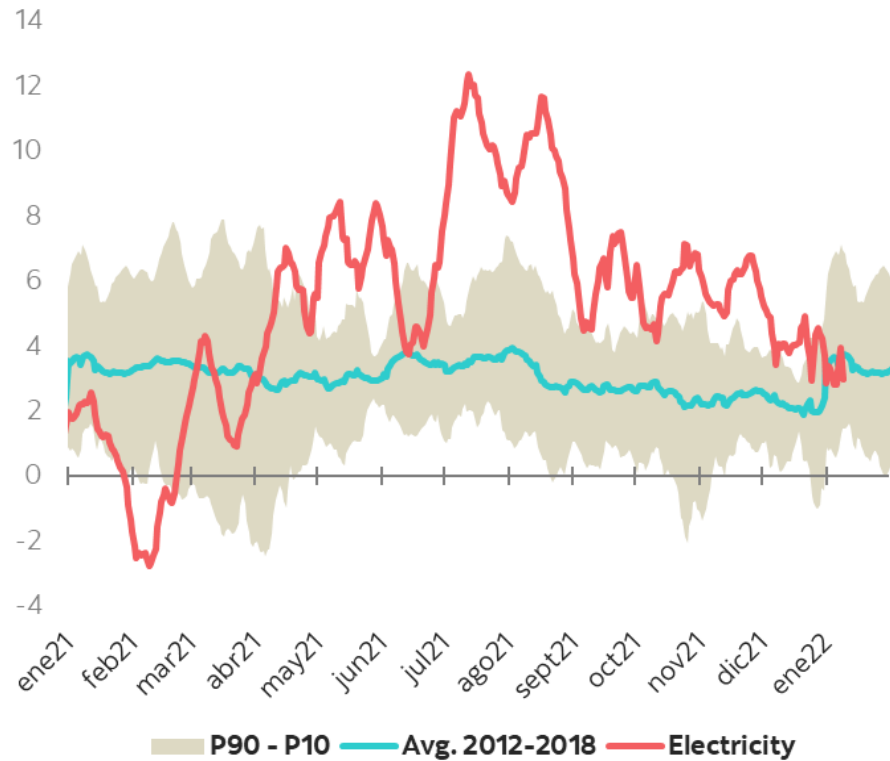
P90 - P10
 Avg. 2011-2019
 2020
 2021

P90 and P10 represent the 90th and 10th percentile.
Source: Central Bank, Scotiabank Economics

Demand for electricity shows normalization. **There is no region under lockdown**

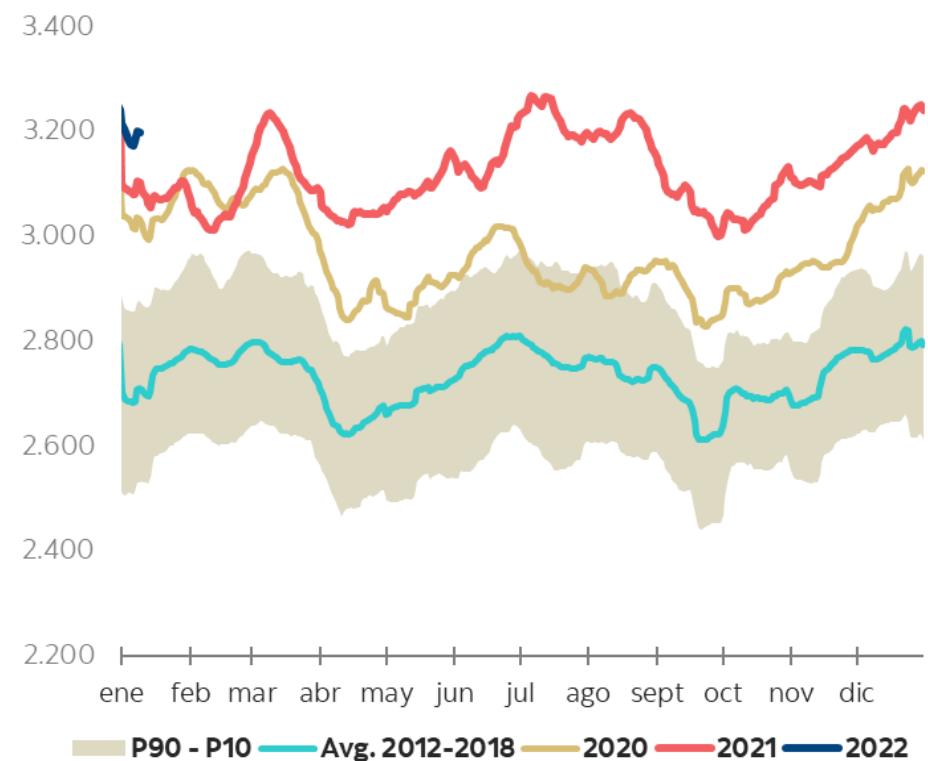
Annual growth of electricity generation

(percentage, annual growth, 14-day accum., up to January 9)



Level of electricity generation

(percentage, annual growth, 14-day accum., up to January 9)

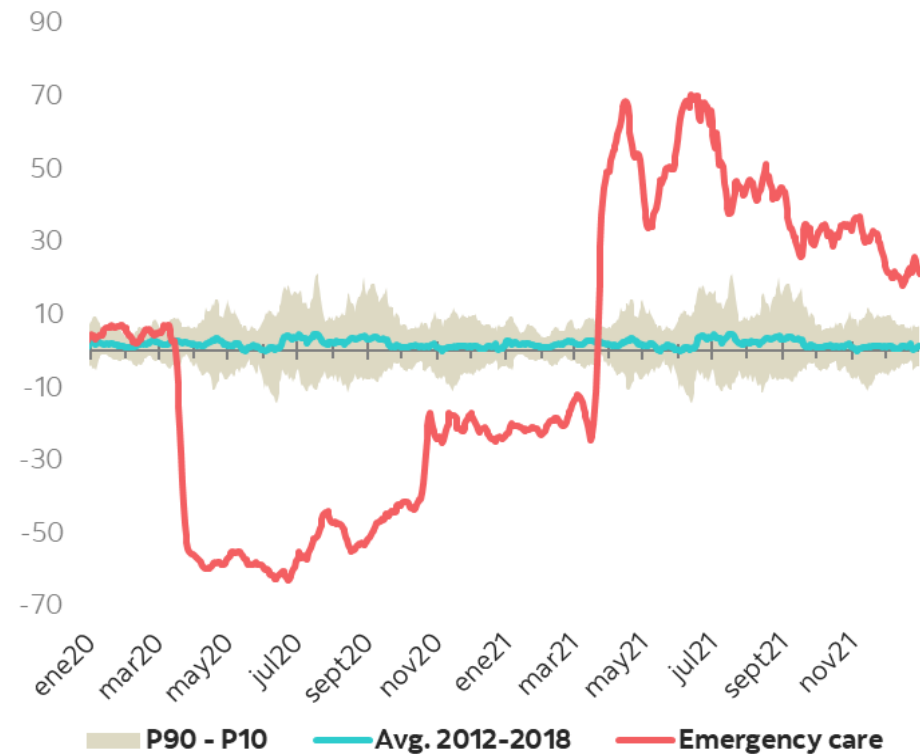


P90 and P10 represent the 90th and 10th percentile.
Source: Coordinador Eléctrico, Scotiabank Economics

Emergency care attentions –not related to COVID– in normal levels

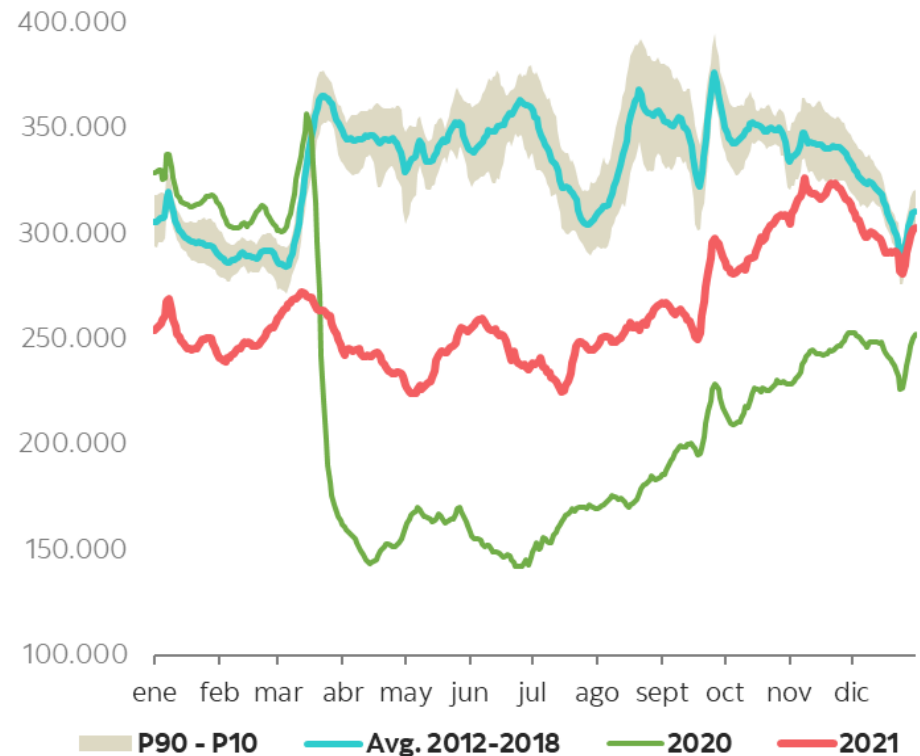
Annual growth in Emergency Care

(percentage, annual growth, 7-day mov. sum, up to December 31)



Number of Emergency Care attentions

(number of daily attentions, 7-day mov. sum, up to December 31)

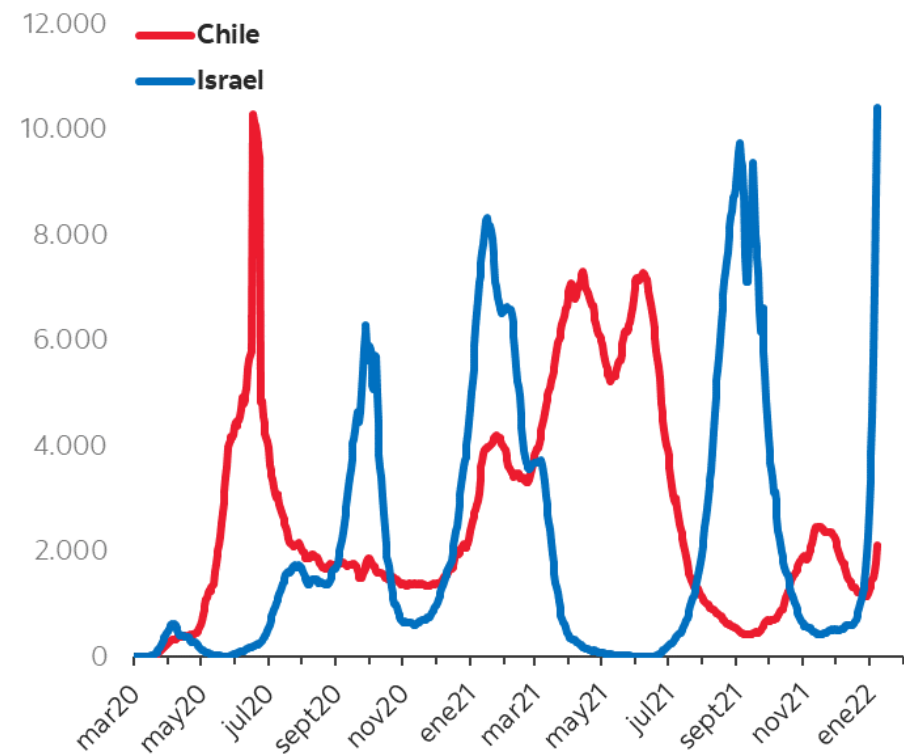


Source: Ministerio de Salud (DEIS), Scotiabank Economics

Rebound in new COVID-19 cases (Omicron), but ICU-bed occupancy remains at lows

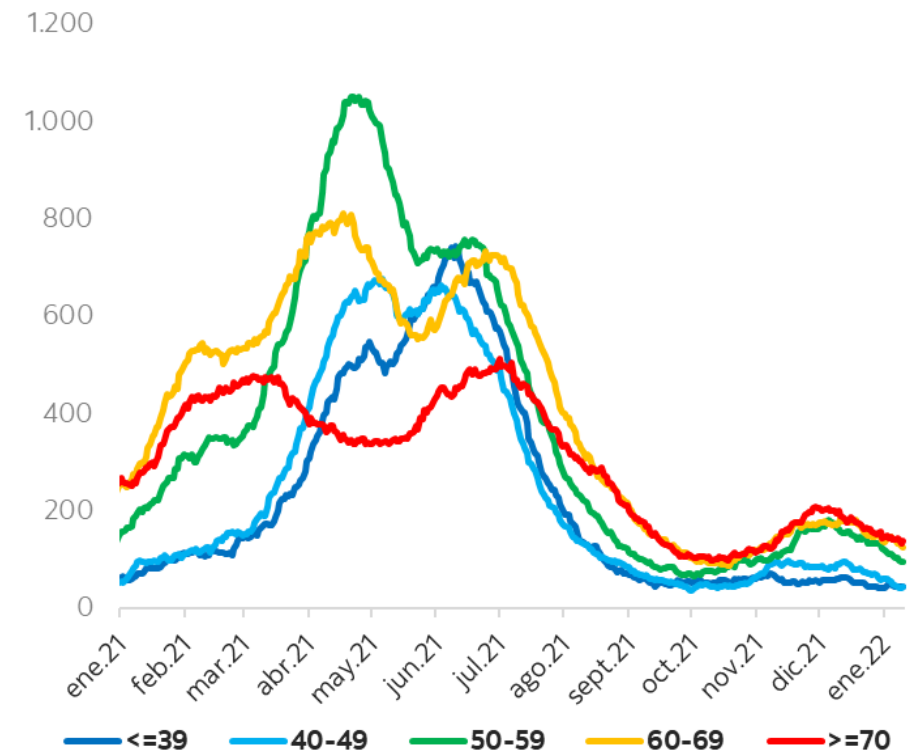
New cases COVID-19 in Chile & Israel

(number of new cases per day, 7-day mov. avg., up to January 9)



ICU-bed occupancy by age

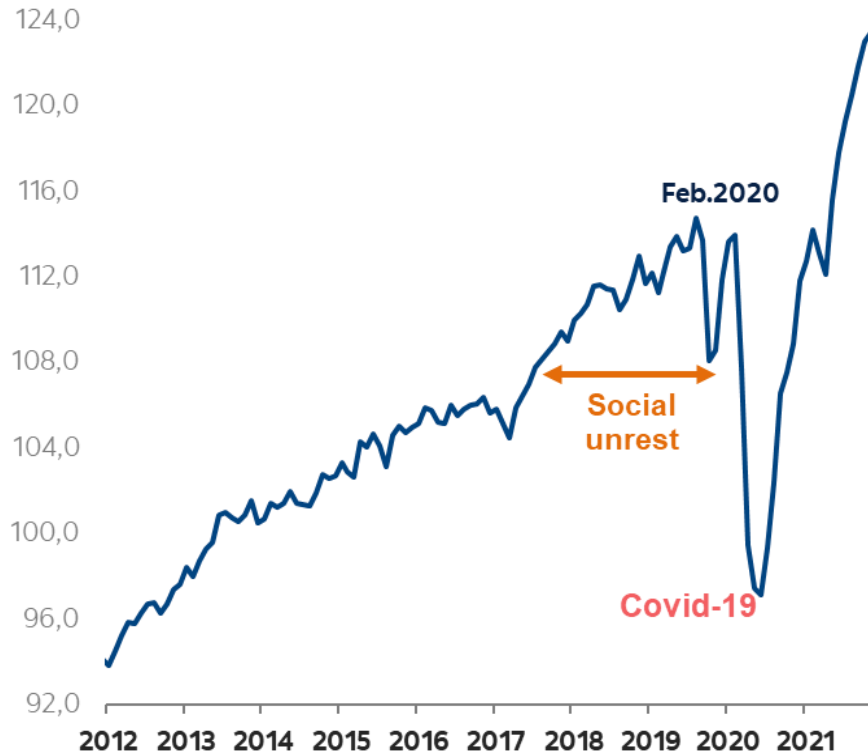
(beds by age group, up to January 9)



Imacec expanded 14.3% y/y in November (0.3% m/m) driven by services.
GDP growth will reach 12% in 2021 and we forecast 3.5% for 2022.
 We estimate that Imacec expanded 10-11% y/y in December.

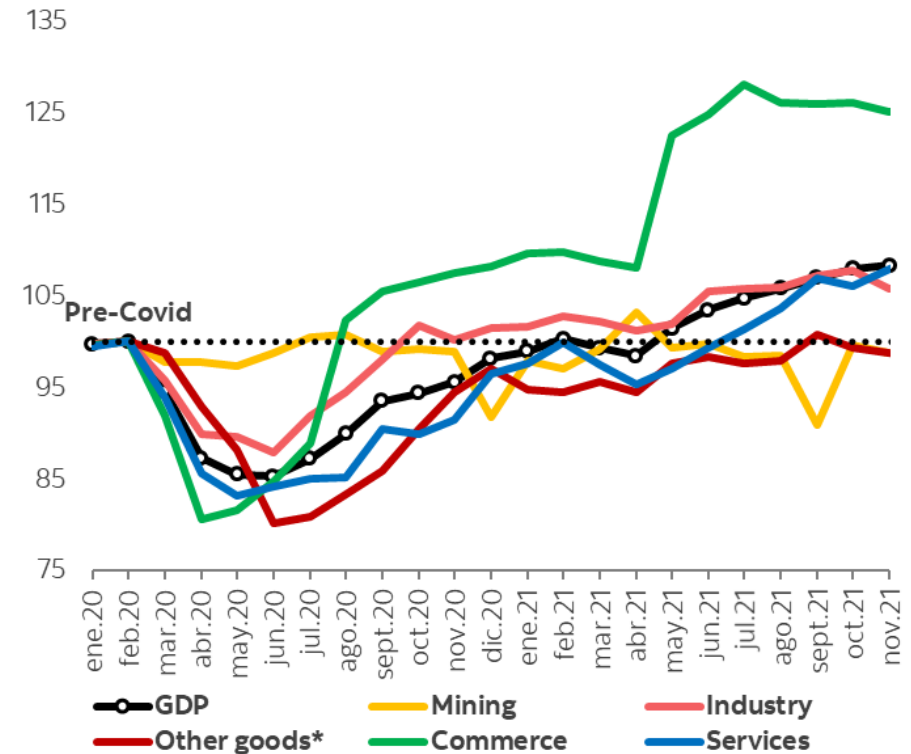
GDP level

(level, 2013=100, seasonally adjusted, monthly data)



GDP level by sector

(index, February 2020=100, monthly data)



**Short run forecasts:
 growth of monthly GDP**

October-21

November-21

December-21(f)

Imacec (% y/y)

15.0%

14.3%

10 to 11%

Source: Central Bank, Scotiabank Economics

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