

# Tracking Covid-19: high frequency indicators



**Economics & Financial Research**

Updated on November 11, 2021



## Key messages

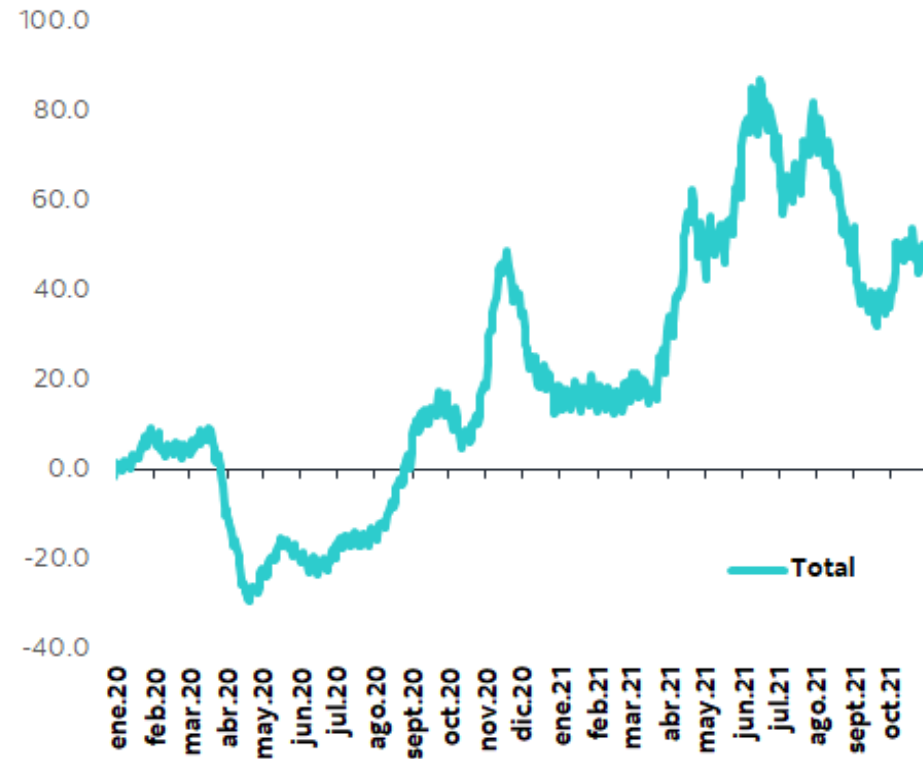
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- **New upturn in purchases with credit and debit cards in October.** Department Stores continue to benefit from high liquidity while Services show relevant recovery due to almost full mobility and reopening. Our view during the last months about Retail Sales and its composition, in anticipation to the official data, has been confirmed by solid corporate results in 2Q21 and 3Q21. We expect that the abundant liquidity gives support to robust sales/earnings until, at least, 2Q22.
- **We forecast an increase in Retail Sales of 25% y/y in October.** Car sales surge amid normalizing of car imports.
- **Credit show more dynamism explained by commercial loans to medium and large firms.** Unsecured consumer loans remain depressed while mortgage loans remain solid but with headwinds coming from the higher interest rates.
- **We continue expecting an approval of the 4th withdrawal of PFs but, as we have mentioned, with relevant restrictions.** Among them, several senators indicated that an agreement would have to be reached to ensure this is the last withdrawal.
- **The momentum of the economy will be positive the first half of 2022, and it will be to great extent independent of the next president.** The high liquidity in households' pockets will last until mid-2022. Moreover, copper price hovering near multi-year highs and public investment still quite relevant will prevent a deceleration during the first half of next year. Domestic political conditions will be a key determinant of the second half of 2022. **For now, we forecast a GDP growth of 4.5% in 2022, markedly above consensus (2.0%).**

# Private consumption remains high. New highs in purchases put pressure on supply chains. Base effects are less favorable for the year-over-year comparisons

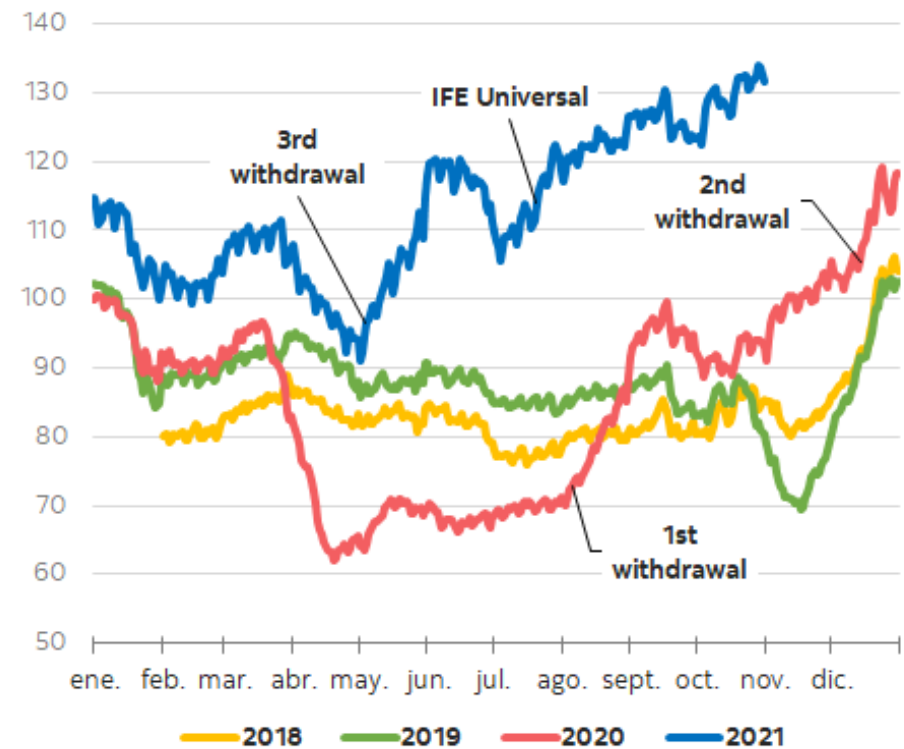
## Annual growth of purchases with cards\*

(percentage, annual growth, 30-day moving average, up to Oct. 31)



## Level of purchases with credit & debit cards\*

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

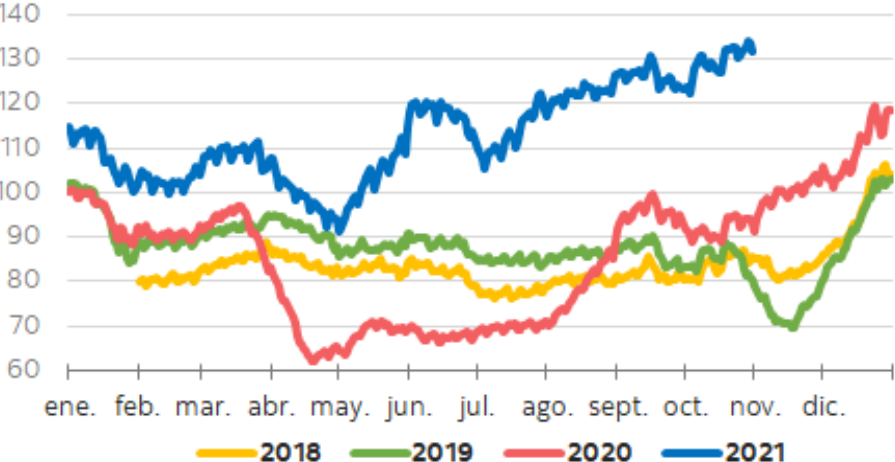


\* Data show purchases with Scotiabank's credit and debit cards. The level of purchases is shown as an inflation-adjusted index.  
Source: Scotiabank Economics

# Superb performance in Department Stores and stabilization in Supermarkets

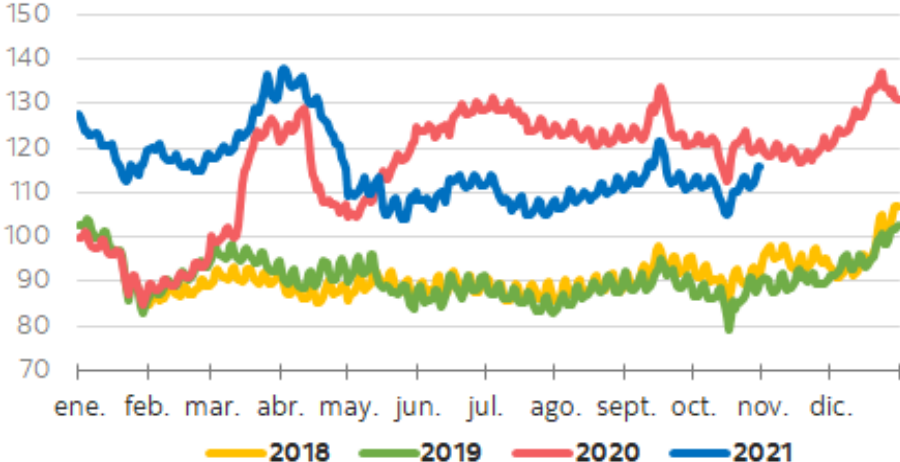
## Total purchases\*

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



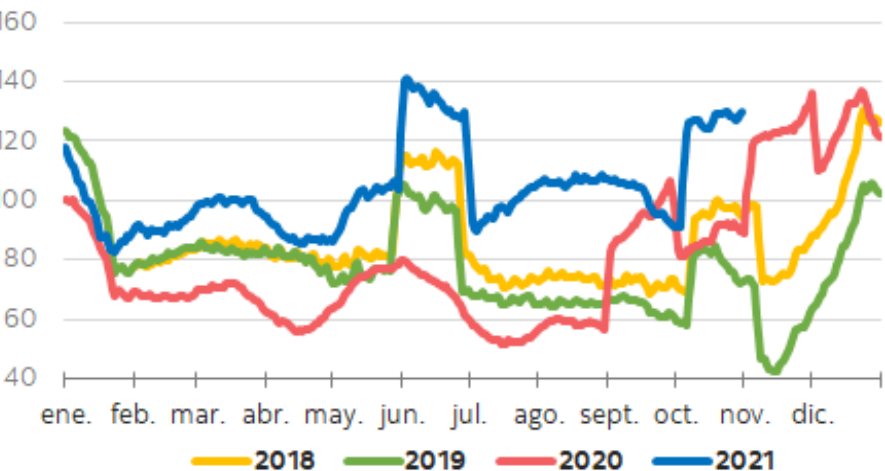
## Supermarkets\*

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



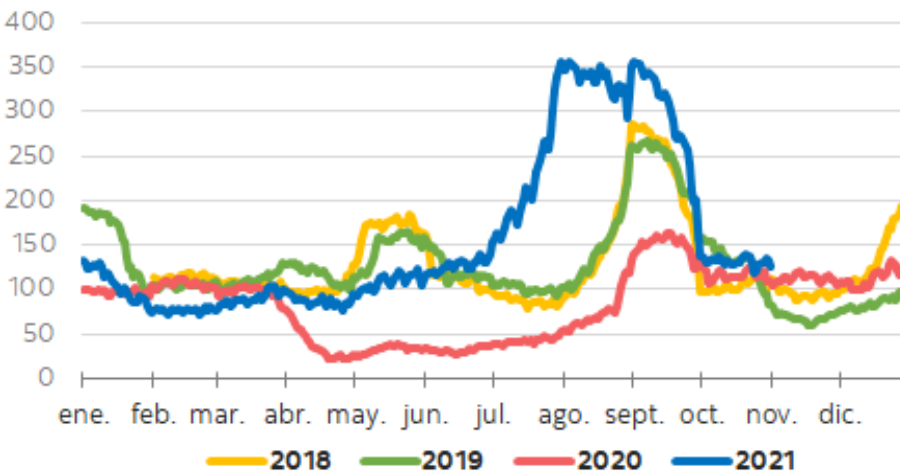
## Department stores\*

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



## Vehicles\*

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

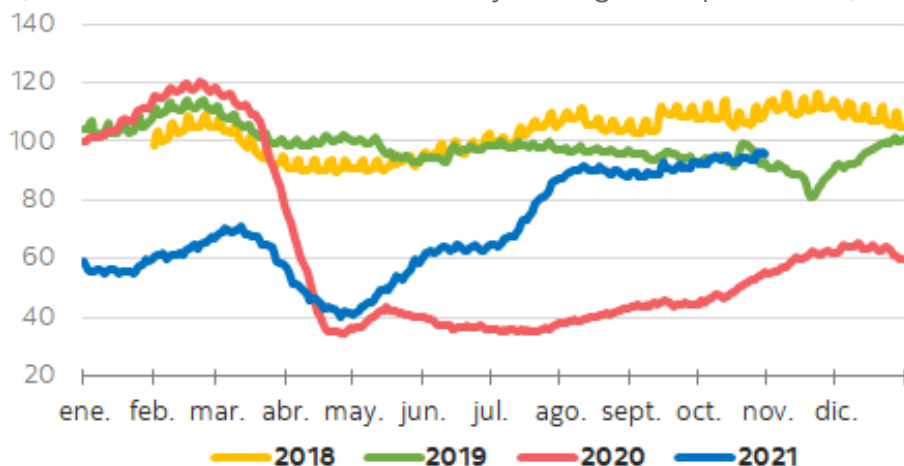


\* Data show purchases with Scotiabank's credit and debit cards. The level of purchases is shown as an inflation-adjusted index. Source: Scotiabank Economics

# Services (specially, restaurants and travels) show greater dynamism

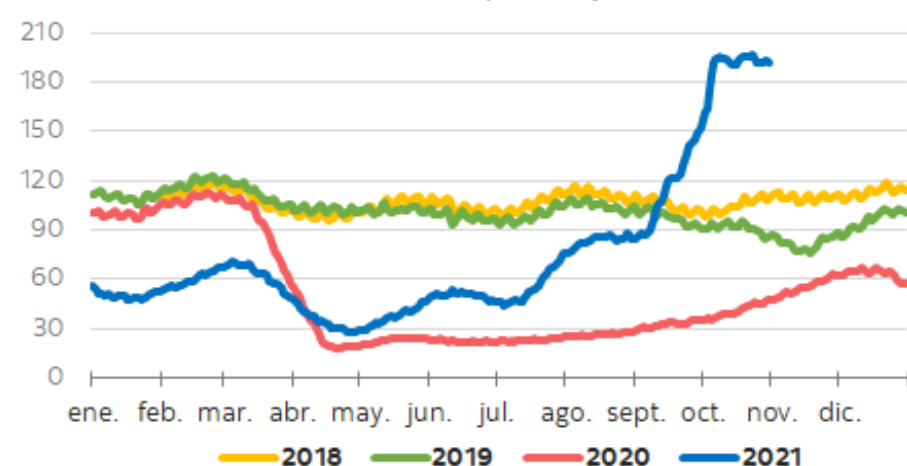
## Fuels\*

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



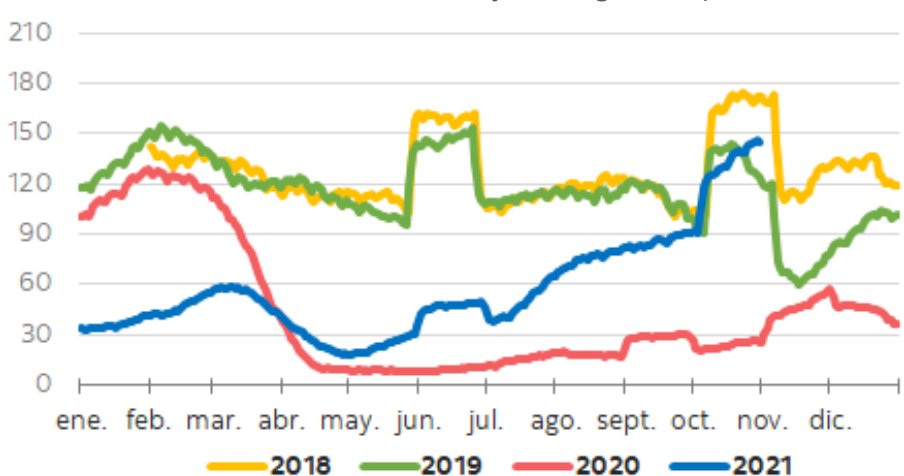
## Restaurants\*

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



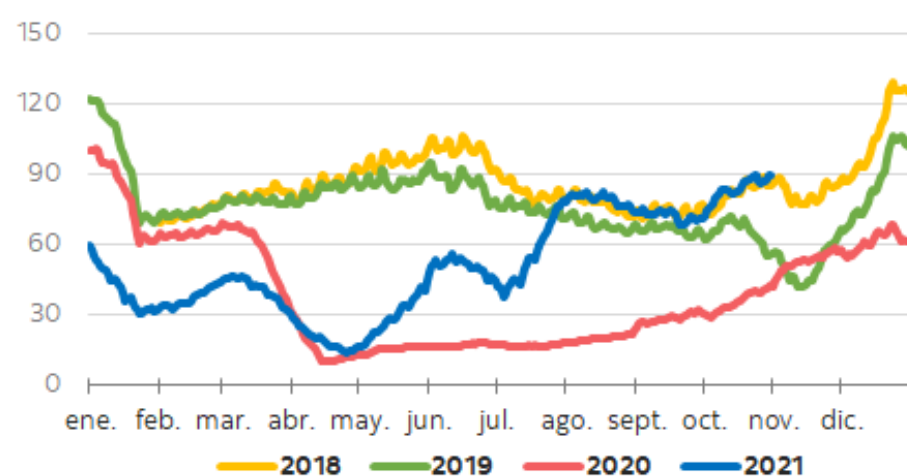
## Tourism travel\*

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



## Clothing and footwear\*

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

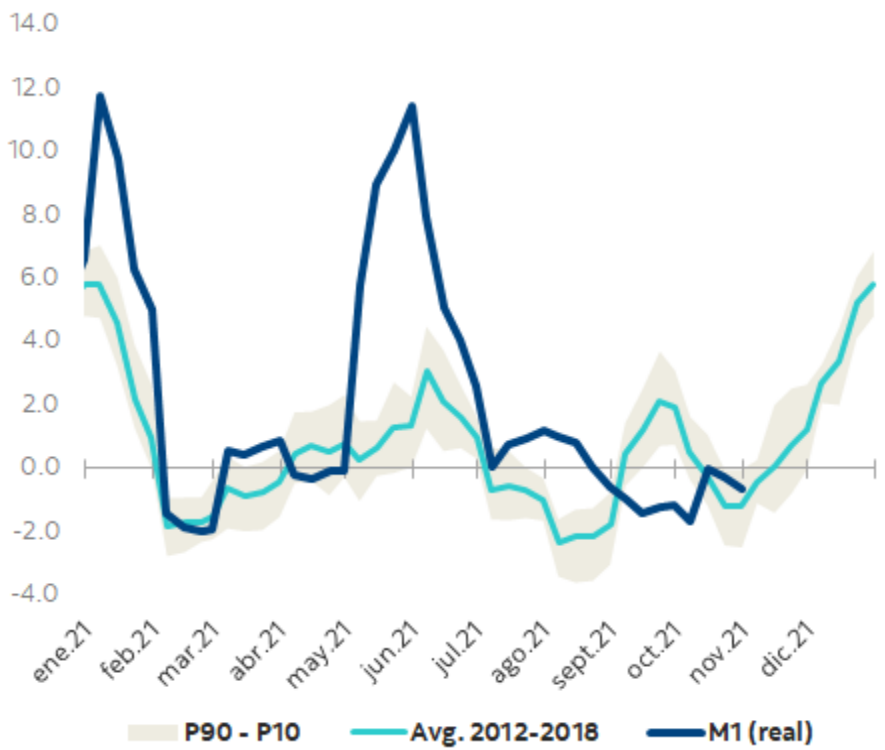


\* Data show purchases with Scotiabank's credit and debit cards. The level of purchases is shown as an inflation-adjusted index.  
Source: Scotiabank Economics

# Liquidity is normalizing but there is still an extra USD 20 billion in checking and debit accounts that (we estimate) will last until mid-2022 (at least)

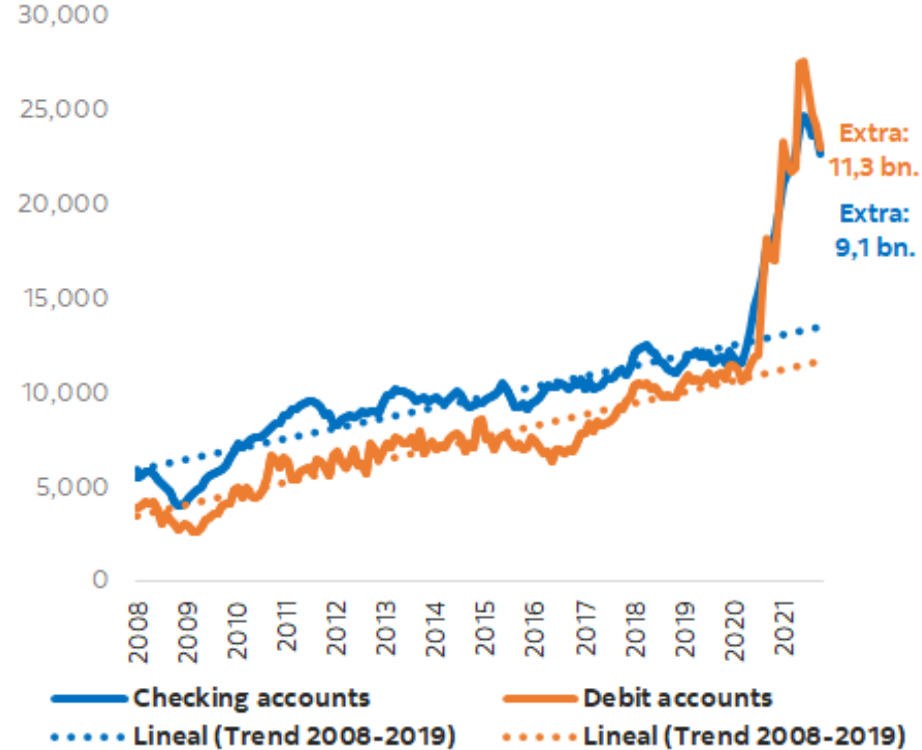
## Monthly dynamism of M1

(percentage, real monthly growth, weekly data)



## Liquidity in non-remunerated accounts

(millions of USD, natural persons, as of Oct. 2021)

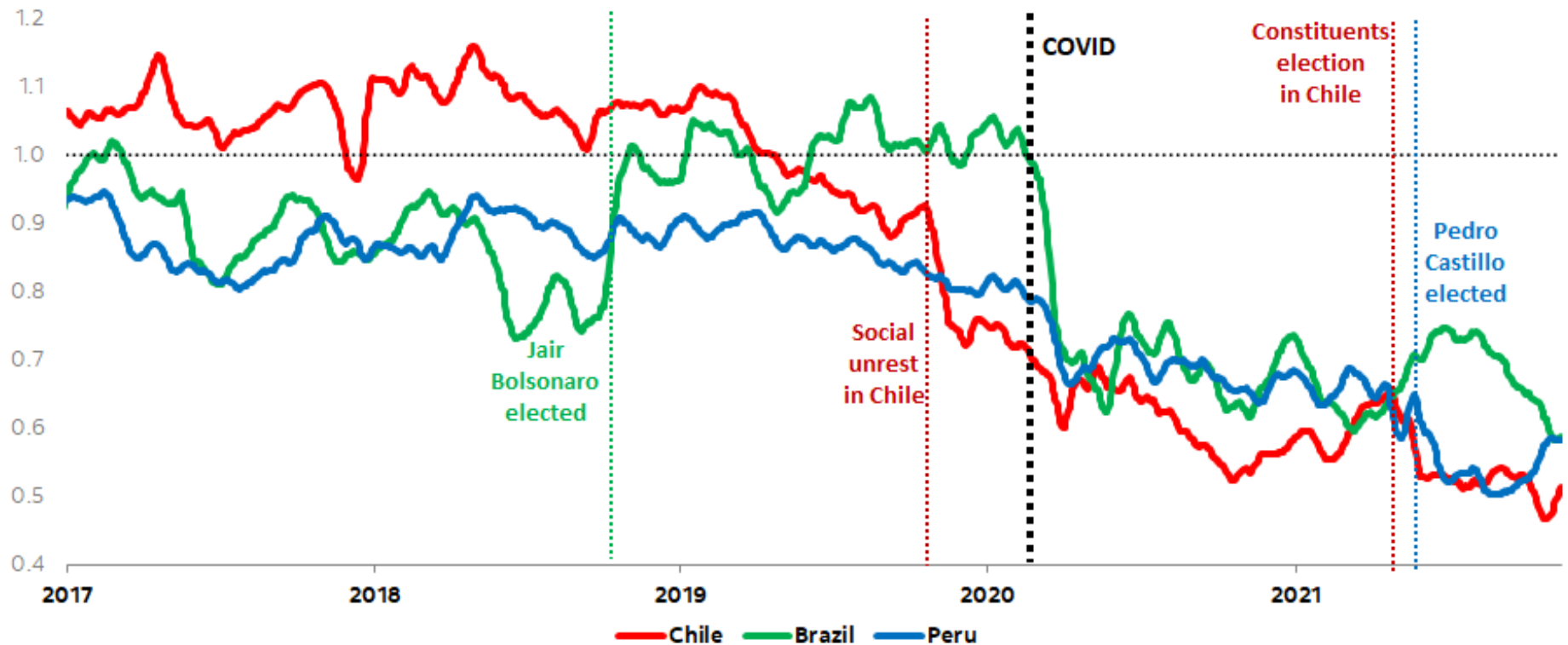


Source: Central Bank, Scotiabank Economics

# Current risk premium close to Peru's. We estimate that the tail-risk political scenario is to a great extent internalized in CLP and stock market

## Latam countries vs Emerging market

(ratio: ETF of Peru, Chile and Brazil wrt ETF Emerging markets)

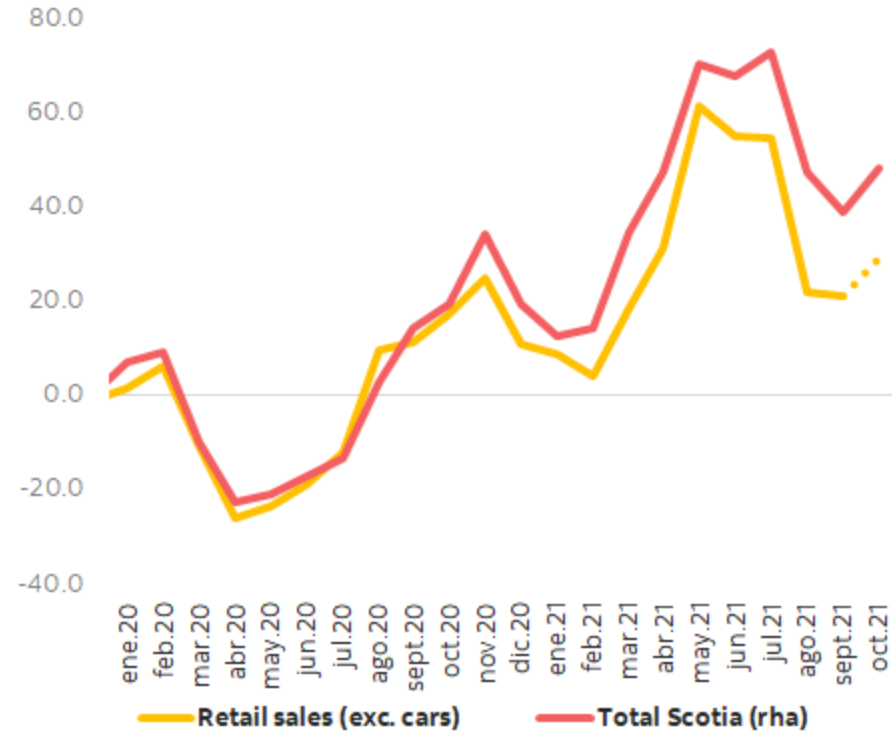


Source: Bloomberg, Scotiabank Economics

# Retail sales: we forecast an expansion around 25% y/y in October. New car sales remained strong in October (38,551 units), as well as imports

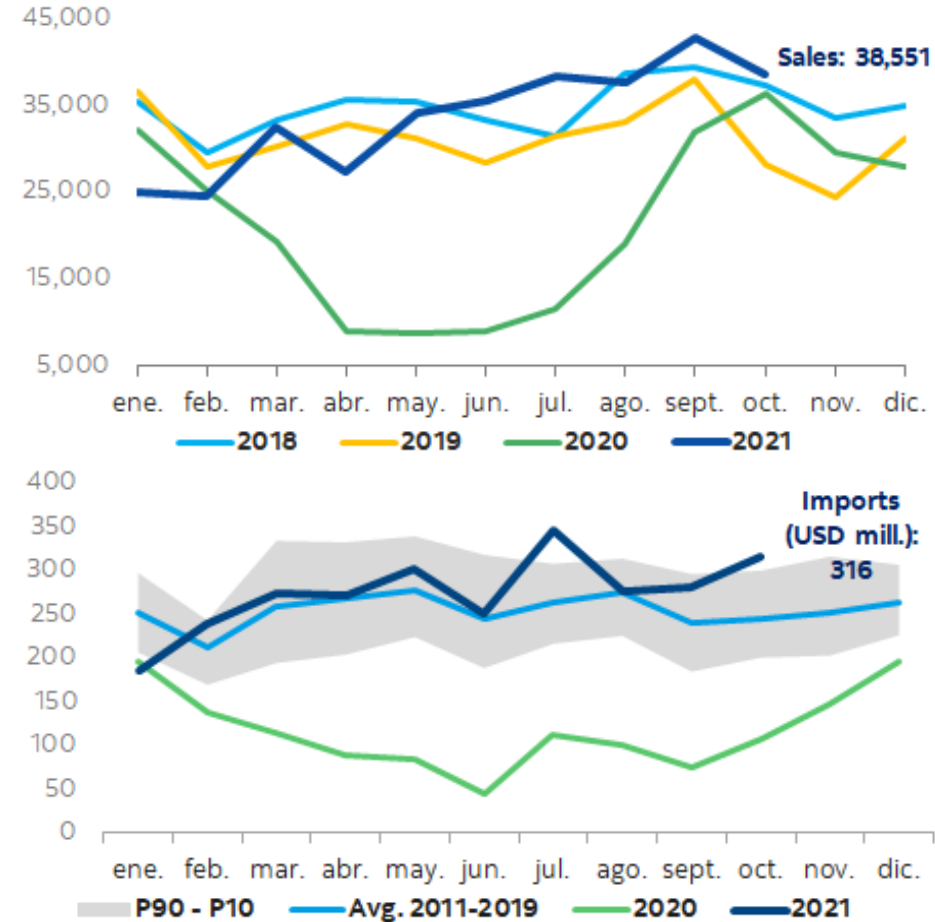
## Retail sales (INE) vs Transactional data\*

(percentage, annual growth)



## New cars: sales & imports

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



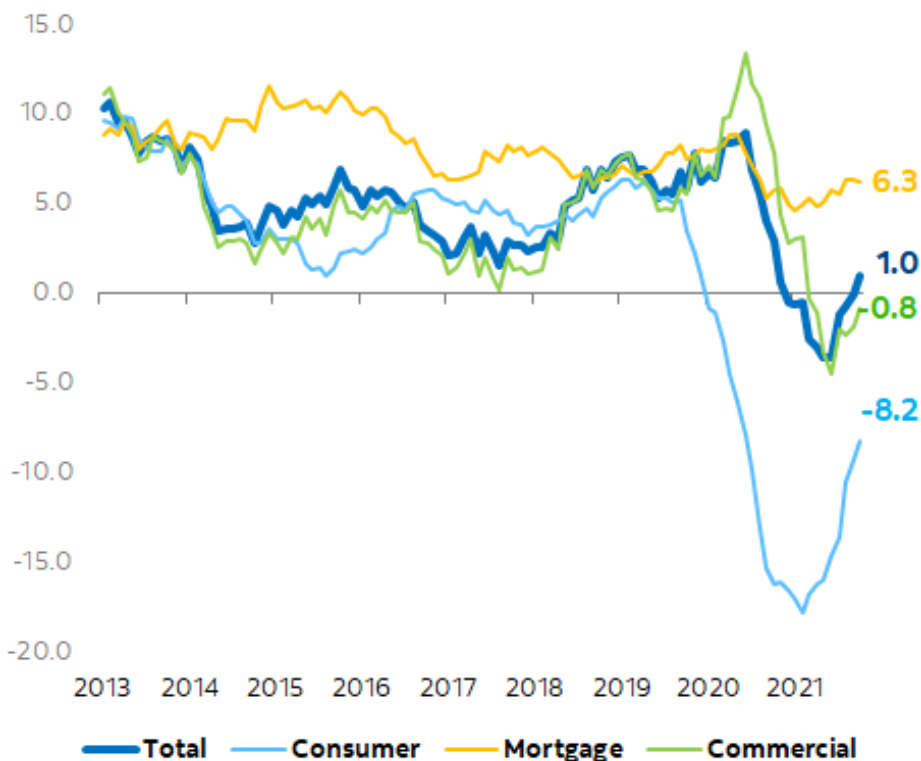
\* This figure compares the INE's monthly retail sales indicator with our data on total purchases with credit & debit cards reported in previous slides.  
 Source: National Bureau of Statistics (INE), ANAC, Central Bank, Scotiabank Economics



# Credit recovers some dynamism in commercial loans to medium and large firms

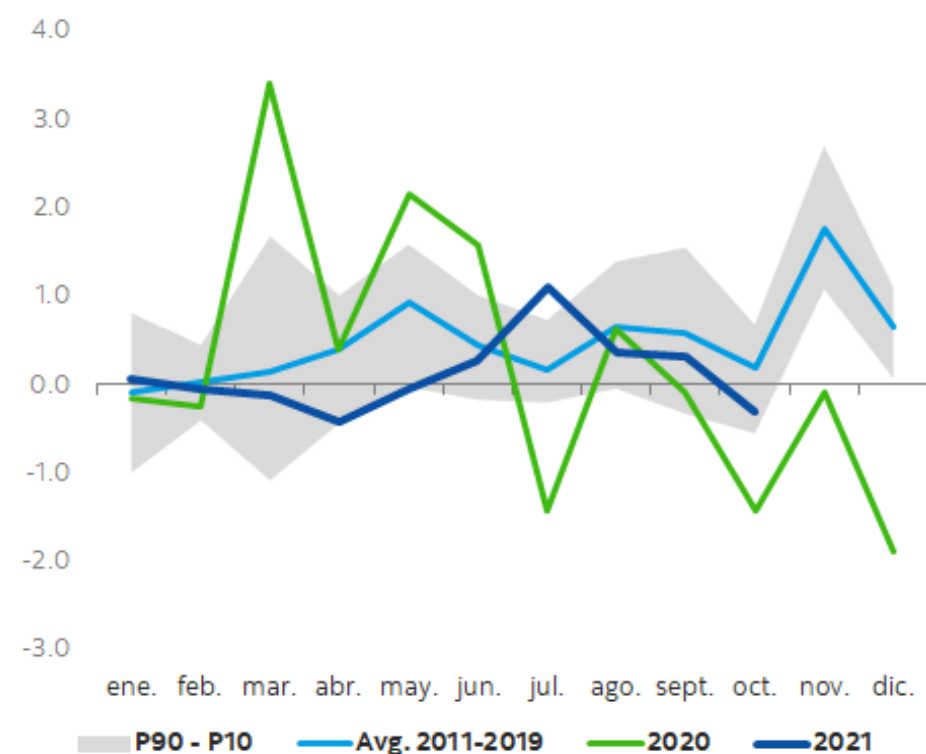
## Loans by segment

(percentage, real annual growth)



## Monthly dynamism of commercial loans

(percentage, real monthly growth)

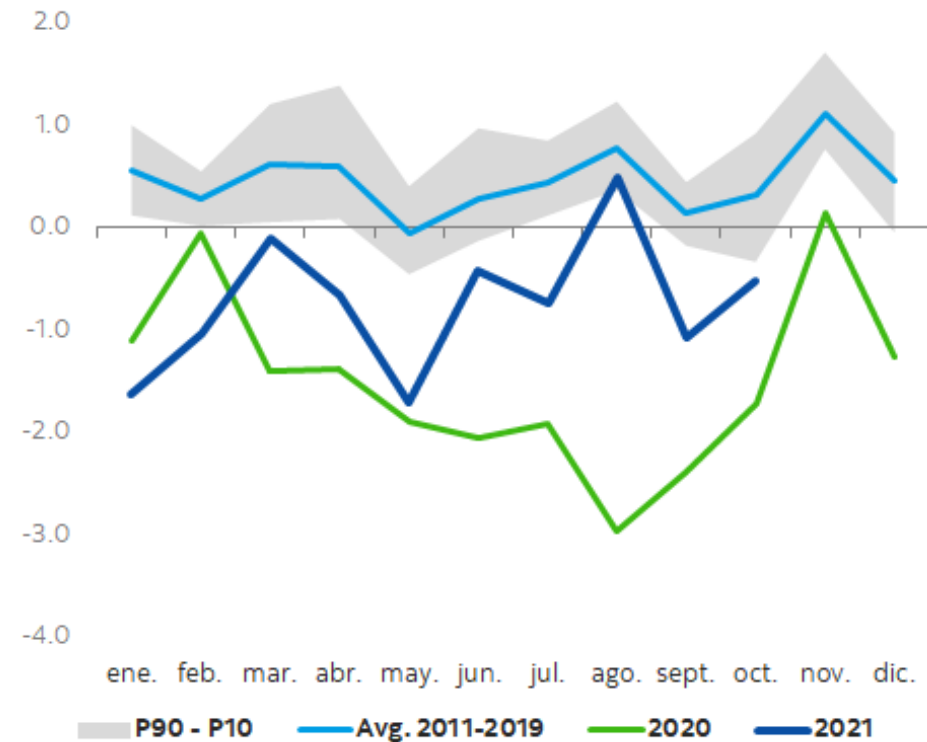


Source: Central Bank, Scotiabank Economics

# Unsecured consumer loans remain depressed and the fourth pension fund withdrawal will be discussed at mixed commission next week

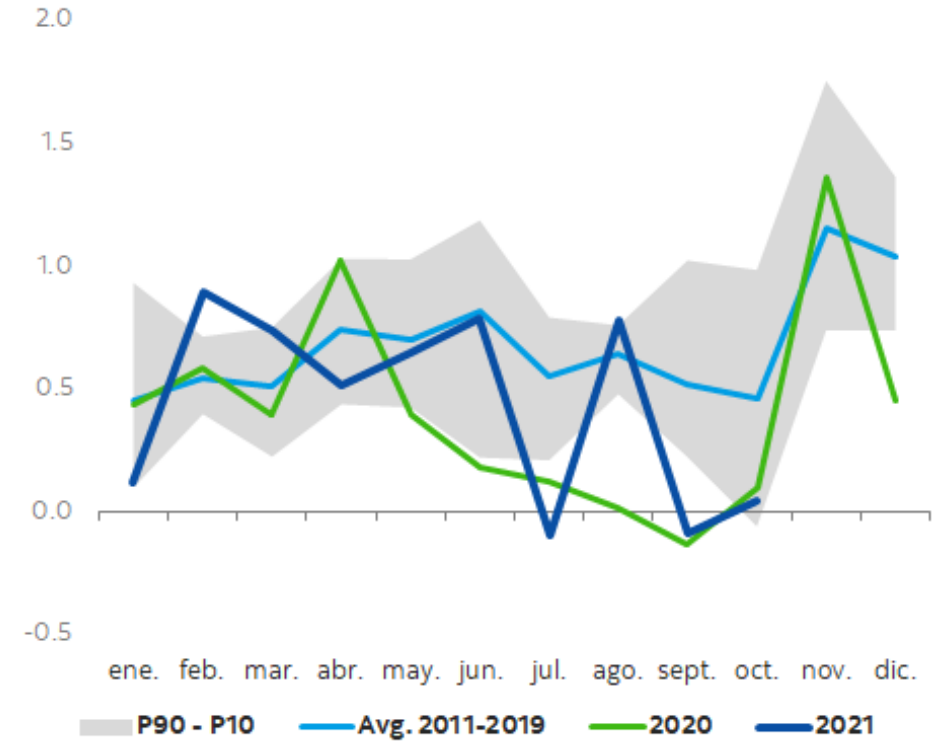
## Monthly dynamism of consumer loans

(percentage, real monthly growth)



## Monthly dynamism of mortgage loans

(percentage, real monthly growth)

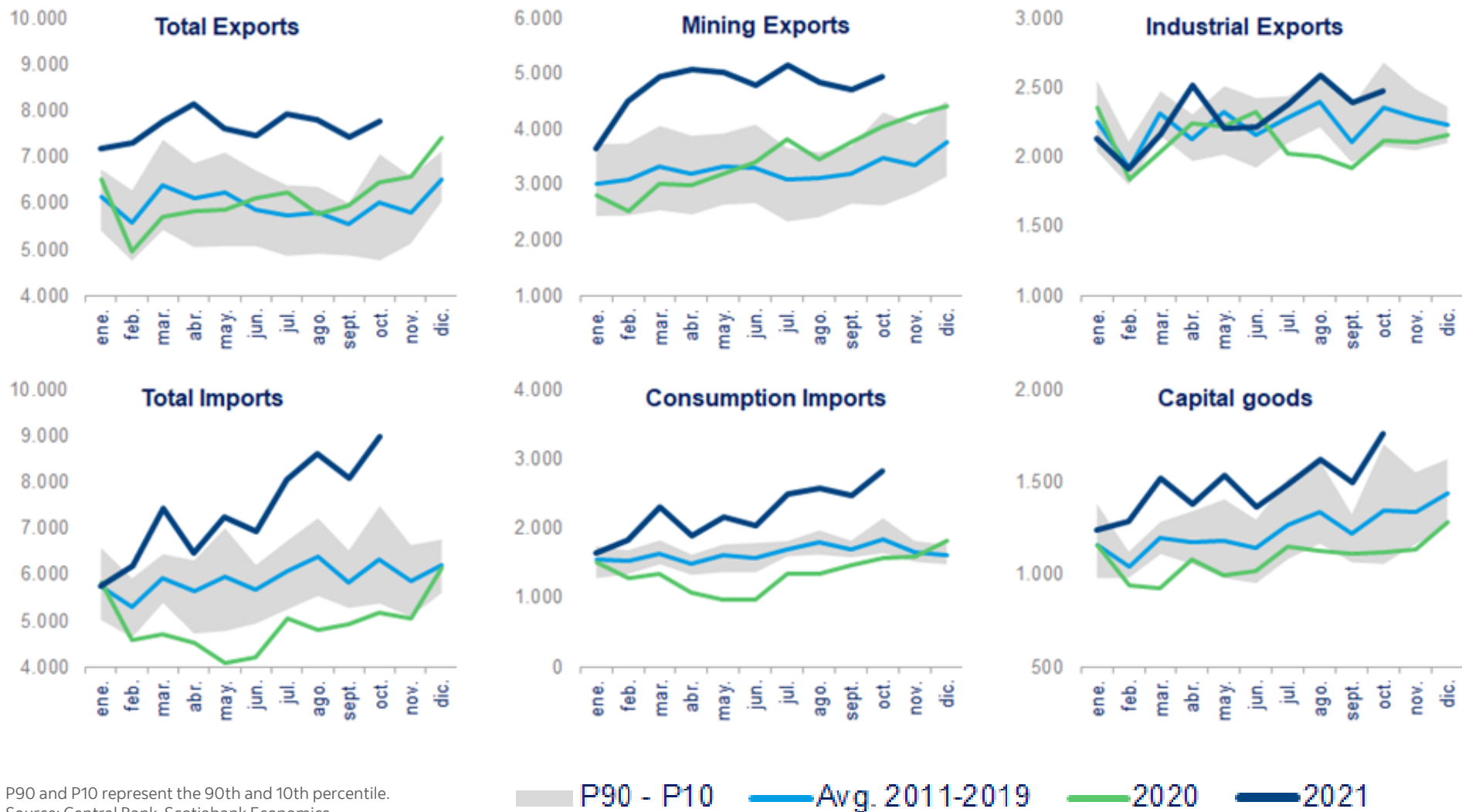


Source: Central Bank, Scotiabank Economics

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

## Monthly flow of Exports and Imports

(level, USD millions per month)

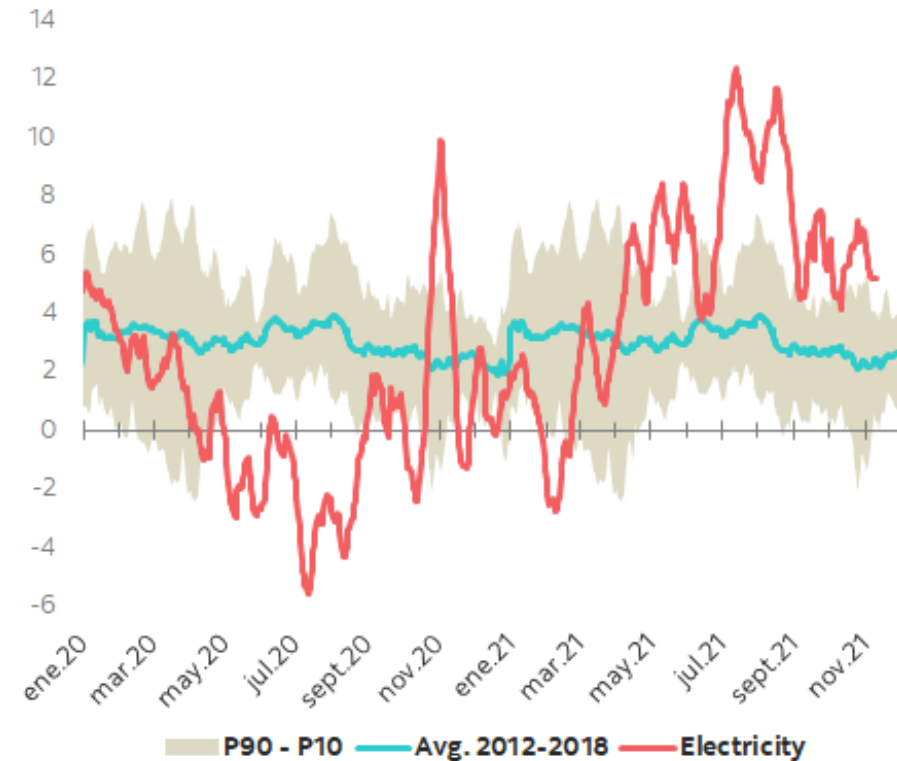


P90 and P10 represent the 90th and 10th percentile.  
Source: Central Bank, Scotiabank Economics

# Electric demand shows normalization. **There is no region under lockdown**

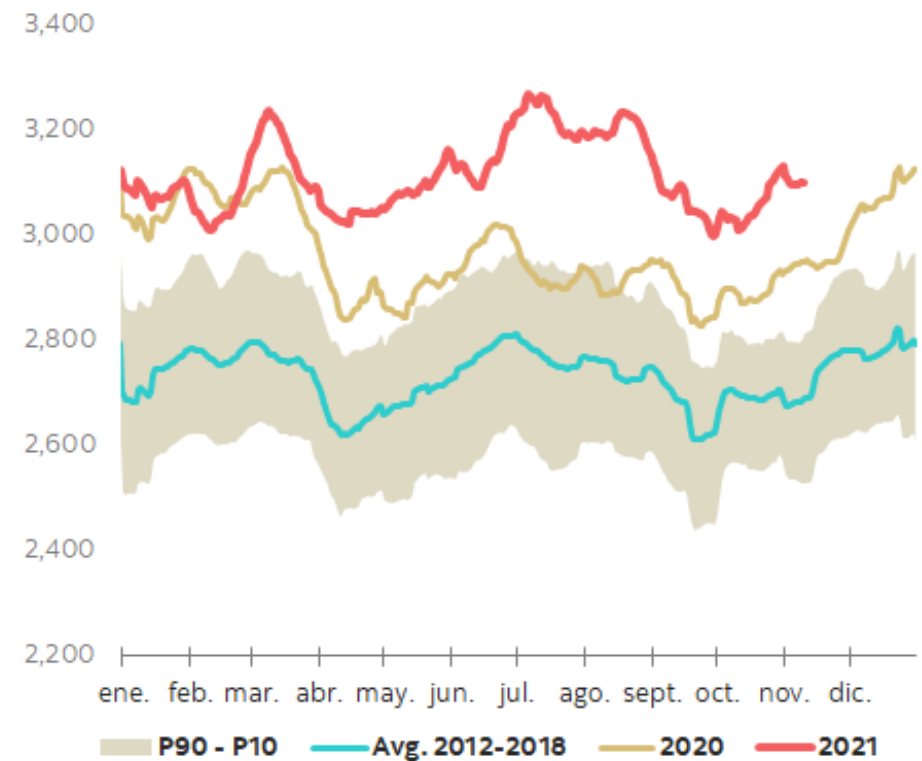
## Annual growth of electricity generation

(percentage, annual growth, 14-day accum., up to November 10)



## Level of electricity generation

(percentage, annual growth, 14-day accum., up to November 10)

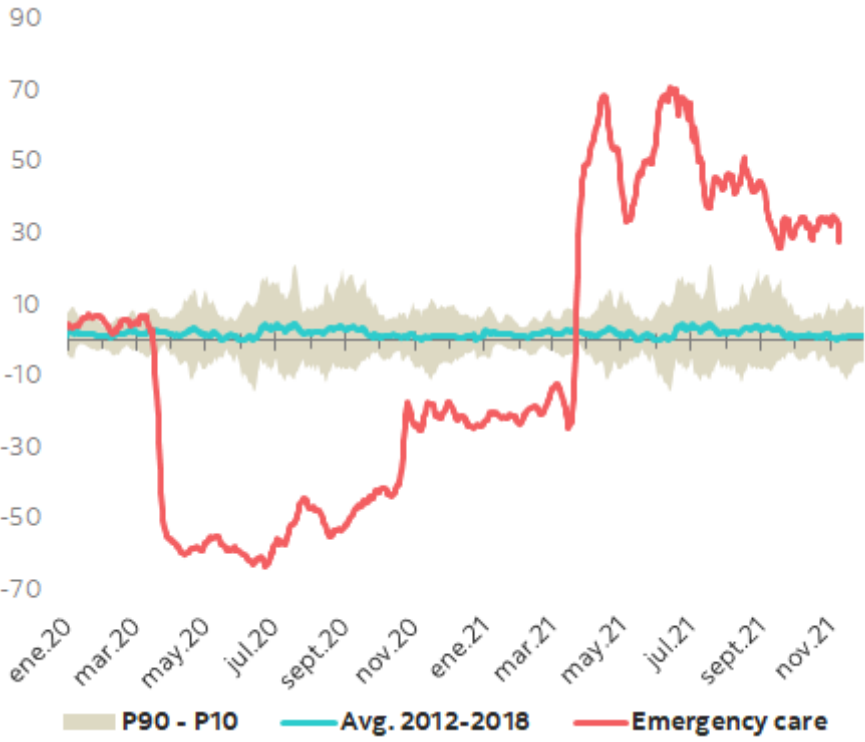


P90 and P10 represent the 90th and 10th percentile.  
Source: Coordinador Eléctrico, Scotiabank Economics

# Emergency care attentions –not related to COVID– are recovering

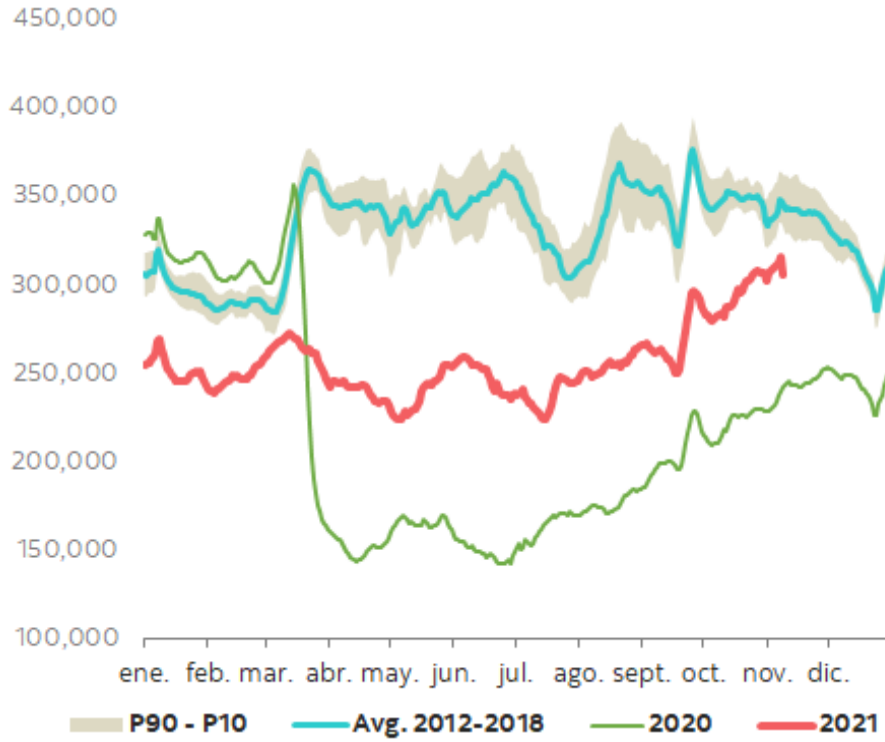
## Annual growth in Emergency Care

(percentage, annual growth, 7-day mov. sum, up to November 9)



## Number of Emergency Care attentions

(number of daily attentions, 7-day mov. sum, up to November 9)

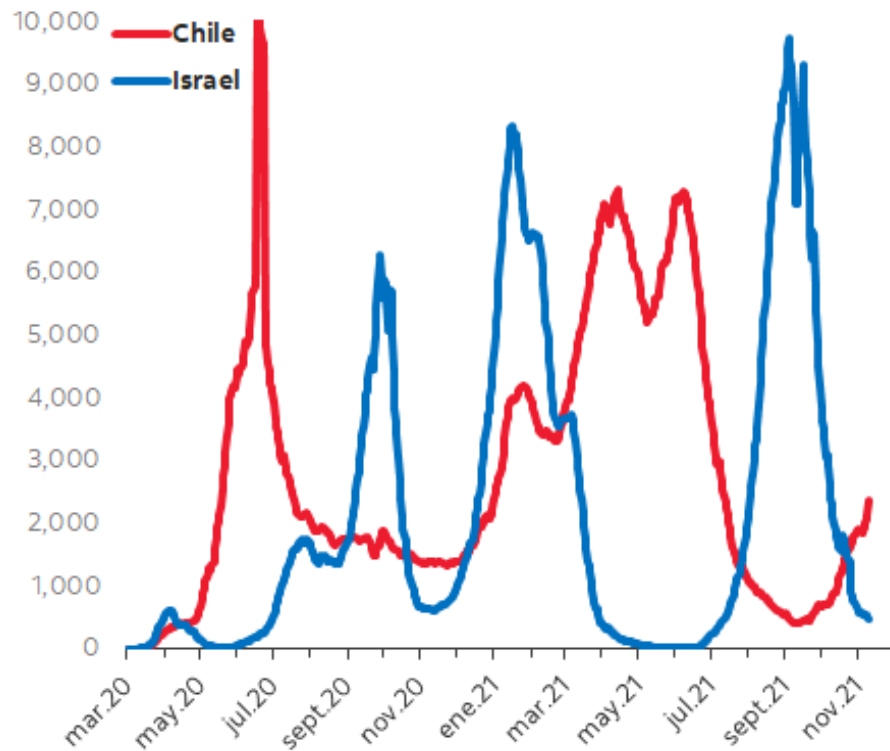


P90 and P10 represent the 90th and 10th percentile.  
Source: Ministerio de Salud (DEIS), Scotiabank Economics

# COVID-19 cases rising but ICU-bed occupancy remains at lows

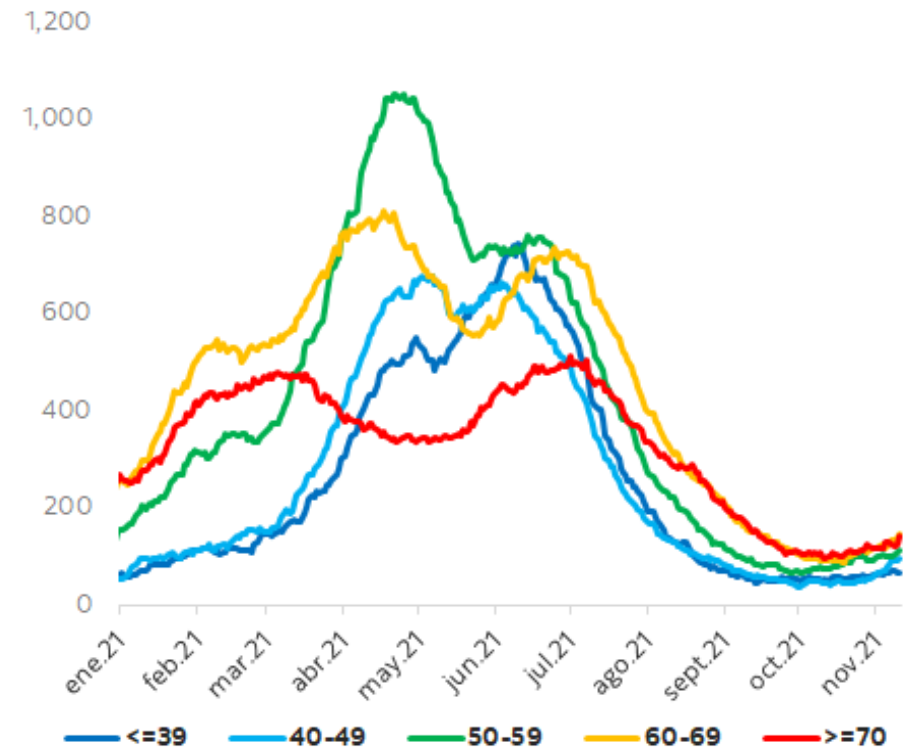
## New cases COVID-19 in Chile & Israel

(number of new cases per day, 7-day mov. avg., up to November 10)



## ICU-bed occupancy by age

(beds by age group, up to November 10)

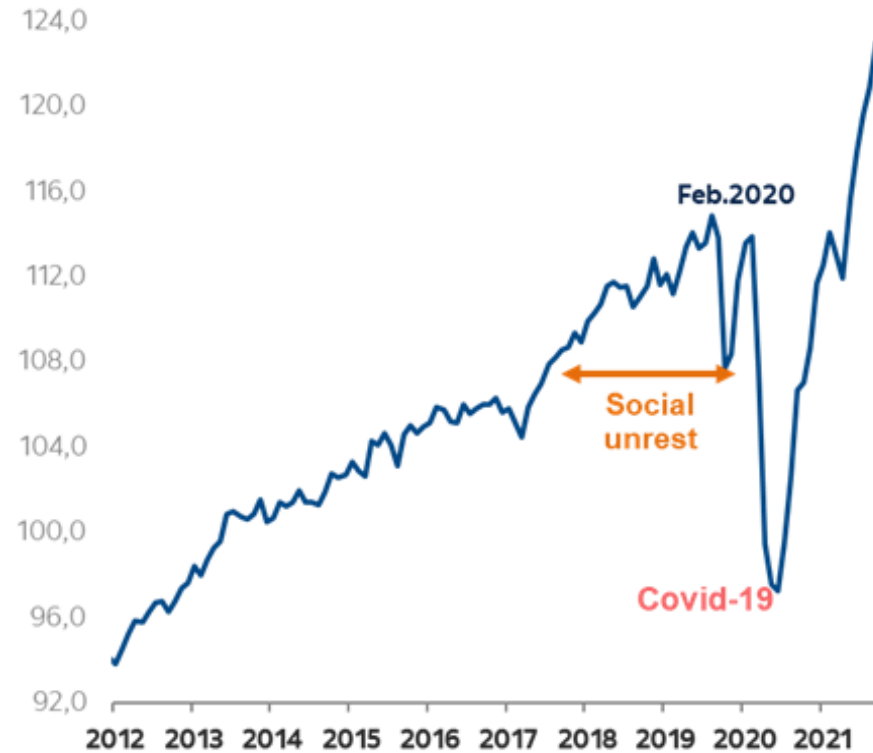


Source: WHO; Ministerio de Salud, Scotiabank Economics

Monthly GDP expanded 15.6% y/y in September (1.7% m/m) driven by services. **GDP growth will reach 12% in 2021 and 4.5% in 2022.** We forecast monthly GDP growth between 16%-17% y/y in October

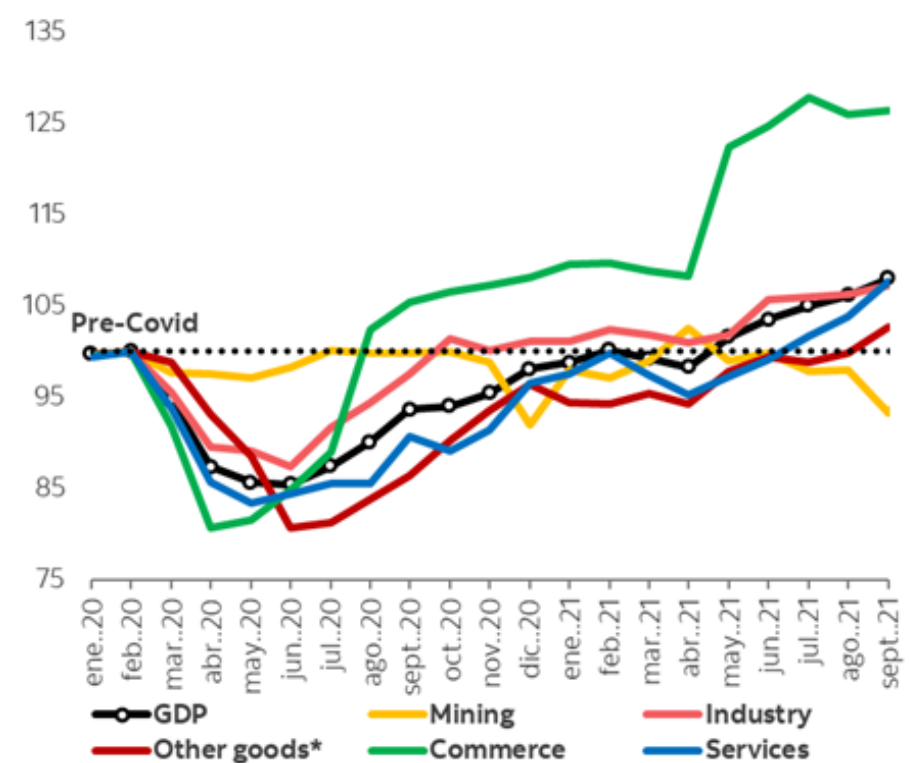
### GDP level

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



### GDP level by sector

(index, February 2020=100, monthly data)



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

**August-21**

**September-21**

**October-21(f)**

**Imacec (% y/y)**

19.1%

15.6%

**16 to 17%**

Source: Central Bank, Scotiabank Economics

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