

# Tracking activity during Covid-19: high frequency indicators



**Economics & Financial Research**

Update July 27, 2020



## Key messages

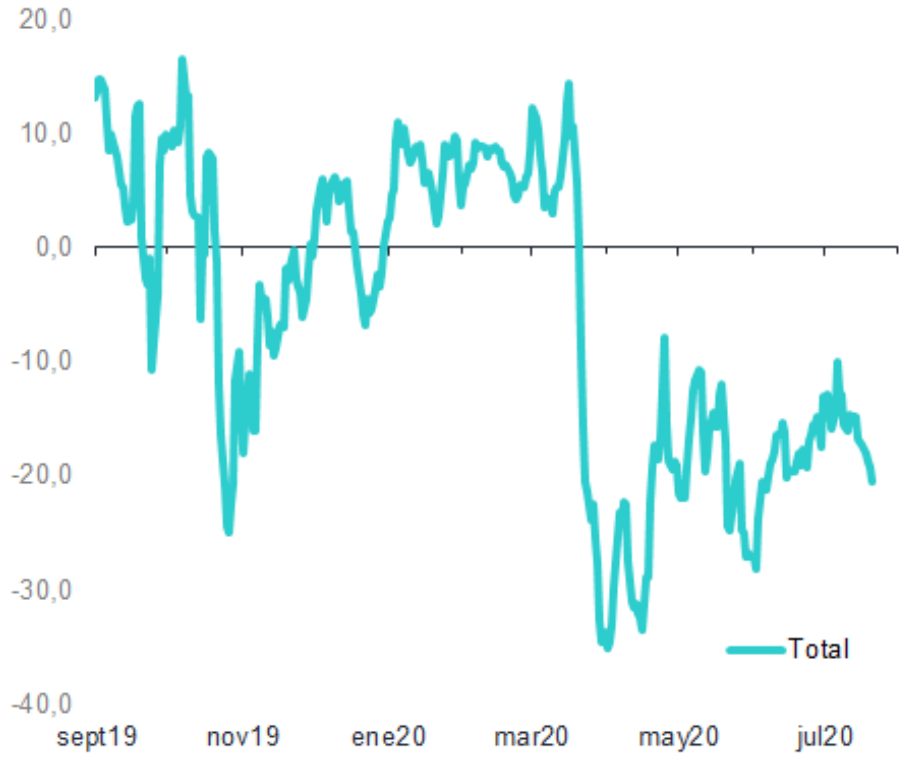
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- Total purchases with debit/credit cards remain at low levels, showing no signs of recovery. Even though, we observe strong heterogeneity: **e-commerce for retailers continues to strengthen, while supermarket sales are (amazingly) closer to historical patterns. These firms/sectors will also be the main beneficiaries of the withdrawal of pension funds during the next months.**
- **Loans and liquidity demand by firms show a lower dynamism up to mid-July, approaching to seasonal patterns.** We estimate “Fogape-Covid” loans contribute about 8 percentage points to the annual growth of commercial loans.
- Electricity generation, exports and imports confirm that activity in July remains at low levels, but **some stabilization (green shots?) is observed in the external sector.** Re-opening will boost August activity.
- We estimate that monthly GDP fell between -16% to -15% YoY in June. In turn, retail sales will show a drop of around 26% YoY. **For now, we maintain our GDP growth forecast for 2020 and 2021 (-6% and +4.4%, respectively), but we recognize a positive impact on GDP coming from the withdrawal of pension funds to be monitored in our high frequency indicators.**
- **Reduction in new cases of Covid-19 leads the authority to relax quarantine measures in some regions - re-opening plan already in place.**

# What customers/people are buying as the pandemic evolves?

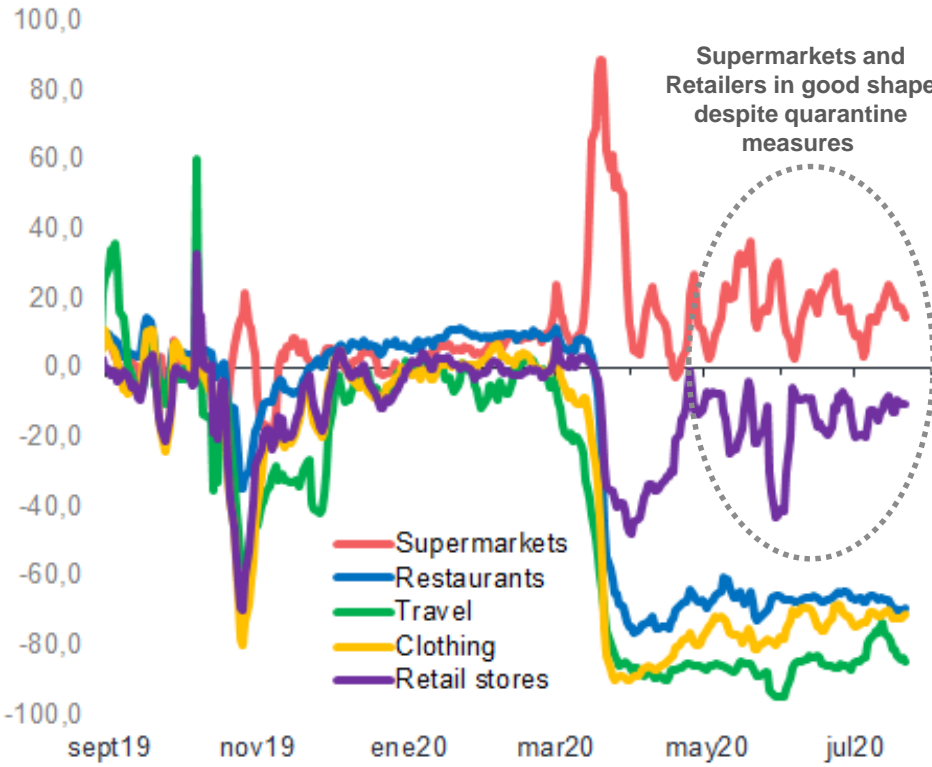
## Total purchases with credit & debit cards

(percentage, annual growth, 7-day moving average, up to July 21)



## Card purchases in different items

(percentage, annual growth, 7-day moving average, up to July 21)

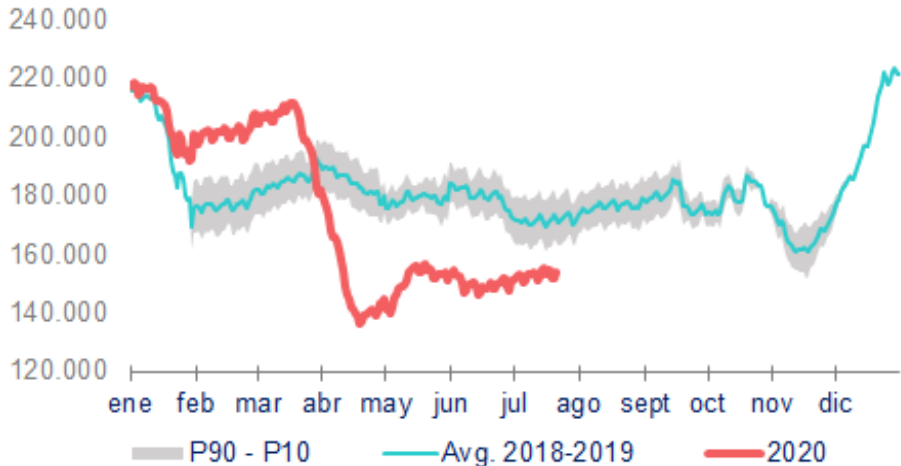


Source: Scotiabank Economics

# Supermarkets: the big winners along with Retailers, and before PFs withdrawal

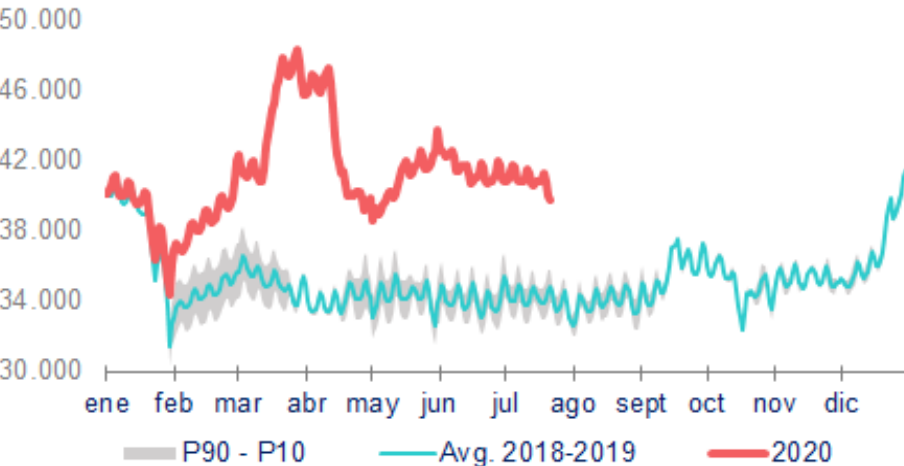
## Total purchases

(level, millions of pesos, 30-day moving sum, up to July 21)



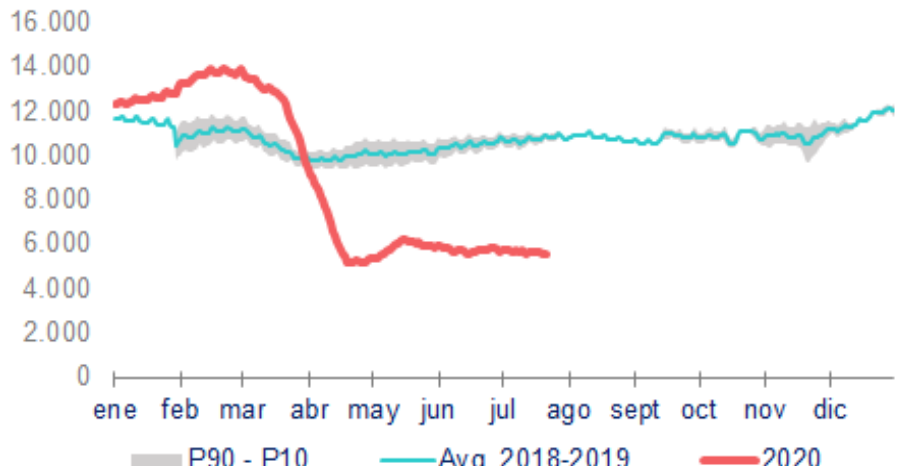
## Supermarkets

(level, millions of pesos, 30-day moving sum, up to July 21)



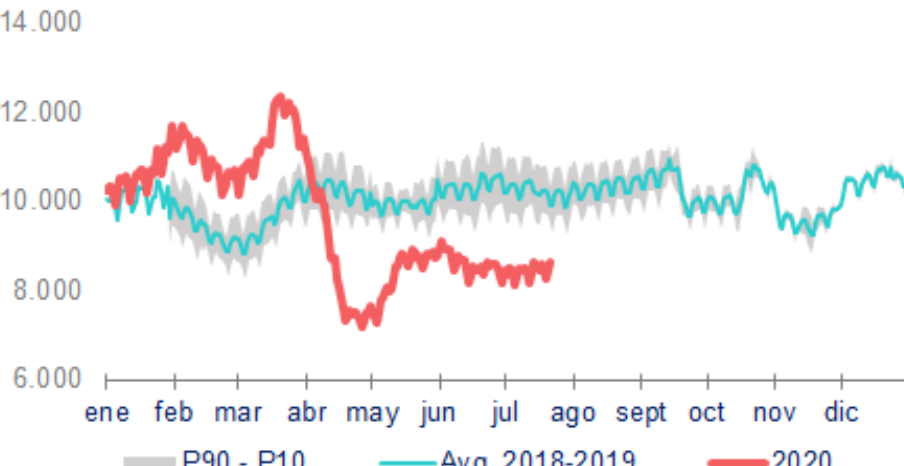
## Fuels

(level, millions of pesos, 30-day moving sum, up to July 21)



## Drugstores

(level, millions of pesos, 30-day moving sum, up to July 21)

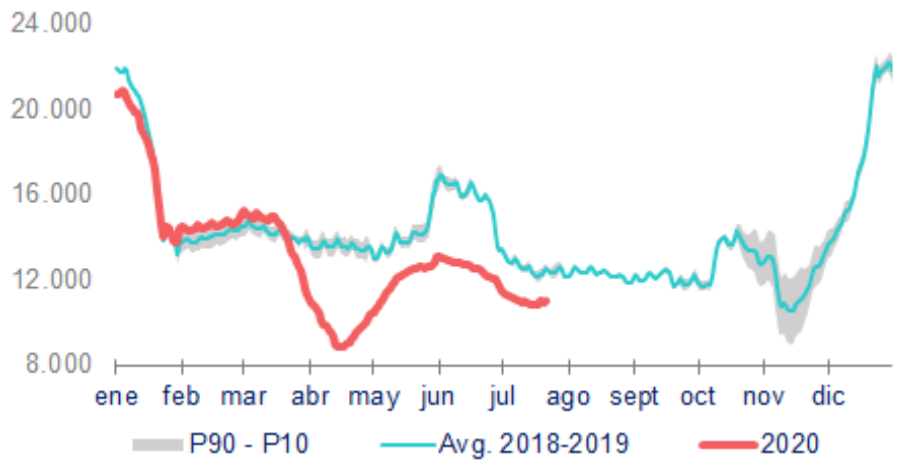


Source: Scotiabank Economics

# Some recovery in retail stores: e-commerce

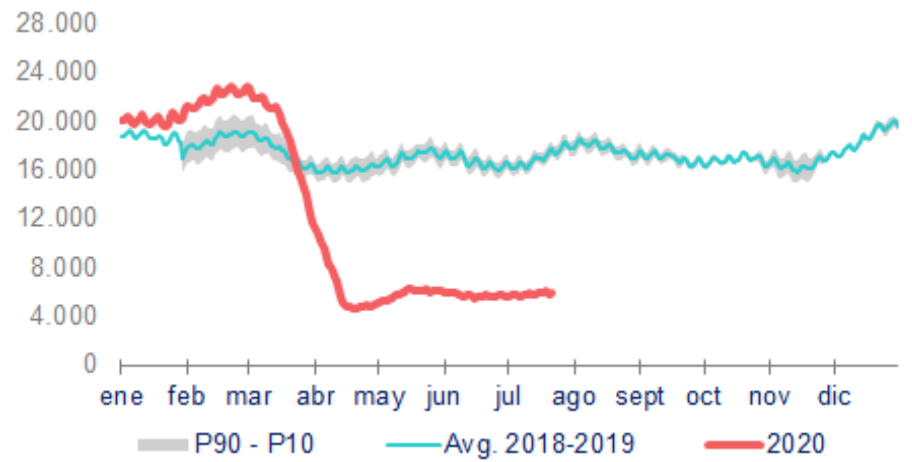
## Retail stores

(level, millions of pesos, 30-day moving sum, up to July 21)



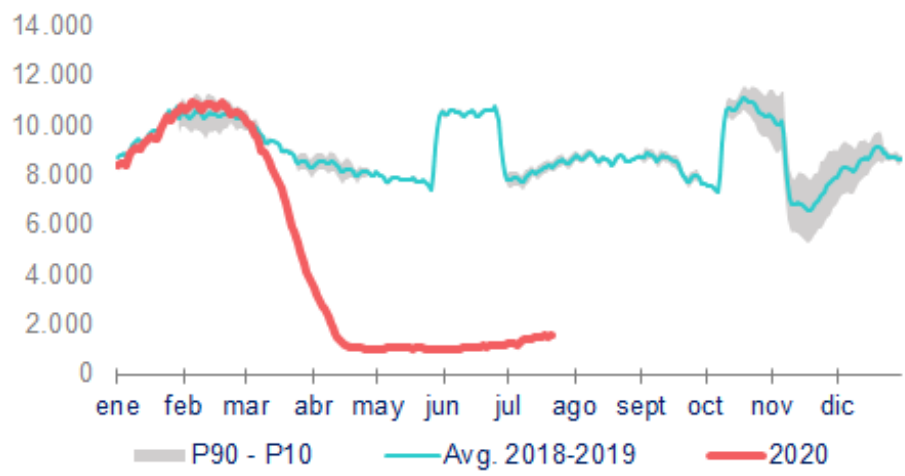
## Restaurants

(level, millions of pesos, 30-day moving sum, up to July 21)



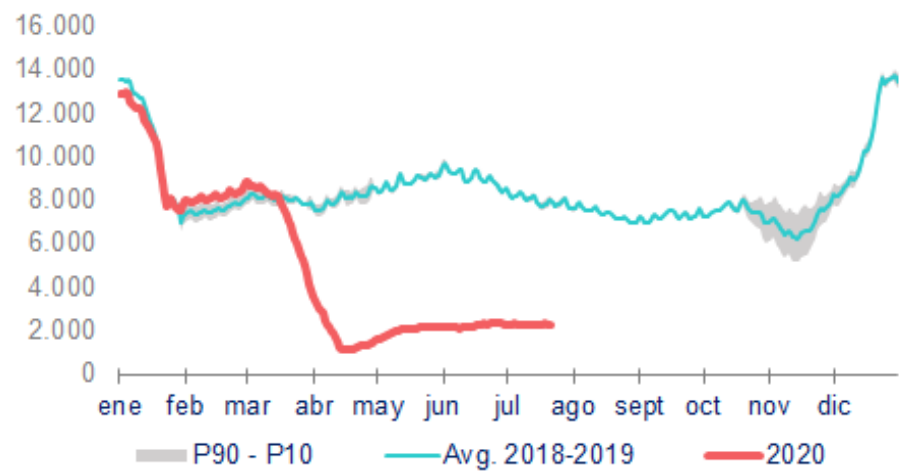
## Tourism travel

(level, millions of pesos, 30-day moving sum, up to July 21)



## Clothing and footwear

(level, millions of pesos, 30-day moving sum, up to July 21)

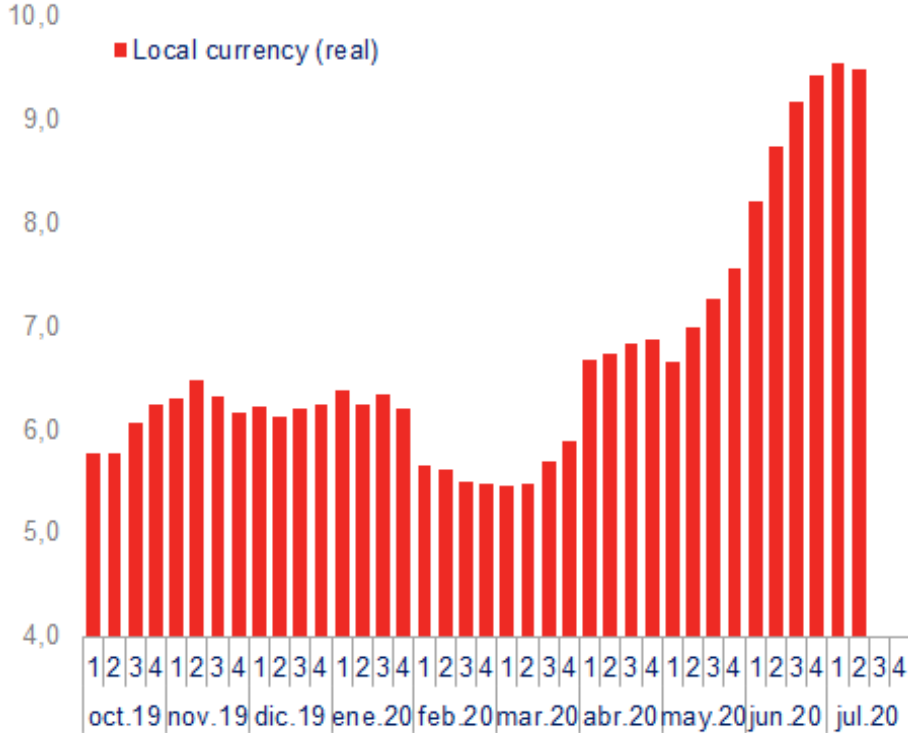


Source: Scotiabank Economics

# Credit to firms is flowing counter-cyclically, but with slight deceleration

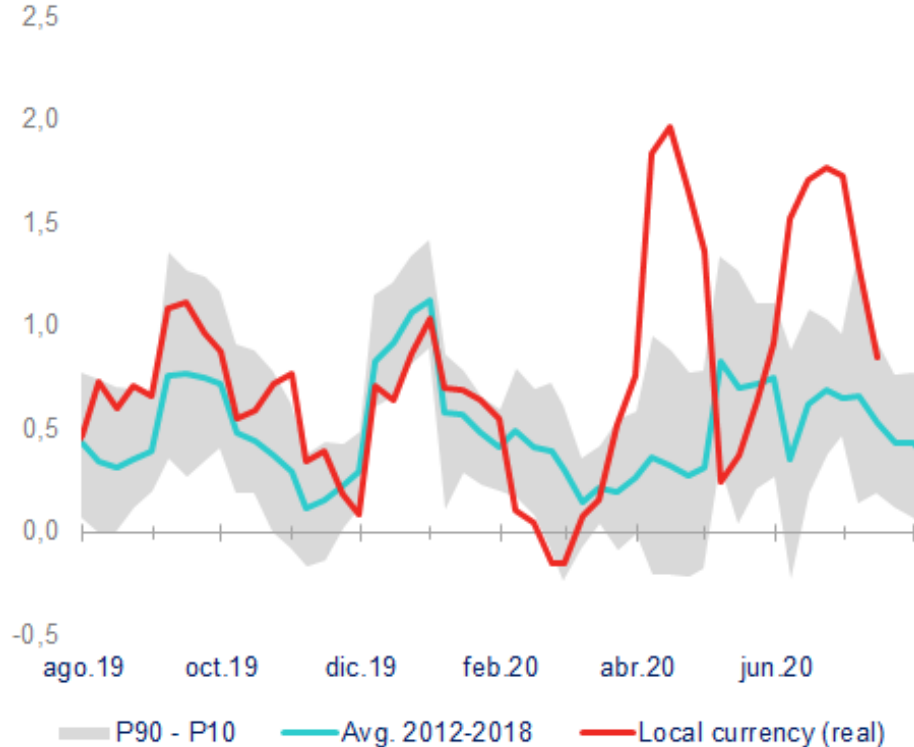
## Loans in local currency

(percentage, real annual growth, weekly data)



## Monthly dynamism of total loans

(percentage, real monthly growth, weekly data, local currency)

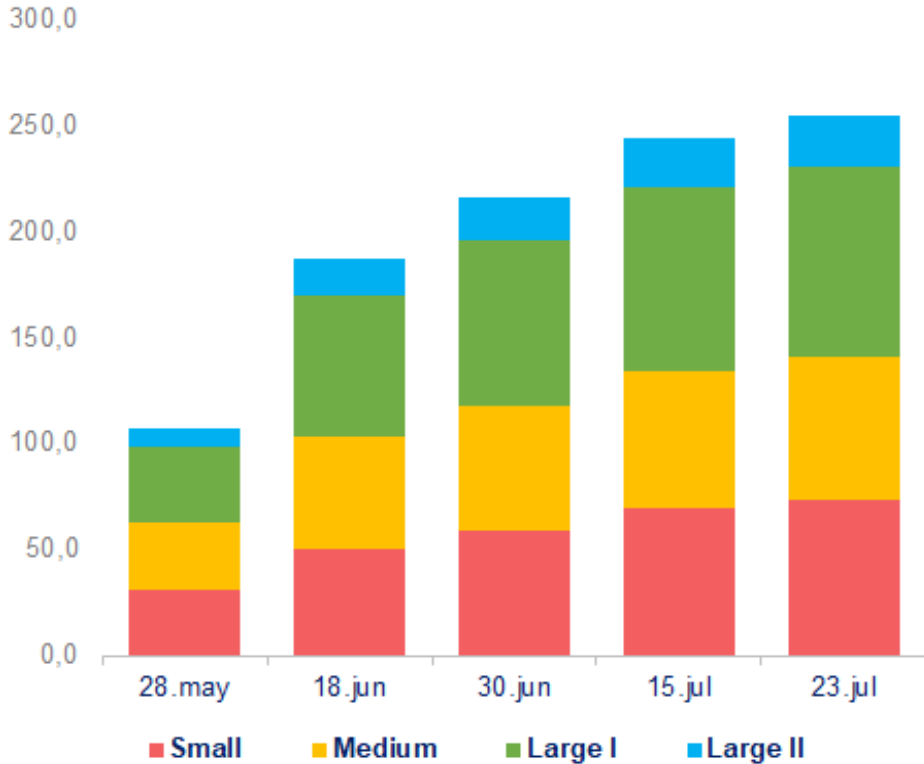


Source: Central Bank, Scotiabank Economics

# Credit to SMEs: state guaranteed Covid-19 credits (FOGAPE)

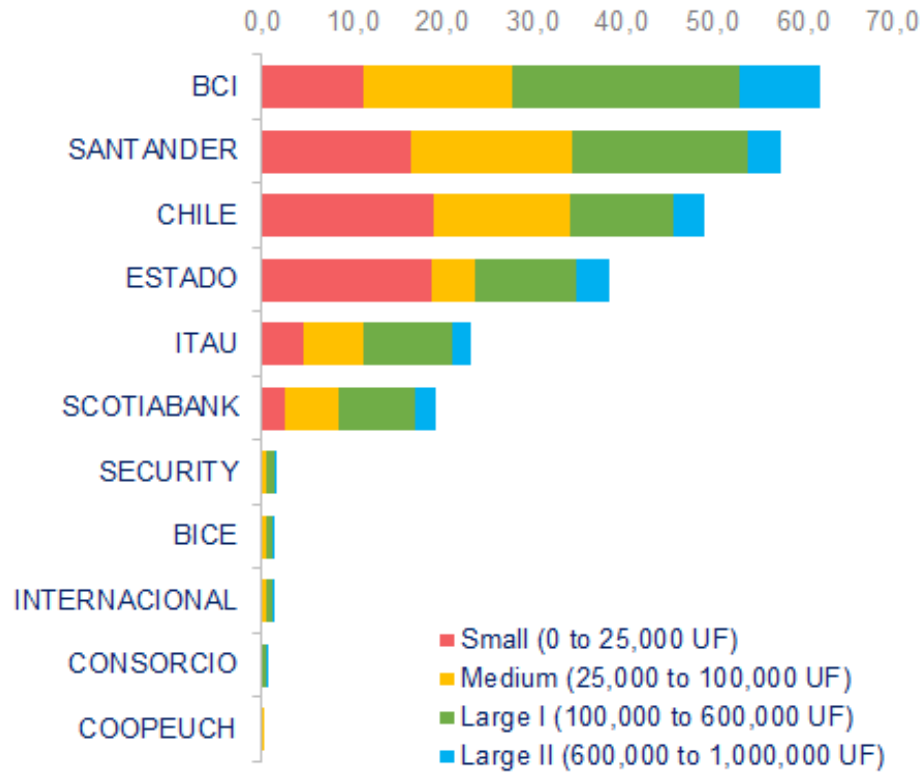
## Amount of credits by firm size

(millions of UF, up to July 23)



## Amount of credits by firm size and institution

(millions of UF, up to July 23)



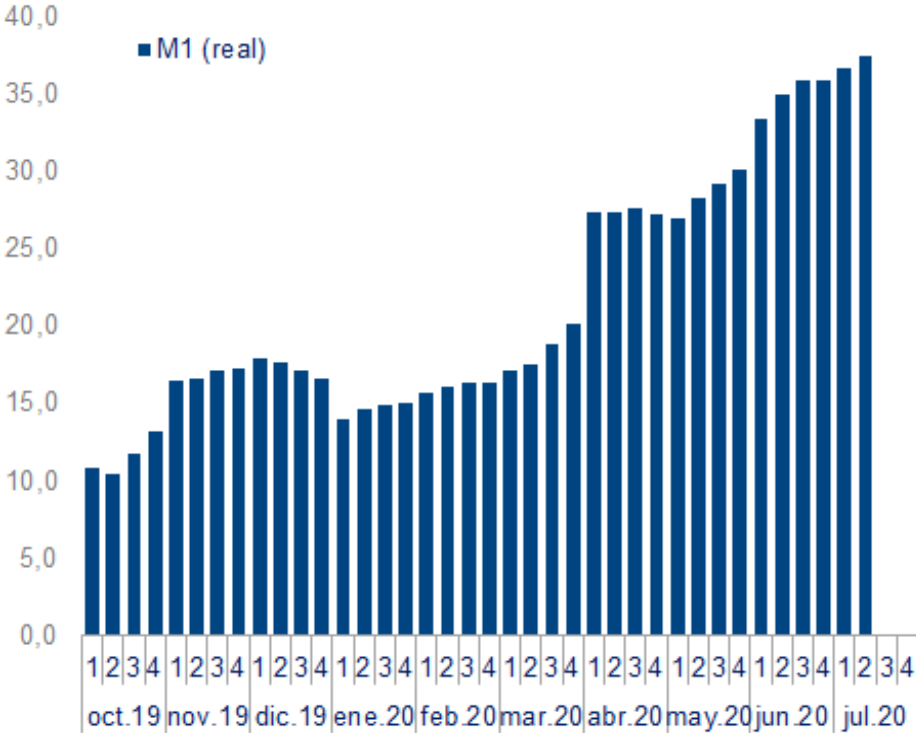
FOGAPE loans	May 28th	June 30th	July 23th
% of total commercial loans	3.4%	6.8%	8.0%

See the complete report  
Source: Ministry of Finance, CMF, Scotiabank Economics

# Liquidity is widely available

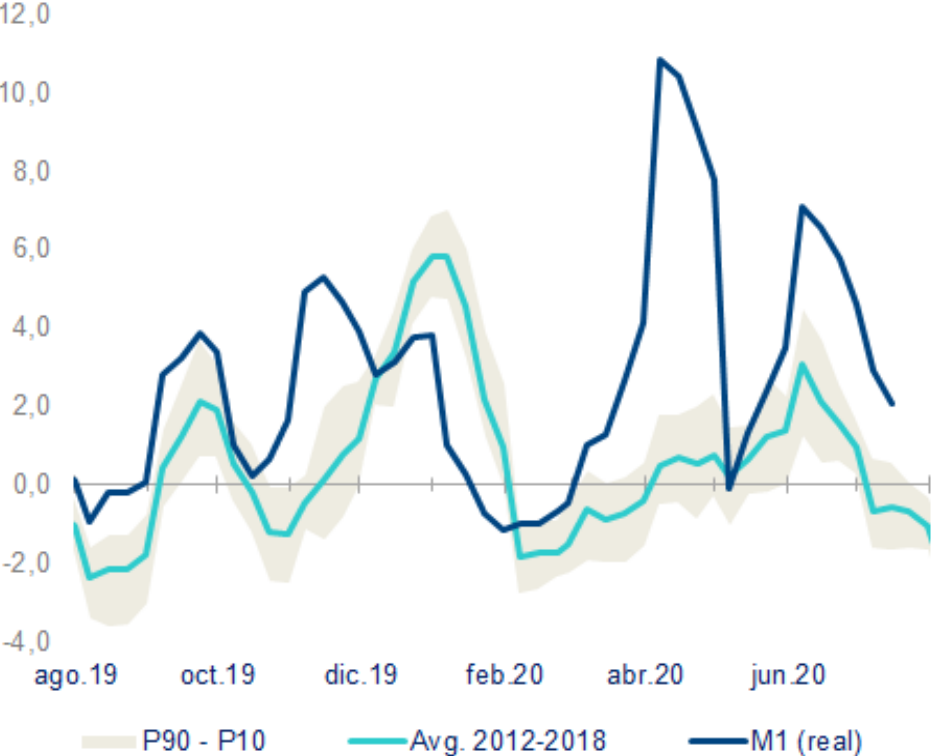
## Money aggregate (M1)

(percentage, real annual growth, weekly data)



## Monthly dynamism of M1

(percentage, real monthly growth, weekly data)



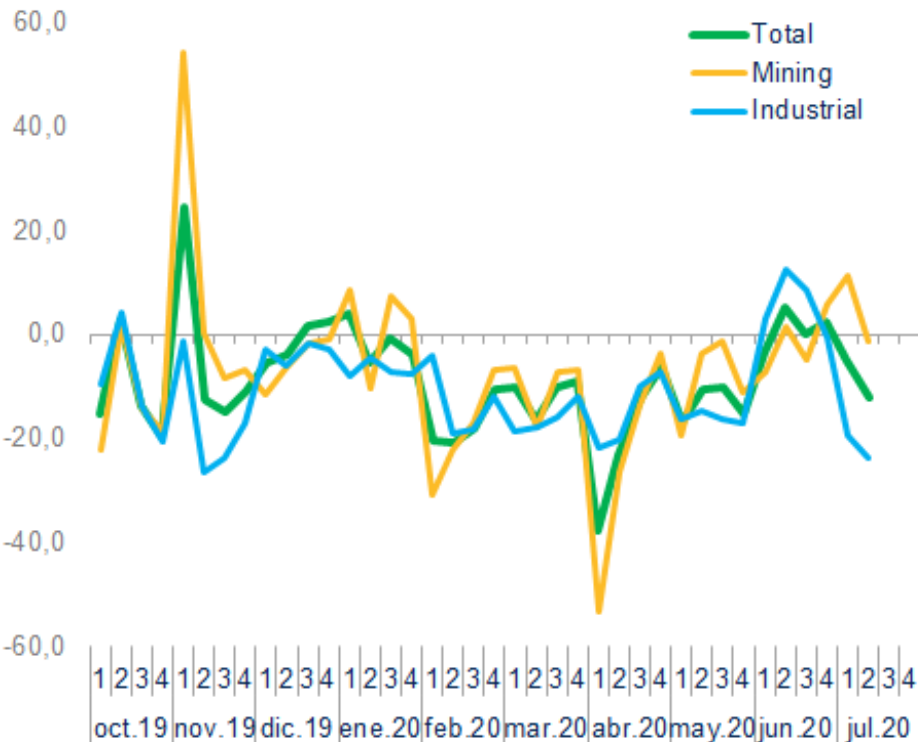
Source: Central Bank, Scotiabank Economics



# Green shots in exports, but a higher comparison base in July

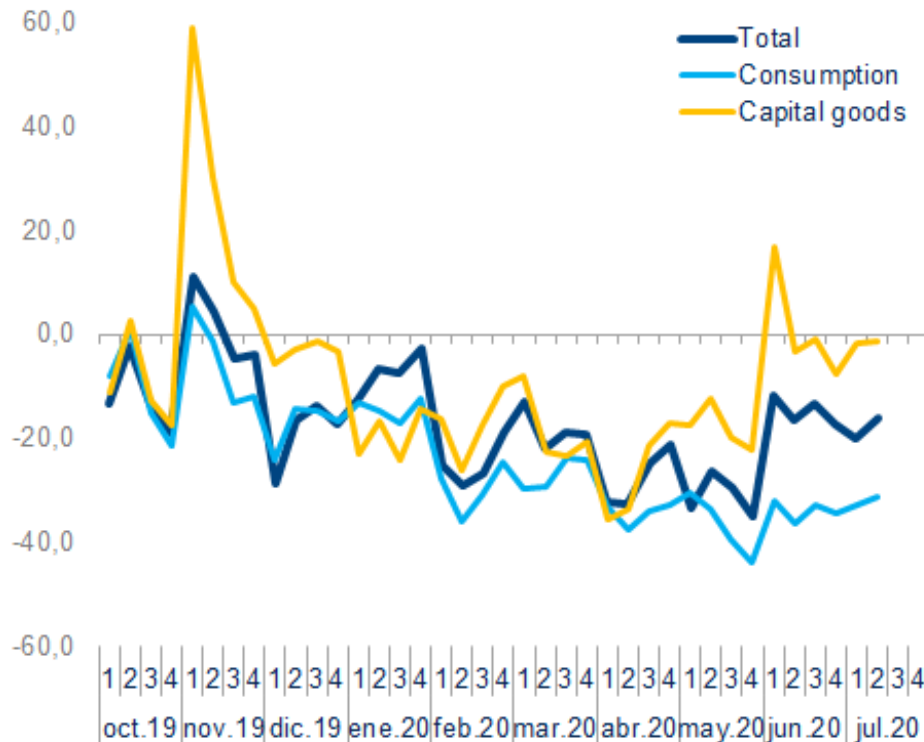
## Exports to the 2<sup>nd</sup> week of July: -11.9% y/y

(percentage, annual growth, weekly data, acumm. in the month)



## Imports to the 2<sup>nd</sup> week of July: -16.3% y/y

(percentage, annual growth, weekly data, acumm. in the month)

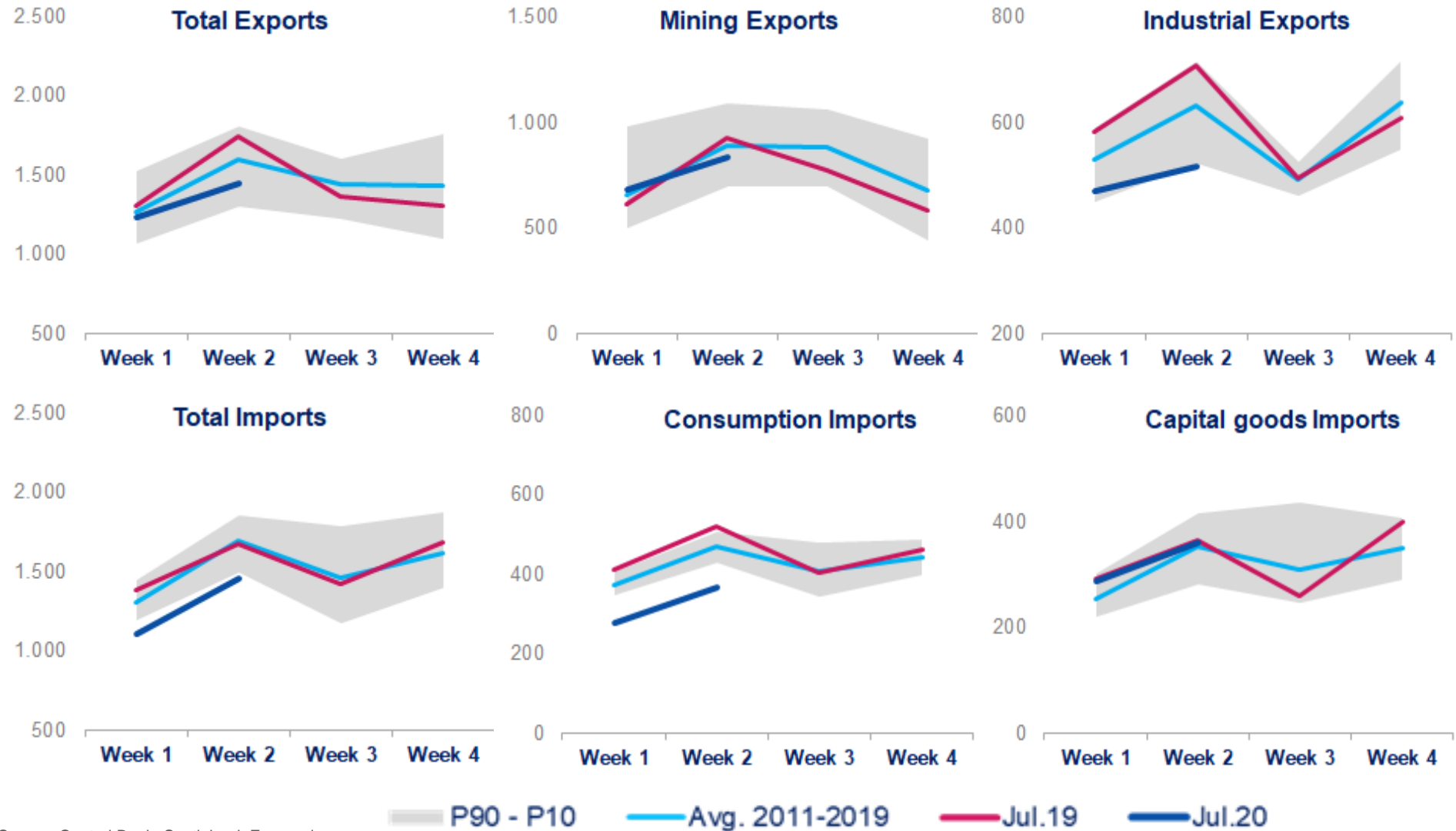


Source: Central Bank, Scotiabank Economics

# Exports recovering – Imports driven by capital goods

## Weekly flow of Exports and Imports in July

(level, USD millions per week)

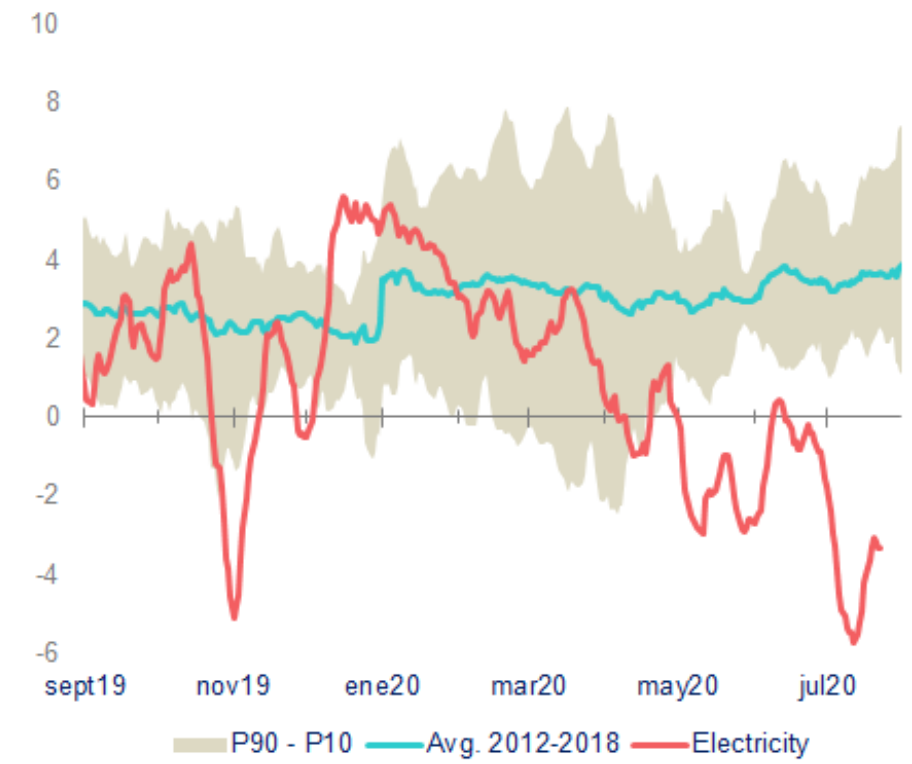


Source: Central Bank, Scotiabank Economics

# Worsening demand for electricity in July

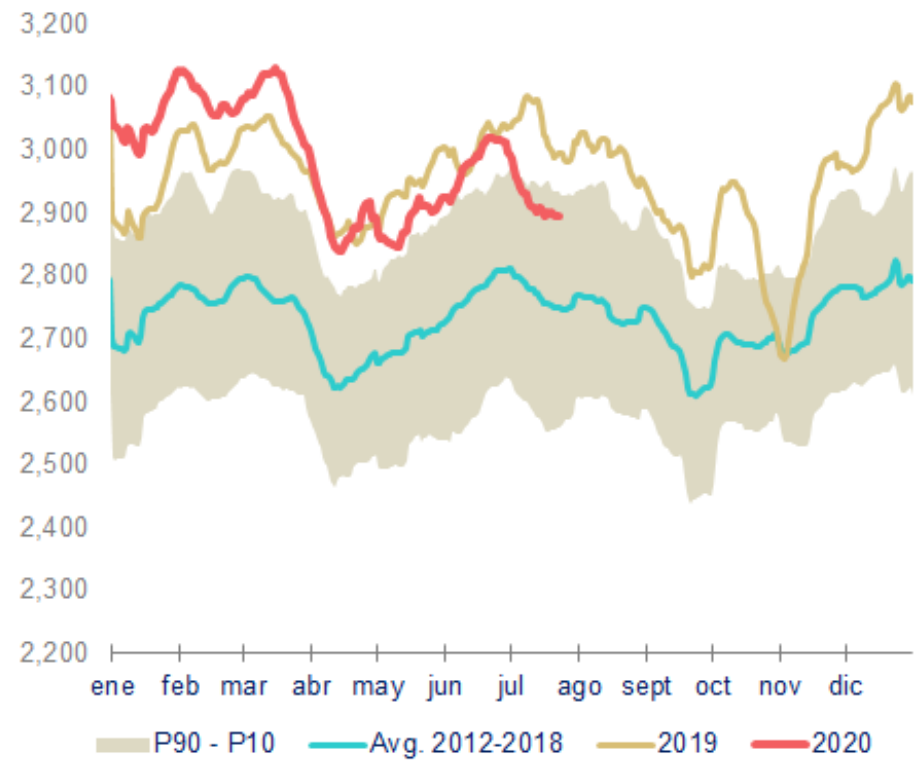
## Annual growth of electricity generation

(percentage, annual growth, 14-day accum., up to July 23)



## Level of electricity generation

(percentage, annual growth, 14-day accum., up to July 23)

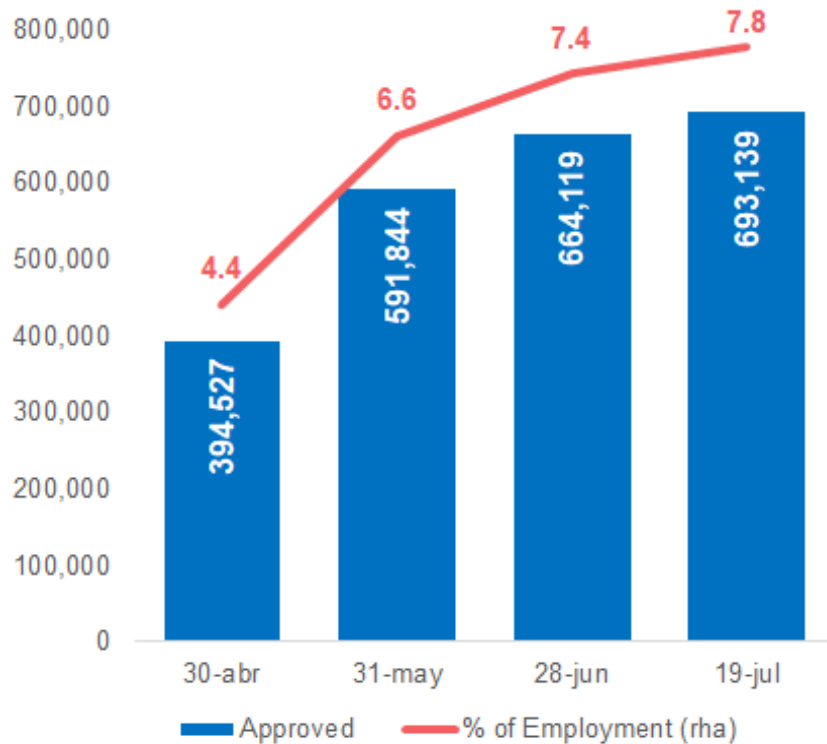


Source: Coordinador Eléctrico, Scotiabank Economics

# Employment Protection Plan: the more cyclical, the more affected

## Approved requests

(number of employees, % of total employment)



## Approved requests by sector

(up to July 19, Law 21.227)

Sector	Number	% total	% of sectoral employment
Agriculture	7,368	1.1	1.2
Mining	2,315	0.3	1.0
Manufacturing	64,585	9.3	7.6
Elect. and gas	1,129	0.2	2.5
Water and waste	952	0.1	1.9
Construction	142,440	20.5	18.6
Commerce	159,763	23.0	9.2
Transport	36,257	5.2	6.4
Food and accomm.	116,780	16.8	25.8
Communications	9,284	1.3	6.0
Financial act.	6,344	0.9	3.7
Real estate act.	6,495	0.9	8.6
Professional act.	26,924	3.9	9.2
Administrative act.	41,249	6.0	18.3
Public Adm.	268	0.0	0.0
Education	14,614	2.1	1.8
Health	15,161	2.2	2.7
Rec. and culture	13,607	2.0	10.5
Other services	23,813	3.4	9.3
Other activities	3,791	0.5	1.1
<b>Total</b>	<b>693,139</b>	<b>100.0</b>	<b>7.8</b>

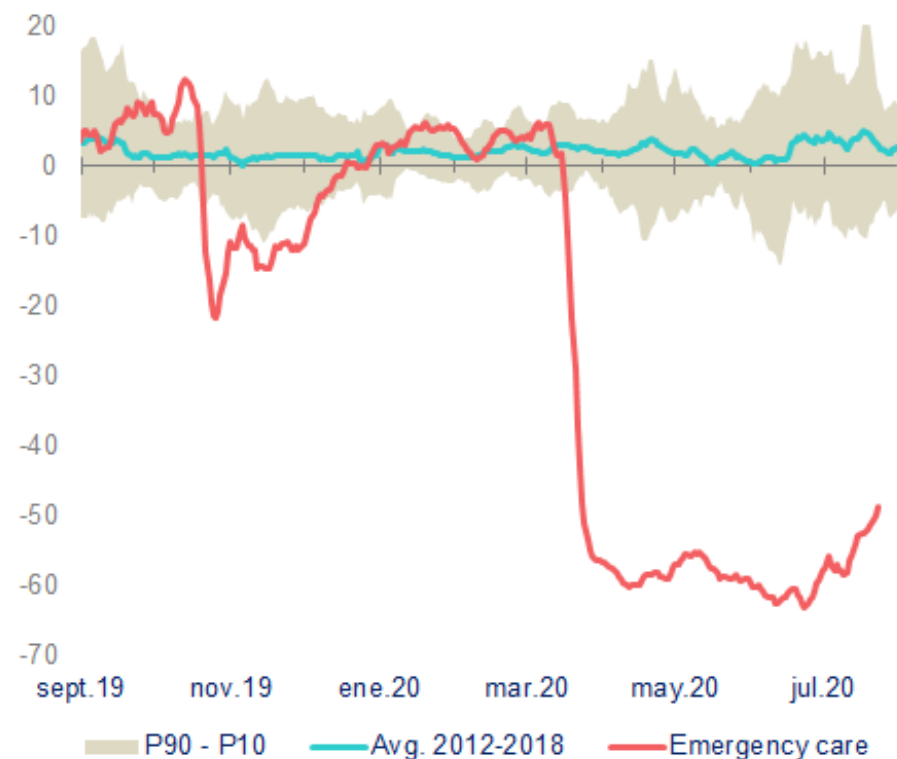
[See the complete report](#)

Source: National Bureau of Statistics (INE), Superintendencia de Pensiones, Scotiabank Economics

# Emergency care, different to COVID-19, collapsed

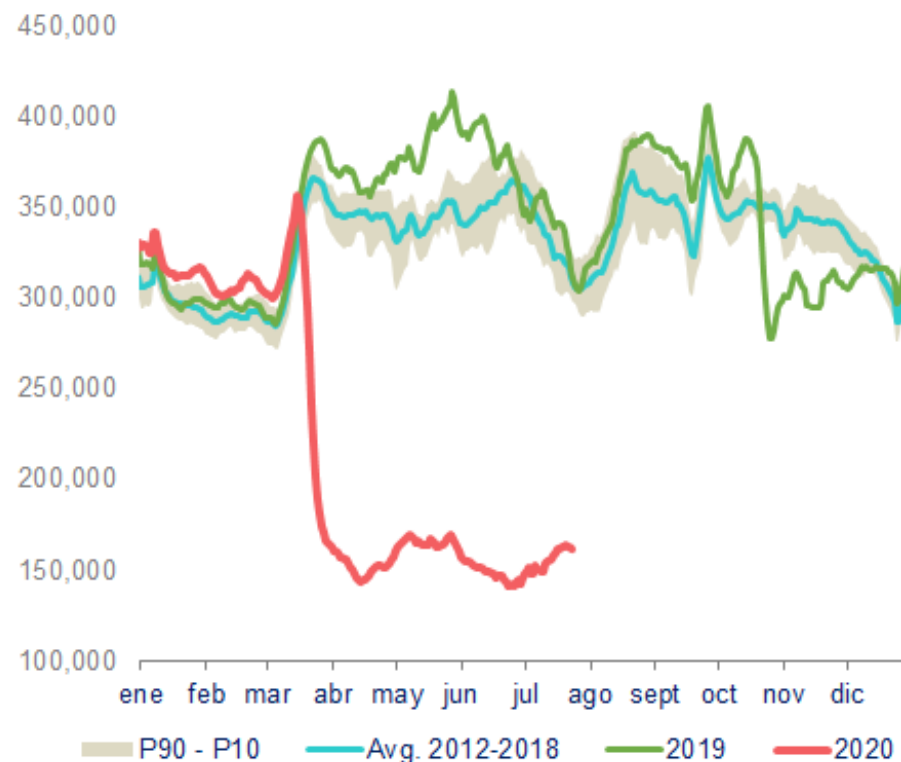
## Annual growth in emergency care

(percentage, annual growth, 7-day mov. sum, up to July 23)



## Number of emergency care attentions

(number of daily attentions, 7-day mov. sum, up to July 23)

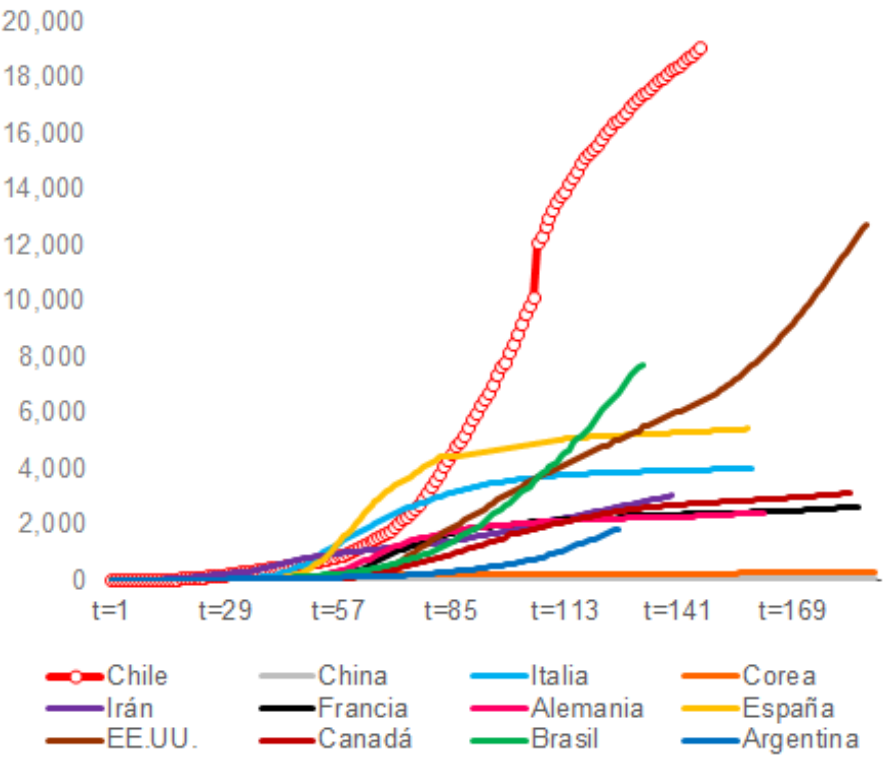


Source: Ministerio de Salud (DEIS), Scotiabank Economics

# Situation of Covid-19: signs of stabilization

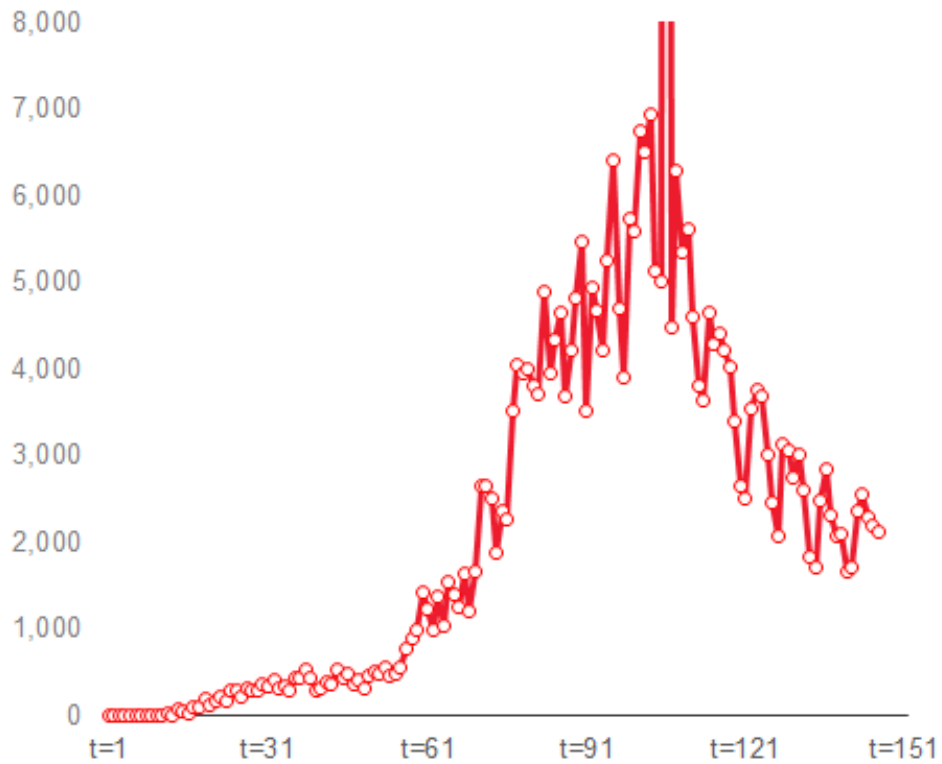
## COVID-19, selected countries

(cases/population x 1.000.000, t=1 first case, up to July 26)



## New cases COVID-19 in Chile

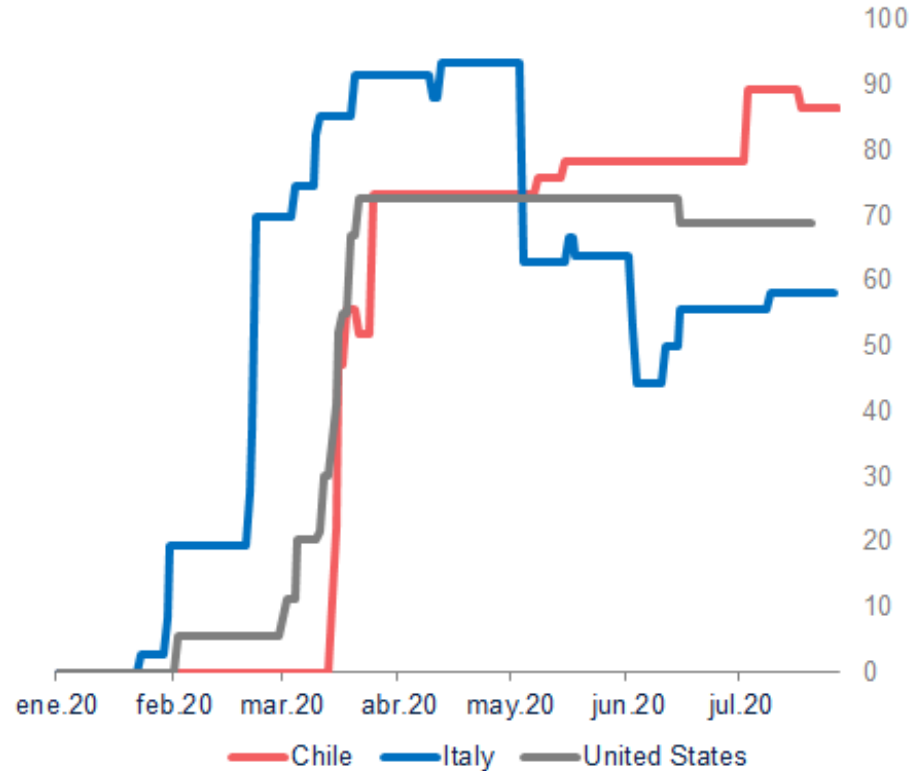
(number of new cases per day, t=1 first case, up to July 26)



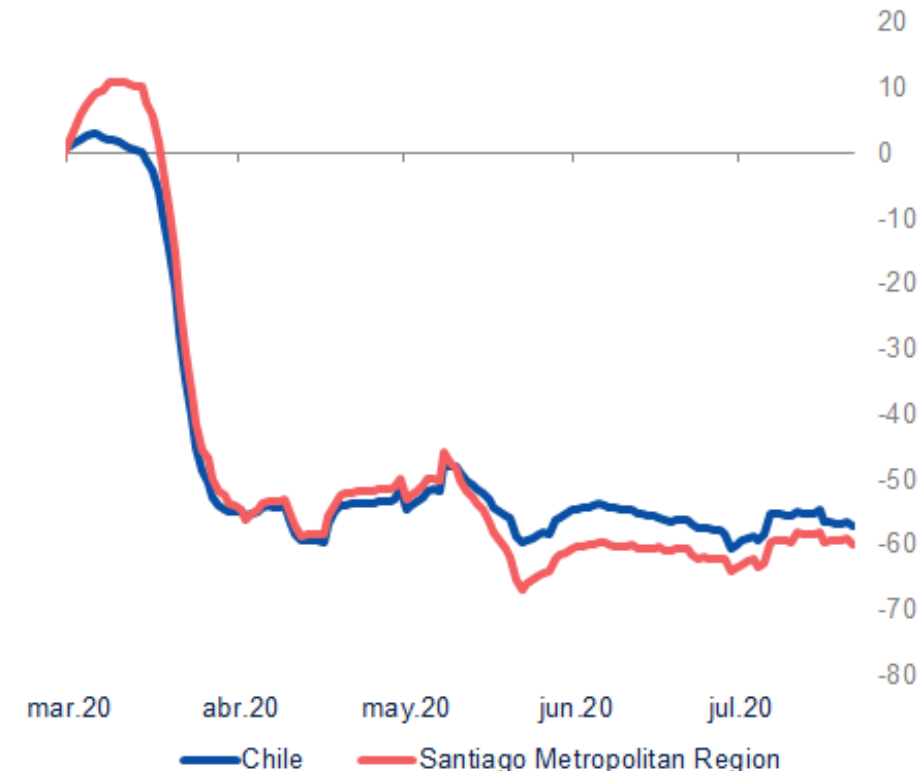
Source: WHO; Ministerio de Salud, Scotiabank Economics

# Stringency measures and mobility trends: good but not enough

**Oxford stringency index\***  
(index, strictest response=100, up to July 26)



**Google mobility trends\*\***  
(percentage compared to baseline, 7-day mov. avg, up to July 21)

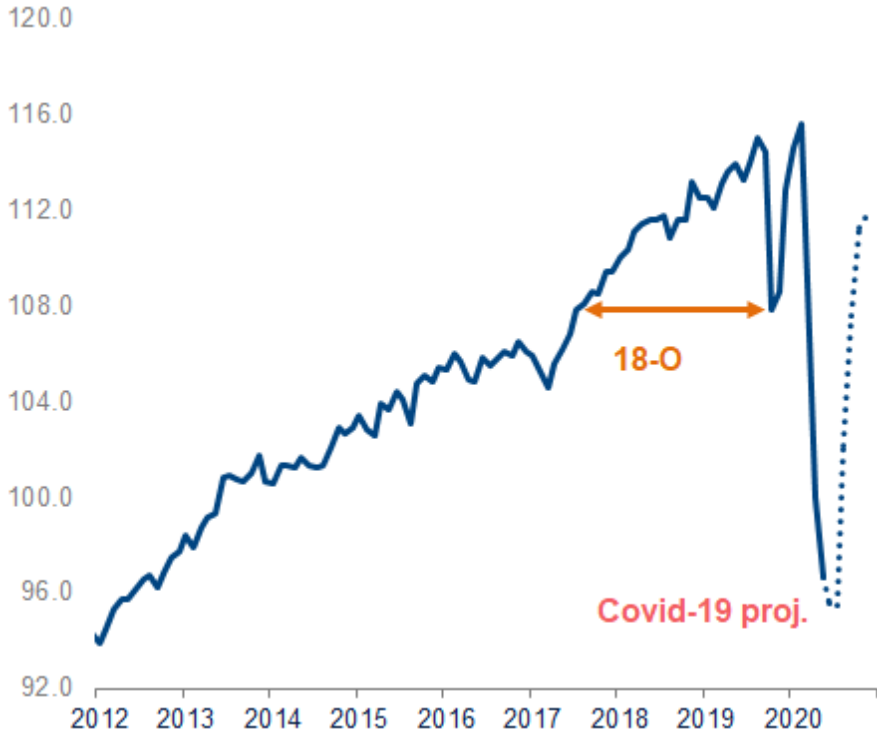


\* The **Oxford Stringency Index** is a composite measure based on nine response indicators including school closures, workplace closures, and travel bans, rescaled to a value from 0 to 100.  
 \*\* Google Mobility index: 7-day moving average of Google mobility indices (excludes residential).  
 Source: Oxford University, Google Mobility report, Scotiabank Economics

# Slow recovery during 2020, but better prospects for 2021

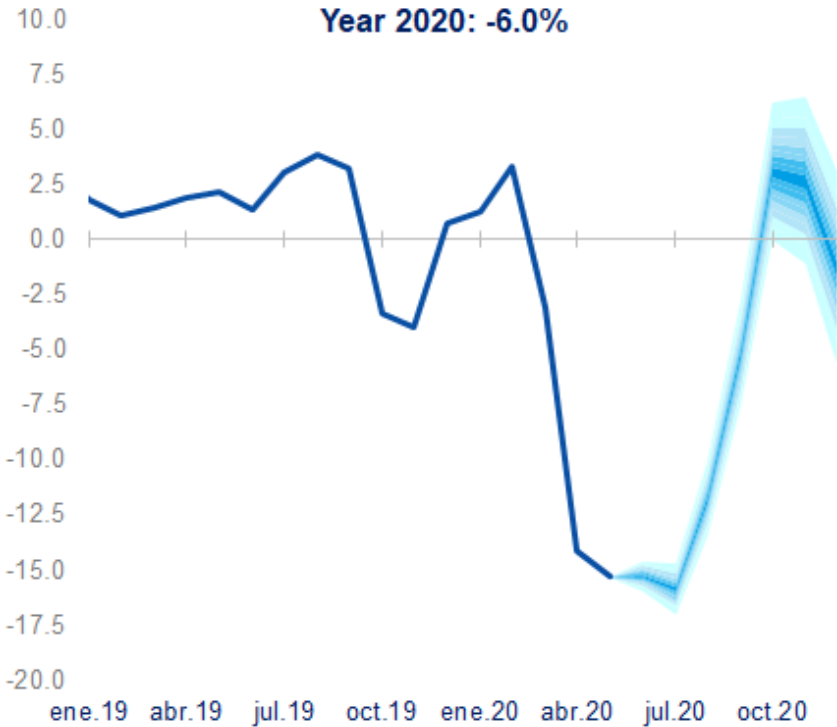
## GDP level

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



## GDP growth in 2020

(percentage, annual growth, monthly data)



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

**May-20**

**June-20(f)**

**July-20(f)**

**Imacec (% , y/y)**

**-15.3%**

**-16 to -15%**

**-16 to -15%**

Source: Central Bank, Scotiabank Economics