

Tracking activity during Covid-19: high frequency indicators



Economics & Financial Research

Update June 24, 2020



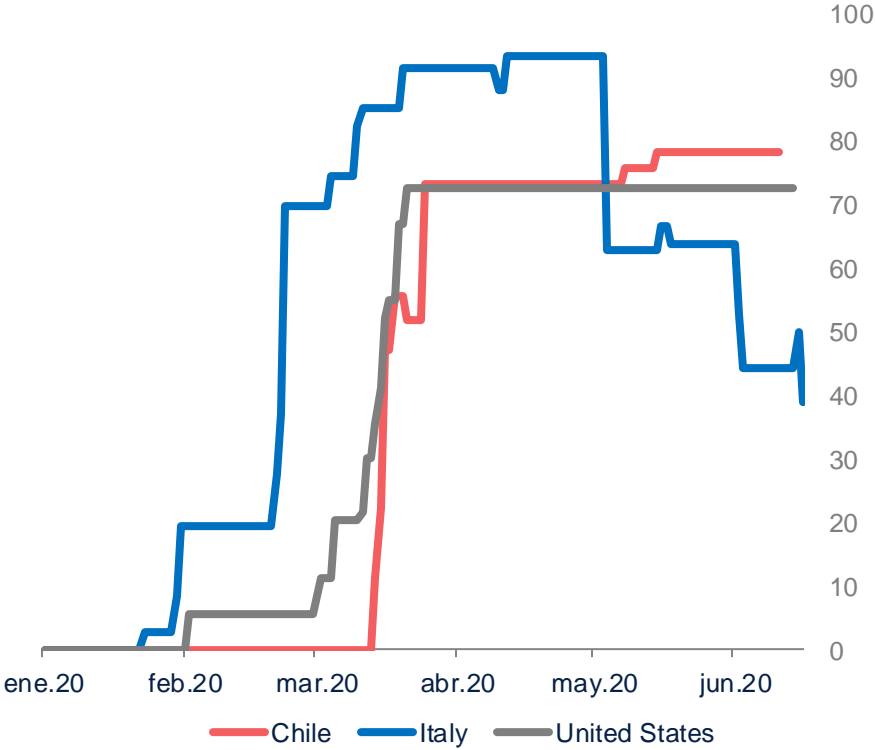
Key messages

- Total purchases with debit and credit cards remain at low levels, showing no real signs of recovery. **The e-commerce channel for retailers continues to strengthen, while supermarkets are back to sales closer to historical patterns.** Online purchases reached an impressive 36% of total purchases in May (+13 pp compared to May 2019).
- **Loans and liquidity preference of firms show a new acceleration in June.** We estimate “Fogape-Covid” loans contribute about 6% to the annual growth of commercial loans by June.
- Indicators of electricity generation, exports and imports of goods confirm that activity in May was worse than April, but **some stabilization (green shots?) is observed in the first half of June.**
- **Few days ago, due to the extension of quarantine measures, we adjusted our GDP growth forecast for 2020 and 2021 (-6% and +4.4%, respectively).** We estimate that monthly GDP fell between -18% to -17% YoY in May. In turn, retail sales will show a drop of around 32% YoY, and a not surprising increase of 1% in supermarket sales.
- **Stabilization and marginal drop in new cases of Covid-19 could lead the authority to relax quarantine measures by mid-July.**

Stringency measures and mobility trends: good but not enough

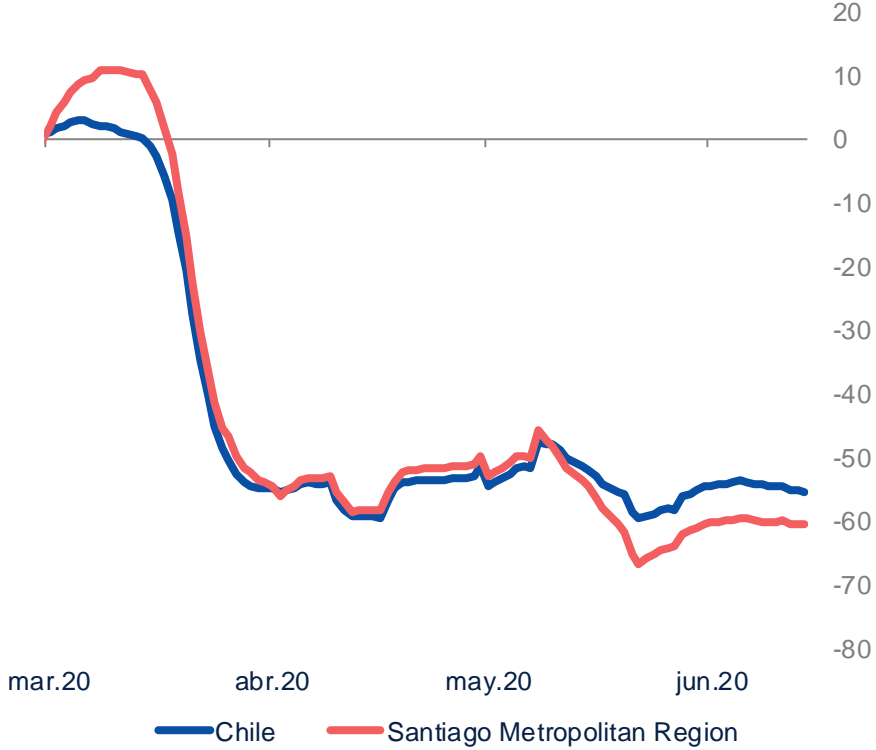
Oxford stringency index*

(index, strictest response=100, up to June 16)



Google mobility trends**

(percentage compared to baseline, 7-day mov. avg, up to June 14)



* 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.

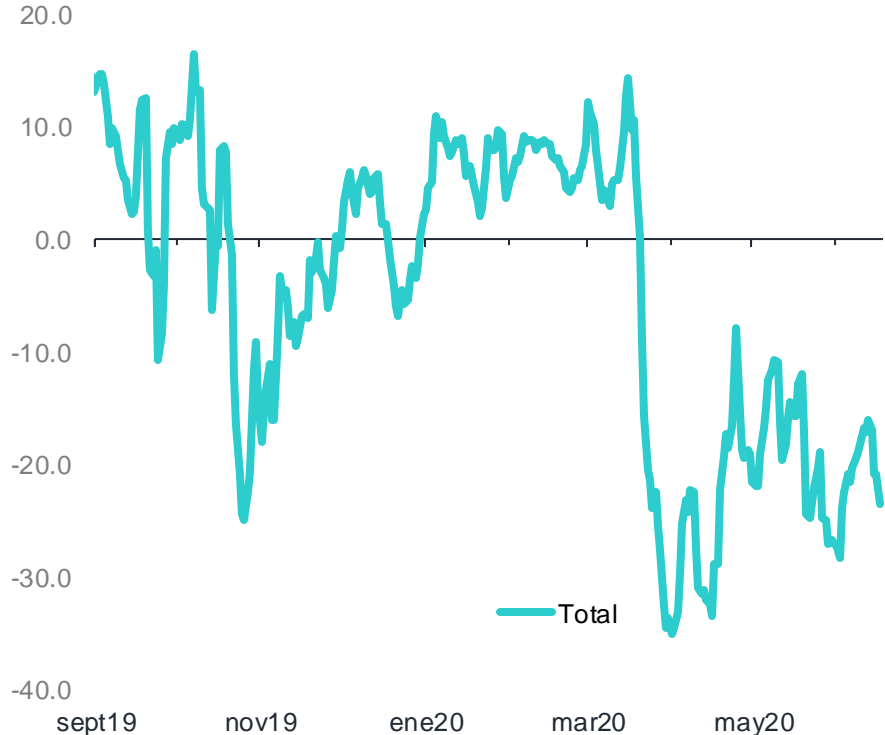
** Google Mobility index: 7-day moving average of Google mobility indices (excludes residential).

Source: Oxford University, Google Mobility report, Scotiabank Economics

What customers/people are buying as the pandemic evolves?

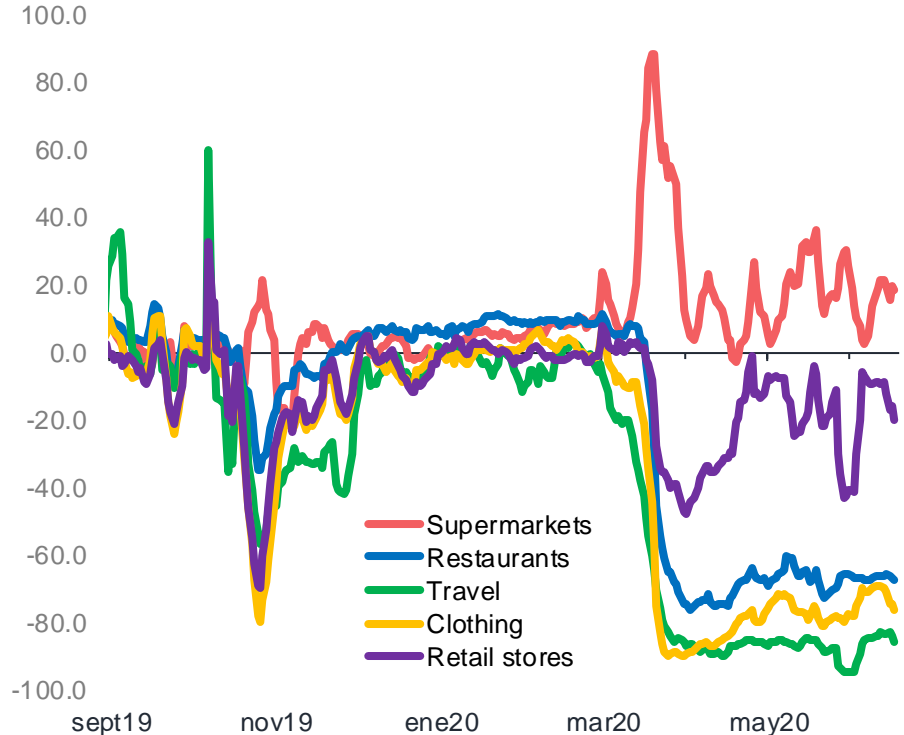
Total purchases with credit & debit cards

(percentage, annual growth, 7-day moving average, up to June 18)



Card purchases in different items

(percentage, annual growth, 7-day moving average, up to June 18)

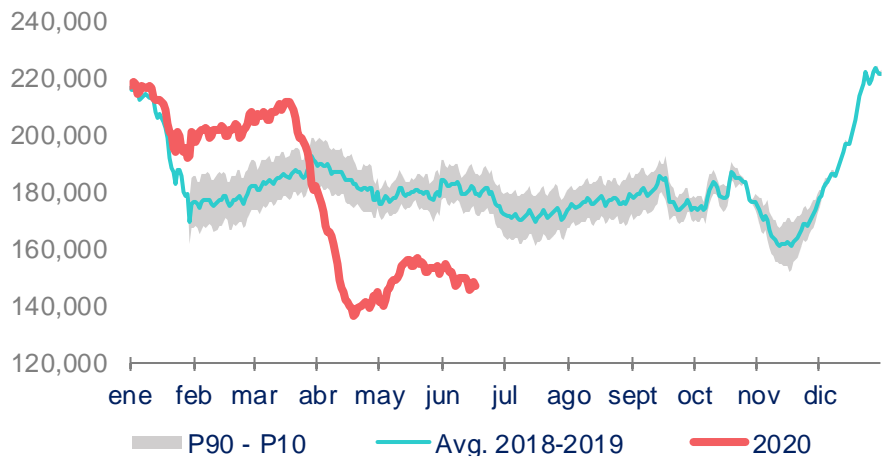


Source: Scotiabank Economics

Supermarkets: the big winner

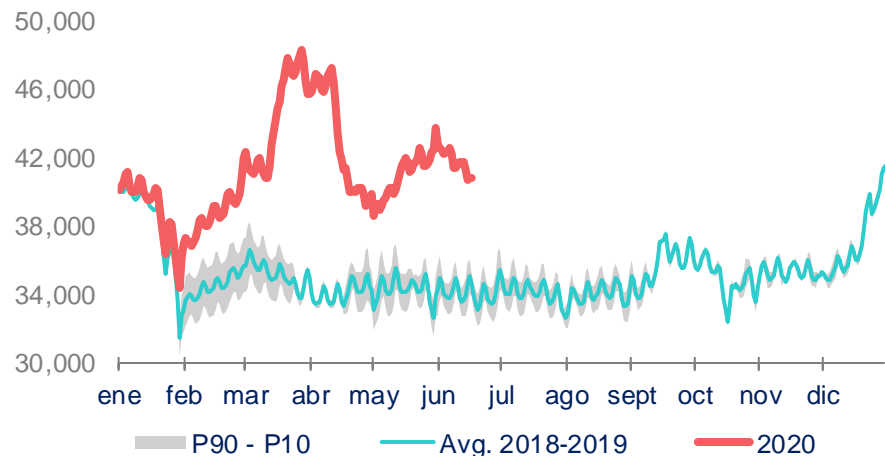
Total purchases

(level, millions of pesos, 30-day moving sum, up to June 18)



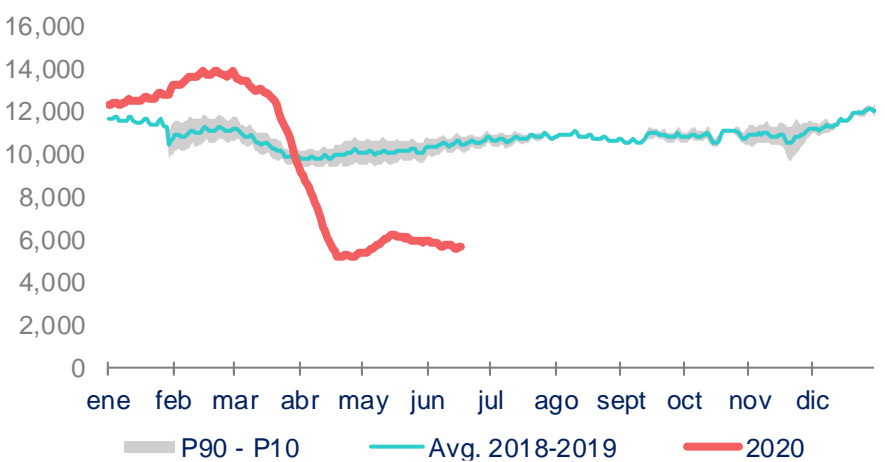
Supermarkets

(level, millions of pesos, 30-day moving sum, up to June 18)



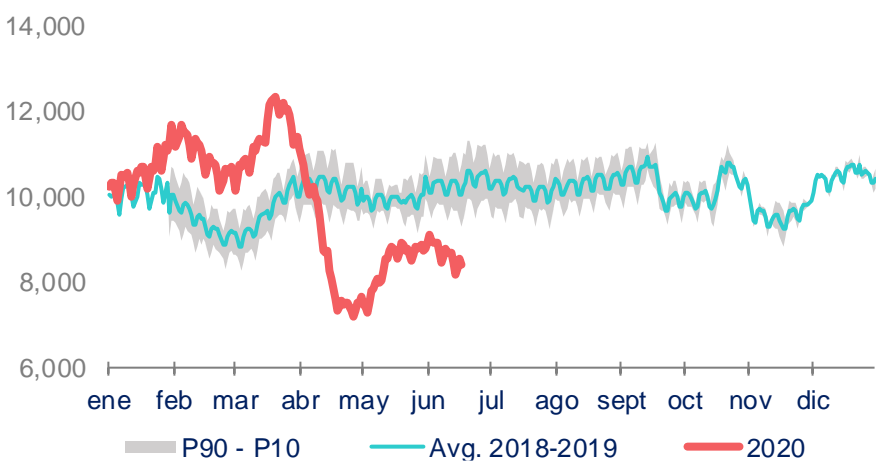
Fuels

(level, millions of pesos, 30-day moving sum, up to June 18)



Drugstores

(level, millions of pesos, 30-day moving sum, up to June 18)

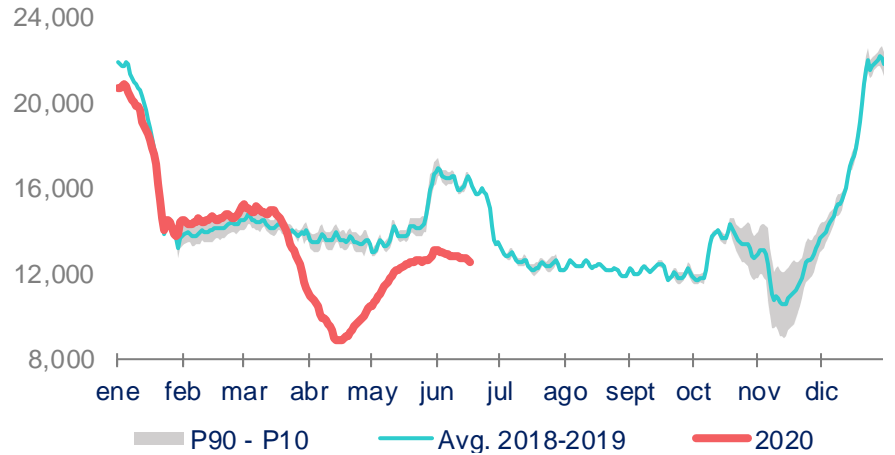


Source: Scotiabank Economics

Some recovery in retail stores: e-commerce

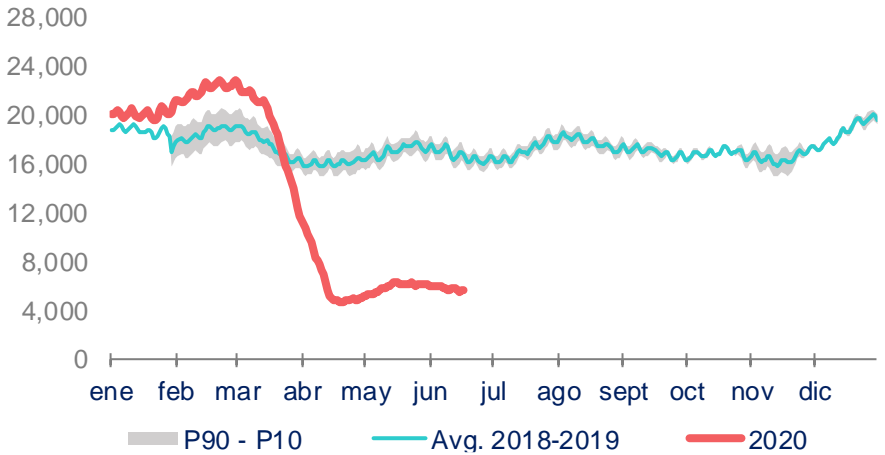
Retail stores

(level, millions of pesos, 30-day moving sum, up to June 18)



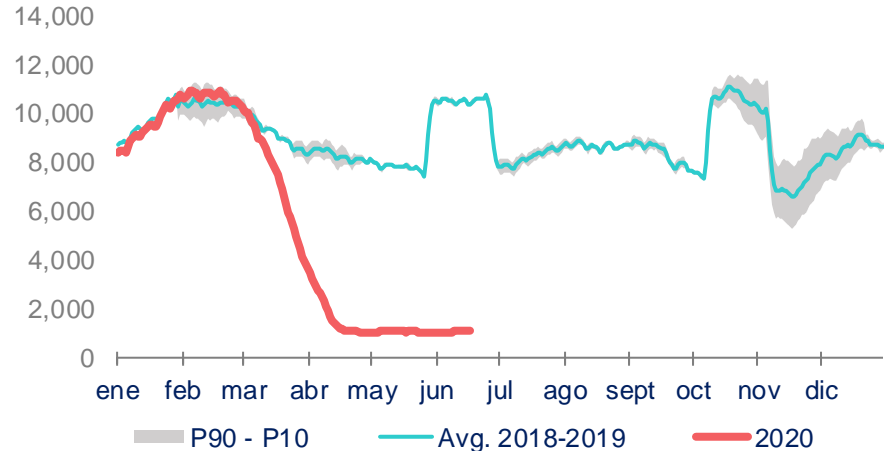
Restaurants

(level, millions of pesos, 30-day moving sum, up to June 18)



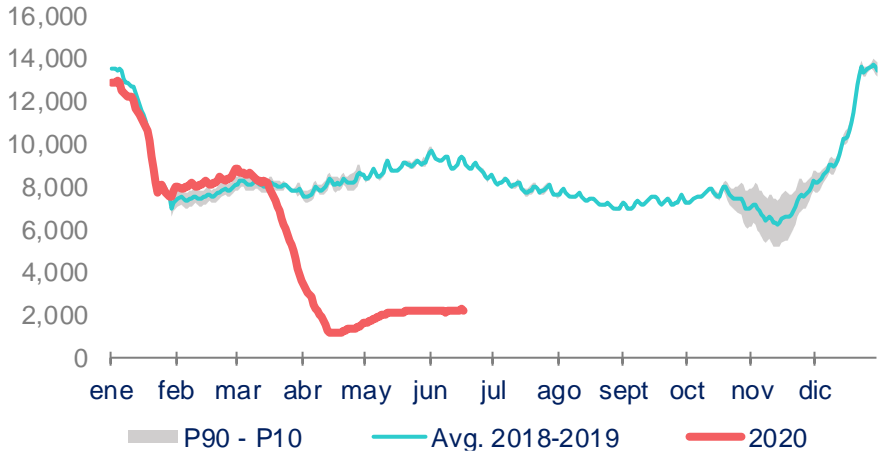
Tourism travel

(level, millions of pesos, 30-day moving sum, up to June 18)



Clothing and footwear

(level, millions of pesos, 30-day moving sum, up to June 18)

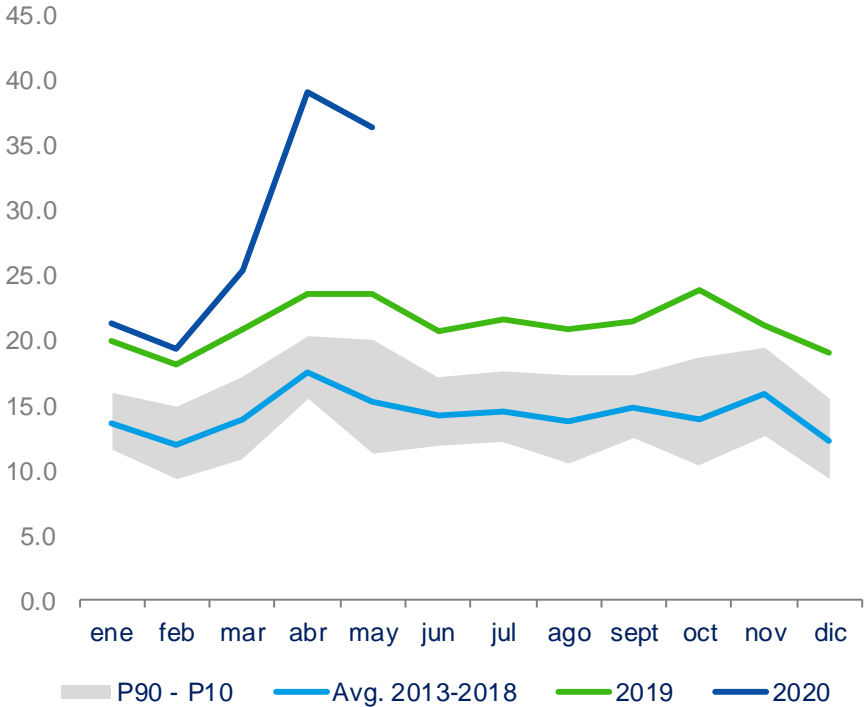


Source: Scotiabank Economics

Online purchases reached an impressive 36.5% of total purchases

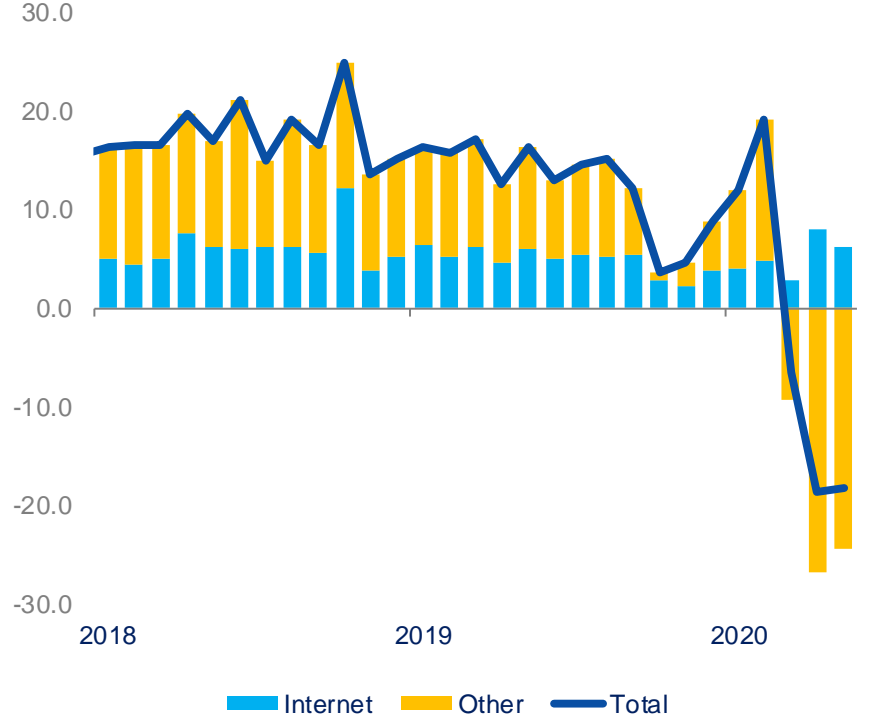
Online purchases

(% of total, by month)



Contribution to annual growth of purchases

(percentage, annual contribution)

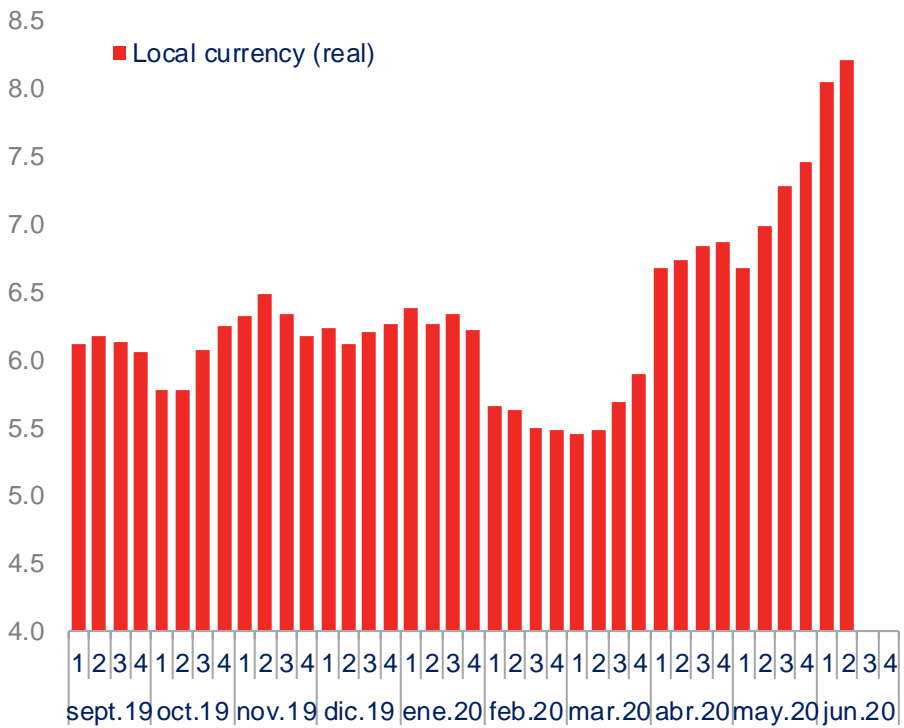


Source: Transbank, Scotiabank Economics

Credit to firms is flowing counter-cyclically

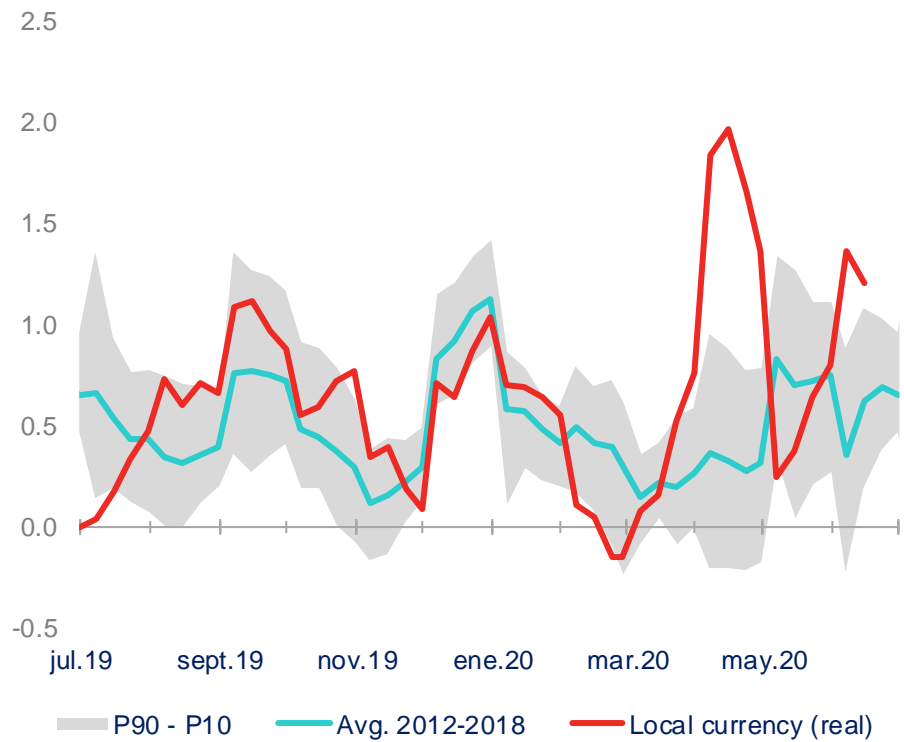
Loans in local currency

(percentage, real annual growth, weekly data)



Monthly dynamism of total loans

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

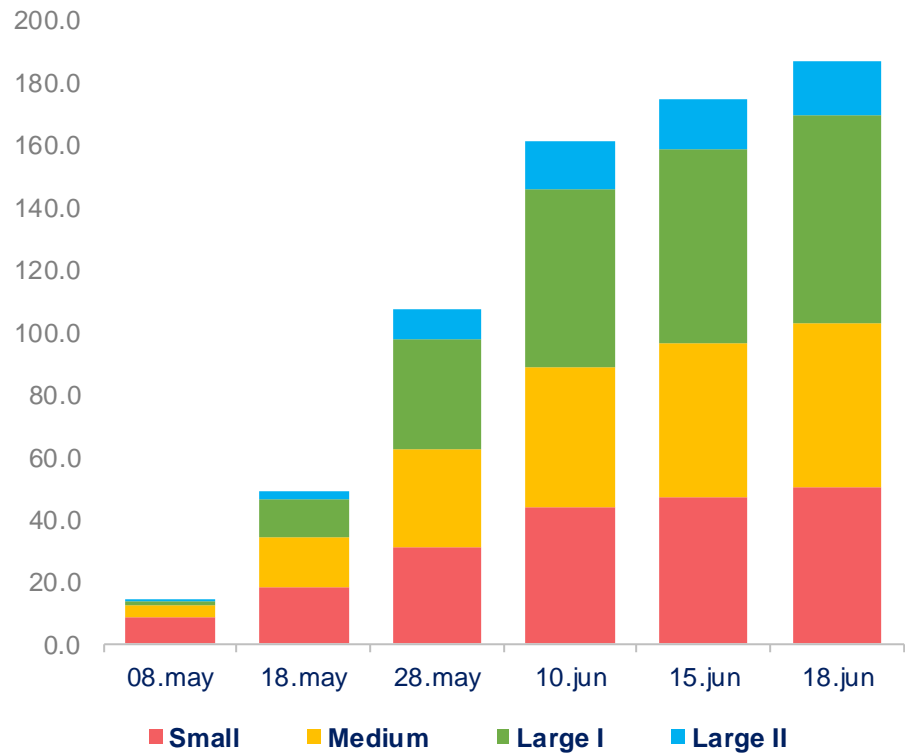


Source: Central Bank, Scotiabank Economics

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

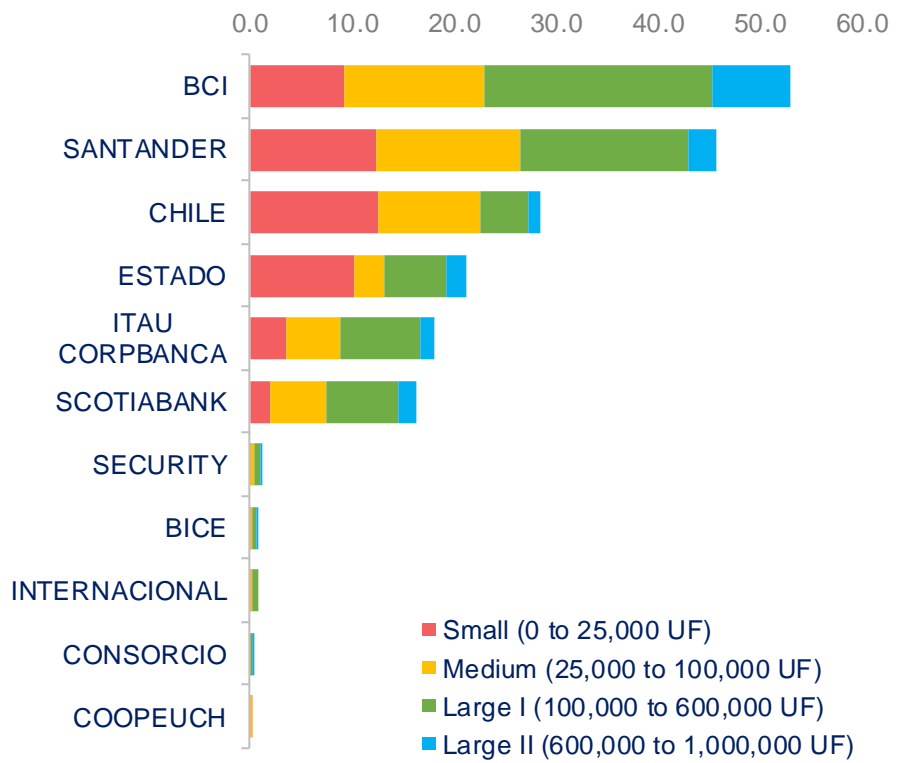
Amount of credits by firm size

(millions of UF, up to June 18)



Amount of credits by firm size and institution

(millions of UF, up to June 18)



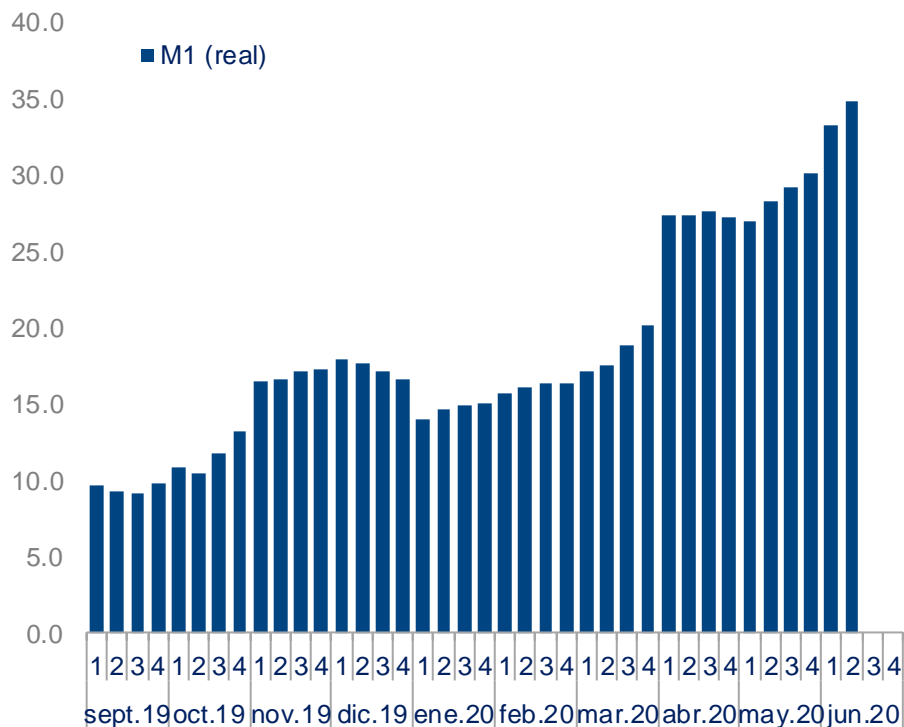
FOGAPE credits	May 28th	June 10th	June 15th	June 18th
Total (% commercial loans)	3.4%	5.0%	5.5%	5.9%

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

Liquidity has been widely provided

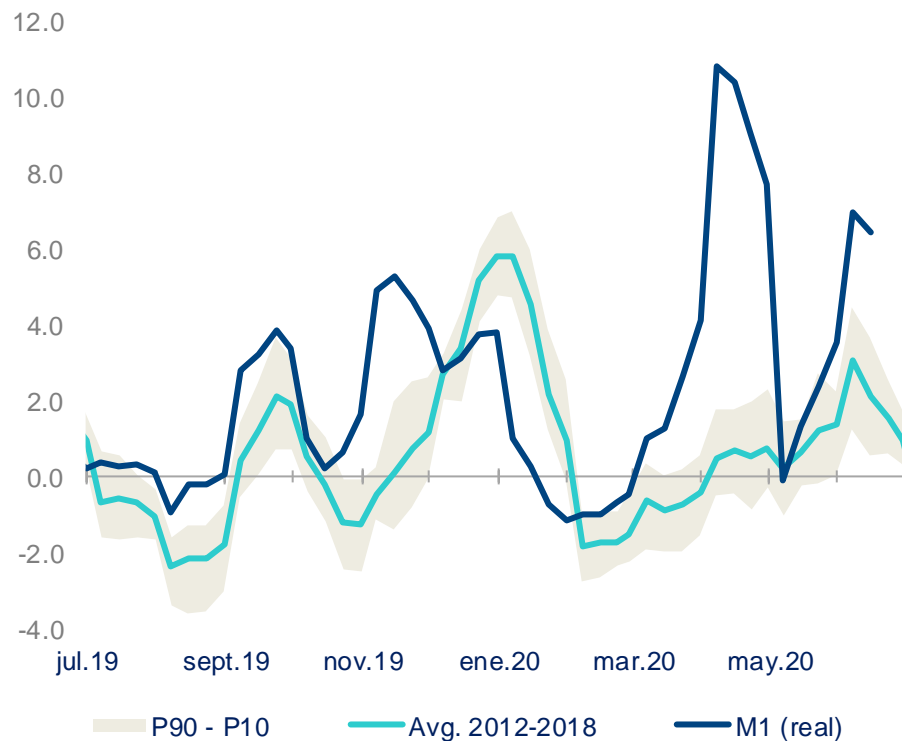
Money aggregate (M1)

(percentage, real annual growth, weekly data)



Monthly dynamism of M1

(percentage, real monthly growth, weekly data)

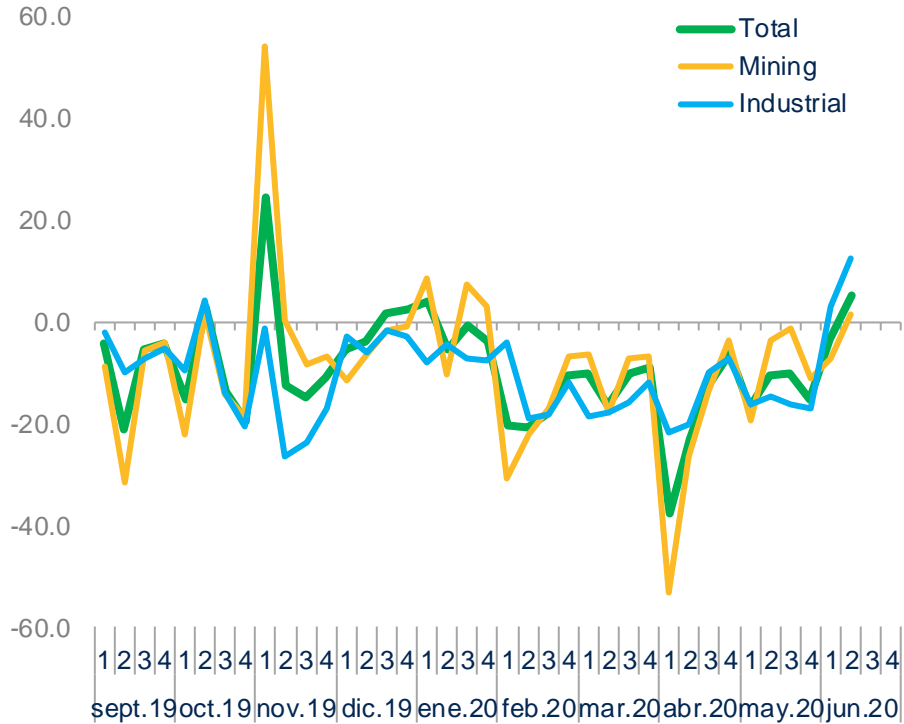


Source: Central Bank, Scotiabank Economics

Green shots in the external sector?

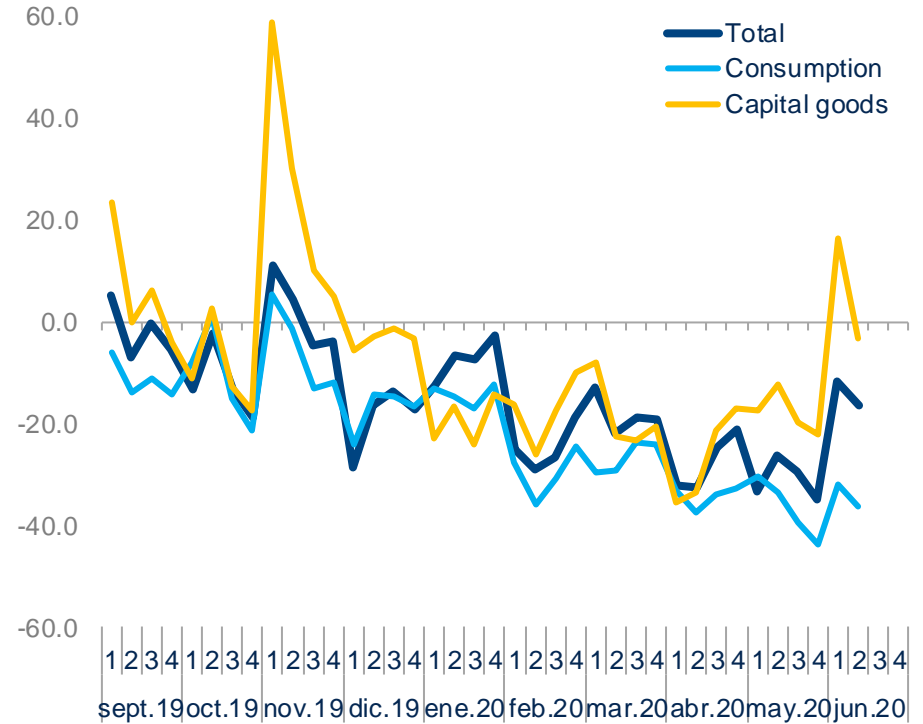
Exports to the 2nd week of June: +5.3% y/y

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



Imports to the 2nd week of June: -16.3% y/y

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

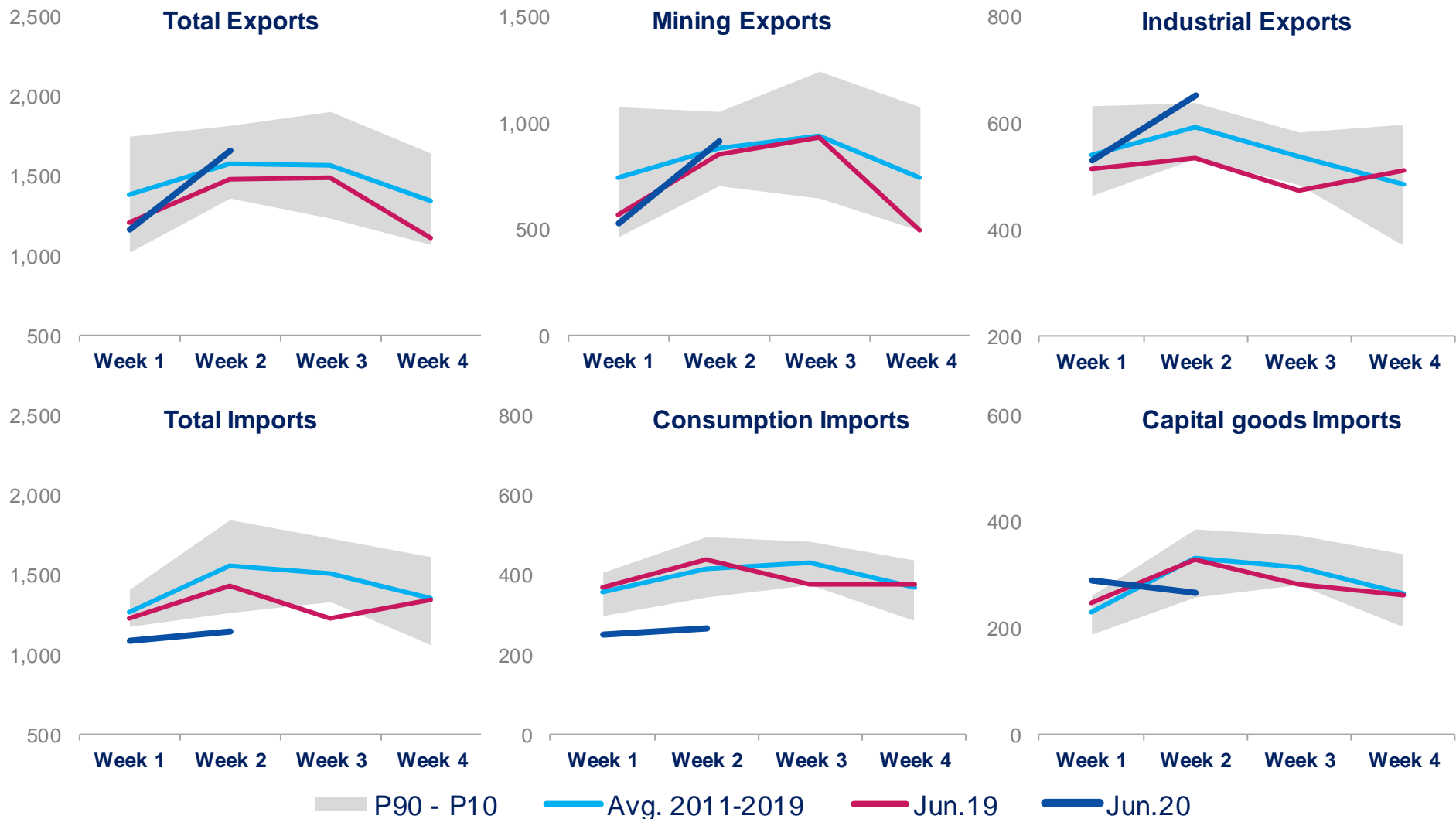


Source: Central Bank, Scotiabank Economics

Exports clearly expanding – Imports driven by capital goods

Weekly flow of Exports and Imports in June

(level, USD millions per week)

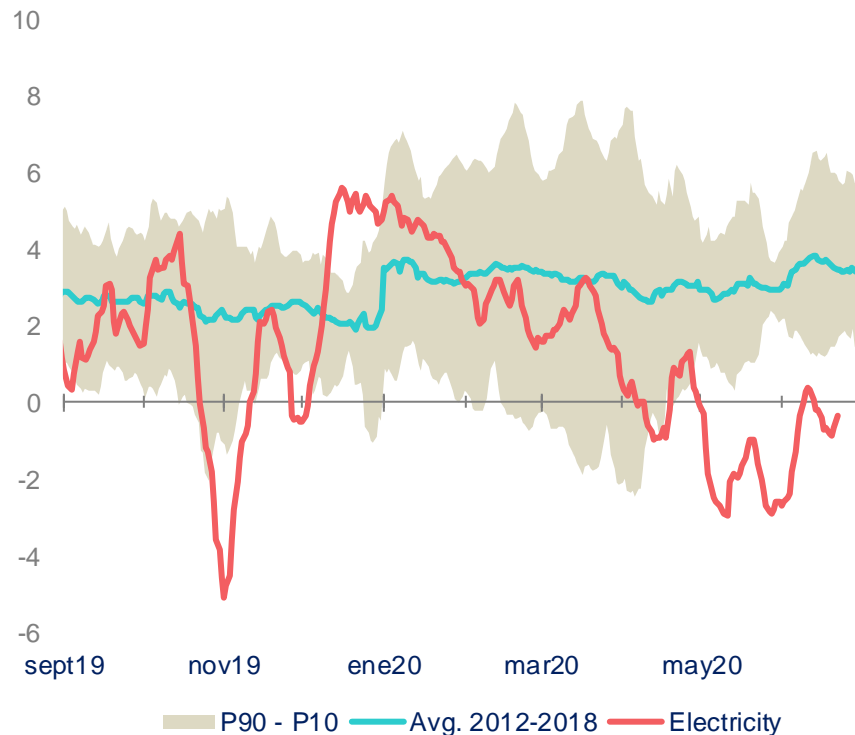


Source: Central Bank, Scotiabank Economics

Low electricity demand, buy some recovery in June

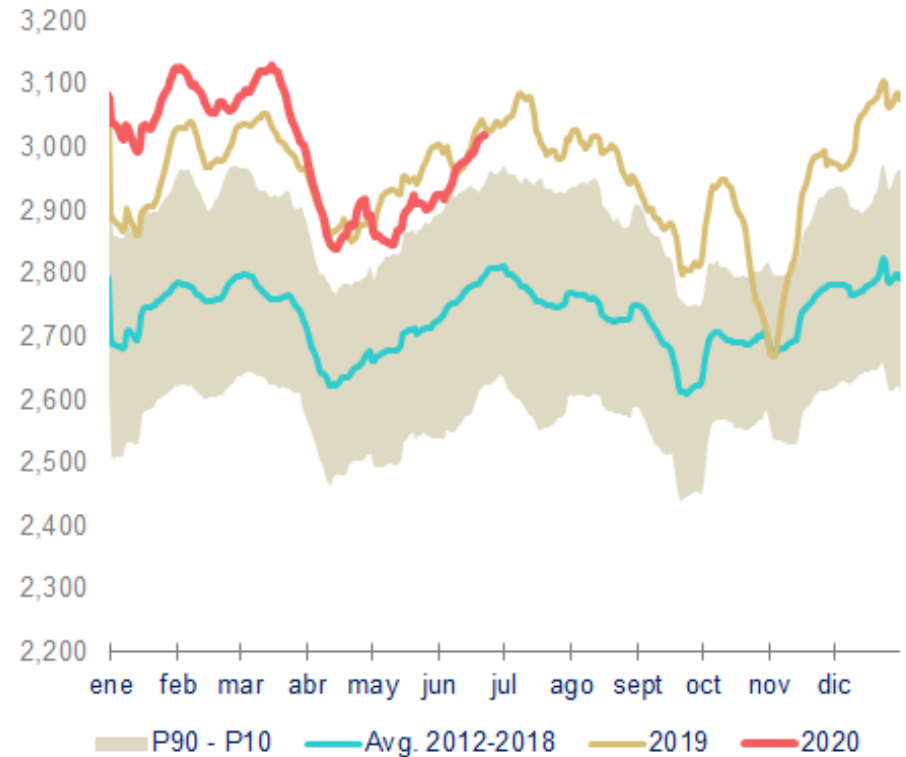
Annual growth of electricity generation

(percentage, annual growth, 14-day accum., up to June 22)



Level of electricity generation

(percentage, annual growth, 14-day accum., up to June 22)

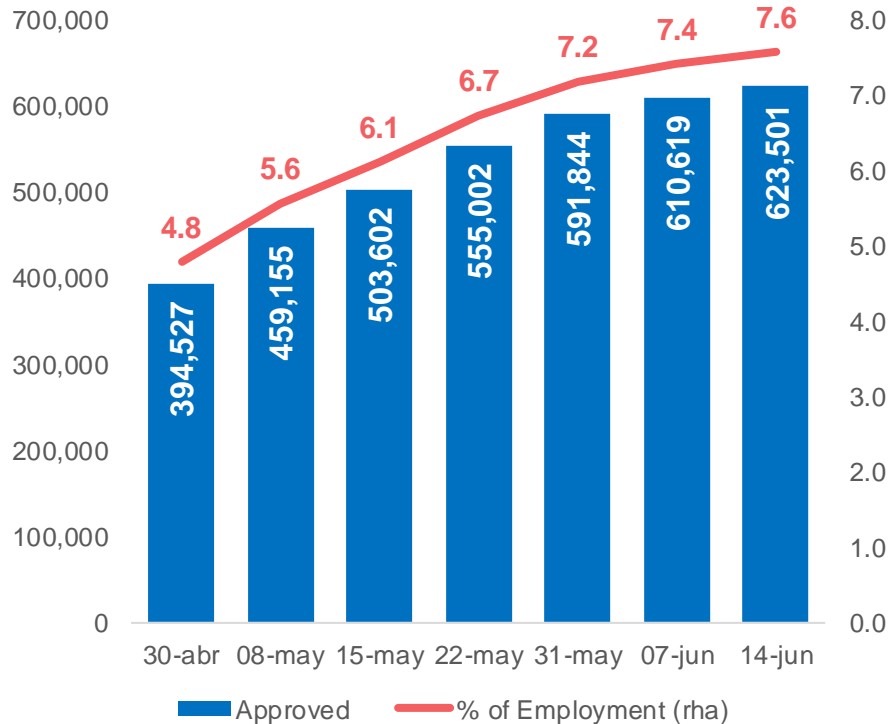


Source: *Coordinador Eléctrico*, Scotiabank Economics

Employment Protection Plan: the more cyclical, the more affected

Approved requests

(number of employees, % of total employment)



Approved requests by sector

(up to June 14, Law 21.227)

Sector	Number	% total	% of sectoral employment
Agriculture	6,159	1.0	1.0
Mining	1,965	0.3	0.9
Manufacturing	57,229	9.2	7.1
Elect. and gas	1,009	0.2	1.9
Water and waste	847	0.1	1.4
Construction	119,843	19.2	17.6
Commerce	145,215	23.3	9.5
Transport	32,942	5.3	6.3
Food and accomm.	112,802	18.1	32.7
Communications	8,456	1.4	5.0
Financial act.	5,584	0.9	2.9
Real estate act.	5,572	0.9	6.4
Professional act.	24,187	3.9	8.7
Administrative act.	36,561	5.9	13.0
Public Adm.	195	0.0	0.0
Education	13,378	2.1	1.9
Health	14,320	2.3	2.7
Rec. and culture	13,132	2.1	15.9
Other services	20,924	3.4	7.6
Other activities	3,181	0.5	1.0
Total	623,501	100.0	7.6

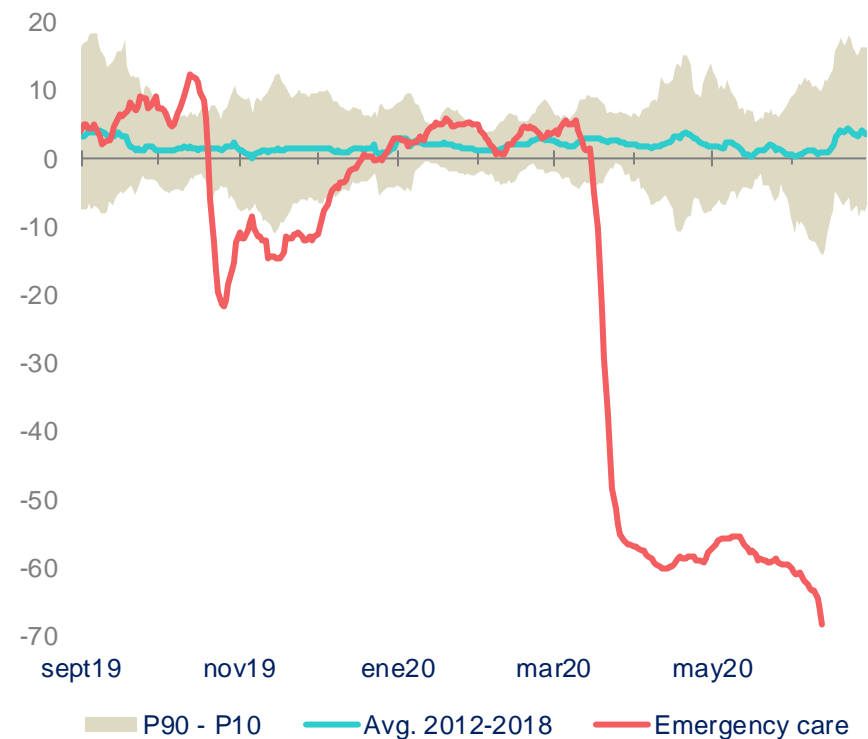
[See the complete report](#)

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

Emergency care, different to COVID-19, collapsed

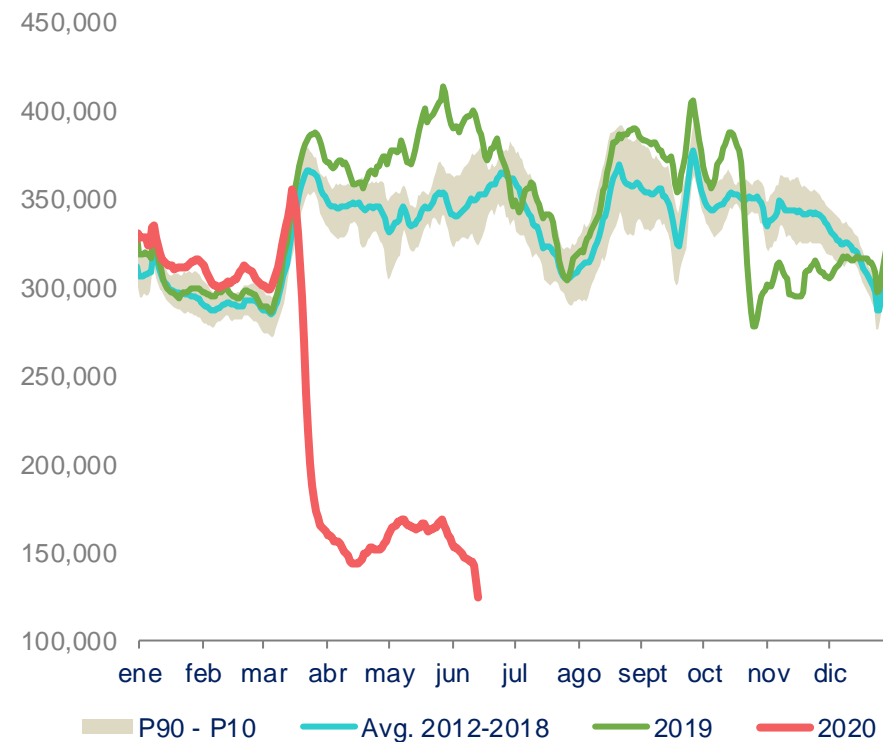
Annual growth in emergency care

(percentage, annual growth, 7-day mov. sum, up to June 22)



Number of emergency care

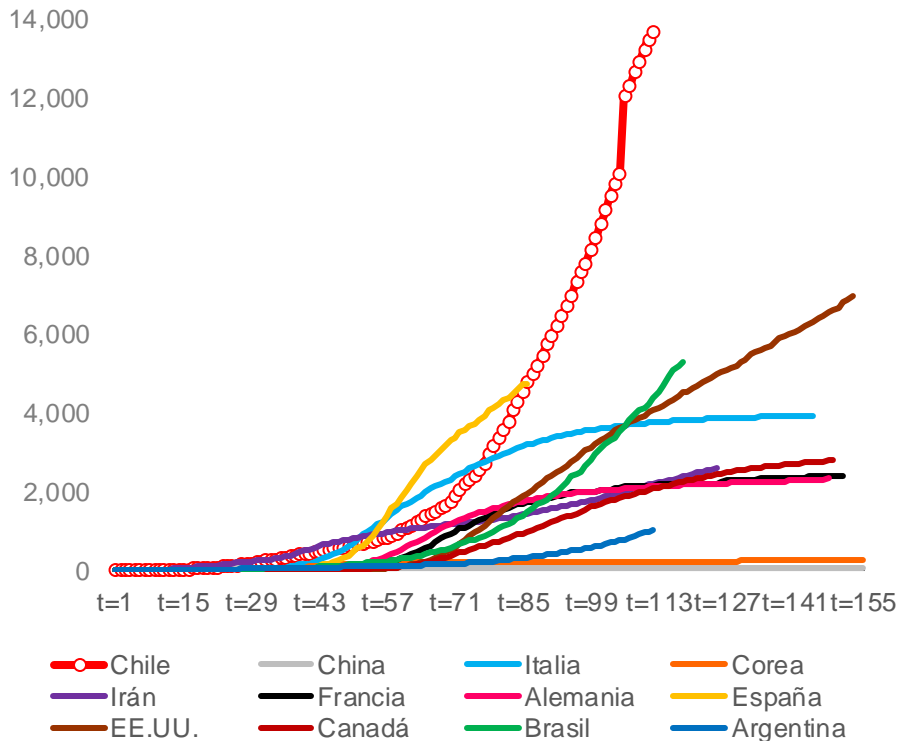
(number of daily attentions, 7-day mov. sum, up to June 22)



Situation of Covid-19: signs of stabilization

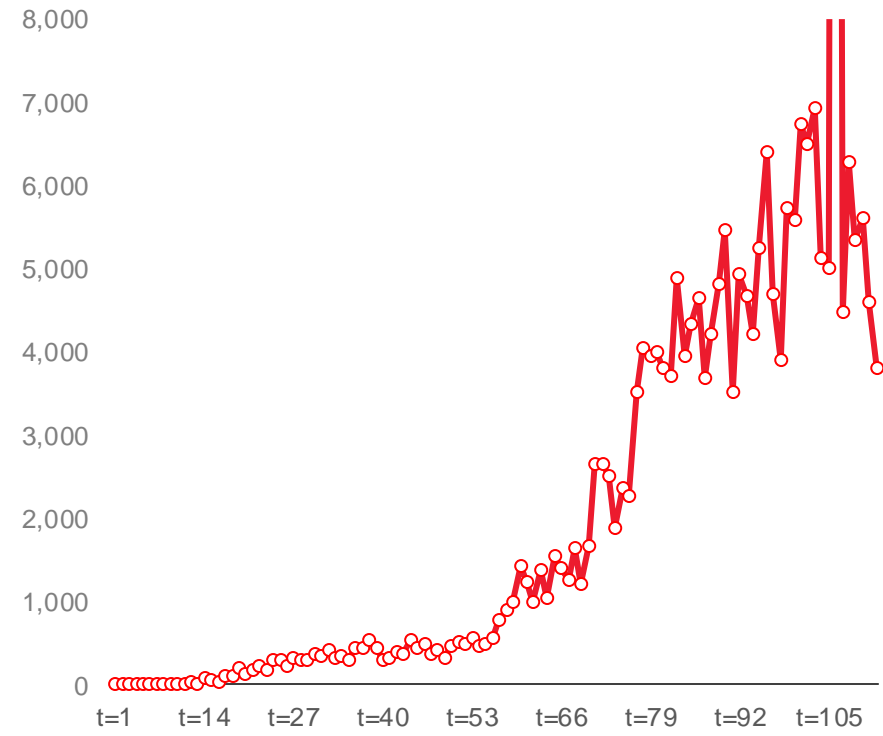
COVID-19, selected countries

(cases/population x 1.000.000, t=1 first case, up to June 22)



New cases COVID-19 in Chile

(number of new cases per day, t=1 first case, up to June 22)

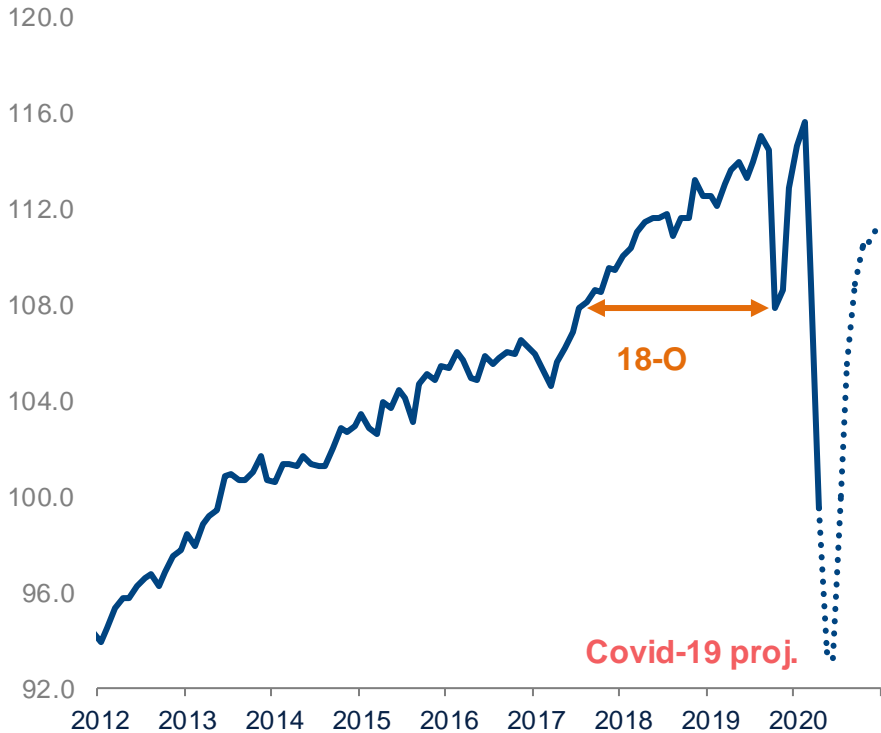


Source: WHO; Ministerio de Salud, Scotiabank Economics

Slow recovery during 2020, but better prospects for 2021

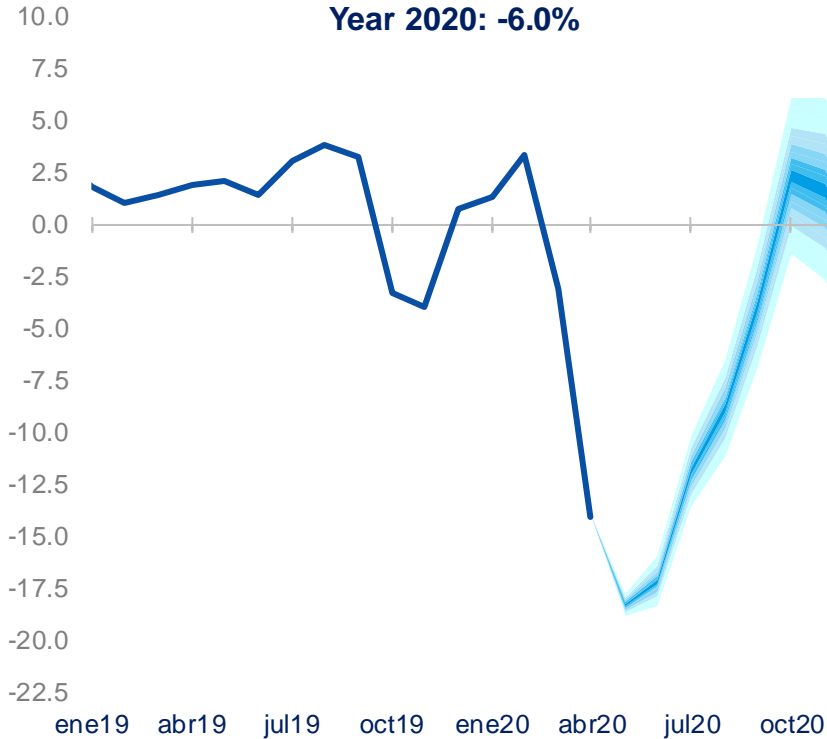
GDP level

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



GDP growth in 2020

(percentage, annual growth, monthly data)



Short run forecasts: growth of monthly GDP	April-20	May-20(f)	June-20(f)
Imacec (% , y/y)	-14.1%	-18 to -17%	-18 to -17%

Source: Central Bank, Scotiabank Economics