

# Tracking Covid-19: high frequency indicators



**Economics & Financial Research**

Updated on June 17, 2021



# Key messages

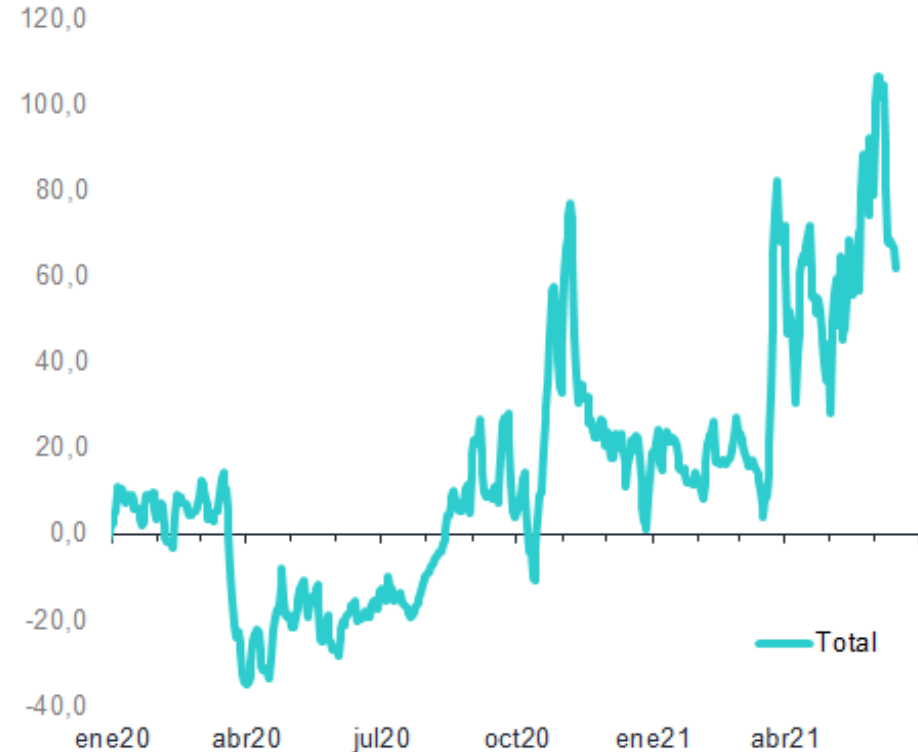
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- **Our high-frequency indicators point to a new surge in purchases with credit and debit cards, evidencing that the high liquidity coming from fiscal aid and the withdrawal of pension assets is effectively being consumed by households.** Retail Sales accelerated month-over-month in May (and early June) with some boost from the CyberDay. Sectoral heterogeneity remains, explained by dissimilar adaptation to quarantine measures: department stores are the main winners and supermarkets are showing some weakness.
- Using transactional data, which has successfully allowed us to anticipate Retail Sales, **we forecast an increase in Retail Sales in the range of 50 to 55% y/y in May, due to low bases of comparison and still ample liquidity in households' pockets.** New car sales also rebounded in May (34,130 units; +293% y/y), reaching pre-Covid levels.
- **Loans deepen their decline led by contraction in commercial loans (in real annual terms).** A greater weakness of commercial loans was observed in previous months (despite Fogape 2.0) as medium and large firms are still reluctant to borrow. Consumer loans decreased again and mortgages continued recovering.
- **We keep our forecast of GDP growth 2021 at 7.5% with an upward bias, below BCCh's baseline scenario (8.5-9.5%). We still see some risks in private investment, a weak labor market and difficulties in controlling the sanitary situation.** Monthly GDP contracted a modest 1.4% m/m in April, as economy quickly adapts to quarantine measures. **We estimate that monthly GDP (IMACEC) had an expansion between 15 and 16% y/y in May (1.4% to 2.4% m/m).**
- **BCCh is holding onto a 0.5% policy rate, but has strongly signaled a hike later this year.** Our view is that inflation will temper over the short term, leading the Central Bank to rise the benchmark rate in October's meeting.

# The level of purchases increased m/m in May and June due to the third withdrawal of pension funds and some boost from CyberDay. Base effects beginning to favor the year-on-year comparisons

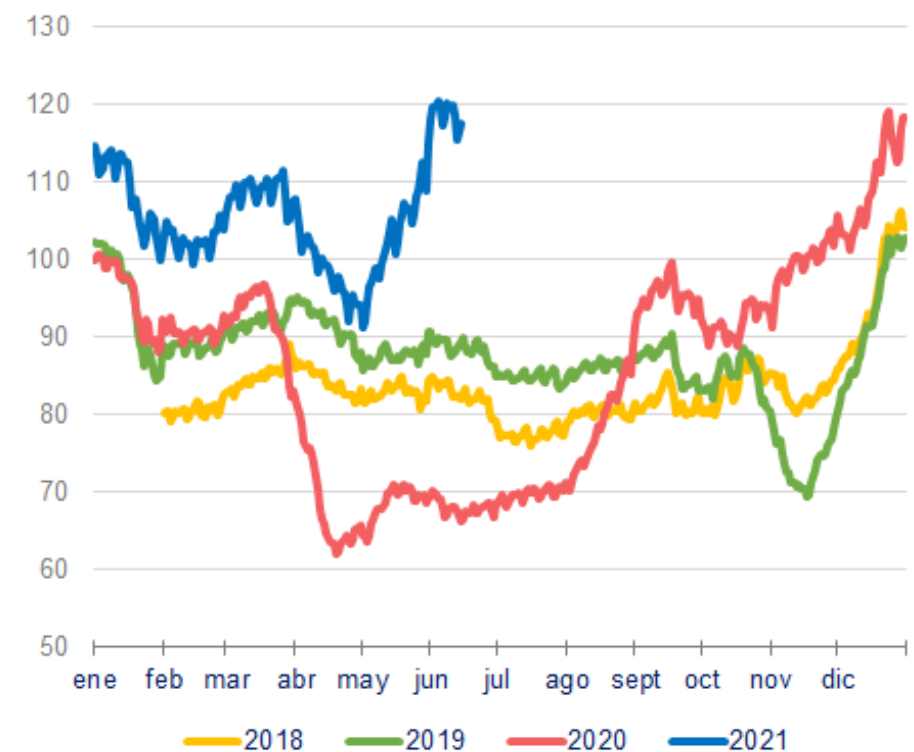
## Annual growth of purchases with credit & debit cards: supported by pension funds\*

(percentage, annual growth, 7-day moving average, up to June 16)



## Level of purchases (debit & credit) decrease due to quarantines\*

(level, index 1-Jan-2020=100, 30-day moving sum, up to June 16)

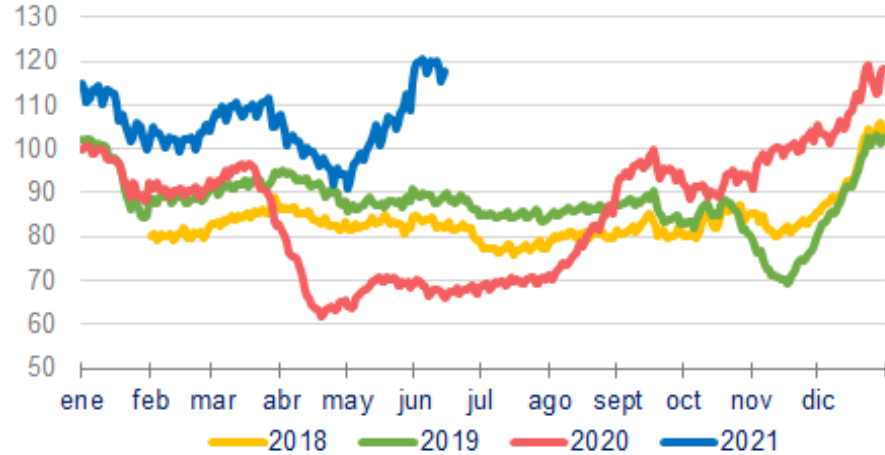


\* Data show purchases with Scotiabank's credit and debit cards. The level of purchases is shown as an inflation-adjusted index. Source: Scotiabank Economics

# Supermarket showing some weakness

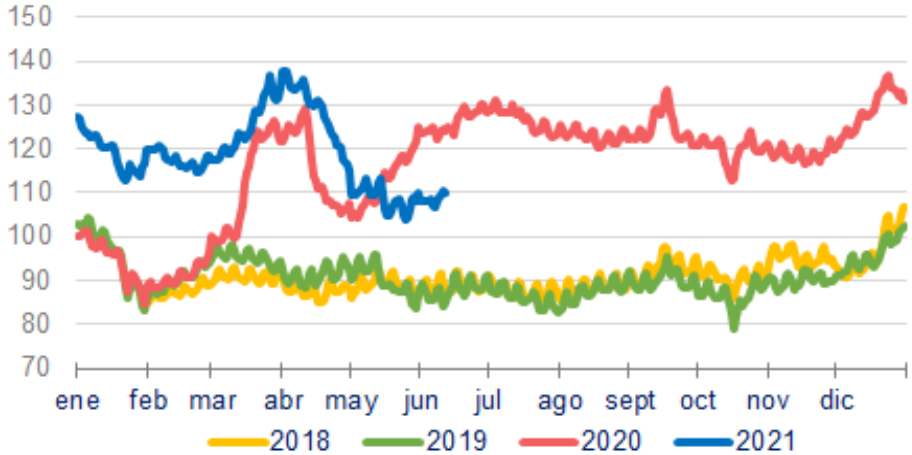
## Total purchases\*

(level, index 1-Jan-2020=100, 30-day moving sum, up to June 16)



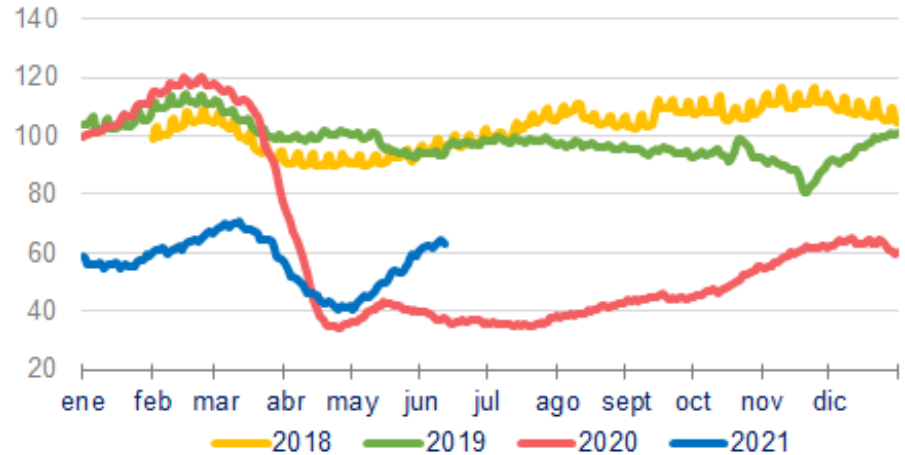
## Supermarkets\*

(level, index 1-Jan-2020=100, 30-day moving sum, up to June 16)



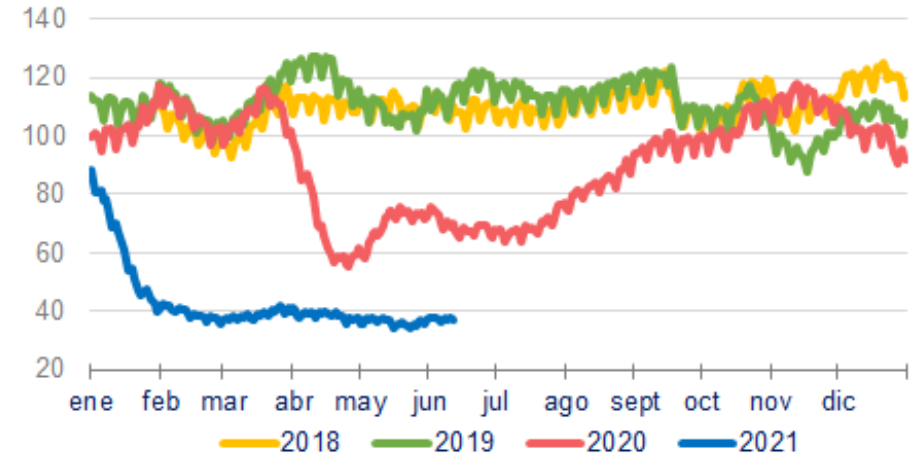
## Fuels\*

(level, index 1-Jan-2020=100, 30-day moving sum, up to June 16)



## Drugstores\*

(level, index 1-Jan-2020=100, 30-day moving sum, up to June 16)

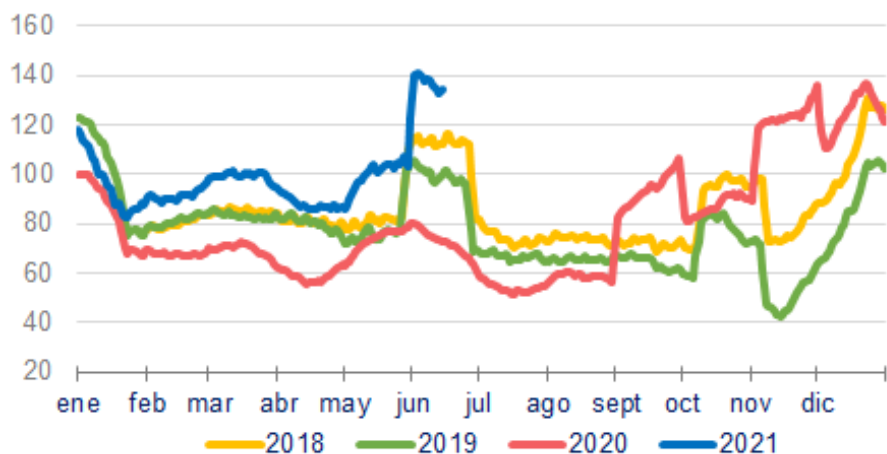


\* Data show purchases with Scotiabank's credit and debit cards. The level of purchases is shown as an inflation-adjusted index. Source: Scotiabank Economics

# Strong performance in Department stores in June (CyberDay + 3rd withdrawal)

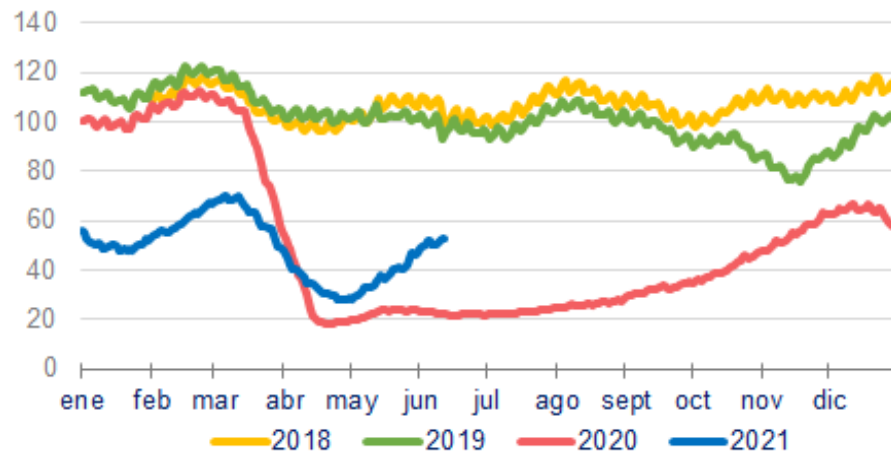
## Department stores\*

(level, index 1-Jan-2020=100, 30-day moving sum, up to June 16)



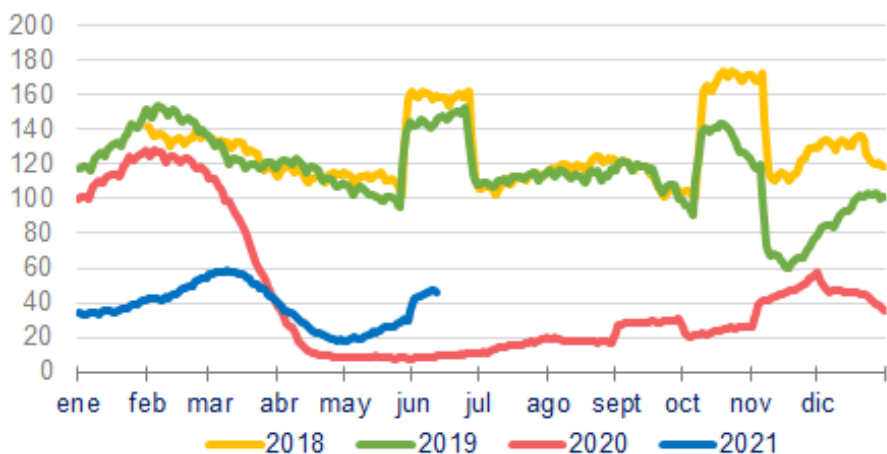
## Restaurants\*

(level, index 1-Jan-2020=100, 30-day moving sum, up to June 16)



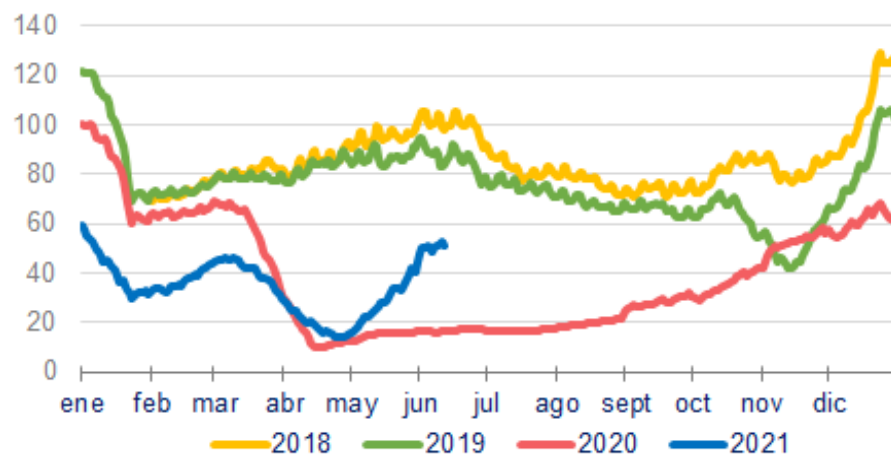
## Tourism travel\*

(level, index 1-Jan-2020=100, 30-day moving sum, up to June 16)



## Clothing and footwear\*

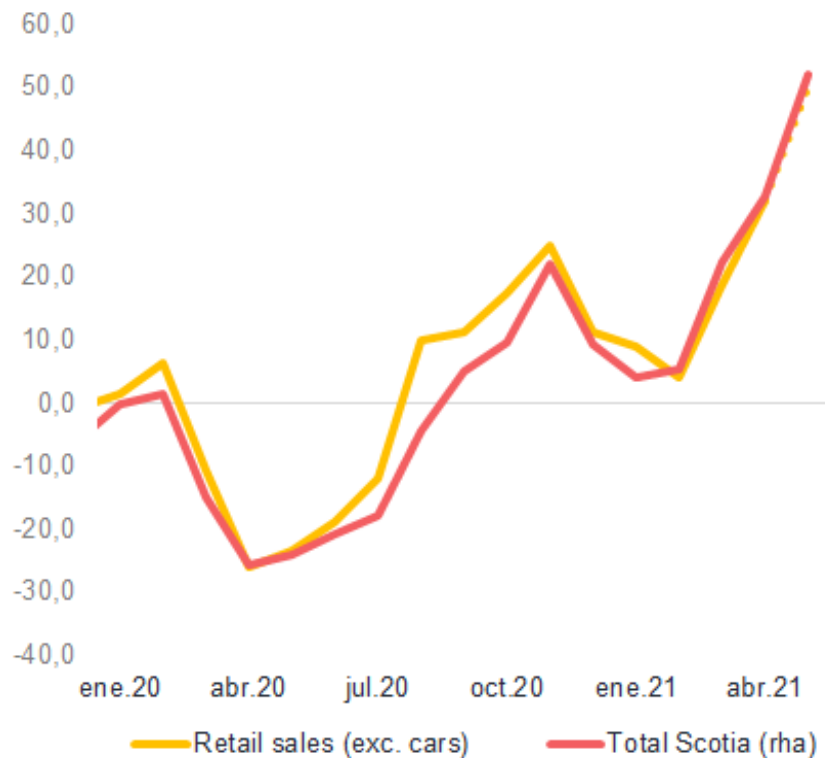
(level, index 1-Jan-2020=100, 30-day moving sum, up to June 16)



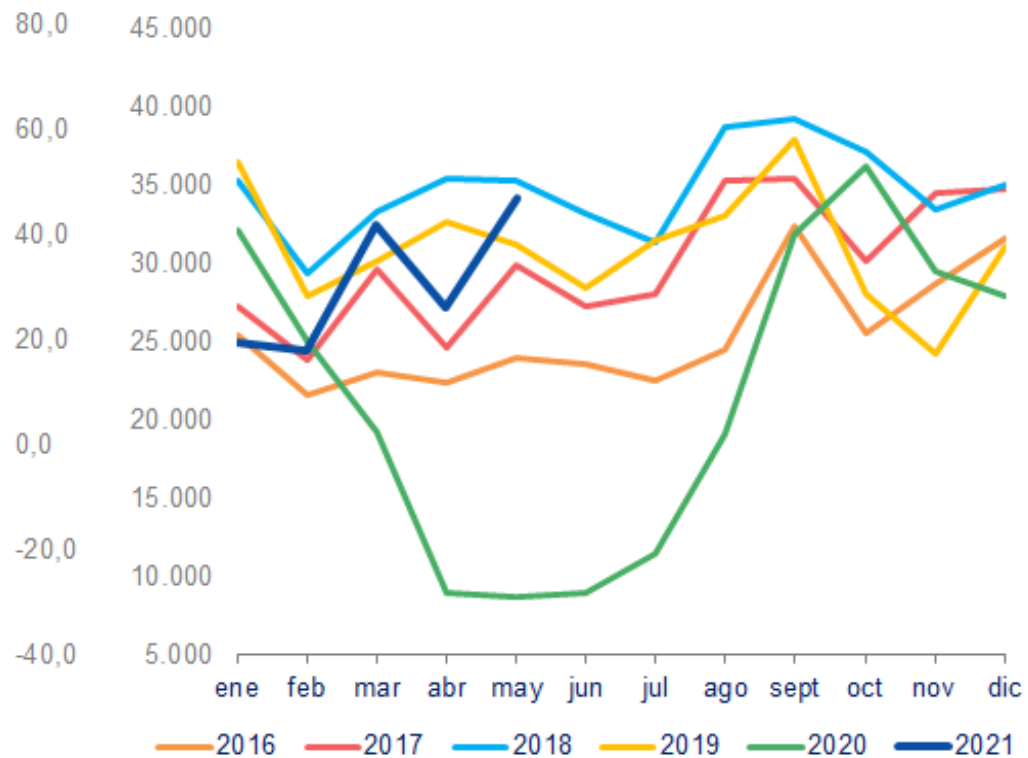
\* Data show purchases with Scotiabank's credit and debit cards. The level of purchases is shown as an inflation-adjusted index.  
Source: Scotiabank Economics

**Retail sales: we forecast an (impressive) expansion between 50% and 55% y/y in May, due to low bases of comparison and still ample liquidity in households' pockets. New car sales also rebounded in May (34,130 units; +293% y/y)**

**Retail sales (INE) vs Transactional data\*\***  
(percentage, annual growth)



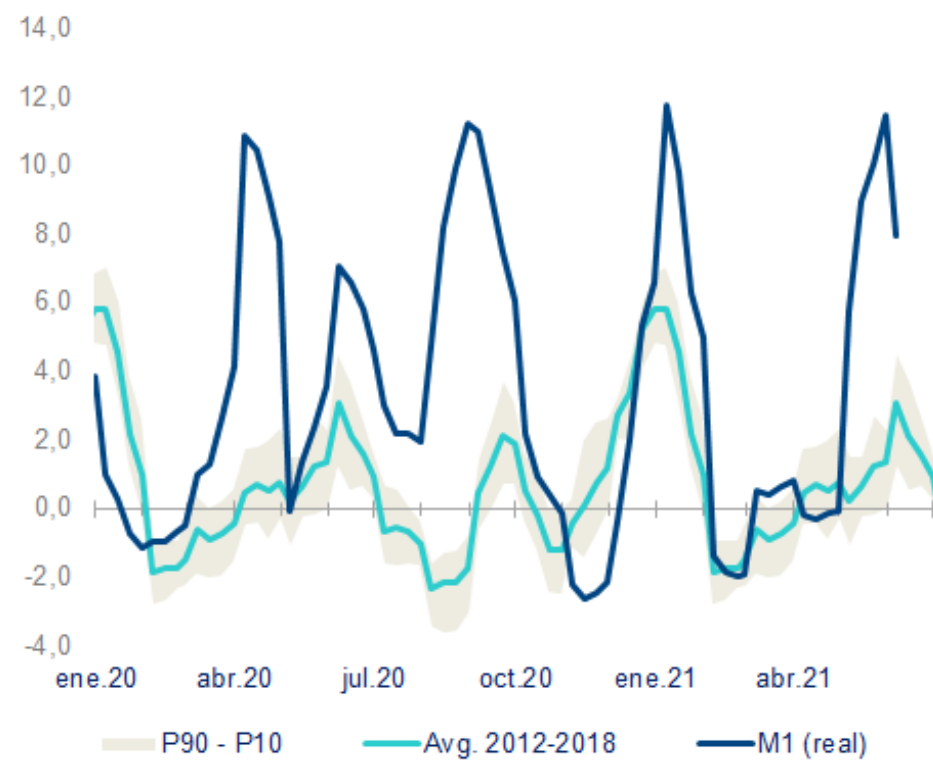
**New car sales**  
(units per month)



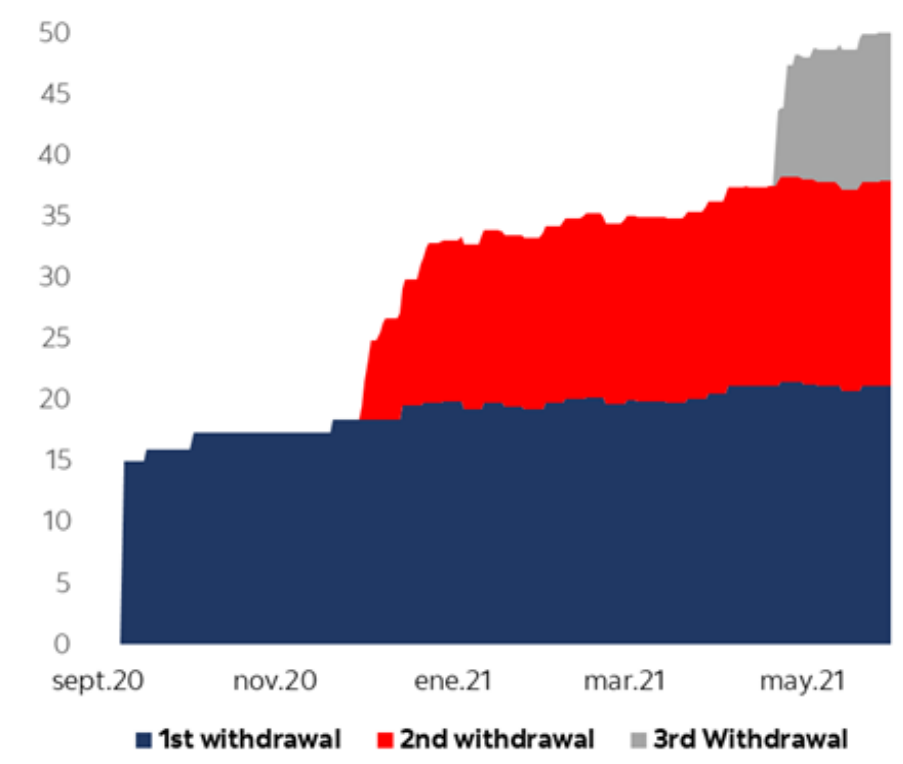
\*\* This figure compares the INE's monthly retail sales indicator with our data on total purchases with credit & debit cards reported in previous slides.  
Source: National Bureau of Statistics (INE), Scotiabank Economics

# Liquidity indicators increase again after the third withdrawal of pension funds (USD 12.4 bn have already been withdrawn), similar to what happened in previous withdrawals

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



**Pension fund withdrawal**  
(billions of USD)

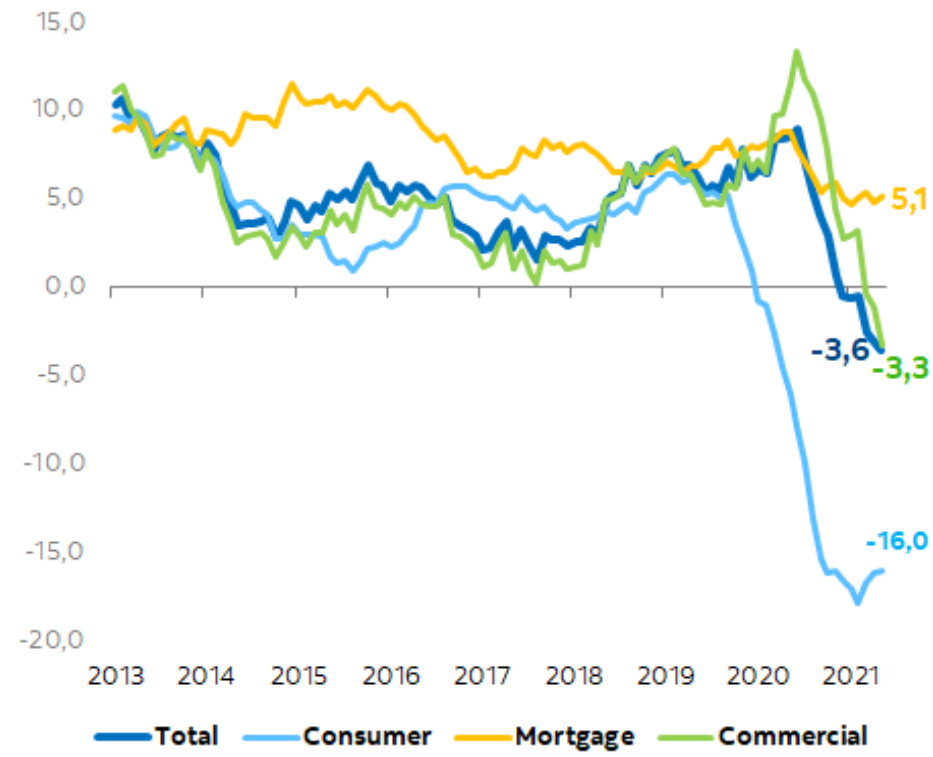


Source: Central Bank, Scotiabank Economics

**Total loans deepen their decline led by contraction in commercial loans.** Credit flowed counter-cyclically to firms for much of 2020. A greater weakness of commercial loans in medium and large firms was observed in previous months

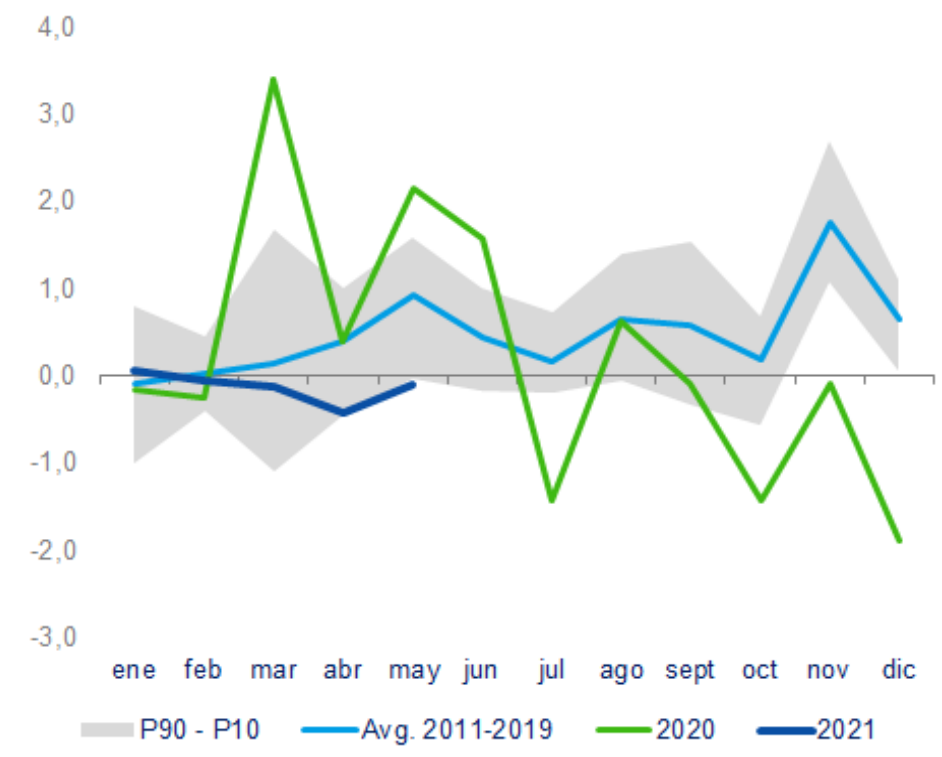
### Loans by segment

(percentage, real annual growth)



### Monthly dynamism of commercial loans

(percentage, real monthly growth)



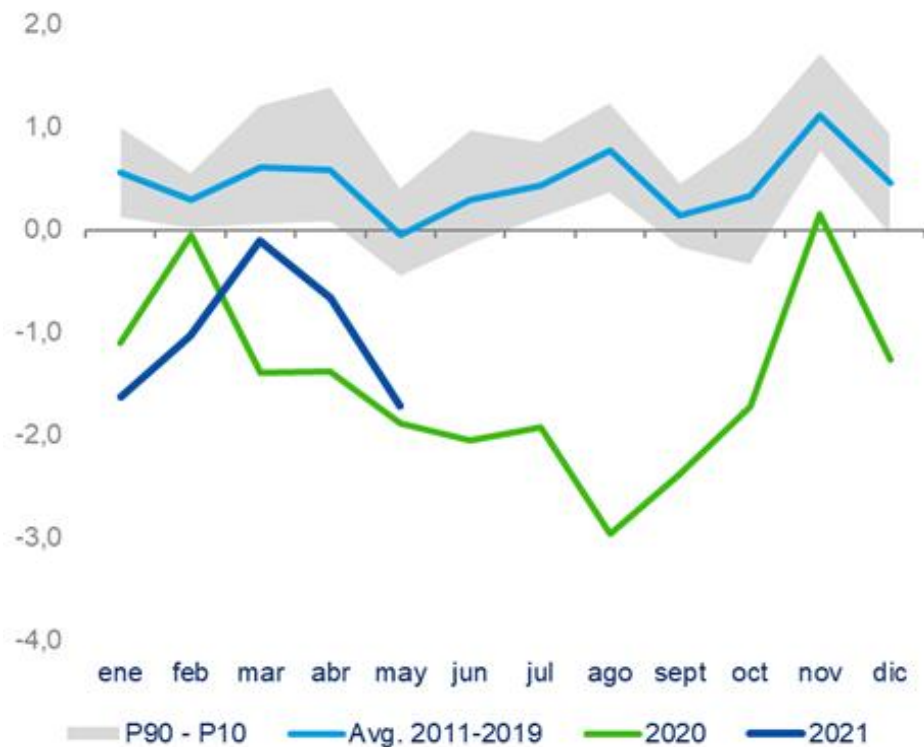
Source: Central Bank, Scotiabank Economics



# Consumer loans remained weak. Mortgage loans continued recovering

## Monthly dynamism of consumer loans

(percentage, real monthly growth)



## Monthly dynamism of mortgage loans

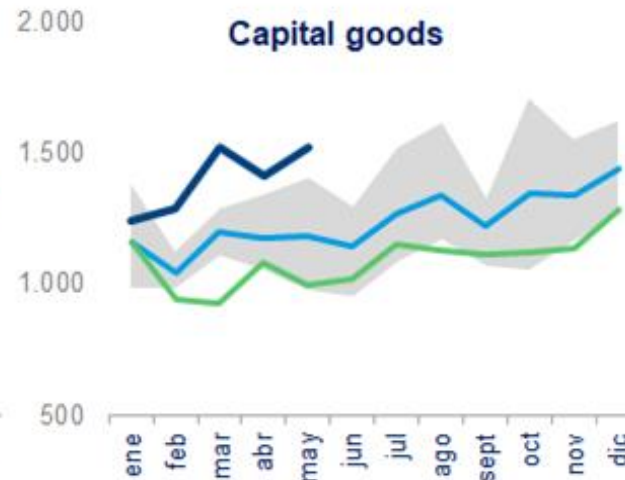
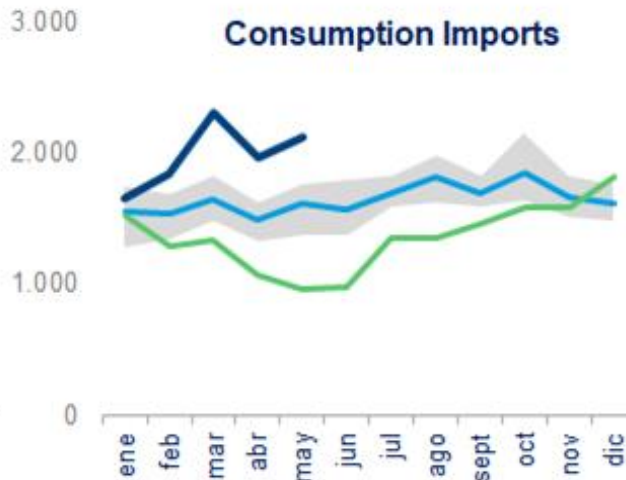
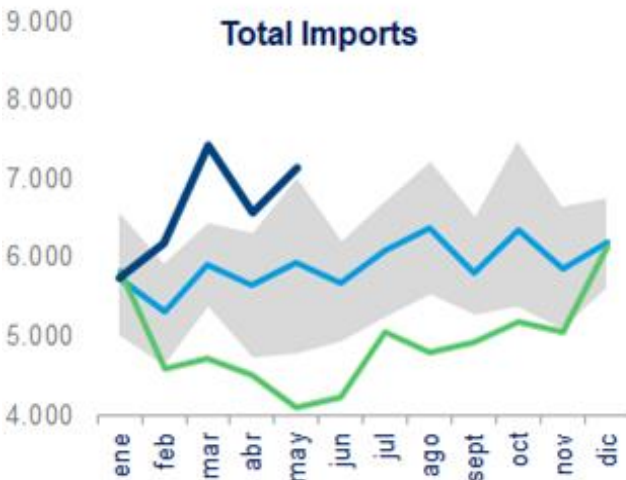
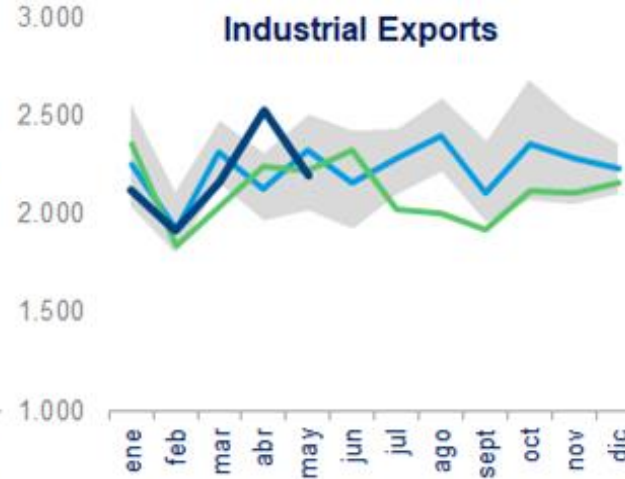
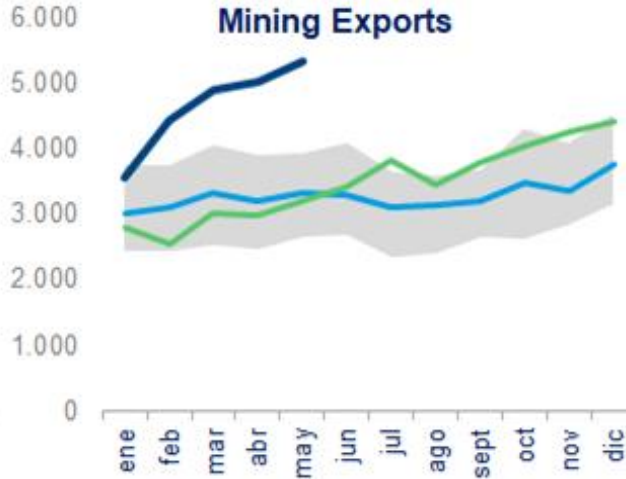
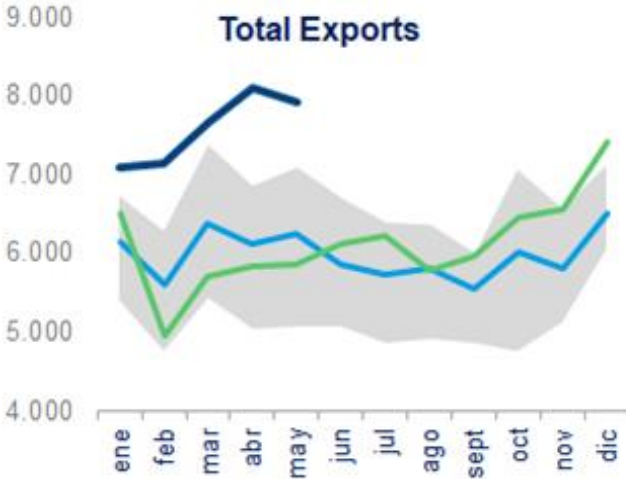
(percentage, real monthly growth)



# Clear signs of recovery in exports (copper) and also in imports

## Monthly flow of Exports and Imports

(level, USD millions per month)



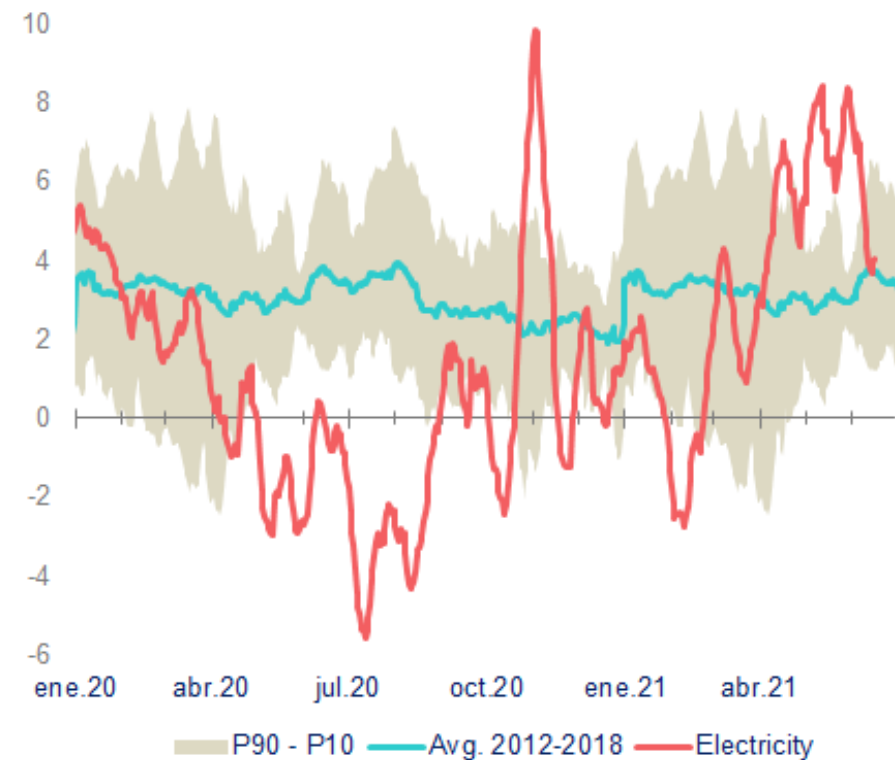
P90 - P10
  Avg. 2011-2019
  2020
  2021

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

# Recent restrictions affected demand for electricity. However, the impact has been less than in 2020, as economy quickly adapts to quarantine measures

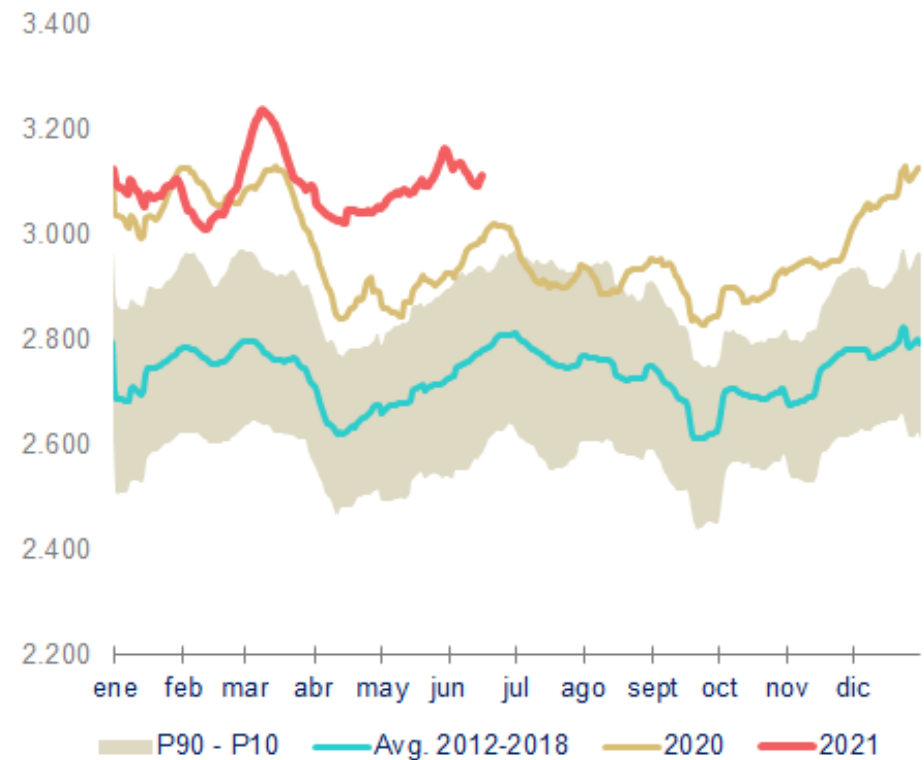
## Annual growth of electricity generation

(percentage, annual growth, 14-day accum., up to June 16)



## Level of electricity generation

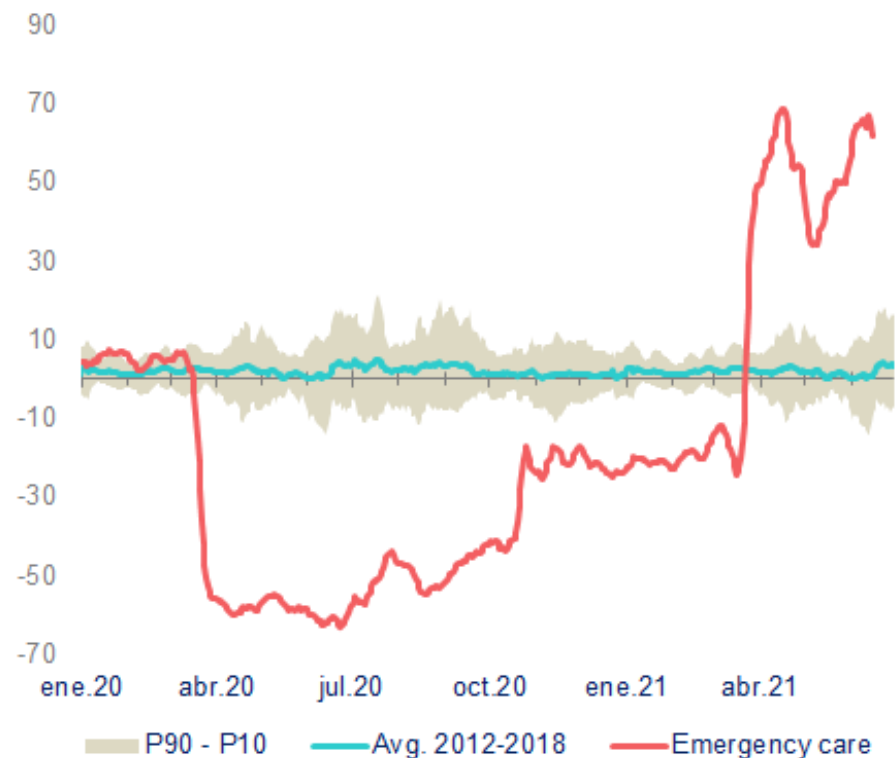
(percentage, annual growth, 14-day accum., up to June 16)



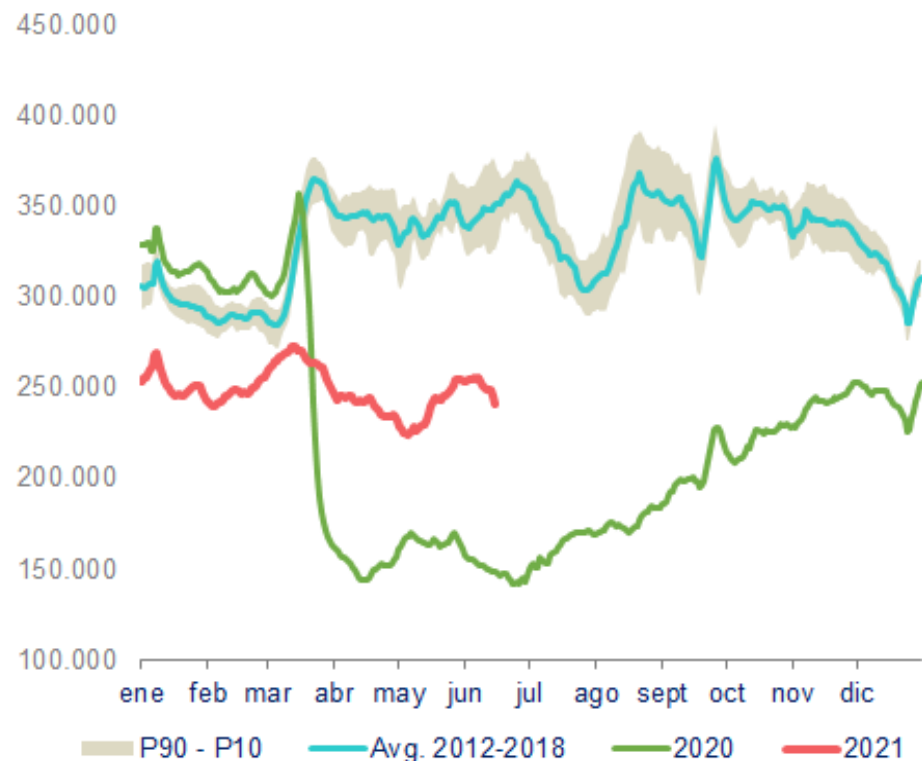
P90 and P10 represent the 90th and 10th percentile.  
Source: *Coordinador Eléctrico*, Scotiabank Economics

# Emergency care attentions –not related to COVID– are decreasing again as people are avoiding to go to the hospital due to fears of getting infected

**Annual growth in Emergency Care**  
(percentage, annual growth, 7-day mov. sum, up to June 15)



**Number of Emergency Care attentions**  
(number of daily attentions, 7-day mov. sum, up to June 15)

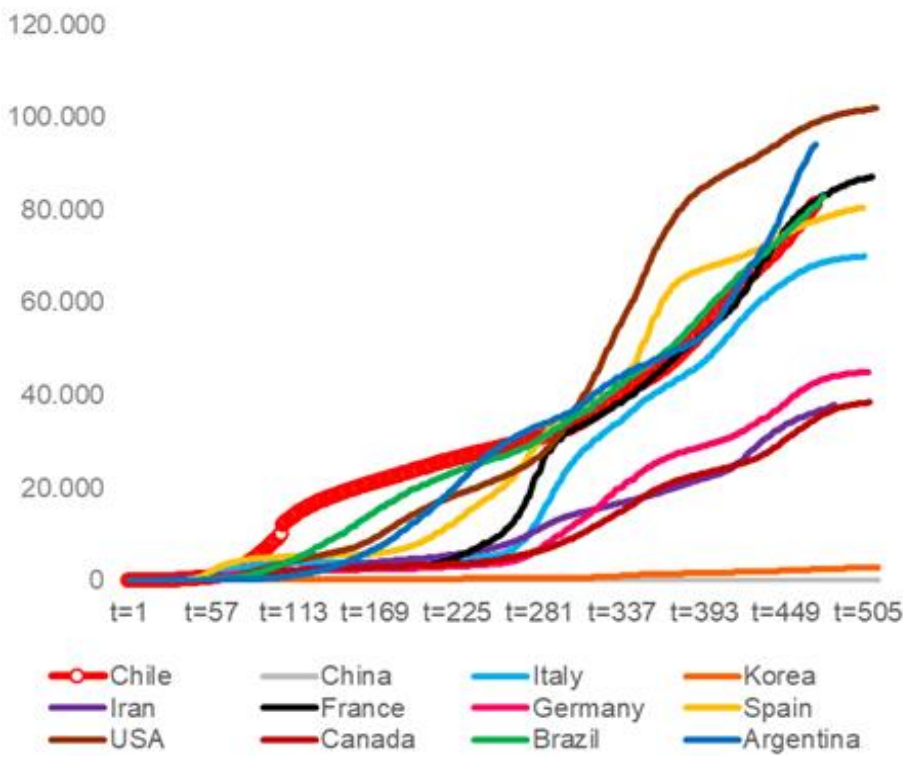


Source: *Ministerio de Salud (DEIS)*, Scotiabank Economics

# Covid-19 outbreak all over the world – Chile is no exception: Cases have surged among young people

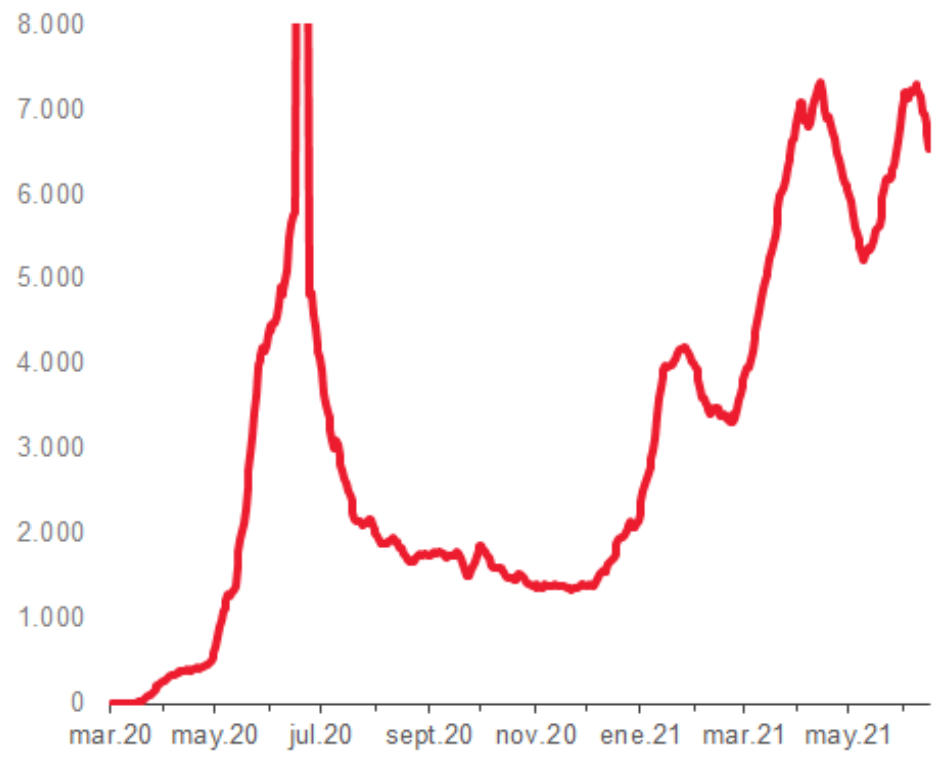
## COVID-19, selected countries

(cases/population x 1.000.000, t=1 first case, up to June 15)



## New cases COVID-19 in Chile

(number of new cases per day, t=1 first case, up to June 15)

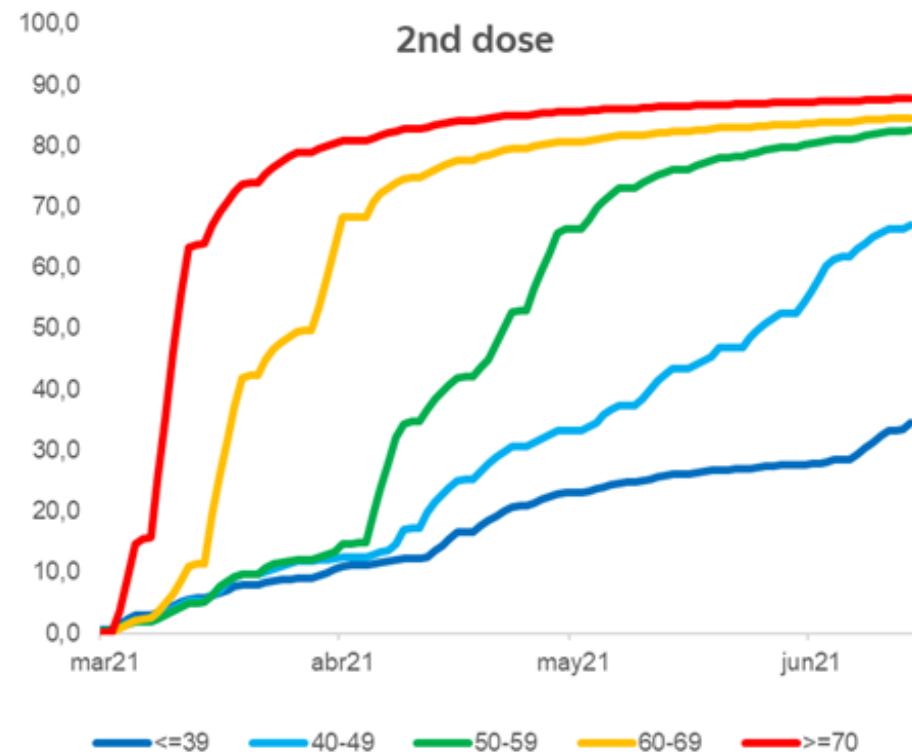


Source: WHO; Ministerio de Salud, Scotiabank Economics

Promising results have been shown in some age groups that reached 70% vaccination rate, but **some deterioration is observed due to the resurgence of infections**

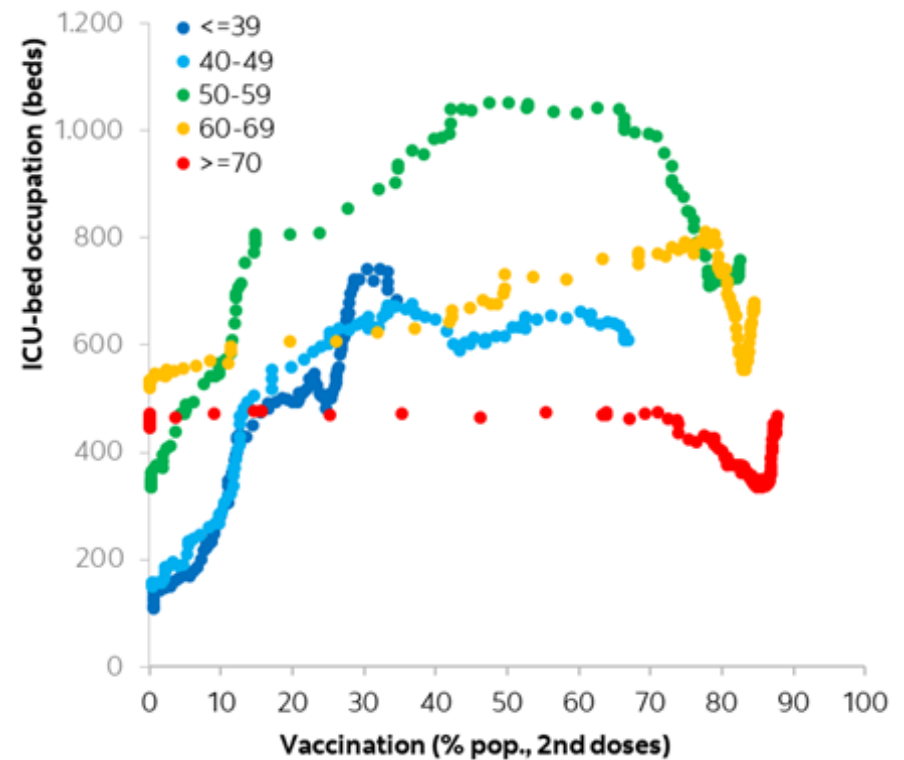
### Vaccination by age group

(% of each group's total population, up to June 14)



### ICU-bed occupancy and vaccination by age

(beds and % of population by age group, up to June 14)

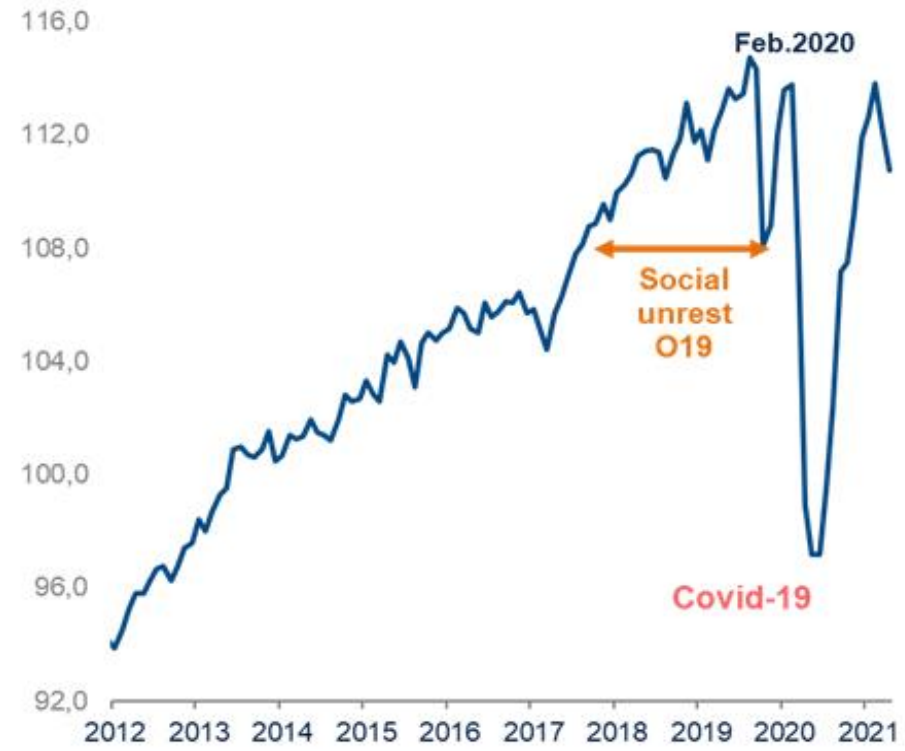


Source: Health Ministry, ICovid Report, Scotiabank Economics

**For 2021, we keep our forecast of GDP growth 2021 at 7.5% y/y, with an upward bias. We estimate an expansion of monthly GDP between 15 and 16% y/y in May (1.4% to 2.4% m/m)**

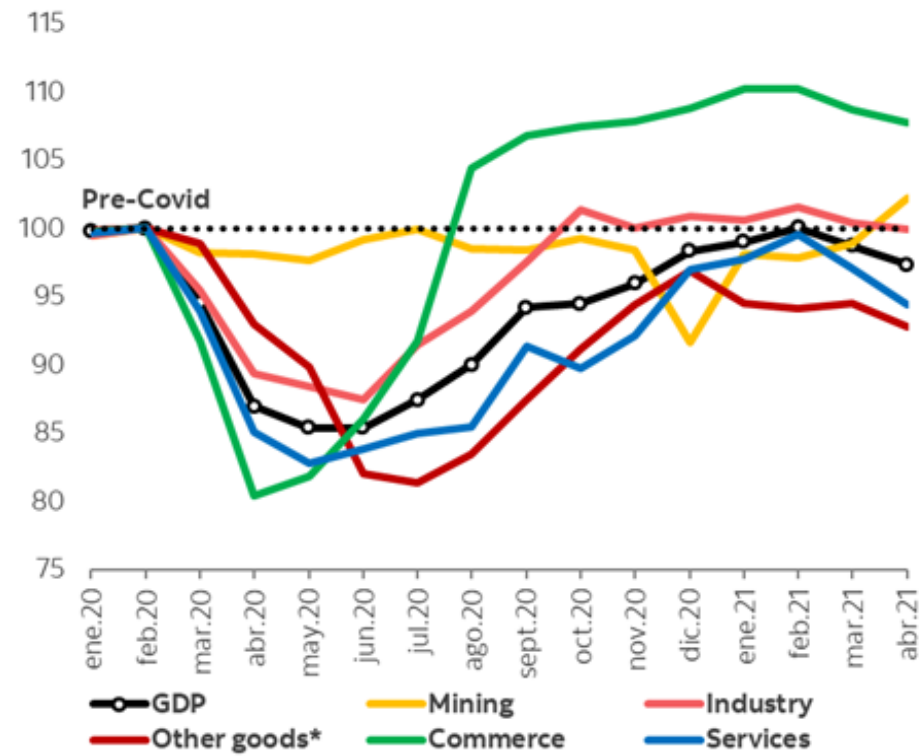
### GDP level

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



### GDP level by sector

(index, February 2020=100, monthly data)



Short run forecasts: growth of monthly GDP	March-21	April-21	May-21(f)
<b>Imacec (% , y/y)</b>	5.8%	14.1%	<b>15 to 16%</b>

Source: Central Bank, Scotiabank Economics

## CONTACTS

**Jorge Selaive | Chief Economist**

jorge.selaive@scotiabank.cl

**Waldo Riveras**

waldo.riveras@scotiabank.cl

**Carlos Muñoz Cárcamo**

carlos.munoz@scotiabank.cl

**Aníbal Alarcón Astorga**

anibal.alarcon@scotiabank.cl

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