

High-Frequency Dashboard: Tracking the Post-Lockdown Recovery (October 20, 2020)

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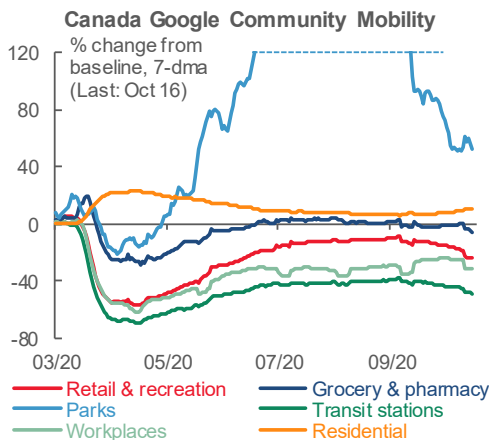
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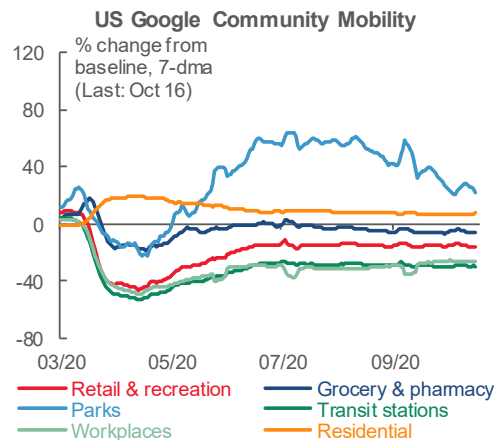
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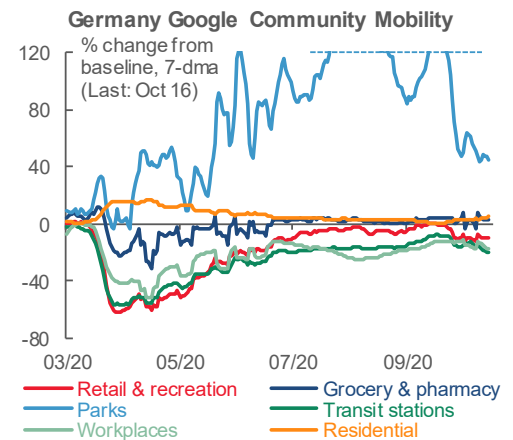
- Daily Google data tracking movement trends points to continued, albeit slowing, gains in economic activity but the re-imposition of some lockdown measures in certain regions endangers the path of the recovery. While the end of strict quarantine periods led to an initial, strong, rebound in activity the coming quarters will see growth returning to a smoother trajectory, with economic output unlikely to reach its pre-coronavirus level before late-2021 given the economic impact and job losses resulting from the shutdowns and their spillovers. Activity in the UK seems to be declining amid a recent quick increase in COVID-19 contagions and also following the end of the government's restaurant subsidy scheme in late-Aug. Canadian retail mobility also seems to have crested although this may be due to seasonal patterns to a large degree



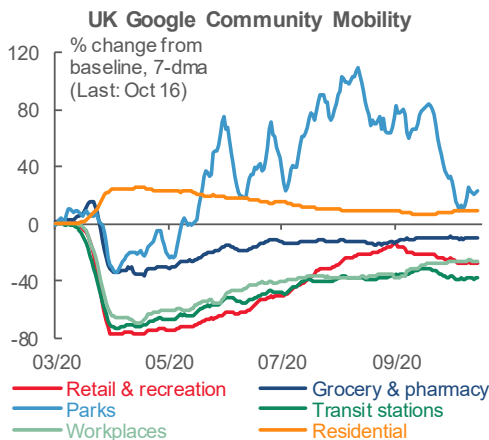
Source: Google, Scotiabank FICC Strategy.



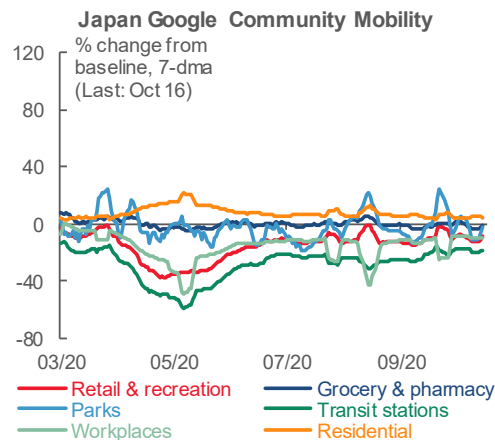
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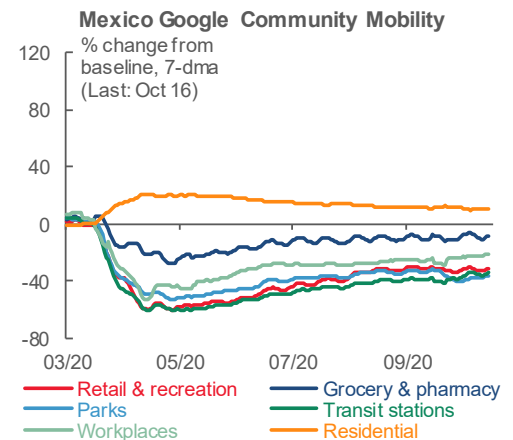
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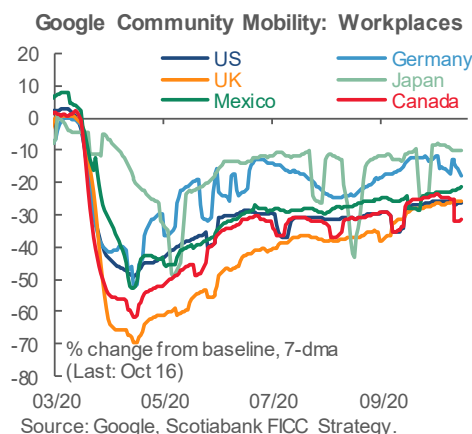
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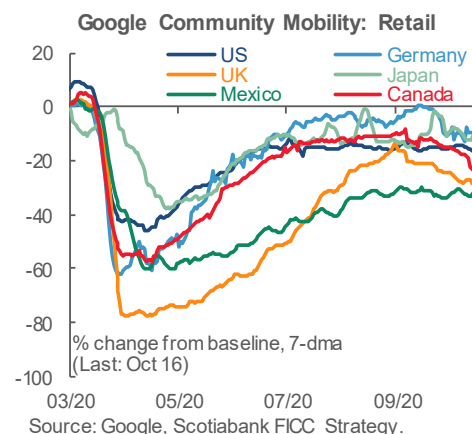
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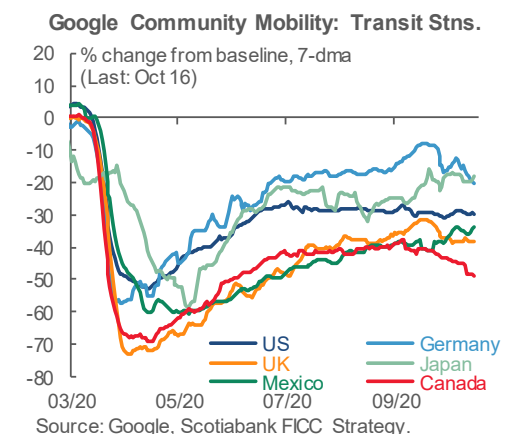
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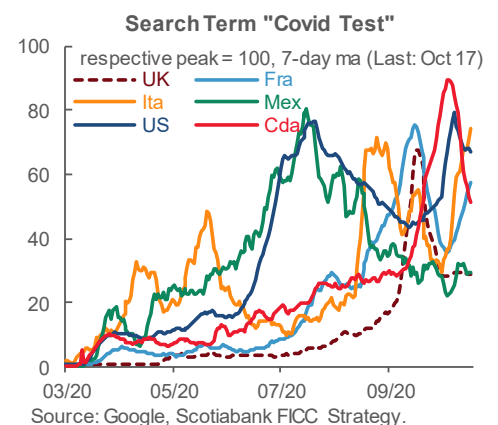
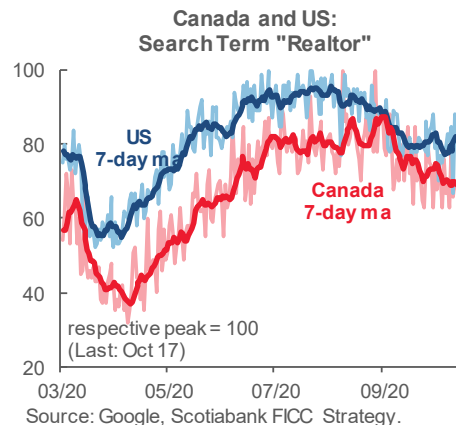
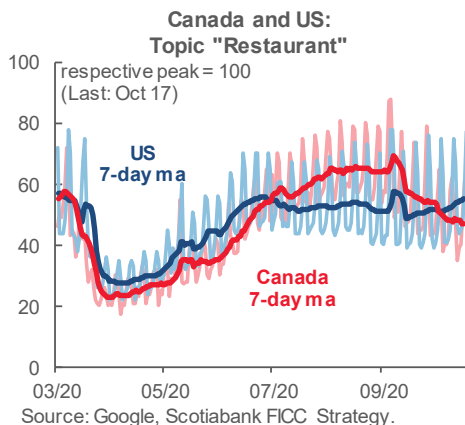
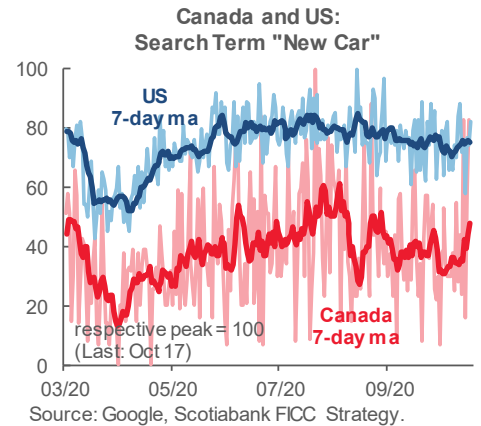
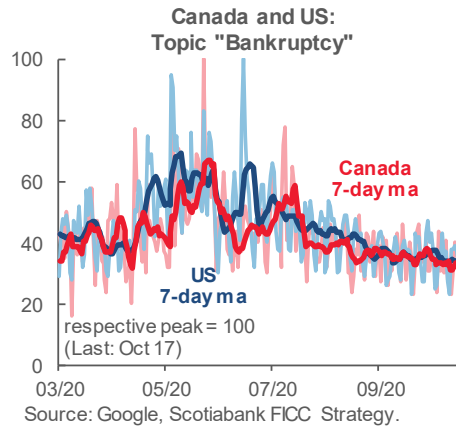
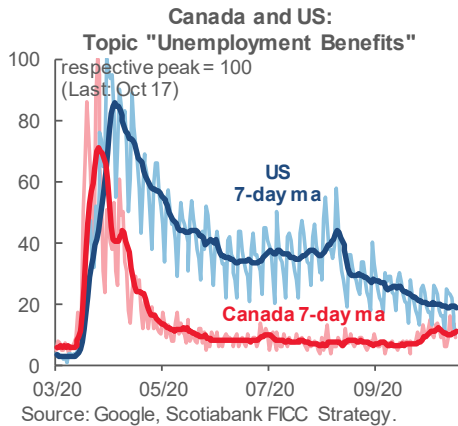
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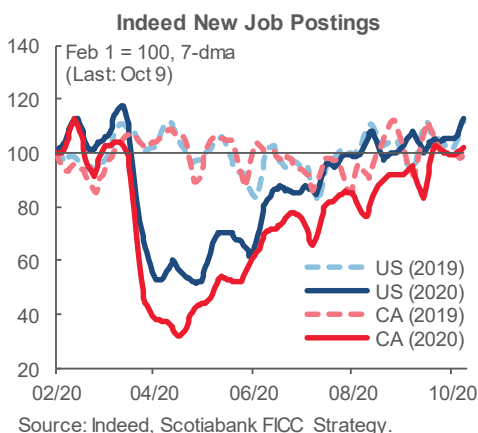
Google Search Trends

- Google Trends data shows a marked decline in search interest for unemployment benefits in Canada with the recent uptick likely a result of newly announced employment insurance programmes. In the US, searches for unemployment benefits have fallen to their lowest point since March after jumping in early August; which may have reflected the end of supplementary unemployment benefits in late-July and a new round of layoffs as some businesses closed with the rebound in cases in certain states. 'Realtor' search interest remains elevated amid ultra-low borrowing rates in Canada and the US but has eased as the summer buying season passes. Searches for 'COVID test' have surged in several countries while the recent jump in searches in the US began around the time of the President's positive diagnosis; the decline in Canada may be on the back of testing restrictions in Ontario.



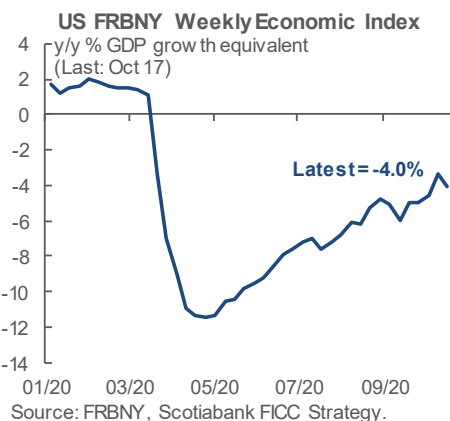
Indeed New Job Postings

- Online daily job postings on Indeed remain practically unchanged relative to 2019 in the US and also in Canada—although there appears to be some seasonal variation that has led to a divergence from last year's trend.



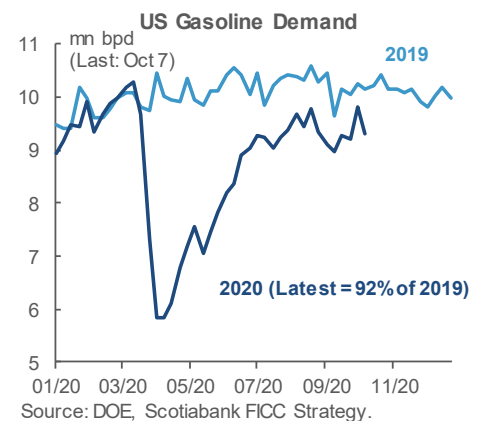
New York Fed Economic Index

- The NY Fed's economic index which aggregates ten daily and weekly indices points to a year-on-year decline in GDP of around -4.0% in mid-Oct equivalent to a 6.3% q/q increase for Q4 (very early data) following an estimated 22.3% expansion in Q3 after Q2's 32.9% q/q contraction.



US Gasoline Demand

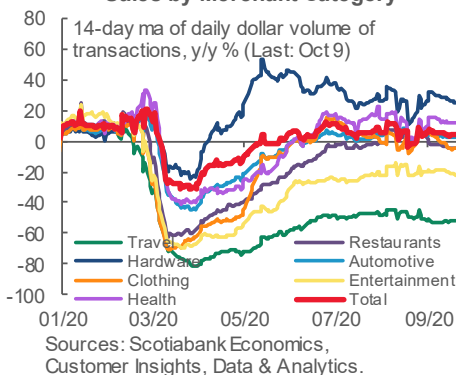
- Weekly US gasoline demand currently sits at around 8% below last year's levels as a higher share of workers work from home and mobility is reduced amid contagion concerns.



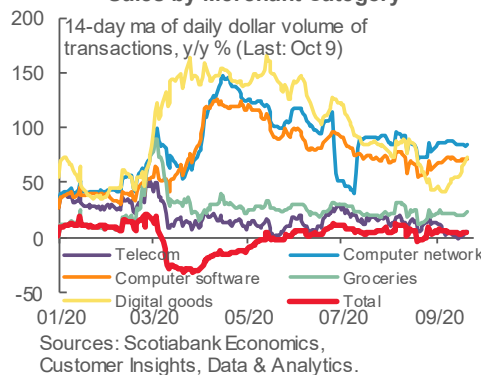
Scotiabank Canadian Merchant Data

- Scotiabank debit and credit card payments data compiled by our Economics, Customer Insights, and Data & Analytics teams show that retail transactions across core merchant categories have rebounded solidly in Canada from their April depths when compared to the same period last year. Total credit and debit transactions now stand around their year-ago levels after falling by close to 30% y/y in April but after showing a 5-10% increase through August; clothing and automotive are now roughly unchanged year-on-year while restaurant expenses have also recently turned negative—and may worsen amid restrictions in QC and ON. For more details see [here](#). For questions contact Nikita Perevalov (nikita.perevalov@scotiabank.com).

Scotiabank Canadian Transactions Data: Sales by Merchant Category



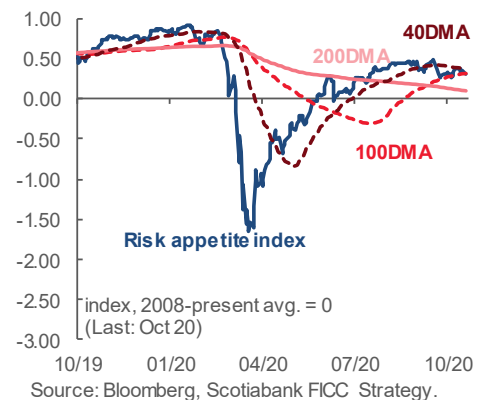
Scotiabank Canadian Transactions Data: Sales by Merchant Category



Scotia FX Risk Appetite Index

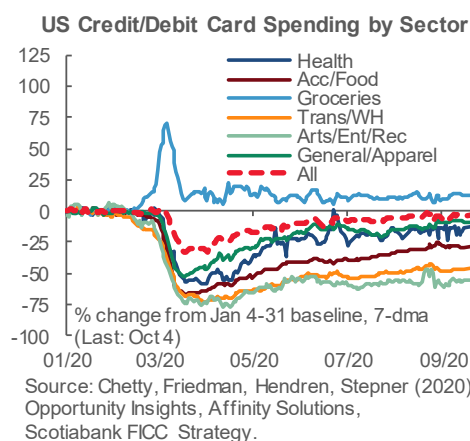
- Our daily risk appetite index—a factor of financial risk variables such as CDS spreads and market volatility—is trading just between its 40- and 100-day moving averages.

Scotiabank FX Strategy Risk Appetite Index



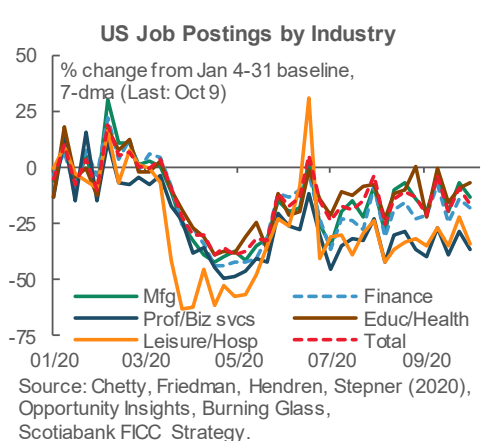
Affinity Solutions US Card Spending Data

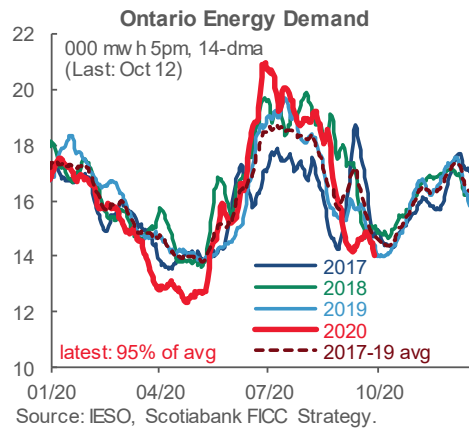
- Affinity Solutions debit and credit card payments data show that retail sales in the US remain slightly below their baseline in early-2020—but on a slight upward trajectory—with grocery purchases remaining elevated as individuals spend more time at home while spending on recreation and transportation remains quite depressed at ~ 50% lower than baseline, while accommodation and food spending is about 25% lower. Spending on general merch. & apparel has rebounded to only ~5% below baseline. The data show tentative signs that the stalling from June through most of August has ended with the latest jump in expenses led by bottom-income-quartile areas.



Burning Glass US Jobs Postings

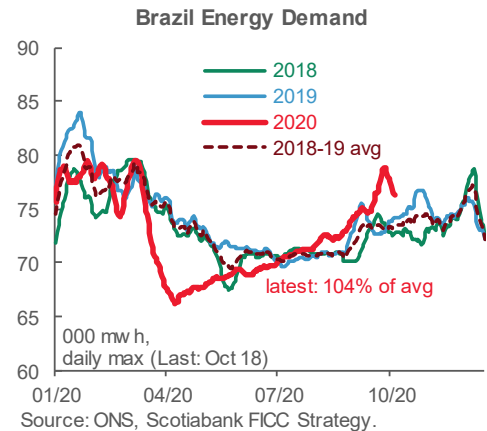
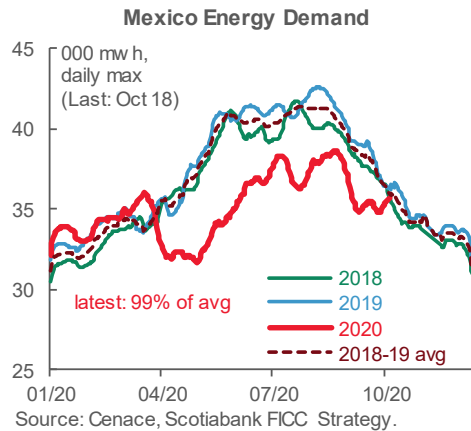
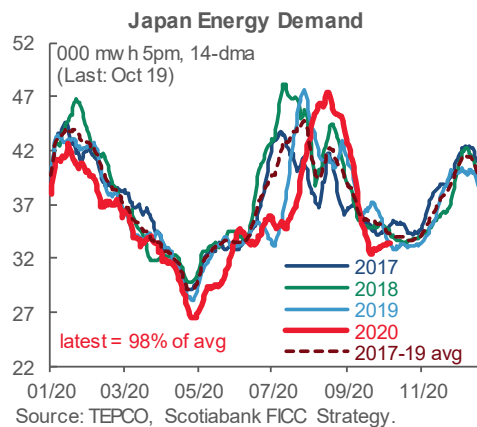
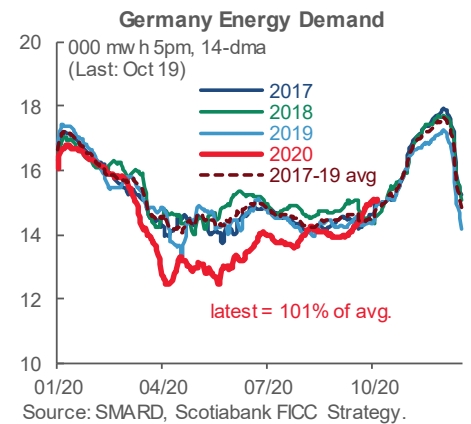
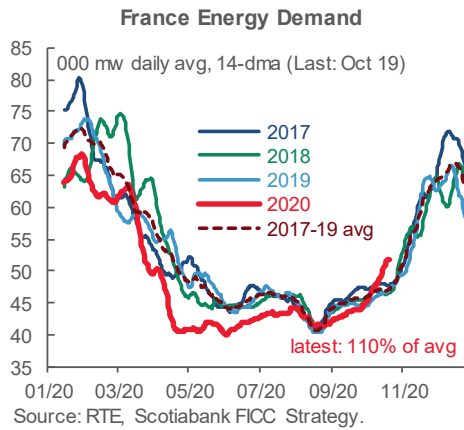
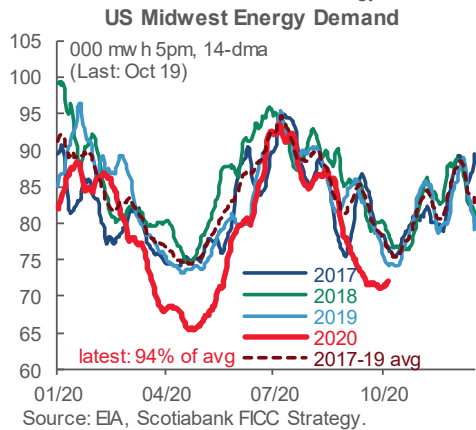
- Weekly Burning Glass data show that US job postings were down ~10% y/y, compared to their pandemic trough of -41% in late-April. Openings in the leisure and hospitality sector appear to have been severely impacted by the re-imposition of lockdown measures in certain states with steep increases in COVID -19 cases.





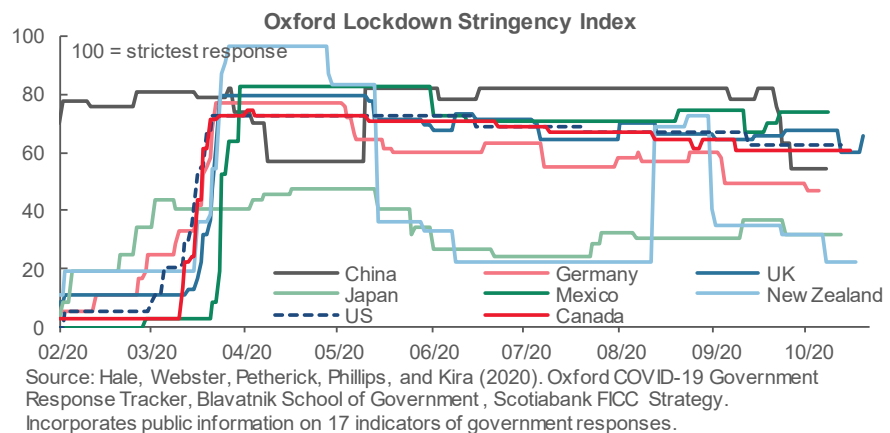
Energy Demand

- Hourly energy demand data shows that most economies are back to seasonal demand trends, including Mexico which had consistently lagged its peers at about 10% below the average of the past few years.



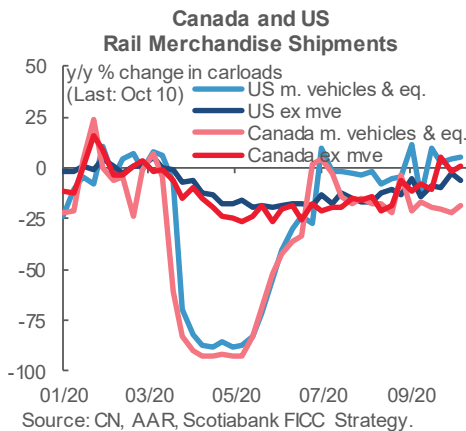
Lockdown Stringency Index

- Oxford University's lockdown stringency index—a useful guideline to track containment measures around the globe—shows the impact of the imposition and removal of containment measures imposed in New Zealand amid a surge in cases in the Auckland area after the country reached 102 days without community transmission. Germany's restrictions remain relatively loose compared to its peers—despite a recent uptick in contagions—which will likely result in an outperformance of the country's economy within the euro-bloc. Oxford's index already reflects an increase in restrictions in the UK amid a second wave of COVID-19.



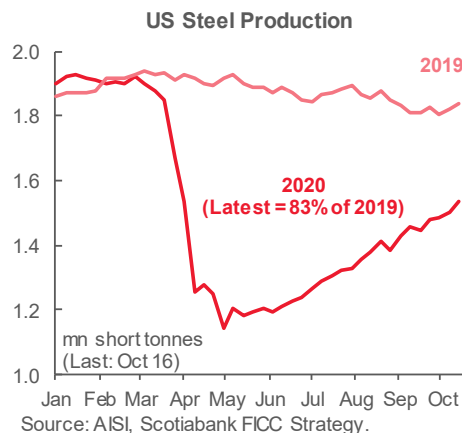
Rail Shipments

- Weekly rail shipments data shows that shipments ex. motor vehicles and equipment in Canada and the US roughly unchanged when compared to last year but it is still too early to tell whether the recent jump in the data is sustained. On the flip side, US auto shipments appear to have recovered fully vs year-ago levels while they remain depressed around 20-25% in Canada.



US Steel Production

- Weekly US steel production data suggests that activity in the manufacturing and construction sectors has not yet significantly improved for steel mills to notably ramp up production, which stands at about 83% of year-ago output compared to 60% in early May. The trend is nevertheless encouraging as 2020 levels continue to rise toward normal production.



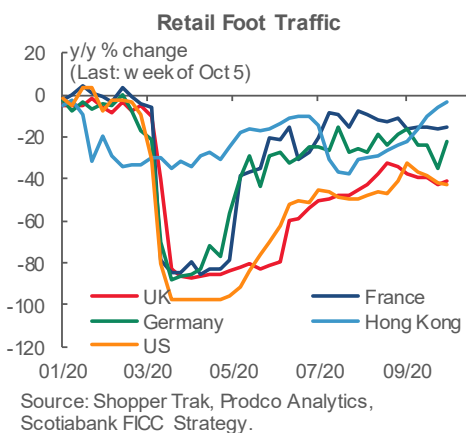
Shanghai Steel Inventories

- Chinese industrial output appears to have recovered quickly as steel inventory levels in the country are depleted from record-highs as reflected by weekly Shanghai storage data for both traders and steel mills. Steel mill inventories are around year-ago levels.



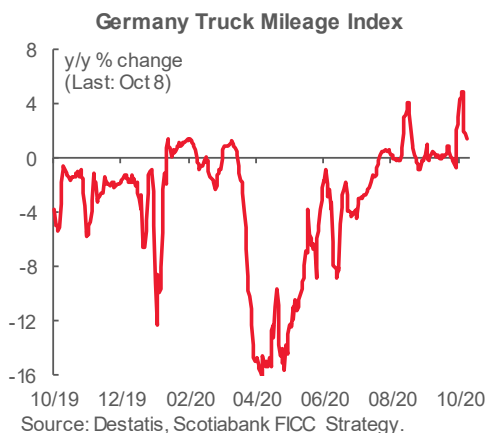
Retail Traffic

- ShopperTrak and Prodco retail foot traffic data show that retail activity has stabilised in France and Germany after a quick rebound through May and June. Retail traffic in the US and the UK has also recently reversed course, while it has accelerated in Hong Kong.



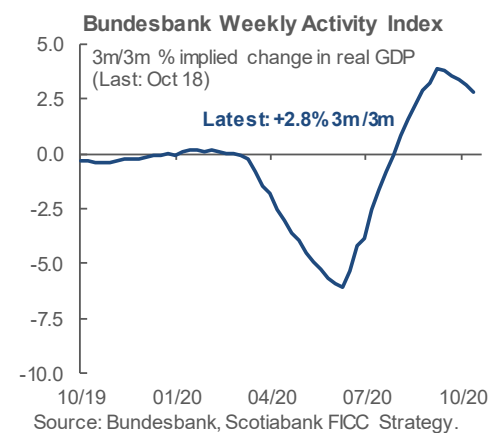
Germany Truck Mileage Index

- Daily truck mileage data for Germany—a close indicator of industrial production—shows a sharp rebound in economic activity in Europe's largest economy. As of Oct 5, miles traveled by trucks in Germany were around their year-ago level. This series and other data again point to the German economy recovering at a fast pace as lockdown measures are lifted.



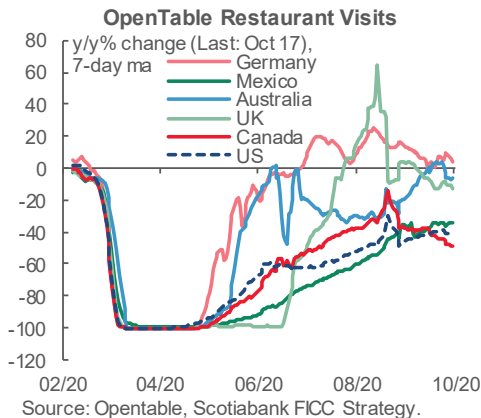
Bundesbank Activity Index

- The Bundesbank's high-frequency economic activity index estimates that the German economy is expanding by 2.8% on a 3m/3m basis, as of Oct 5, up from -6.1% roughly four months ago, reflecting the increase in activity in the country's industrial and services sectors. The most recent data, however, shows a plateauing of growth as we kick off the third quarter. Note that Germany's economy contracted by -9.7% in Q2, compared to the Bundesbank WEI estimate of -4.2% at end-June.



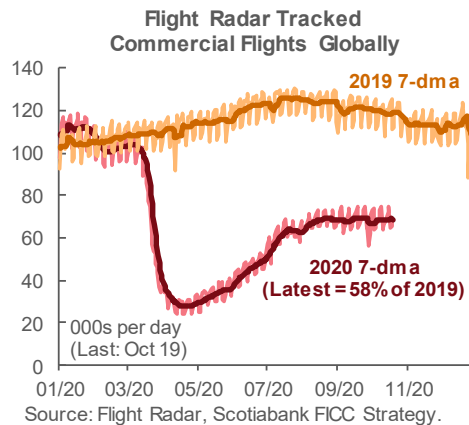
OpenTable Restaurant Visits

- Daily OpenTable restaurant foot traffic data points to a solid rebound in restaurant visits in Australia while other major economies see reduced gains, notable the UK with the end of the government's "eat out to help out" 50% discount scheme on Aug 31; the UK has also recently imposed a 10pm curfew on the hospitality sector. Certain regions of Quebec and Ontario recently banned indoor dining as well. Restaurant visits in Mexico and the US are showing an upward trend.



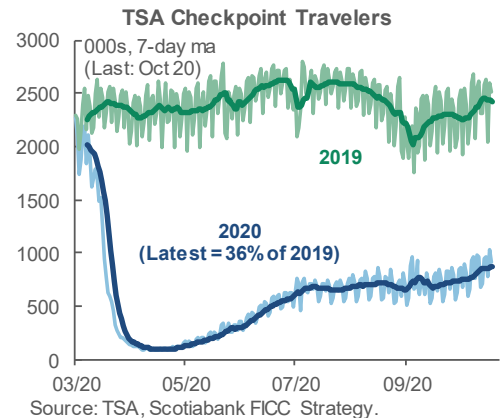
Flight Radar Commercial Flights

- Daily flights data from Flight Radar points to an unsurprising massive decline in air travel (about 40-45% lower compared to last year) owing to travel bans and other strict restrictions on domestic and international travel. As some countries eradicate (or sharply limit the spread of the virus) some travel will resume between 'COVID-free' nations.



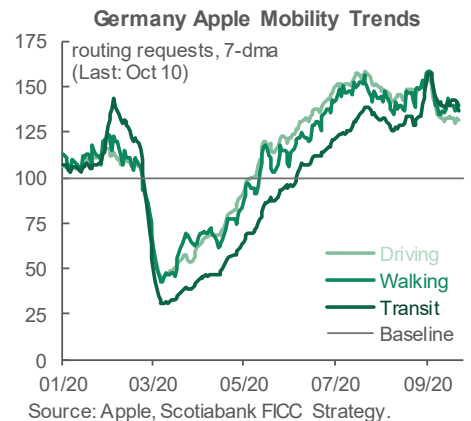
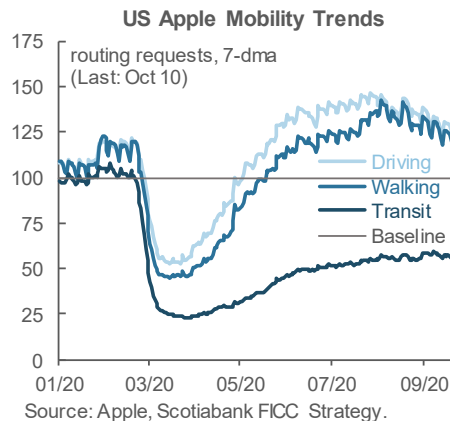
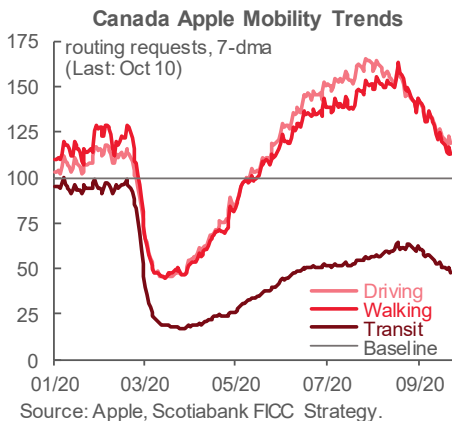
TSA Checkpoint Throughput

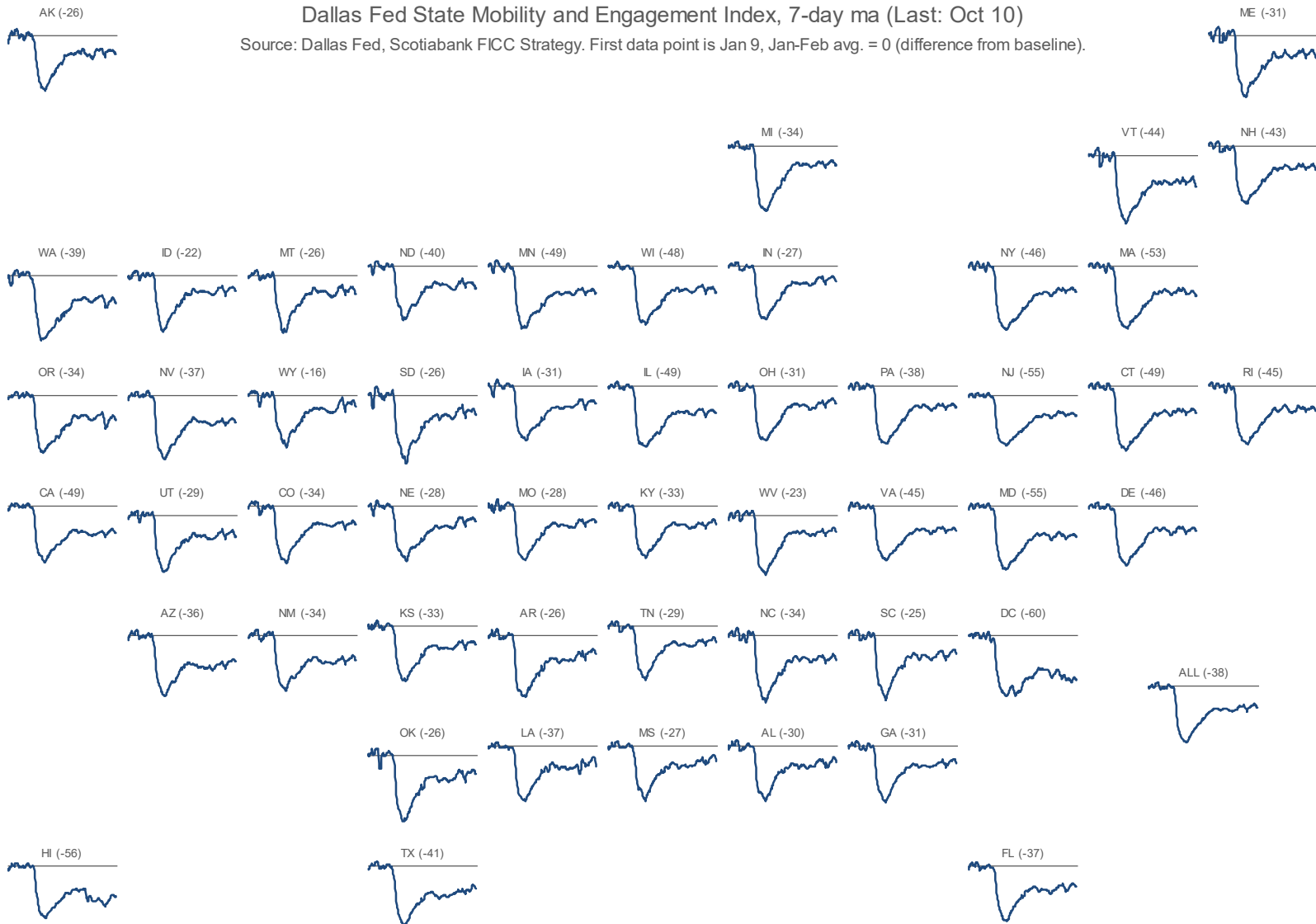
- Daily US TSA shows that traffic through US airports remains heavily subdued at about a third when compared to 2019. The recent rise in cases in the country may explain the plateauing of US travel since early-June. As domestic and international restrictions are lifted we should see a more important pick-up in travel activity.



Apple Mobility Trends

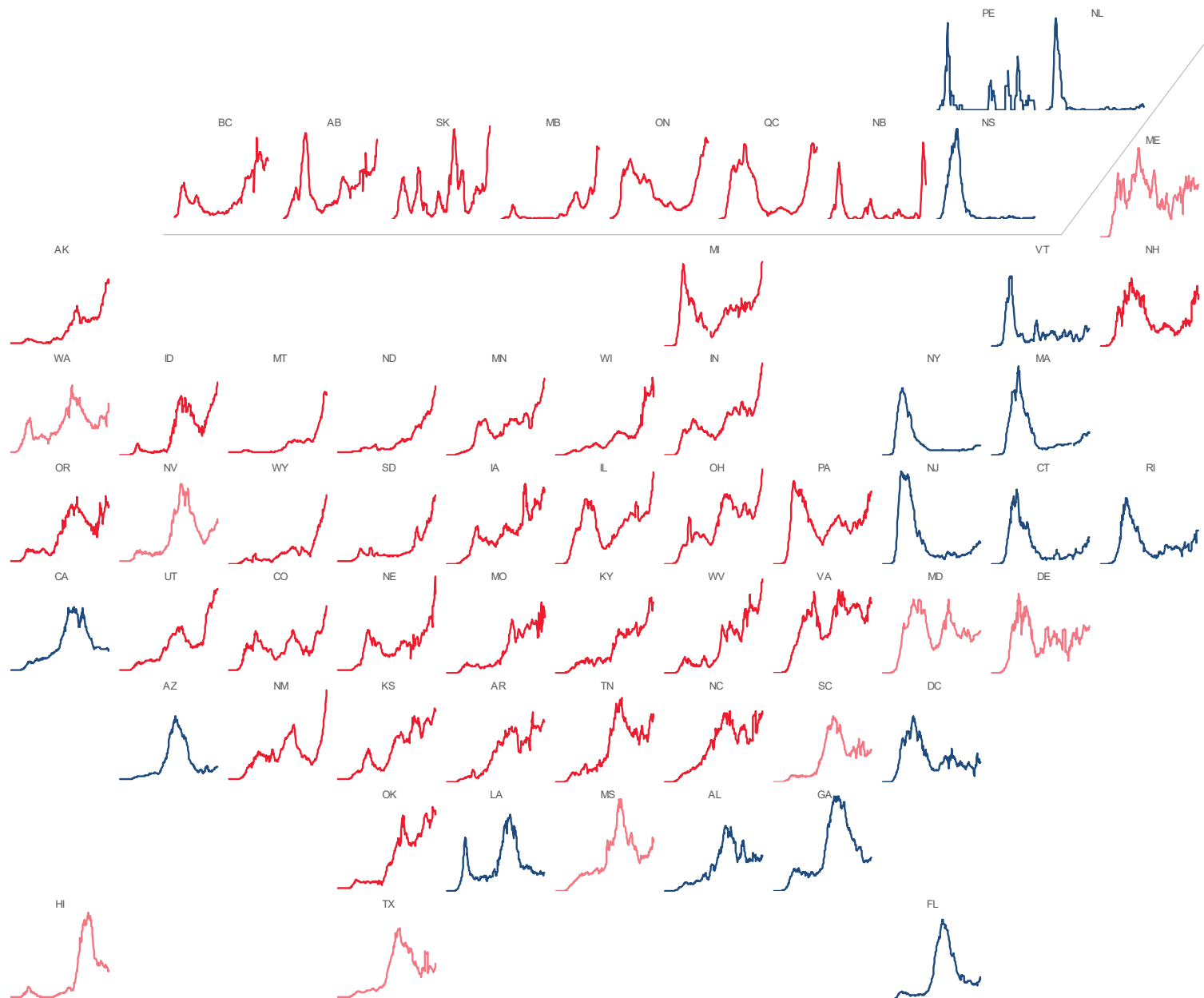
- Daily Apple data tracking Apple Maps routing requests shows that driving and walking mobility in Canada, the US, and Germany now exceeds their respective baseline levels of mid-January. However, only in Germany has there been a significant and sustained increase in transit usage that points to a faster return to economic normality than in North America as lockdown measures are lifted; see Oxford U's lockdown stringency index that shows Germany's restrictions are now significantly more relaxed than in most of its peers. The recent decline in Canadian, US, and slightly less so in German, mobility may have reflected a concern over increasing cases and/or a lull in mobility around the school year re-start—i.e. normal seasonal patterns.





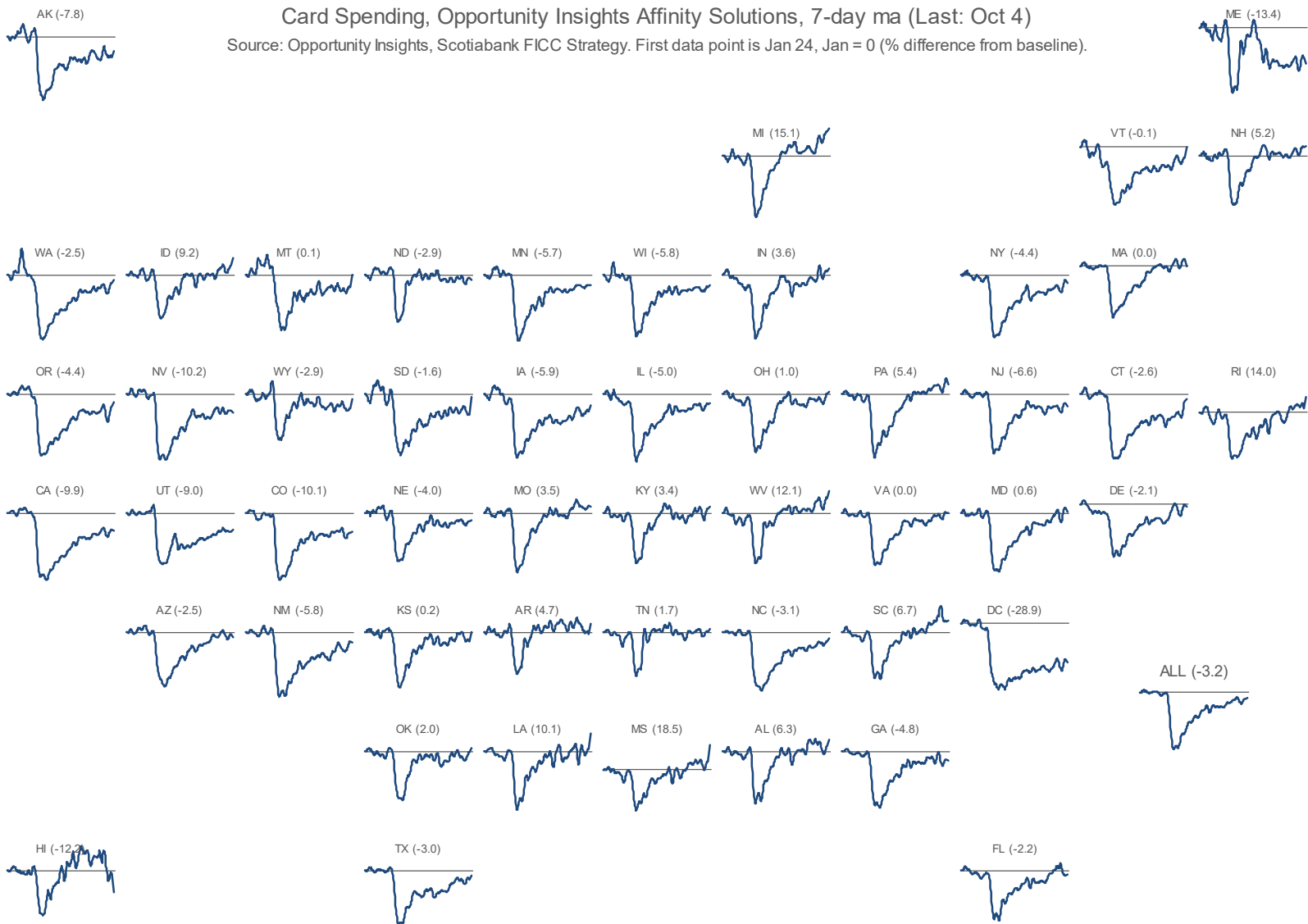
New Confirmed COVID-19 Cases by US State and Canadian Province, 7-day ma (Last: Oct 19)

Source: Bloomberg, Scotiabank FICC Strategy. First data point is March 3.



Card Spending, Opportunity Insights Affinity Solutions, 7-day ma (Last: Oct 4)

Source: Opportunity Insights, Scotiabank FICC Strategy. First data point is Jan 24, Jan = 0 (% difference from baseline).



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