

High-Frequency Dashboard: Tracking the Post-Lockdown Recovery (September 15, 2020)

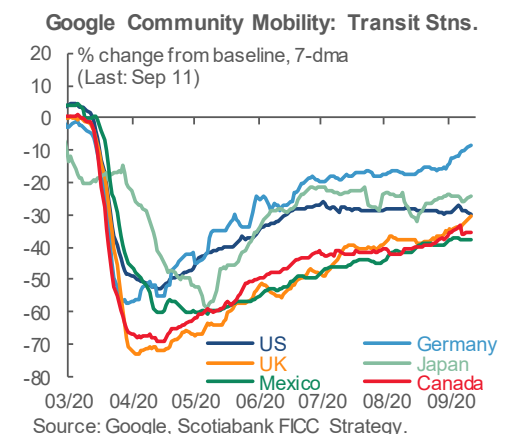
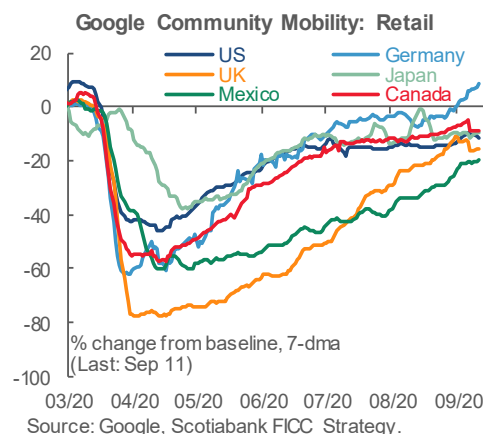
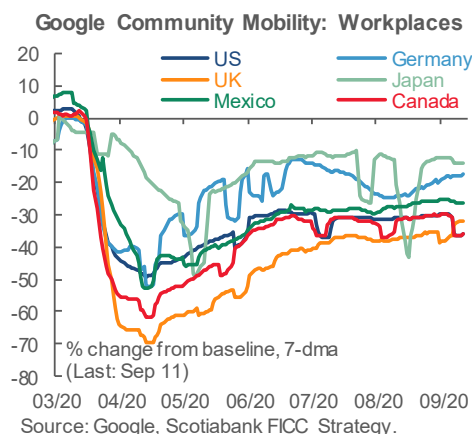
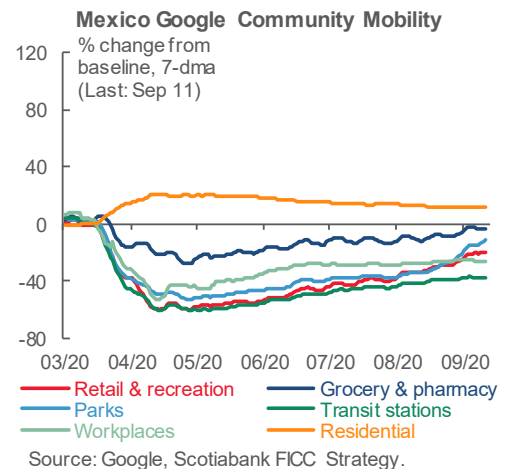
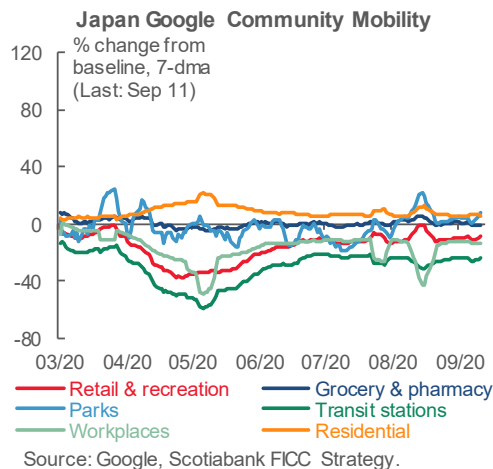
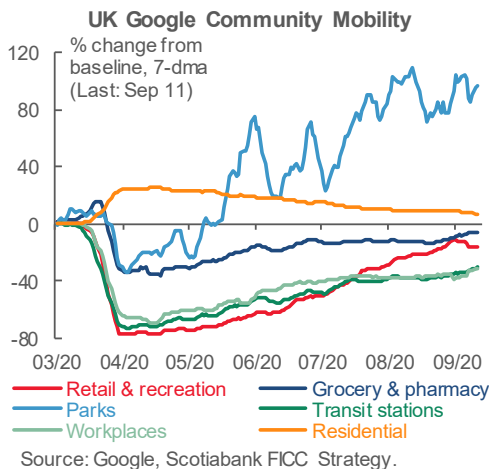
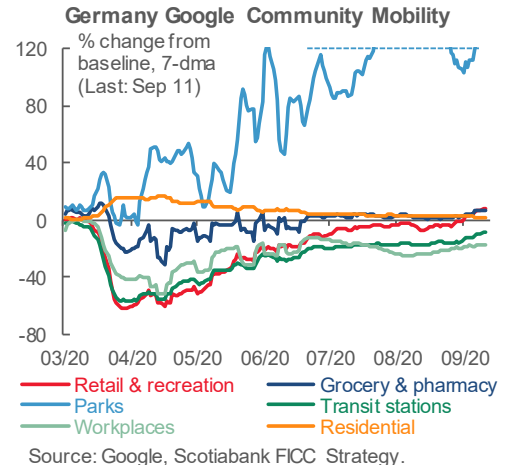
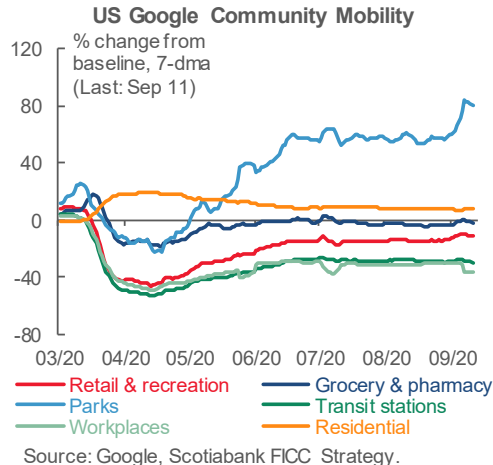
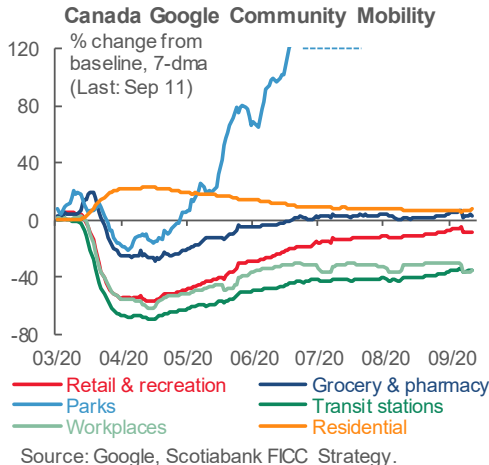
Shaun Osborne
Chief FX Strategist
461.945.4538
shaun.osborne@scotiabank.com

Juan Manuel Herrera
FX Strategist
416.866.6781
juanmanuel.herrera@scotiabank.com

Follow us on Twitter [@SCOTIABANKFX](https://twitter.com/SCOTIABANKFX)

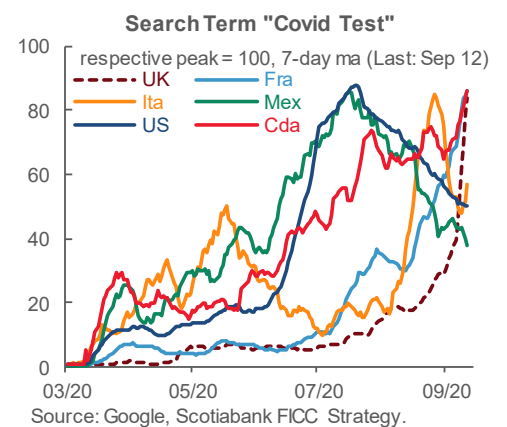
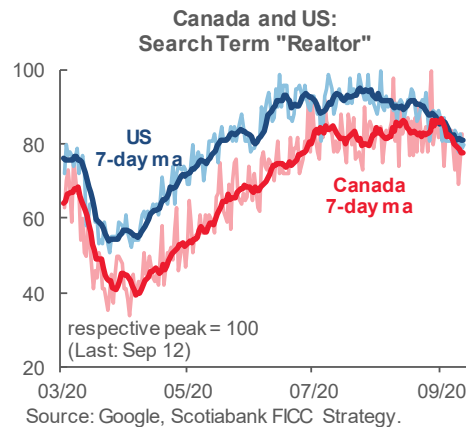
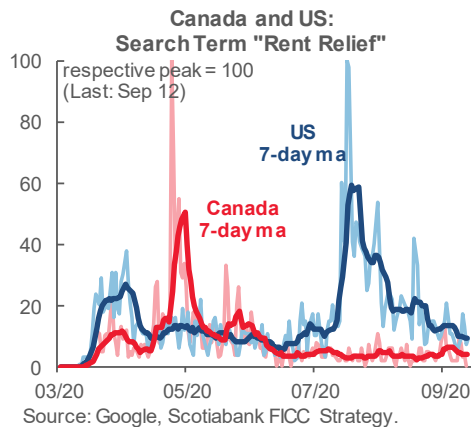
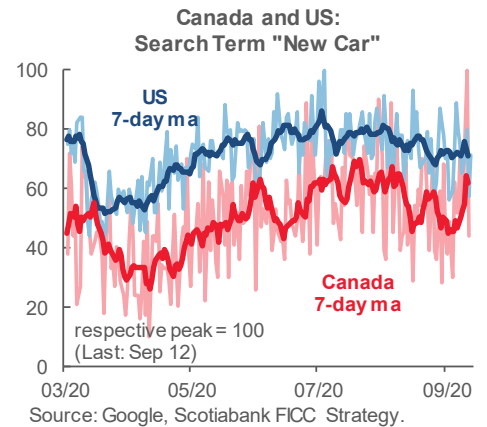
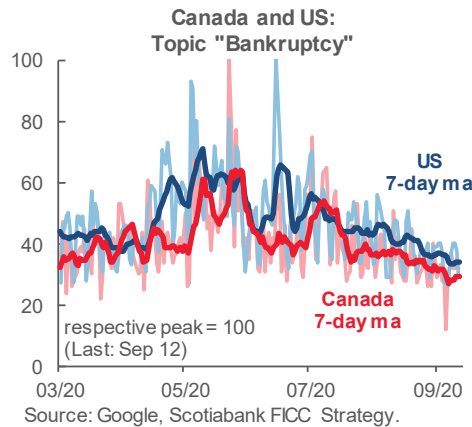
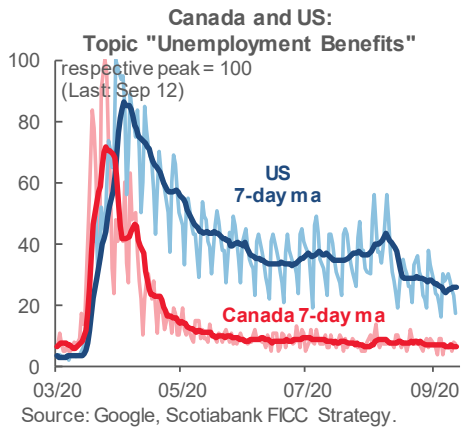
Google Community Mobility

- Daily Google data tracking movement trends points to slowing gains in economic activity which in part reflects seasonal patterns (summer holidays)—see temporary decline in workplace activity in Germany—but may also be due to the re-imposition of some lockdown measures in certain regions. 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. Retail, transit, and workplaces mobility in the US has been flat since mid- to late-June.



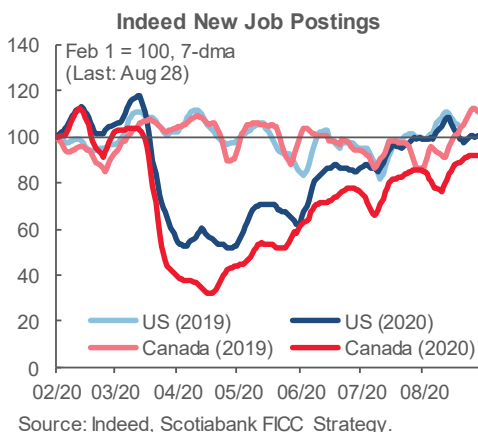
Google Search Trends

- Google Trends data shows a marked decline in search interest for unemployment benefits in Canada—including searches for the federal government's other income support programmes, CERB and CESB. 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.



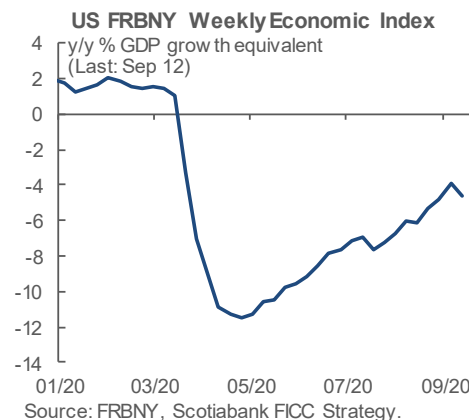
Indeed New Job Postings

- Online daily job postings on Indeed remain practically unchanged relative to 2019 in the US, but, for now, sit below last year's trend in Canada.



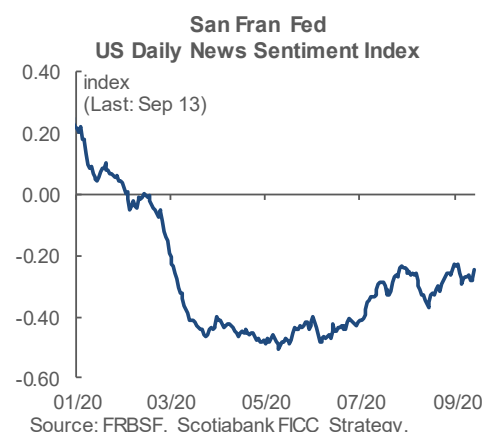
New York Fed Economic Index

- The NY Fed's weekly economic index which aggregates ten different daily and weekly indices points to a year-on-year decline in GDP of around -4.6% in early-September equivalent to a 27% q/q increase for Q3 following a 32.9% q/q contraction in Q2.



San Fran Fed News Index

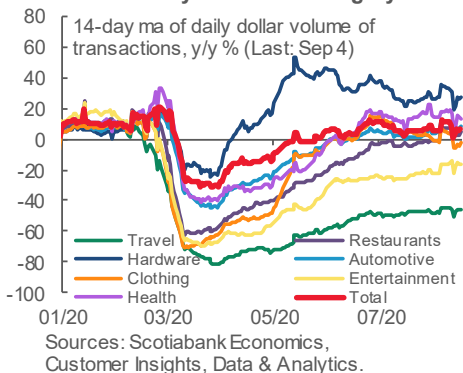
- The FRB of San Francisco's Daily News Sentiment Index, which tracks the implied tone of news articles in 16 major US newspapers, points to an improvement in sentiment since its trough in late-March.



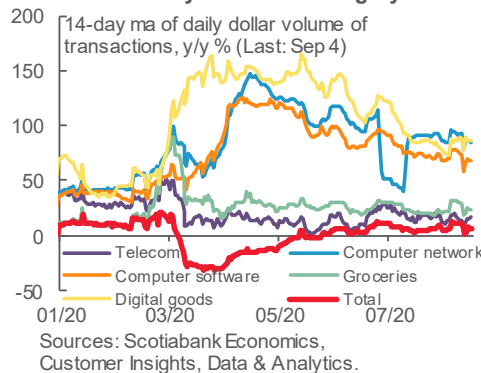
Scotiabank Canadian Merchant Data

- 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 5-10% above their year-ago levels after falling by close to 30% y/y in April; clothing, automotive, and health expenses are now rising year-on-year while restaurant expenses are also recently increasing. While the lockdown measures, travel bans, and fear of contagion have sharply hit the travel industry—with transaction volumes down about 50% y/y as of a week ago—other sectors have seen an increase in sales as people spend more time at home (e.g. computer software sales). For more details see [here](#). For questions contact Nikita Perevalov (nikita.perevalov@scotiabank.com).

Scotiabank Canadian Transactions Data: Sales by Merchant Category



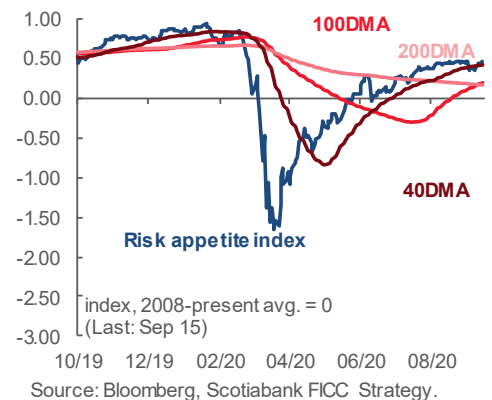
Scotiabank Canadian Transactions Data: Sales by Merchant Category



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 around its 40-day MA.

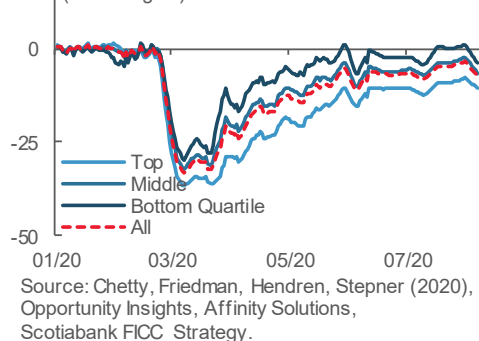
Scotiabank FX Strategy Risk Appetite Index



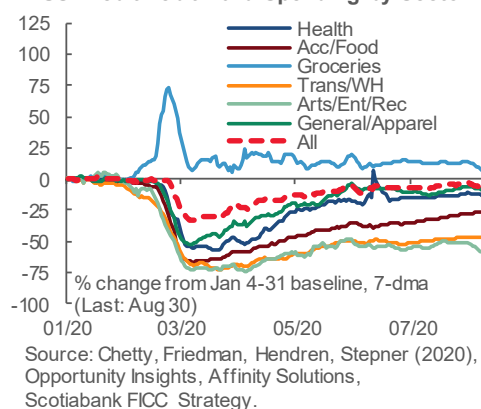
Affinity Solutions US Card Spending Data

- Affinity Solutions debit and credit card payments data show that retail sales in the US remain around 5-10% off their baseline in early-2020 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 ~5-10% below baseline. The data show tentative signs that the stalling from June through most of August has ended.

US Credit/Debit Card Spending by ZIP Code Median Income Quartile



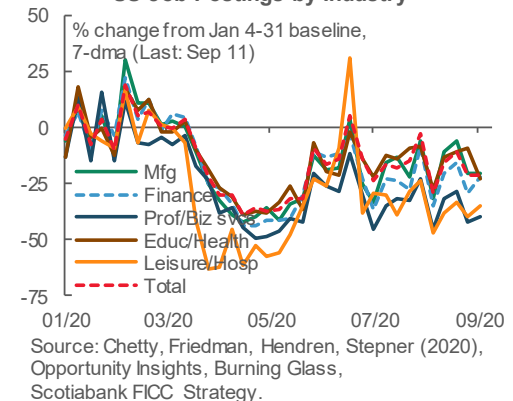
US Credit/Debit Card Spending by Sector

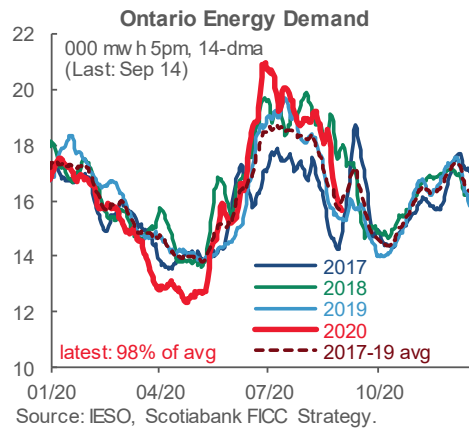


Burning Glass US Jobs Postings

- Weekly Burning Glass data show that US job postings were down by 21% y/y, compared to their pandemic trough of -39% 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.

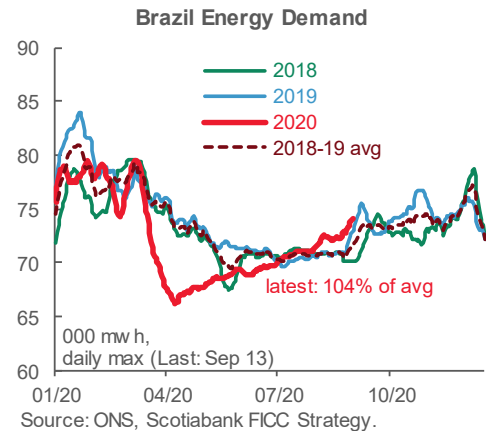
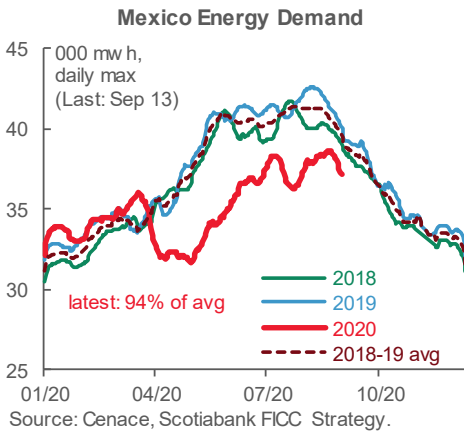
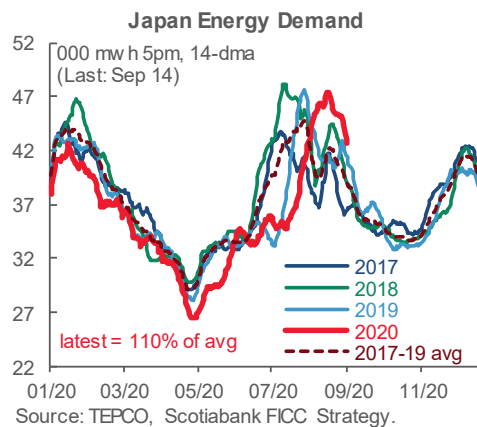
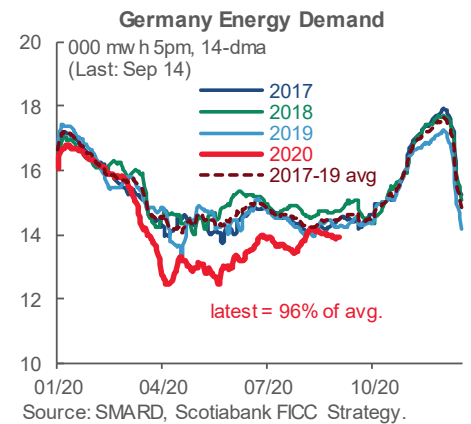
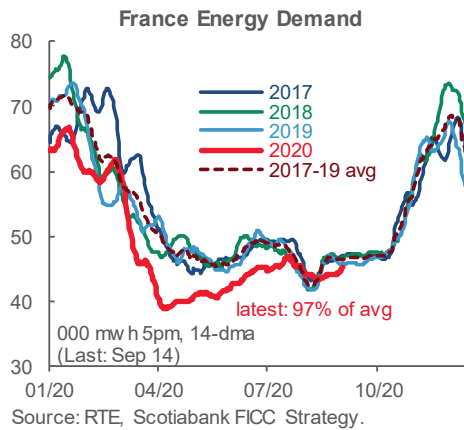
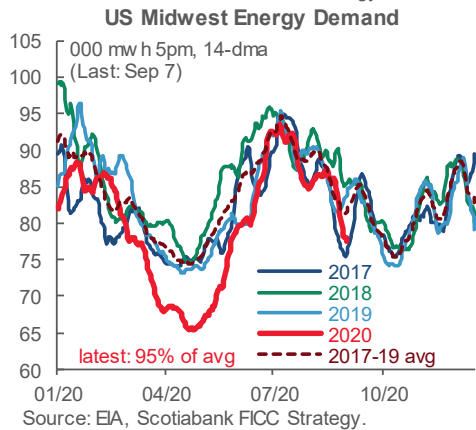
US Job Postings by Industry





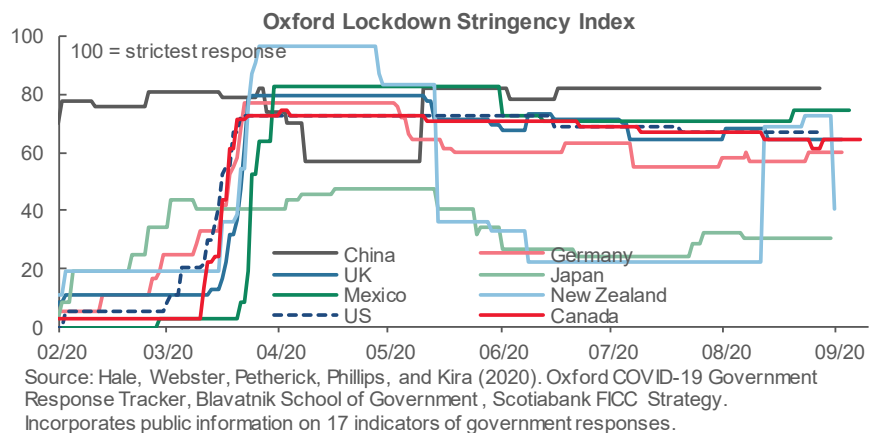
Energy Demand

- Hourly energy demand data shows that most economies are back to seasonal demand trends with above-average temperatures possibly leading to excess energy usage amid increased air conditioning usage.
- In the case of Mexico however, energy demand remains around 5% below its 2018-19 avg. which may reflect a continued idling of economic activity, unlike 'normal' demand levels in Brazil, which is expected to lead the major Latin American economies in economic performance this year.



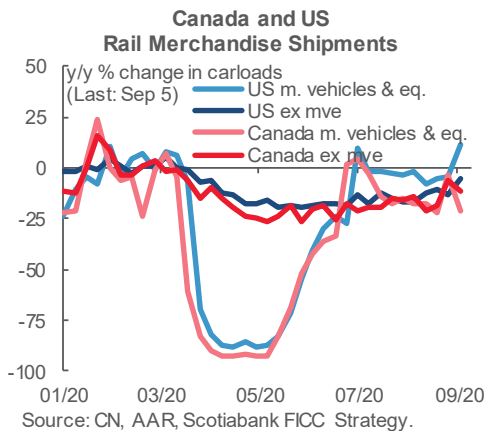
Lockdown Stringency Index

- Oxford University's lockdown stringency index—a useful guideline to track containment measures around the globe—shows the impact of the new 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.



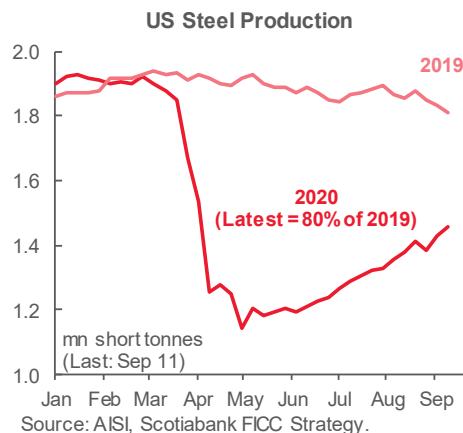
Rail Shipments

- Weekly rail shipments data shows that demand for motor vehicles and equipment in the US is again above year-ago levels although this is likely in trade with Mexico rather than with Canada, where the latter's data still shows a contraction in shipments of these goods.



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 80% of year-ago output compared to 60% in early May.



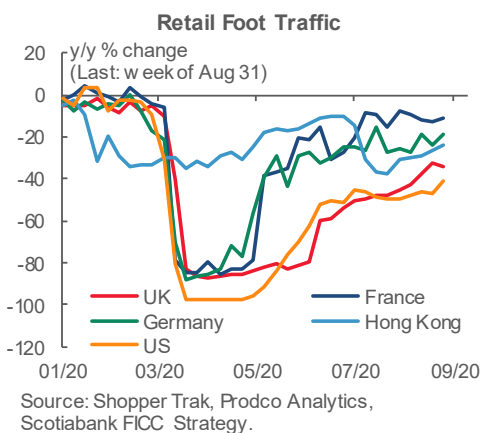
Shanghai Steel Inventories

- Chinese industrial output appears to have recovered quickly, but then stalled, 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 closer to 'normal' levels but show no signs of declining of late.



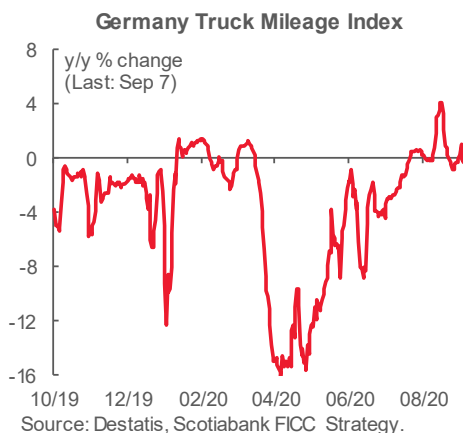
Retail Traffic

- ShopperTrak and Prodco retail foot traffic data show that retail activity has picked up quickly in France and Germany to leapfrog the decline in Hong Kong—which reverted shutdowns recently owing to rising contagions. Retail traffic in the US seems to be picking up speed in recent days.



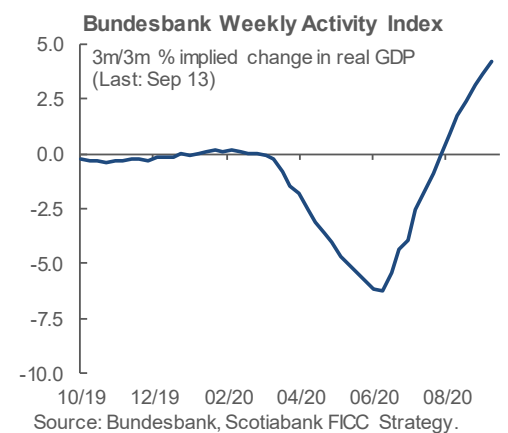
Germany Truck Mileage Index

- 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 Sep 7, 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.



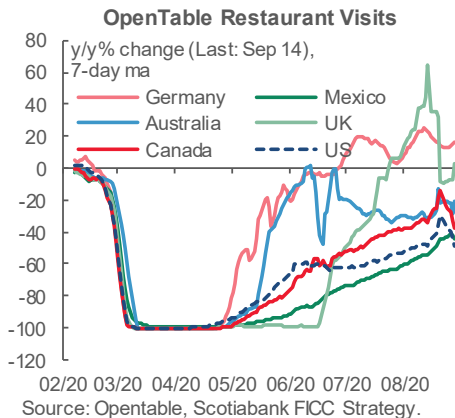
Bundesbank Activity Index

- The Bundesbank's high-frequency economic activity index estimates that the German economy is expanding by 4.3% on a 3m/3m basis, as of August 30, up from -6.3% roughly three months ago, reflecting the increase in activity in the country's industrial and services sectors. Note that Germany's economy contracted by -9.7% in Q2, compared to the Bundesbank WEI estimate of -4.3% at end-June.



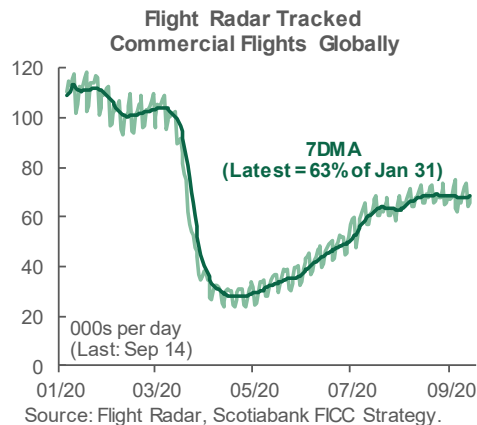
OpenTable Restaurant Visits

- Daily OpenTable restaurant foot traffic data points to a solid rebound in restaurant visits in Germany and continued gains in Canada, where the recent increase may reflect caution around increasing contagions. In the UK the end of the government's "eat out to help out" 50% discount scheme on Aug 31 has led to a decline in visits.



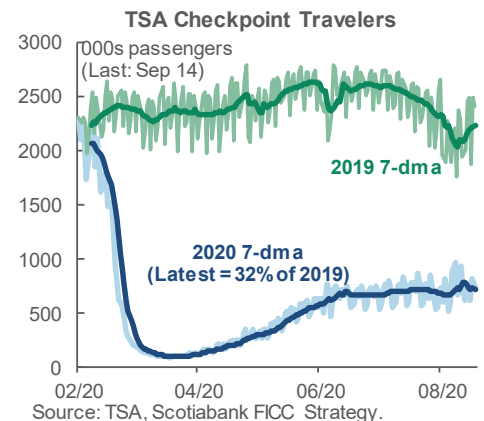
Flight Radar Commercial Flights

- Daily flights data from Flight Radar points to an unsurprising massive decline in air travel (about 40% lower compared to early-2020) 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.



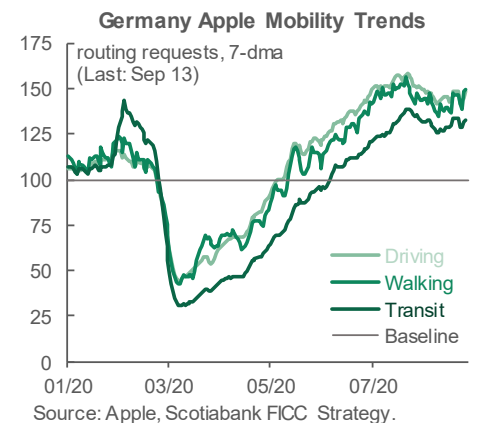
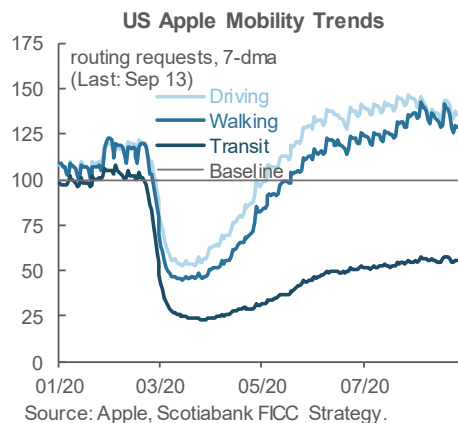
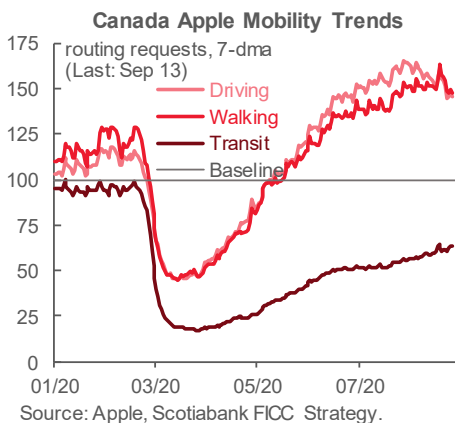
TSA Checkpoint Throughput

- 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

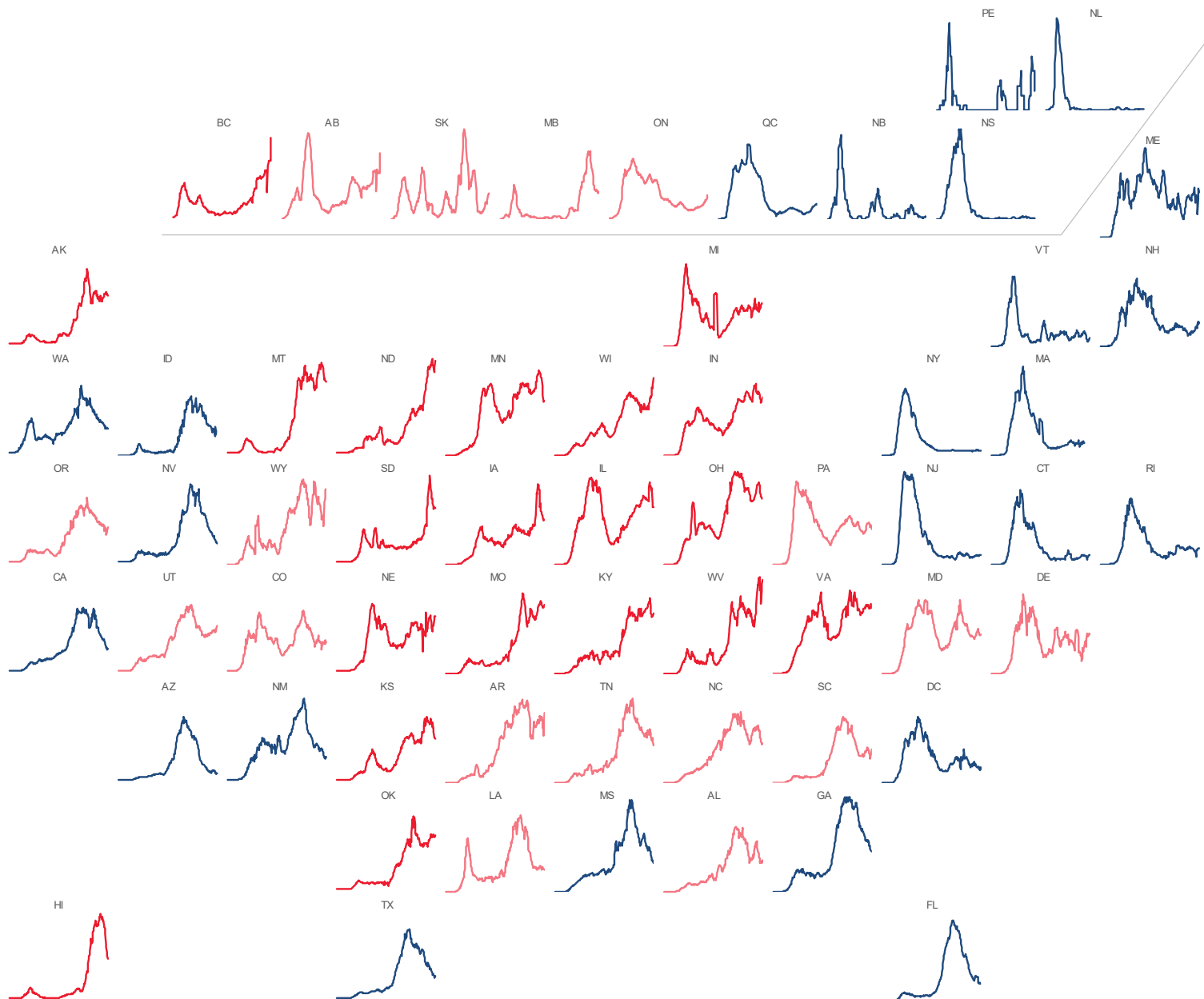
- Daily Apple data tracking Apple Maps routing requests shows that driving and walking mobility in Canada, the US, and Germany now exceeds their respective baseline levels of mid-January. However, only in Germany has there been a significant increase in transit usage that points to a faster return to 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 German mobility may reflect a concern over increasing cases.





New Confirmed COVID-19 Cases by US State and Canadian Province, 7-day ma (Last: Sep 14)

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



Card Spending, Opportunity Insights Affinity Solutions, 7-day ma (Last: Aug 30)

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



IMPORTANT NOTICE and DISCLAIMER:

This report is prepared by Scotiabank as a resource for clients of Scotiabank for information and discussion purposes only. This report should be considered a marketing communication and has not been prepared by a member of the research department of Scotiabank, it is solely for the use of sophisticated institutional investors, and this report does not constitute investment advice or any personal recommendation to invest in a financial instrument or "investment research" as defined by the UK Prudential Regulation Authority or UK Financial Conduct Authority. This document has not been prepared in accordance with EU legal requirements designed to promote the independence of investment research and the information contained in this publication is not subject to any prohibition in the EU on dealing ahead of the dissemination of investment research. Opinions, estimates and projections contained herein are our own as of the date hereof and are subject to change without notice. The information and opinions contained herein have been compiled or arrived at from publically available sources believed reliable but no representation or warranty, express or implied, is made as to their accuracy or completeness and neither the information nor the forecast shall be taken as a representation for which Scotiabank or any of its employees incur any responsibility. Neither Scotiabank nor its representatives accept any liability whatsoever for any loss arising from any use of this report or its contents. This report is not, and is not constructed as, an offer to sell or solicitation of any offer to buy any financial instruments and has no regard to the specific investment objectives, financial situation or particular needs of any recipient. It is not intended to provide legal, tax, accounting or other advice. Scotiabank and/or its respective officers, directors or employees may from time to time take positions in the products mentioned herein as principal or agent. Directors, officers or employees of Scotiabank may serve as directors of corporations referred to herein. Scotiabank may have acted as financial advisor and/or underwriter for certain of the corporations mentioned herein and may have received and may receive remuneration for same. This report may include forward-looking statements about the objectives and strategies of Scotiabank. Such forward-looking statements are inherently subject to uncertainties beyond the control of Scotiabank including but not limited to economic and financial conditions globally, regulatory development in Canada and elsewhere, technological developments and competition. The reader is cautioned that the member's actual performance could differ materially from such forward-looking statements. Past performance or simulated past performance is not a reliable indicator of future results. Forecasts are not a reliable indicator of future performance. You should note that the manner in which you implement any of strategies set out in this report may expose you to significant risk and you should carefully consider your ability to bear such risks through consultation with your legal, accounting and other advisors. Information in this report regarding services and products of Scotiabank is applicable only in jurisdictions where such services and products may lawfully be offered for sale and is void where prohibited by law. If you access this report from outside of Canada, you are responsible for compliance with local, national and international laws. Not all products and services are available across Canada or in all countries. All Scotiabank products and services are subject to the terms of applicable agreements. This report and all information, opinions and conclusions contained in it are protected by copyright. This report may not be reproduced in whole or in part, or referred to in any manner whatsoever nor may the information, opinions and conclusions contained in it be referred to without in each case the prior express consent of Scotiabank. Scotiabank is a Canadian chartered bank.

If you are affected by MIFID II, you must advise us in writing at trade.supervision@scotiabank.com.

TMTrademark of The Bank of Nova Scotia. Used under license, where applicable. Scotiabank, together with "Global Banking and Markets", is a marketing name for the global corporate and investment banking and capital markets businesses of The Bank of Nova Scotia and certain of its affiliates in the countries where they operate, including, Scotia Capital Inc. and Scotia Capital (USA) Inc., Scotiabank Europe plc, Scotiabank (Ireland) Limited - all members of the Scotia-bank Group and authorized users of the mark. The Bank of Nova Scotia is incorporated in Canada with limited liability. Scotia Capital Inc. is a member of the Canadian Investor Protection Fund. Scotia Capital (USA) Inc. is a broker-dealer registered with the SEC and is a member of FINRA, NYSE, NFA and SIPC. The Bank of Nova Scotia is authorized and regulated by the Office of the Superintendent of Financial Institutions in Canada. The Bank of Nova Scotia is authorized by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of The Bank of Nova Scotia's regulation by the Prudential Regulation Authority are available from us on request. Scotiabank Europe plc is authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

To unsubscribe from receiving further Commercial Electronic Messages click this link: www.unsubscribe.gbm.scotiabank.com.