

Corona Barometer: Card payments somewhat slipped

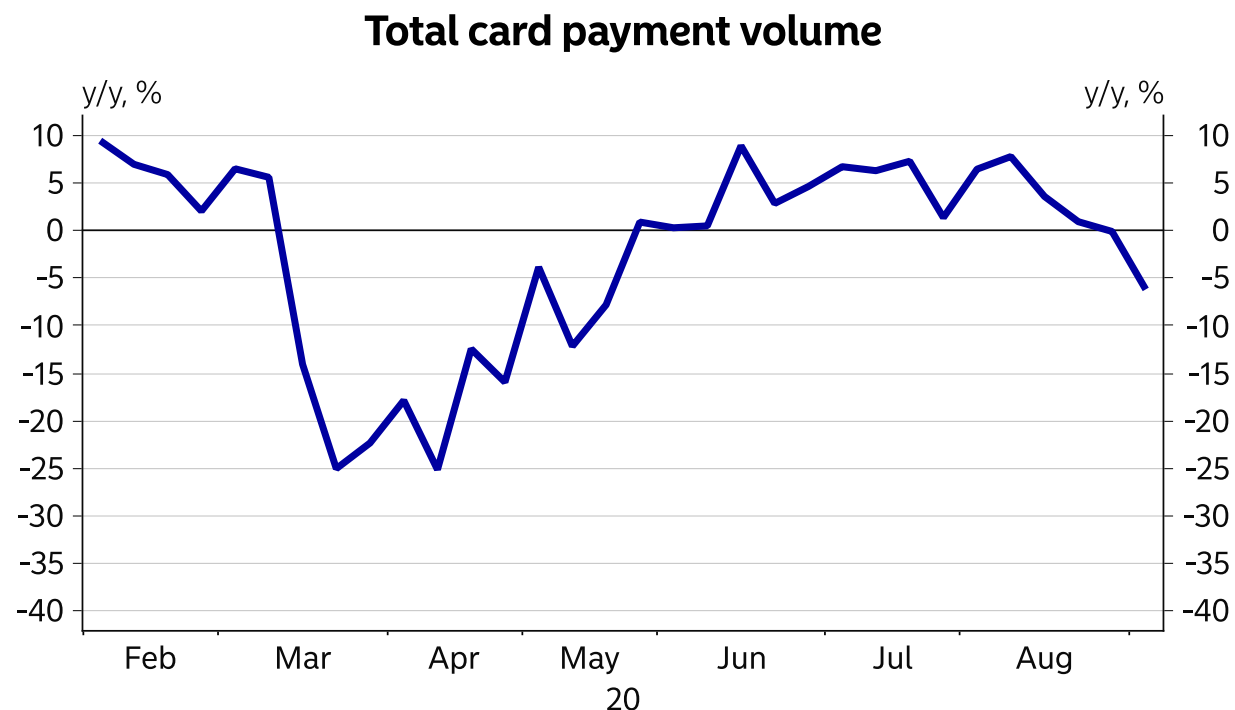
Robert Suomi, Juho Kostainen, Tuuli Koivu and Kristian Nummelin
23.9.2020



Card payments somewhat slipped

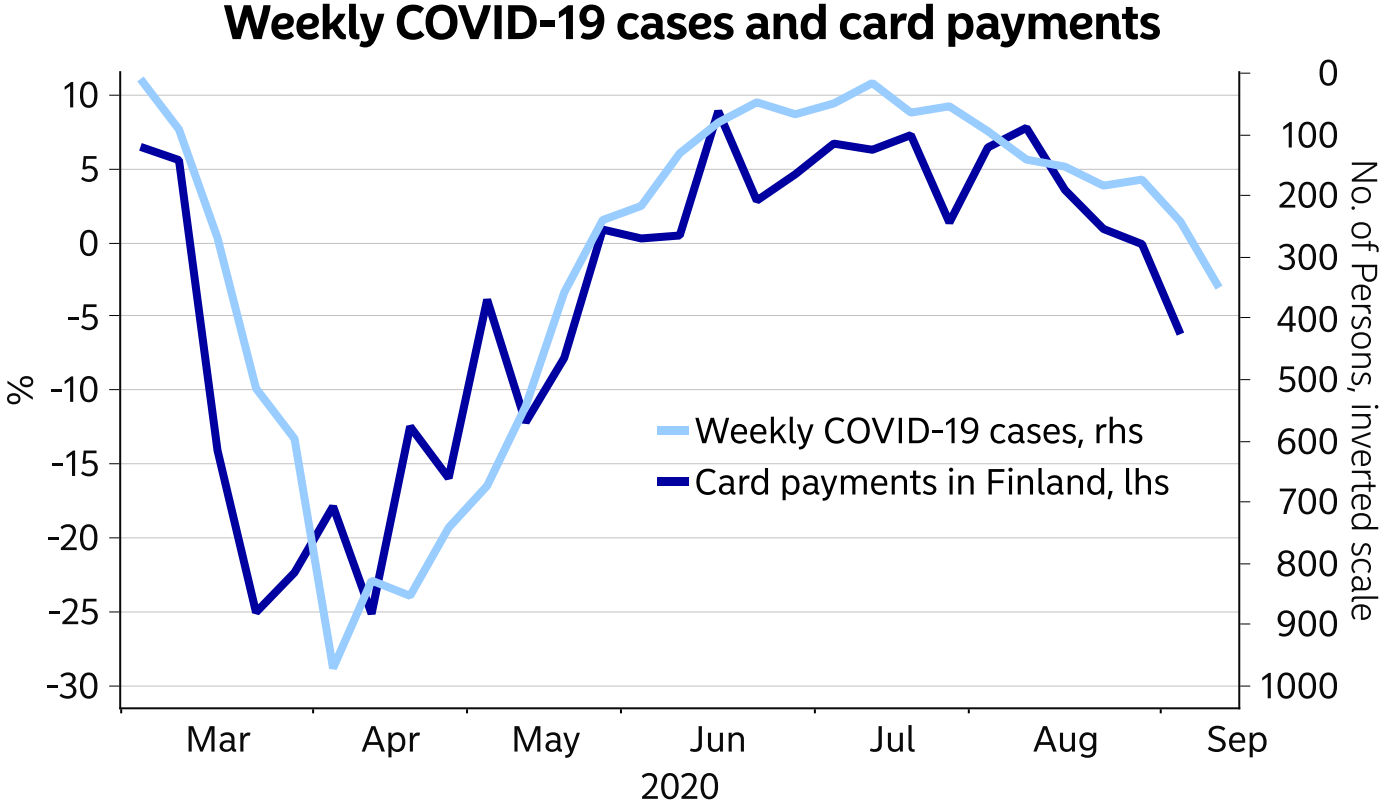
- Card payment data are available until week 37, which is the week ending on 13.9.2020.
- Total card payment volumes have taken a slight downturn and are now approximately 5% lower compared to the year before. The increases in newly recorded corona cases add to the downside risks going forward, and card payments within several sectors are trending downwards. Nevertheless, activity within the supermarket, ecommerce and DIY categories remains higher than the year before.
- **Note! As of 8.7. this publication series uses data showing year-on-year changes, where card payments made abroad have been omitted. While the latter change provides a more accurate picture of Finnish consumer activity in Finland, it is important to note, however, that just as Finnish card payment volumes abroad have recovered slowly, the same can be argued for foreign card payments made in Finland.**

Total card payment volumes are approximately 5% lower compared to the year before.



Source: Nordea and Macrobond

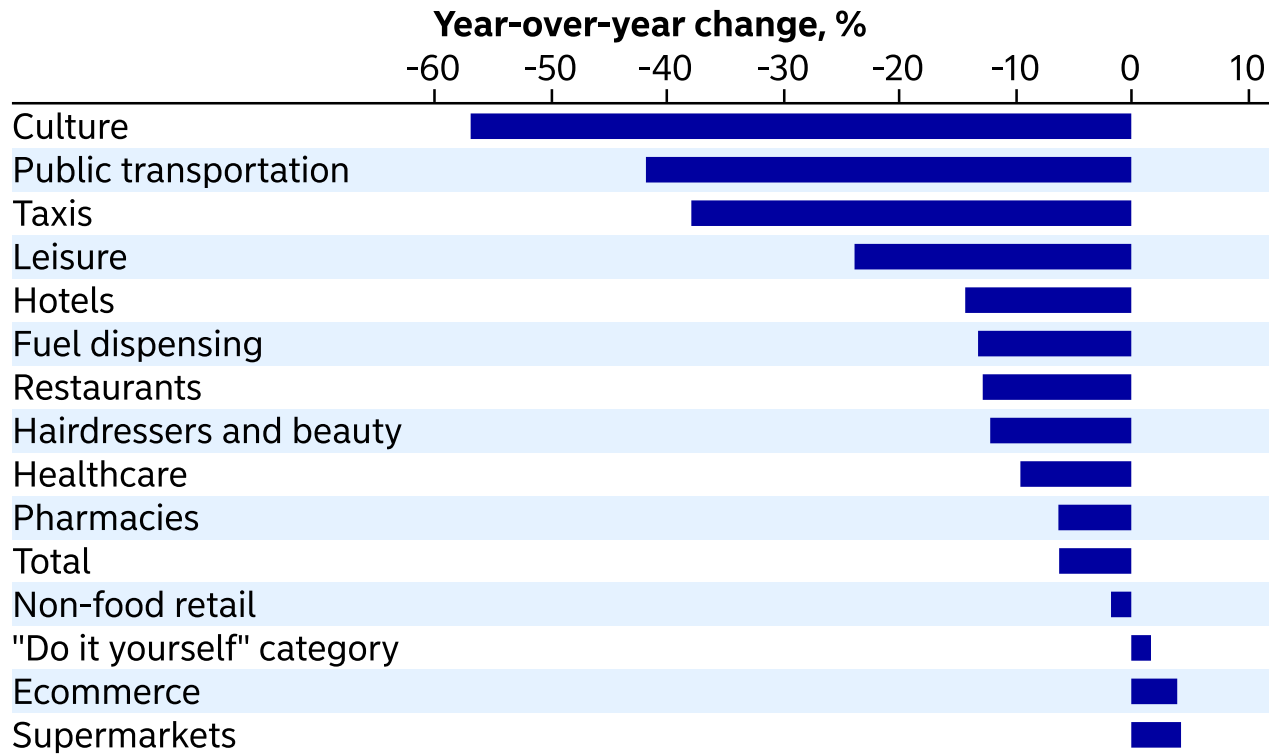
Card payment volumes recovered swiftly during summer, as the number of corona cases declined. The recent increases in new corona cases add to the uncertainty going forward.



Source: Nordea and Macrobond

Supermarket and ecommerce activity continues to support total card payments. Activity within other categories is lower compared to the year before.

2020 vs 2019: Week 37 (7.-13.9.)

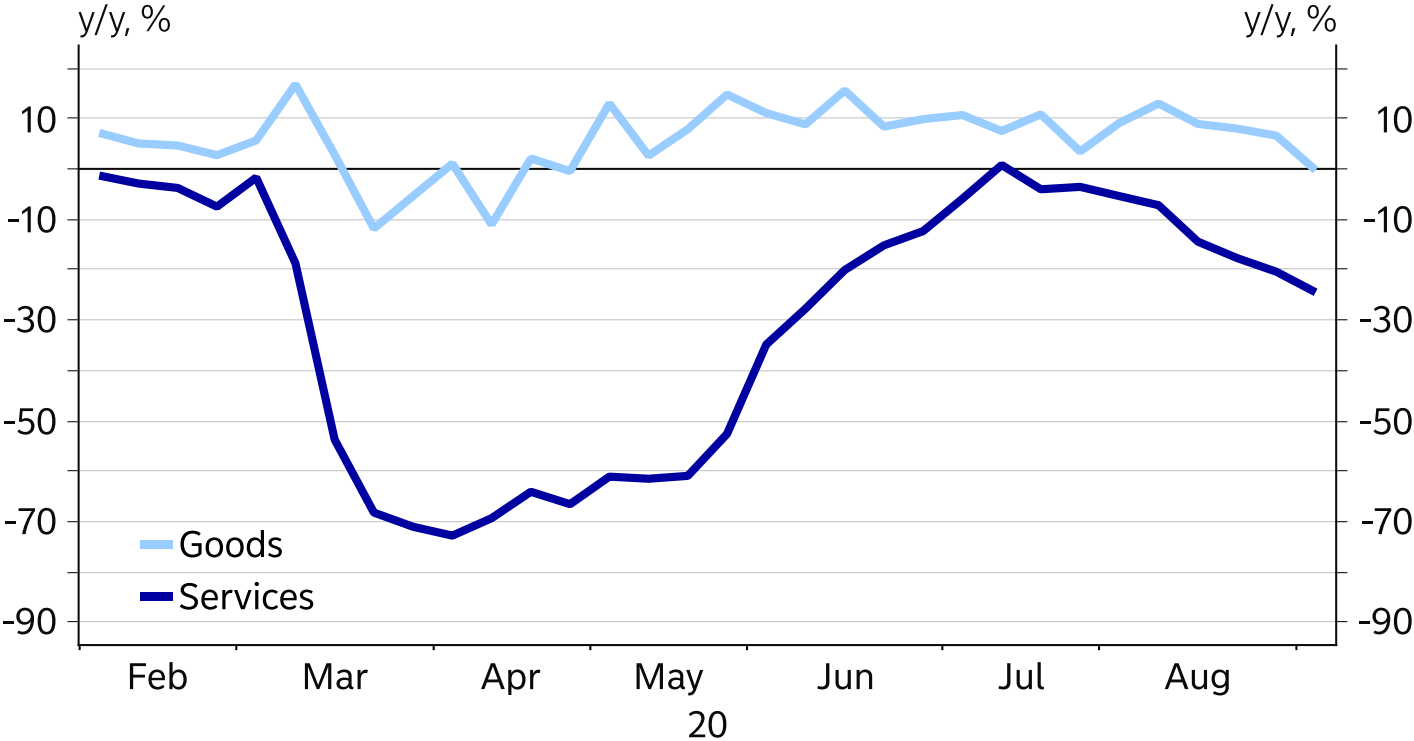


- The “do it yourself” category includes hardware stores, home supply warehouses etc.

Source: Nordea and Macrobond

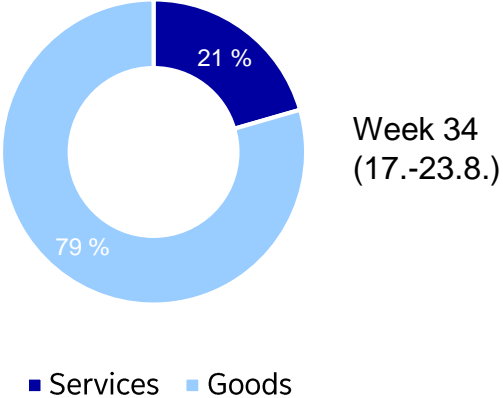
Goods sector activity is near levels recorded last year, whereas service sector activity continues trending downwards.

Goods and services



Source: Nordea and Macrobond

Proportion of goods and services



- Services include the following categories: airlines, hotels, hairdressers and beauty, culture, healthcare, leisure, public transportation, restaurants and taxis.
- Goods include the following categories: supermarkets, non-food retail, fuel dispensing and pharmacies.

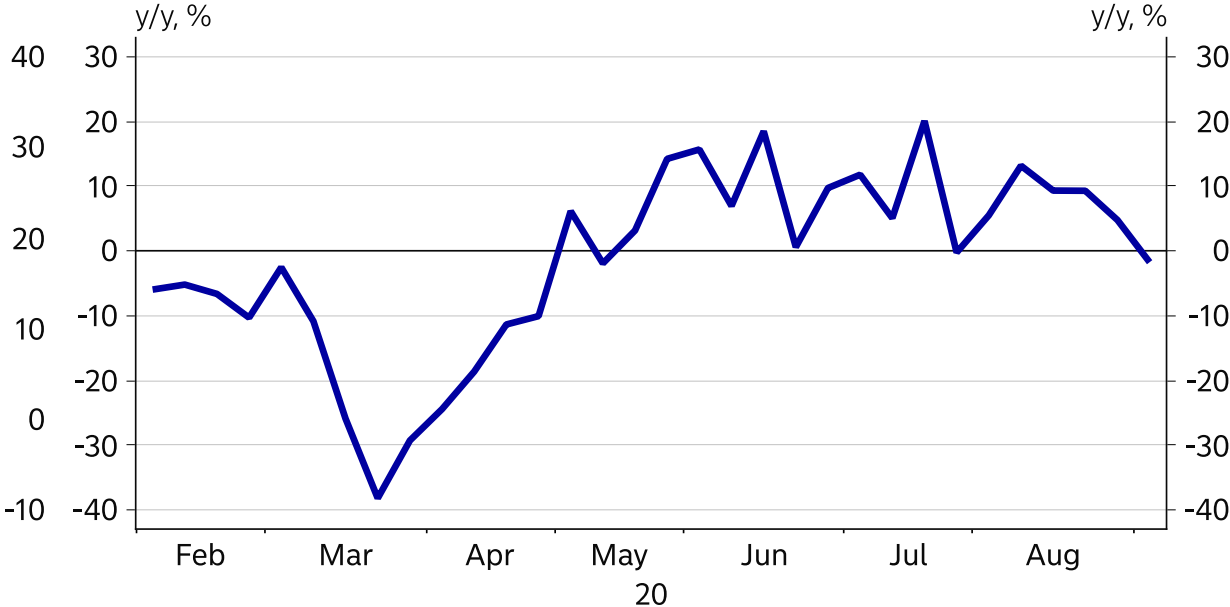
Supermarket and non-food retail card payment volumes have stabilised.

Supermarkets



Source: Nordea and Macrobond

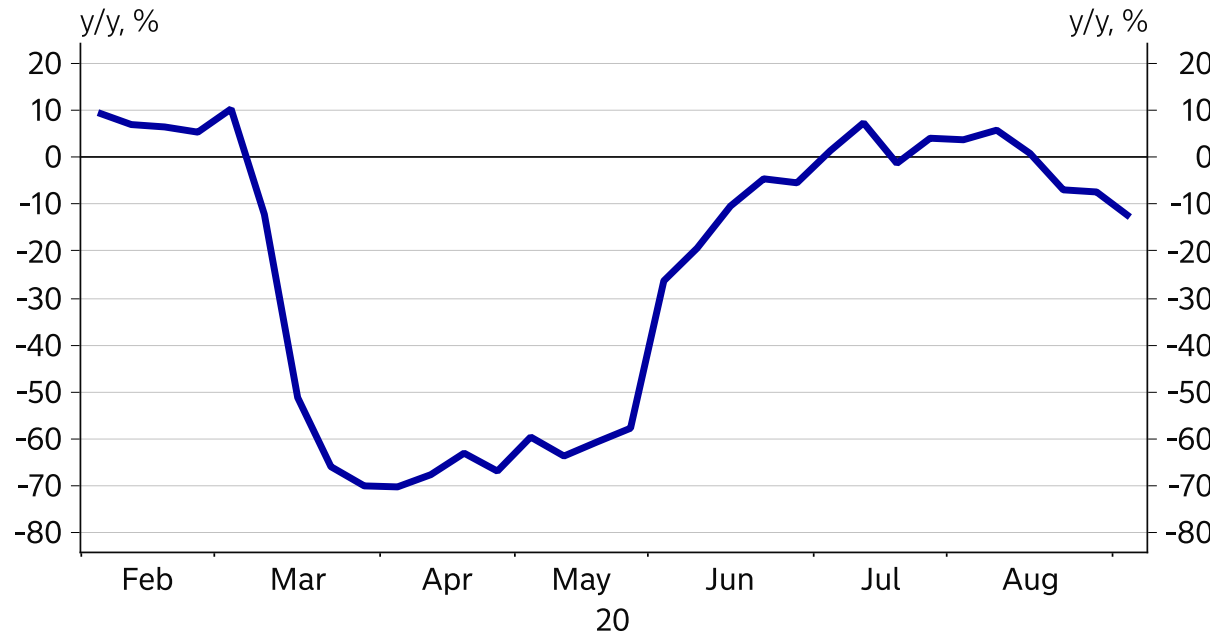
Non-food retail



Source: Nordea and Macrobond

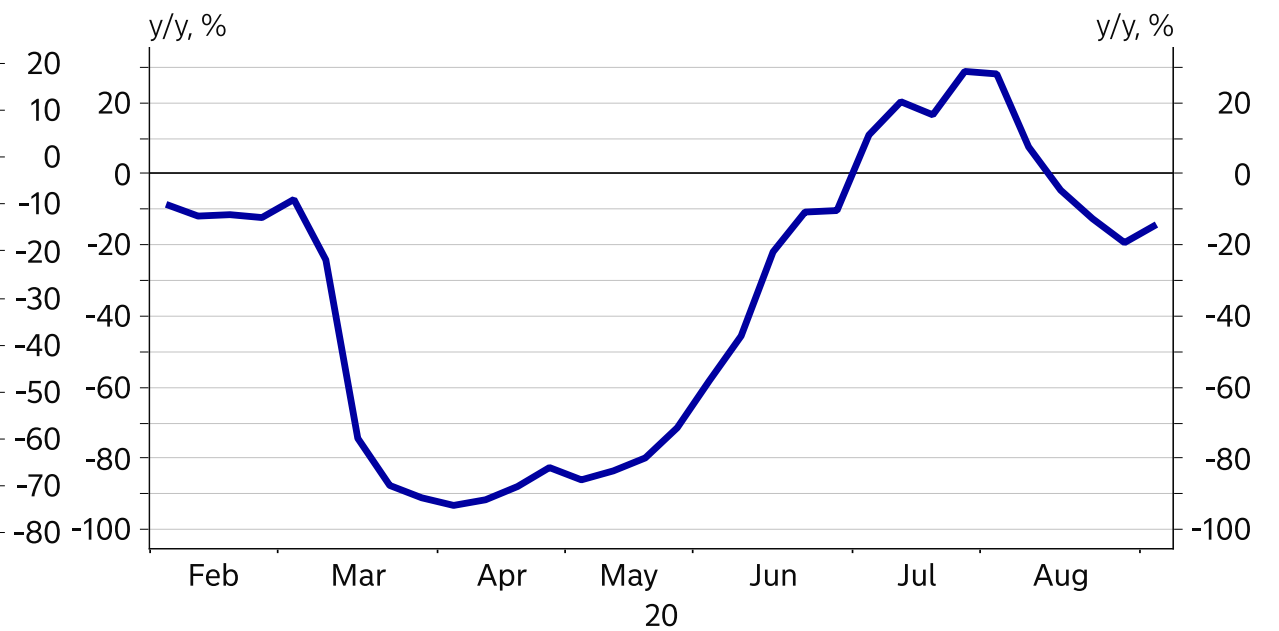
Hotel sector activity has slowed down, as summer holidays have come to an end. Decreased business travel is likely to weigh down card payment volumes this autumn.

Restaurants



Source: Nordea and Macrobond

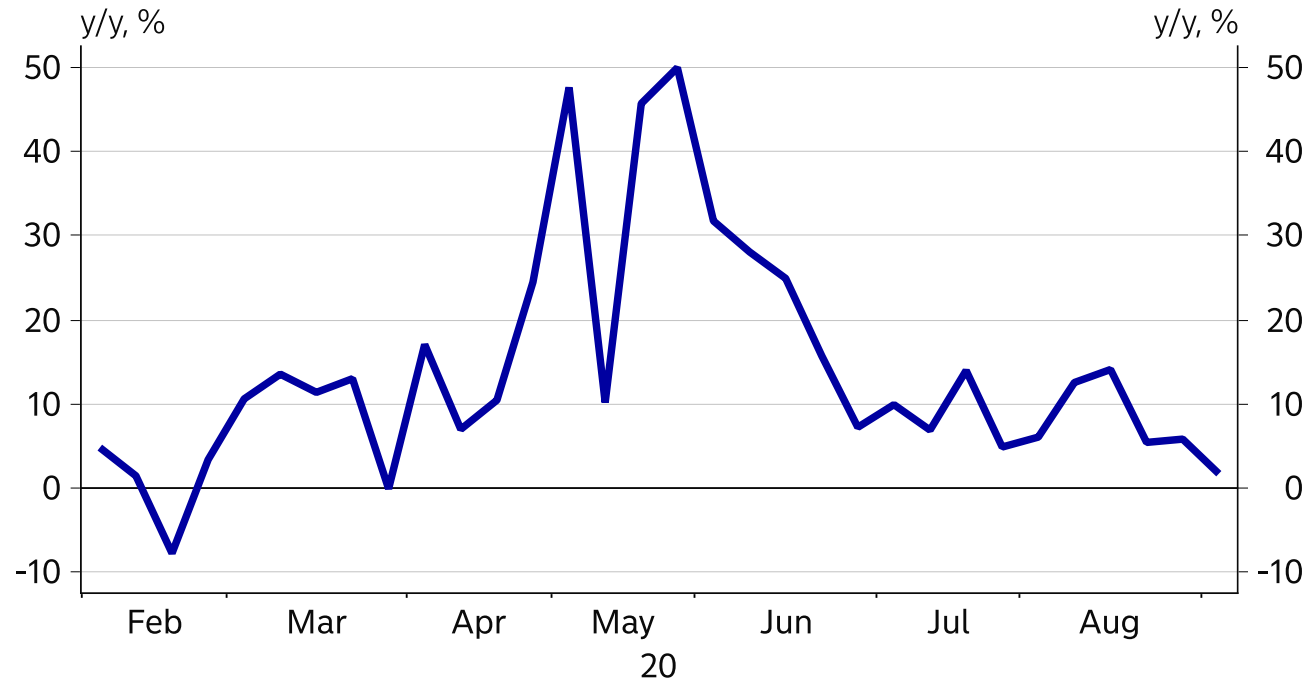
Hotels



Source: Nordea and Macrobond

The "do it yourself" category fared well during summer.

"Do it yourself" category

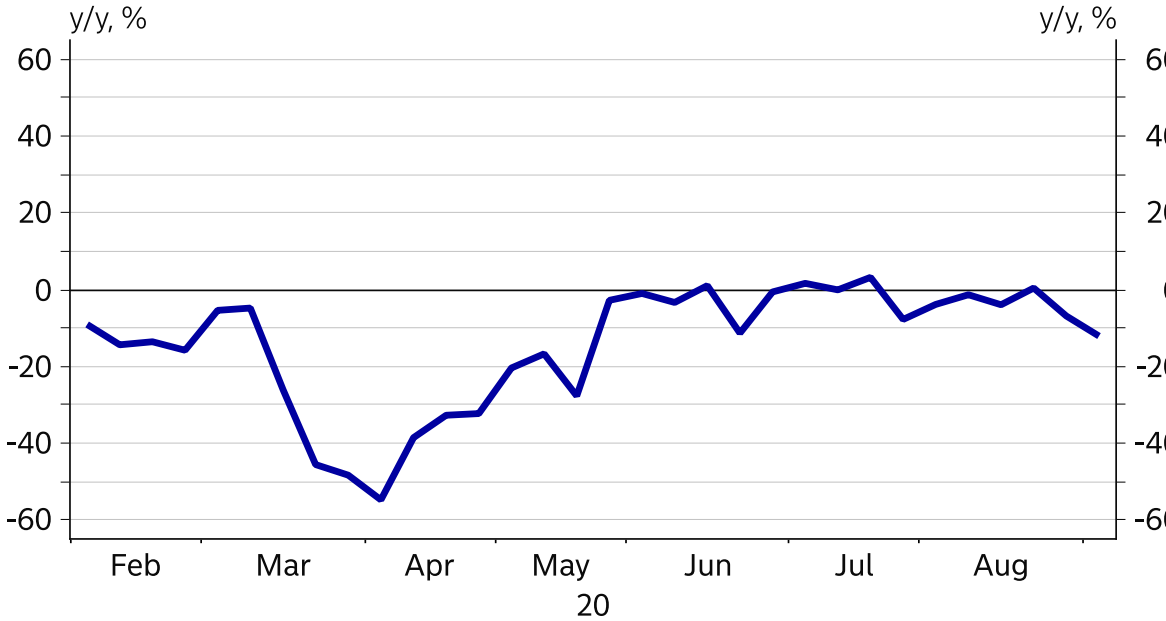


Source: Nordea and Macrobond

- The "do it yourself" category includes hardware stores, home supply warehouses etc.

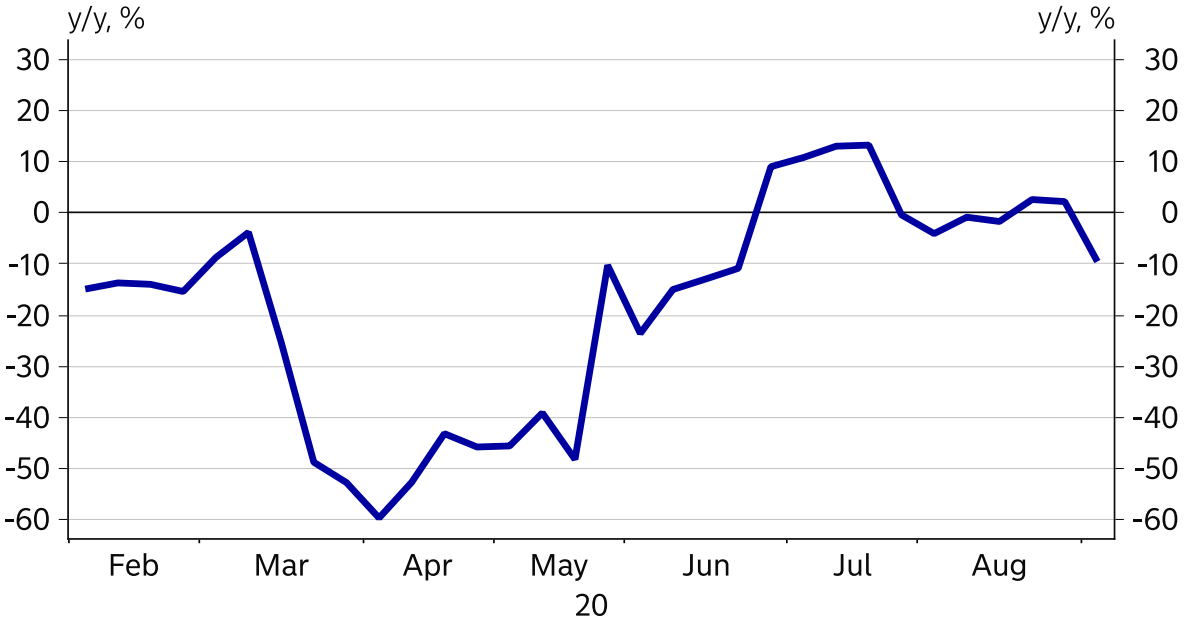
Card payment volumes for the hairdressers and beauty sector, as well as healthcare sector are slightly below levels recorded last year.

Hairdressers and beauty



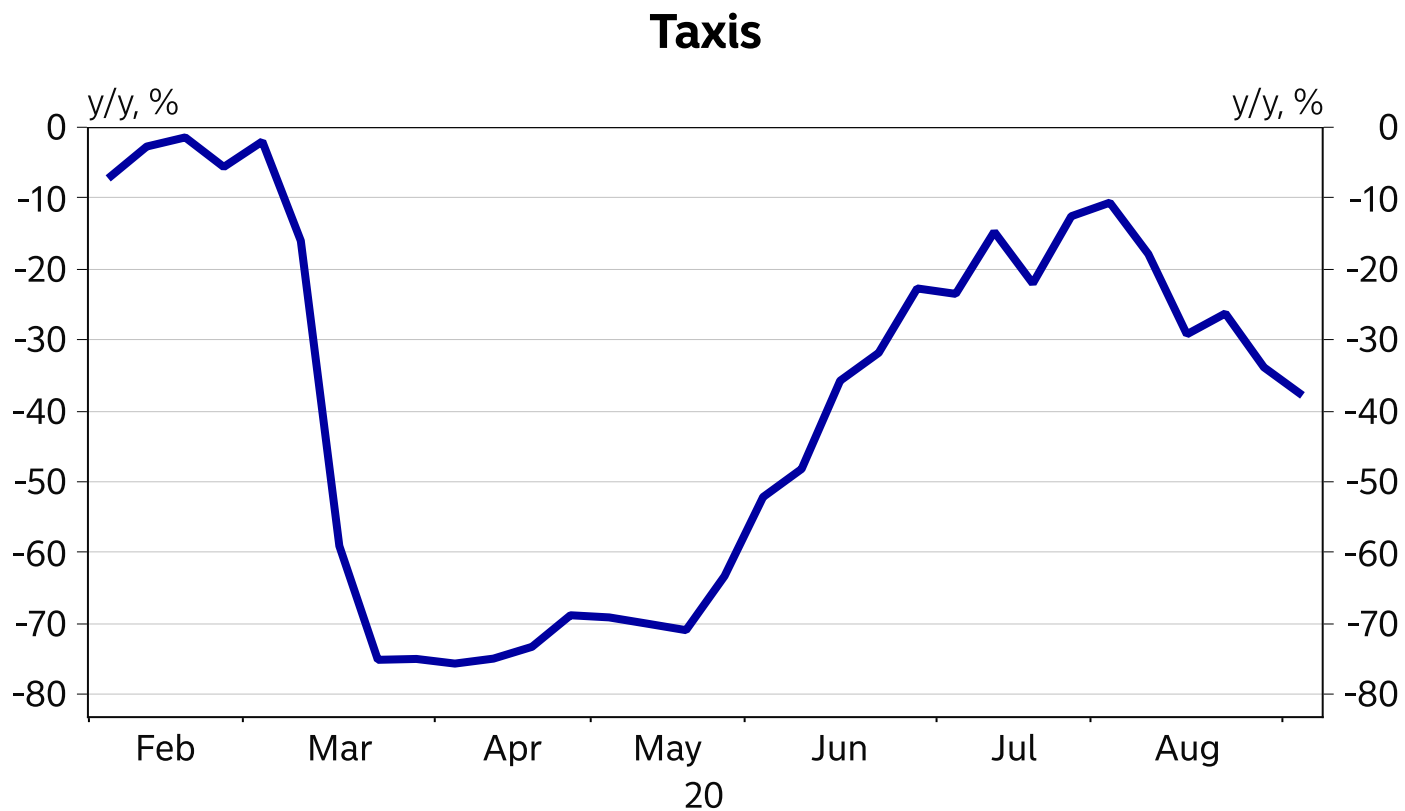
Source: Nordea and Macrobond

Healthcare



Source: Nordea and Macrobond

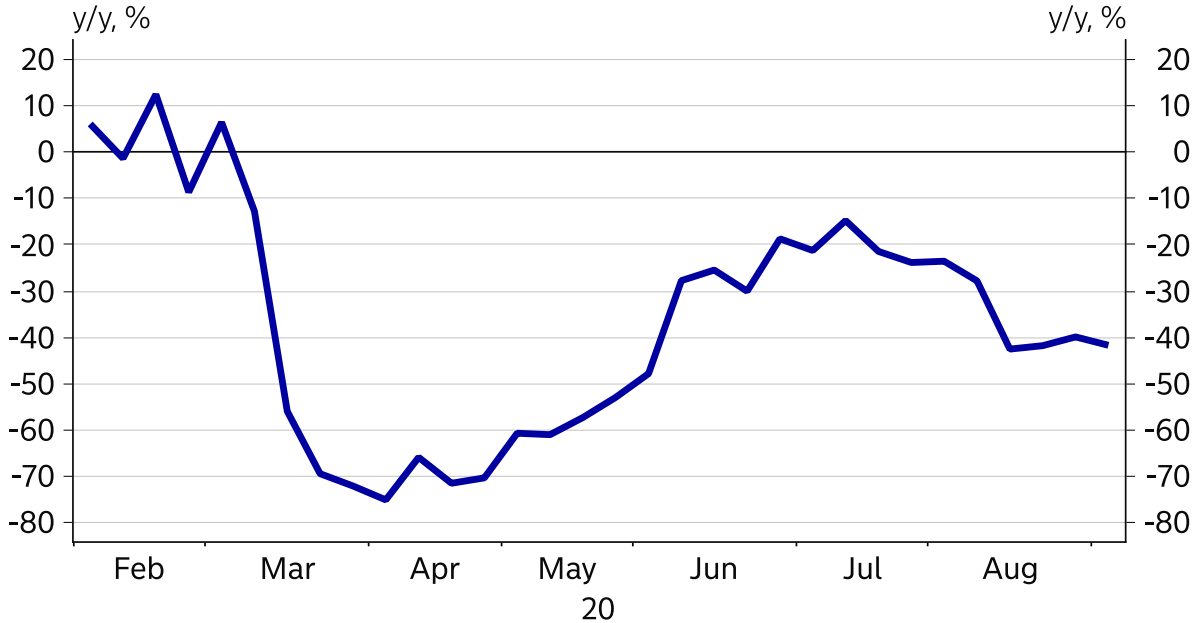
Activity within the taxi sector was trending upwards during summer. With the turn of the season, card payments have started declining again.



Source: Nordea and Macrobond

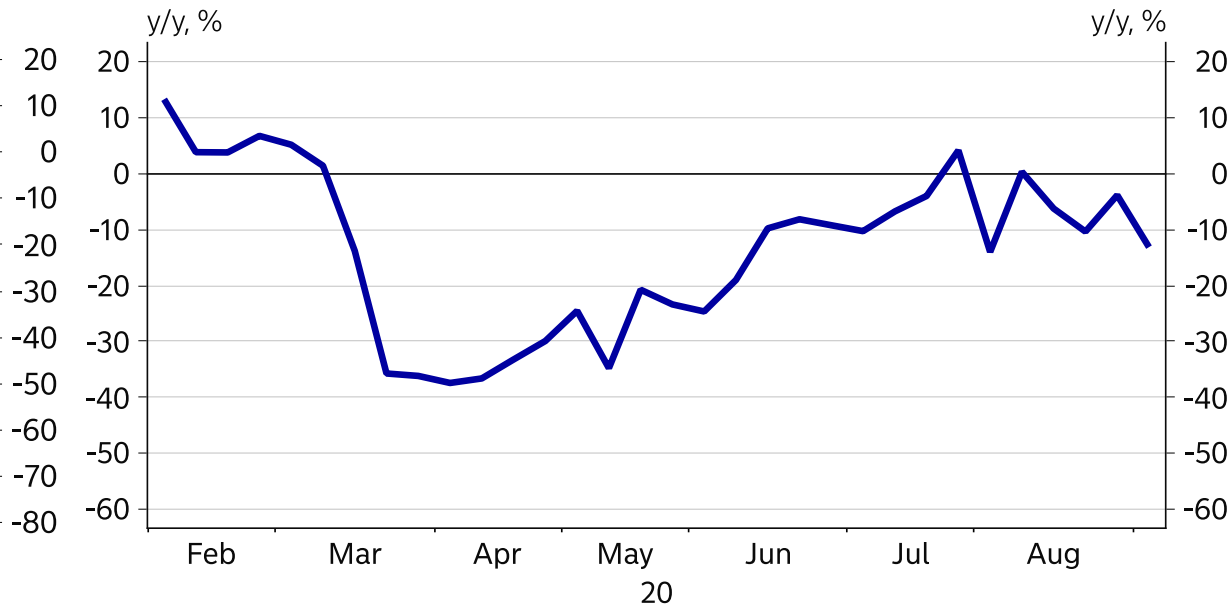
The public transportation sector has been one of the hardest hit sectors during the crisis.

Public transportation



Source: Nordea and Macrobond

Fuel dispensing

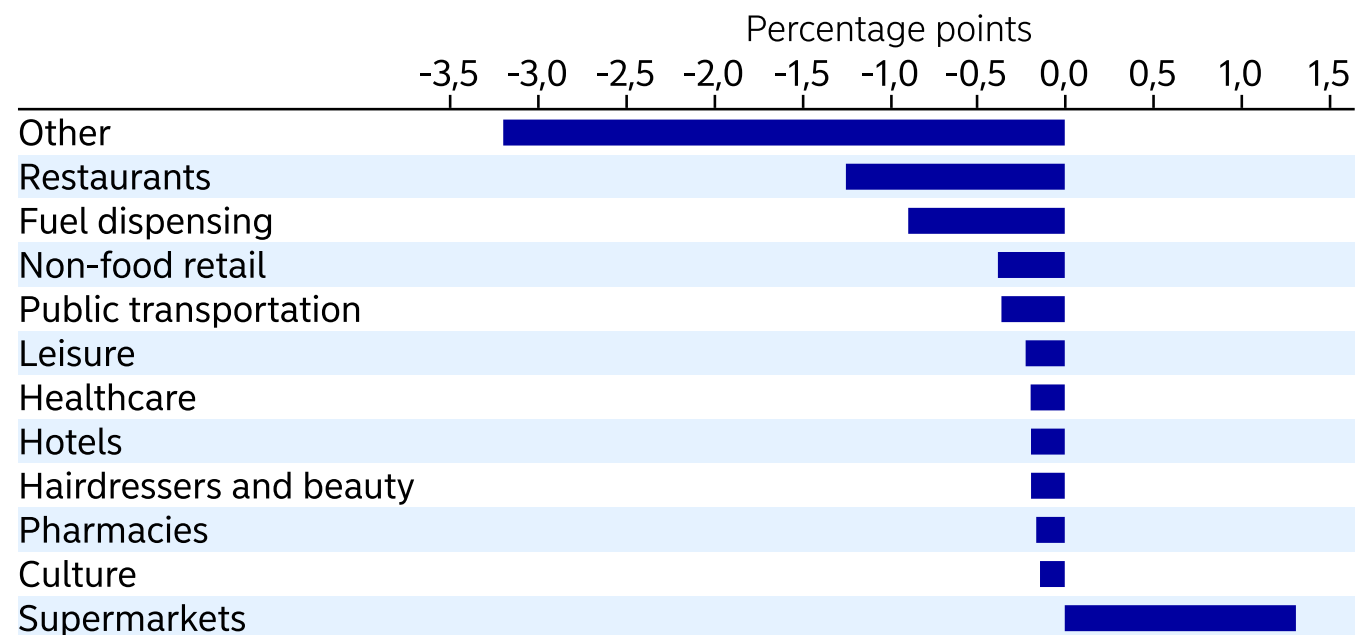


Source: Nordea and Macrobond

The supermarket sector continues to positively contribute to changes in total card payments.

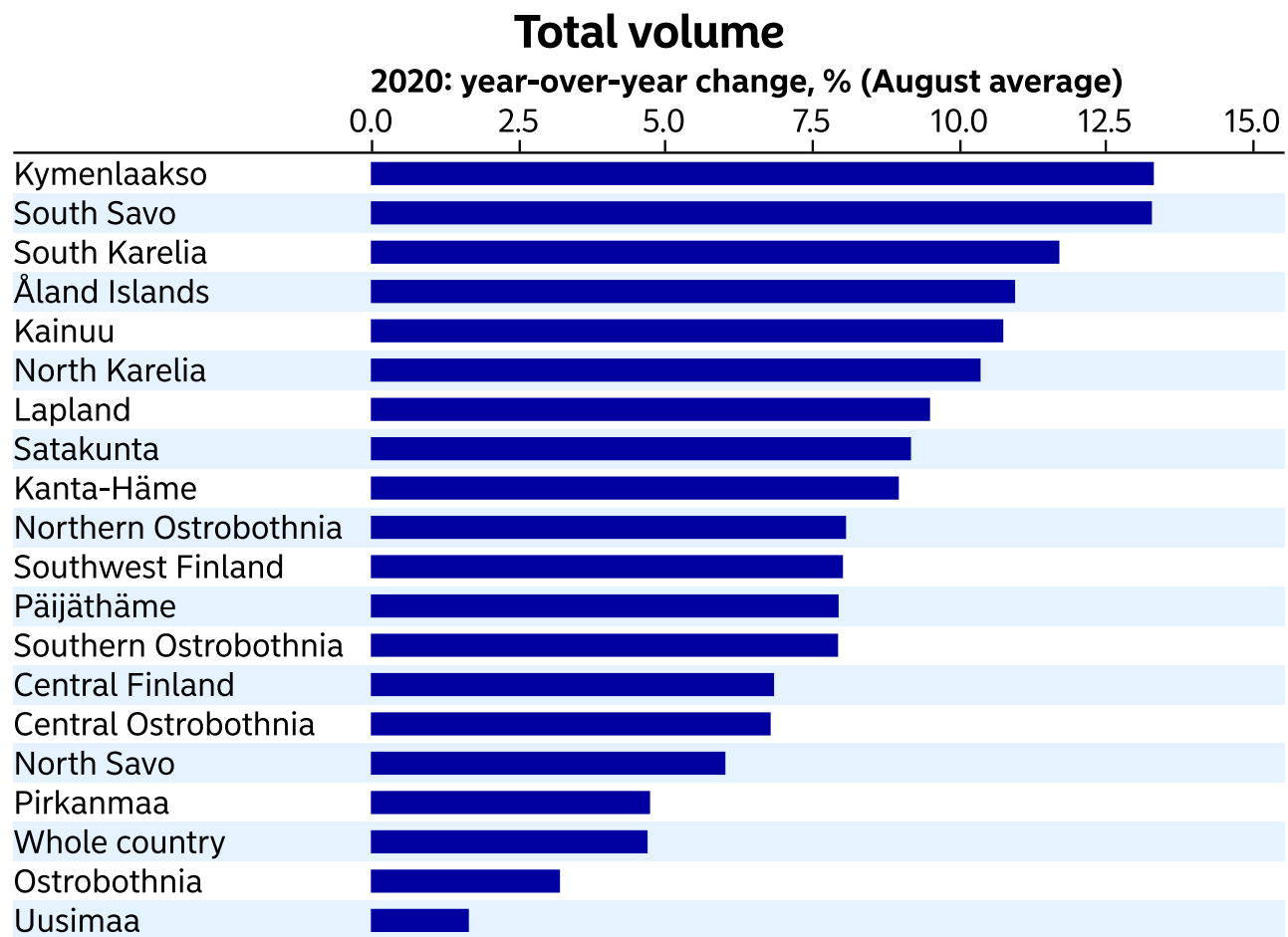
- The table shows how different sectors contribute to total consumption growth.

Contribution to total payments 2020 vs 2019: Week 37 (7.-13.9.)



Source: Nordea and Macrobond

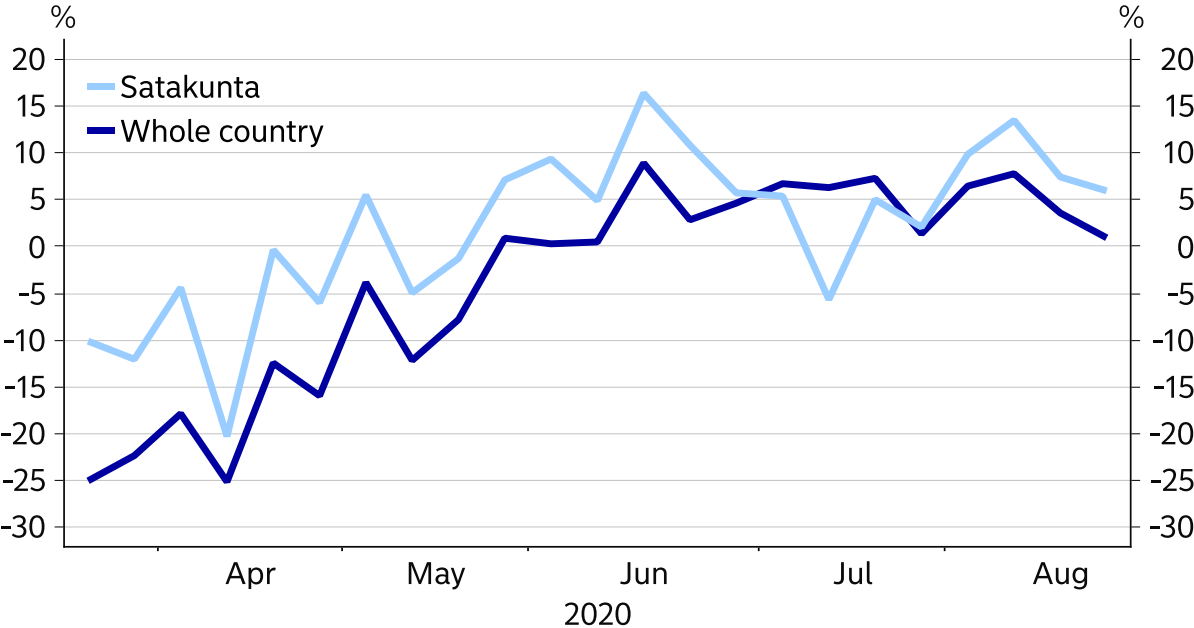
Compared to the year before, card payment volumes were higher across Finland during August.



Source: Nordea and Macrobond

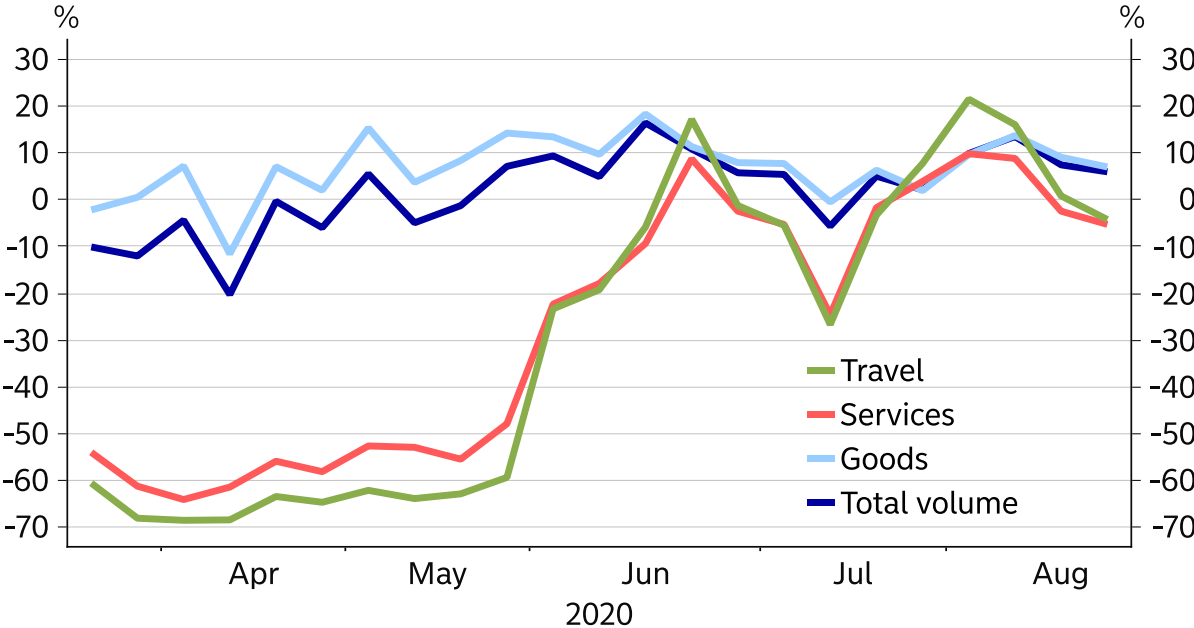
Satakunta

Card payments: Satakunta and the whole country



Source: Nordea and Macrobond

Satakunta

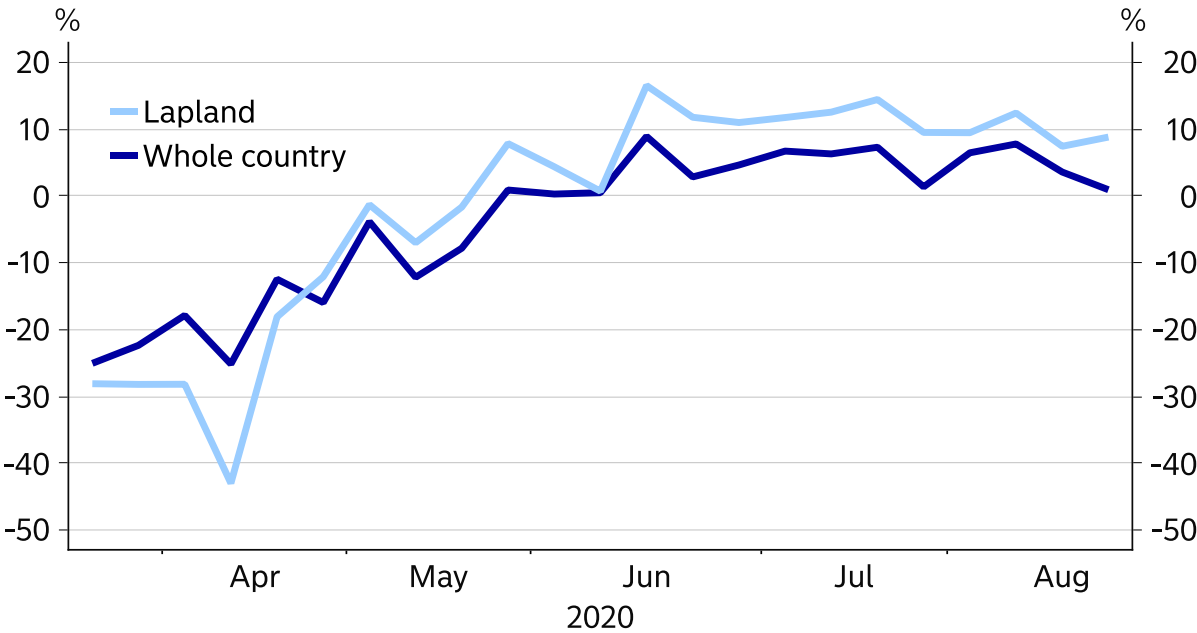


Source: Nordea and Macrobond

* The travel category includes hotels and restaurants.

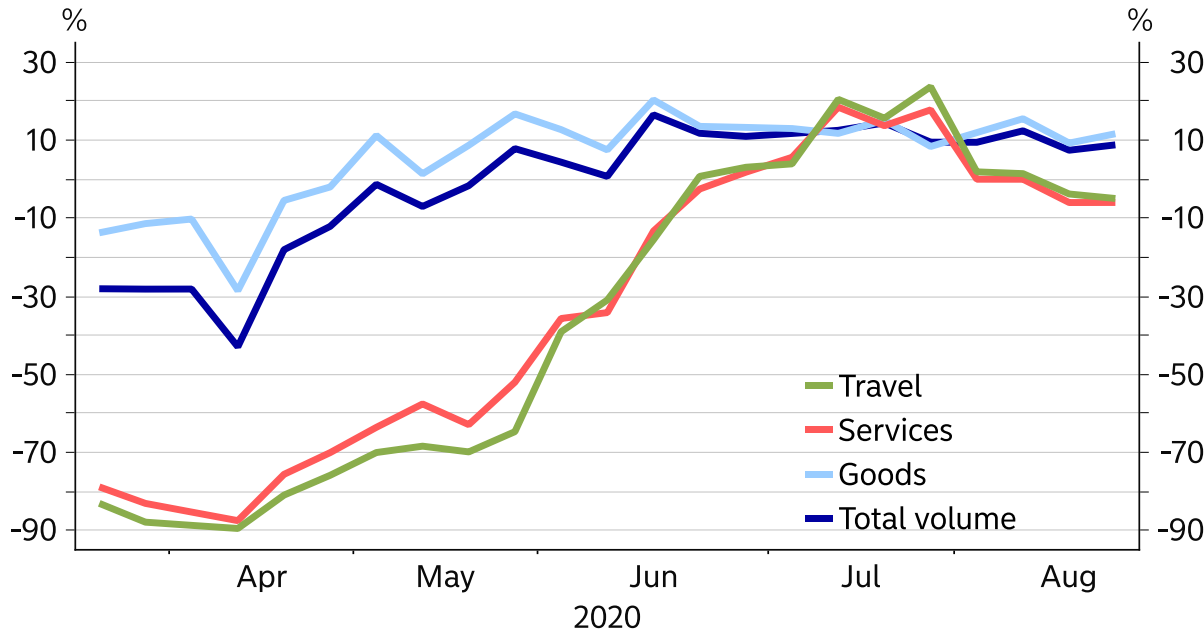
Lapland

Card payments: Lapland and the whole country



Source: Nordea and Macrobond

Lapland

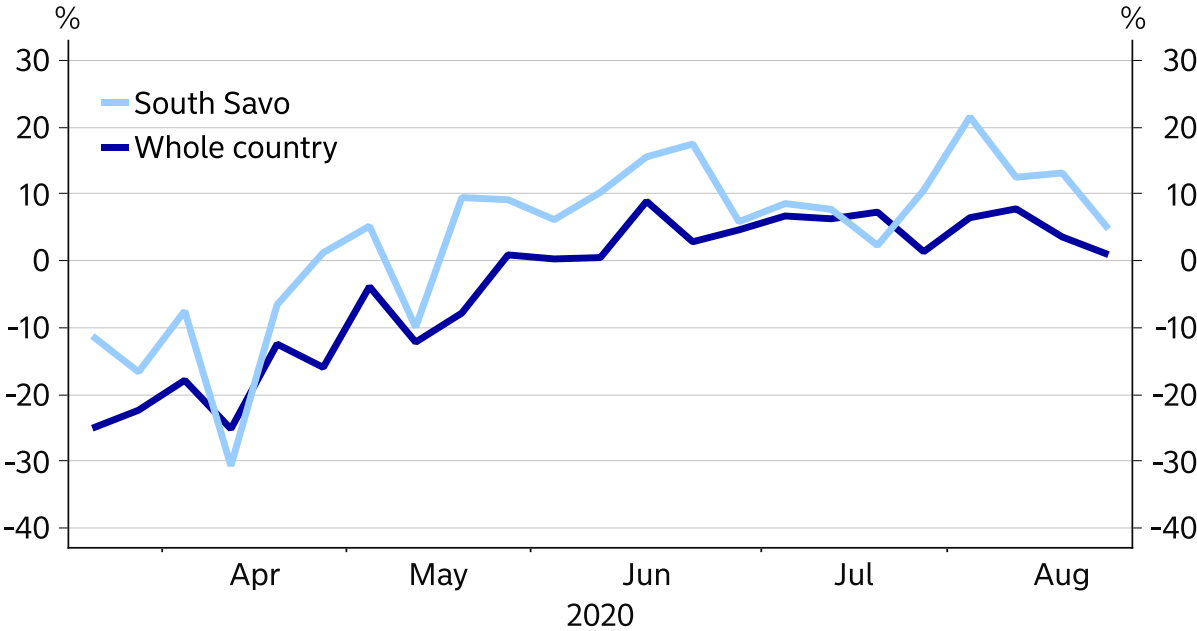


Source: Nordea and Macrobond

* The travel category includes hotels and restaurants.

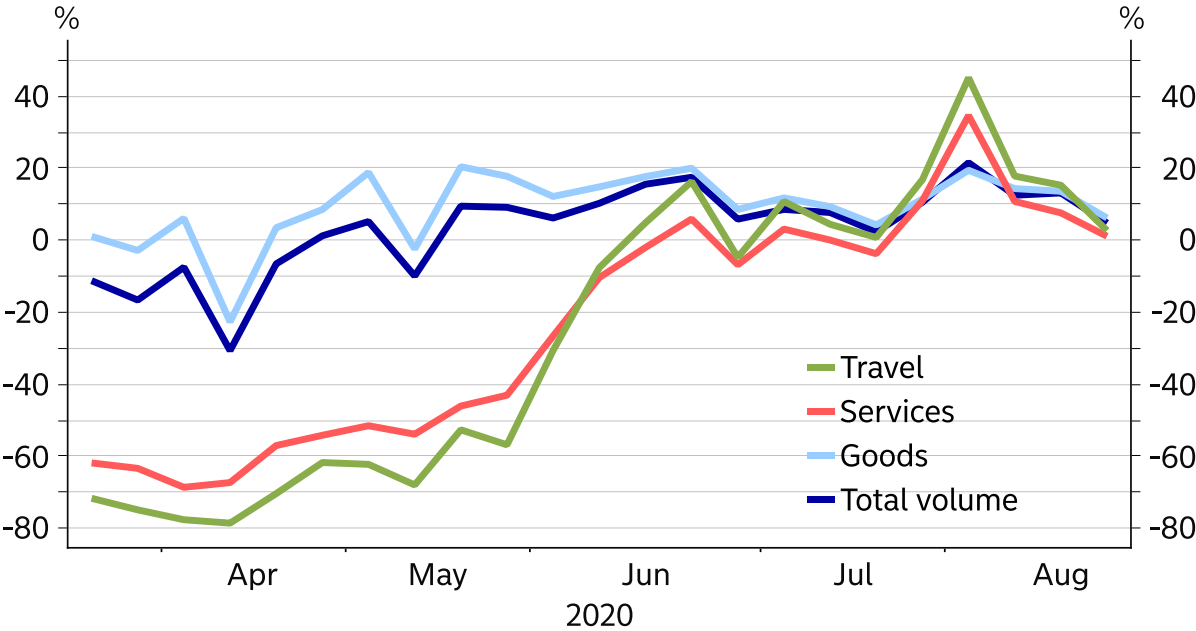
South Savo

Card payments: South Savo and the whole country



Source: Nordea and Macrobond

South Savo



Source: Nordea and Macrobond

* The travel category includes hotels and restaurants.

The use of card data to support economic analysis during the corona crisis

- In contrast to previous crises, consumers are at the forefront of the corona crisis. The negative shocks emanating from the virus have spread quickest to the service sector and consumption side and not to investments and manufacturing.
- Therefore, in order to support policy makers and effectively analyse the real-time effects of the coronavirus on economic activity, it is essential to have on-demand data that gives an accurate representation of the consumption side of economic developments. Nordea's card statistics are exceptional in allowing for this.
- We are closely monitoring the latest economic developments in Finland and have launched a new publication series to provide you with the latest updates on a weekly basis. With this new data, it is now possible to get a robust overview of the developments within different sectors and areas of the economy, such as dining, retail sales and leisure.
- When analysing card data, it is important to ensure that changes in payment methods do not obscure the real picture. For example, methods other than the use of cards in areas such as ecommerce have become increasingly popular. We are currently unable to say whether there has been a shift in payment methods during the crisis. If consumers are increasingly using the internet for shopping activities, it may very well be possible that a greater amount of payments are being made through other payment methods, such as online banking. For this reason, it is possible that card usage statistics may somewhat overestimate the true volume declines in certain sectors.
- The data classification methodology used seeks to follow general payment code definitions wherever possible
- **Data from purchases made abroad have been omitted from this publication. While this gives a more accurate picture of Finns' consumption in Finland, it is important to note that we do not have data on foreign card payments made in Finland. This somewhat complicates the real picture and possibly skews the figures to slightly too positive direction, as cross border travel remains low.**

Thank you!

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The barometer only uses anonymous data on transaction volumes in different types of stores. Individual cards or cardholders are not monitored tracked and cannot be identified from the statistics. If a cardholder does not wish to have their transactions included in the statistical study, it is possible to exclude them. Instructions for this are available at nordea.fi/henkilotiedot

Card payment transactions are classified by payment systems as activity codes defined by the ISO 18245 standard. The classifications used by the report have been compiled using definition standards based on underlying codes that correspond to general definitions, but cannot be directly used in comparison to other standardised classification systems.

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