

ECONOMIC PULSE

RETAIL FOOTFALL BETWEEN RECOVERY AND STABILISATION

According to the Google Mobility Report of 2 February, visits to retail and recreation have picked up in some countries and stabilised in others.

France, Italy, Belgium and the UK saw a recovery during the final week of January, with respective increases in the 7-day moving average to 40%, 43%, 45% and 63% below the baseline* (Charts 1 and 2). However, the momentum is less distinct in the UK. On 1 February, Italy eased restrictions in most regions, allowing bars and restaurants to open until 6pm, which is likely to have a positive effect on people’s mobility. In Spain, footfall rebounded very slightly at the end of January, after a drop due to snowstorm Filomena that hit the country in early January. In Germany, footfall was stable at a very low level, with the 7-day moving average around 60% below the baseline. Visitor numbers have also stabilised in the United States and Japan in the final week of January. Visitor numbers remain high in these countries relative to those in Europe, at around 75% of pre-crisis levels.

The final services PMI data show how tighter health restrictions weighed on activity in this sector in January (Chart 3). For all countries other than the US, these indices remained below the 50-mark, which separates contraction from expansion. In Spain, the snowstorm Filomena that hit the country in early January and health restrictions, weighed heavily on service activity, the index of which fell sharply to 41.7 in January from 48 in December. In Italy, the services index climbed from 39.7 in December to 44.7 in January, well above the consensus (39.5).

In France, the services PMI dropped from 49.1 in December to 47.3 in January, a lowest for three months. In Germany services continued to decelerate, with the services PMI hitting 46.7 in January, the fourth consecutive monthly fall. In Japan, where the services PMI had stabilised at 47.7 in 2020 Q4, it fell sharply in January, taking it to 46.1, a lowest since August 2020. There was also a steep drop in the index in the UK, from 49.4 in December to 39.5 in January, the biggest fall since May 2020. It rose to 57.5 in January (from 54.8 in December), the second highest score since March 2015.

Tarik Rharrab

RETAIL AND RECREATION MOBILITY

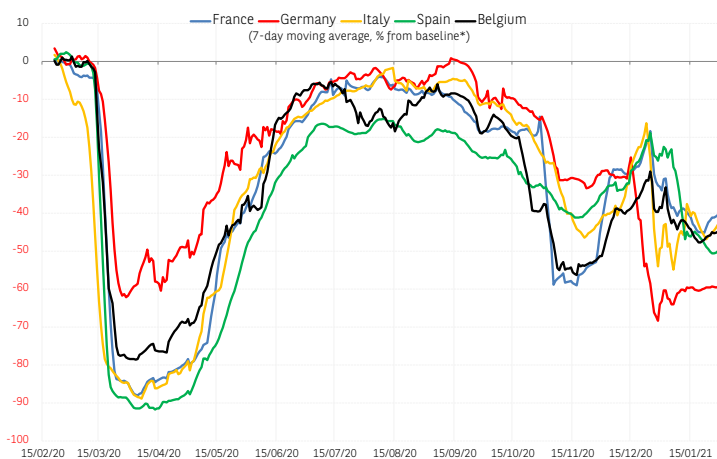


CHART 1

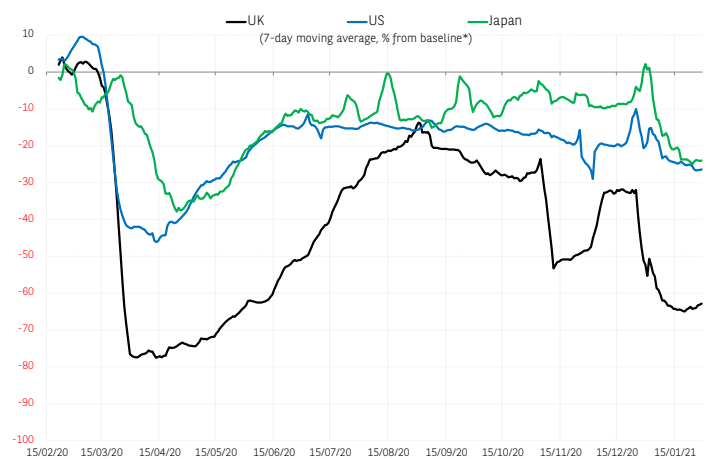


CHART 2

SOURCE: GOOGLE (LAST UPDATE 2 FEBRUARY 2021), BNP PARIBAS

*Google Mobility Reports show how visits and length of stay at different places change compared to a baseline. The baseline is the median value, for the corresponding day of the week, during the 5-week period Jan 3–Feb 6, 2020. A figure of negative 30% indicates that traffic was down 30% compared to a baseline. The reports show trends over several weeks with the most recent data representing approximately 2-3 days ago—this is how long it takes to produce the reports. In order to smooth the series, we use a seven-day moving average of the raw data in the Google Mobility Reports. Source: Google.

ECONOMIC PULSE

RELATIONSHIP BETWEEN MARKIT PMI SURVEYS IN THE SERVICES SECTOR AND RETAIL AND RECREATION MOBILITY

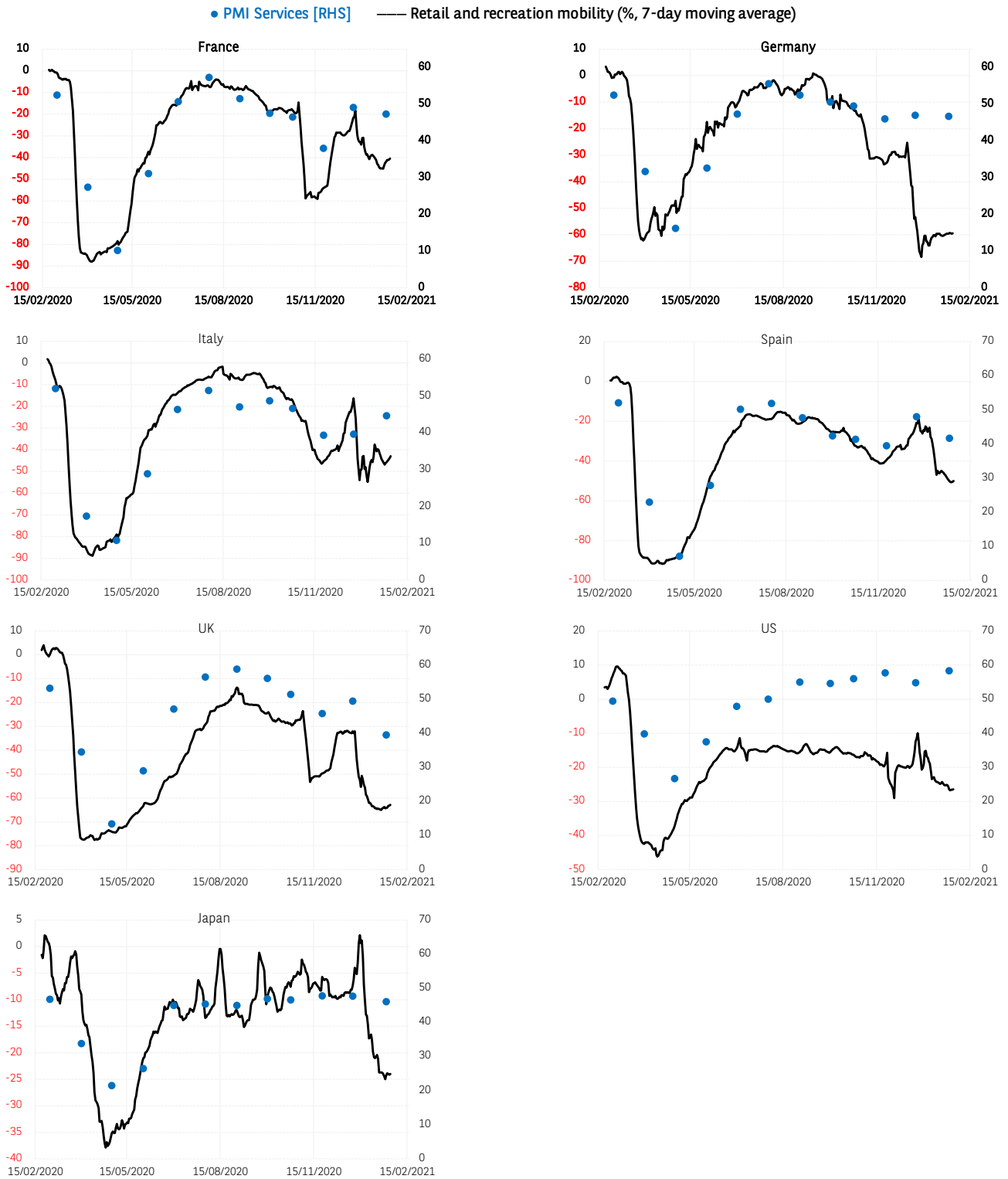


CHART 3

SOURCE: GOOGLE (LAST UPDATE 2 FEBRUARY 2021), MARKIT, BNP PARIBAS

