

Eurozone nowcast indicator: Creeping up

The improvement in our weekly activity indicator was largely due to electricity usage, but it still suggests a very weak economy and doesn't imply a break from the trend just yet



Our index increased from 92.3 to 94.3 in the second week of February - a modest increase that does not imply a break from the recent trend. The index still corresponds to very weak economic activity, which so far confirms our view of continued economic decline in the first quarter of 2021.

The biggest jump in the components of our index relates to electricity usage, which is undoubtedly related to the cold weather in large parts of Europe. This tells us that the pickup in the index is unlikely to be a sustained break from trend.

However, the bright spots that we value more were seen in the mobility indicators. Daily trips to retail and recreation facilities as well as grocery and pharmacies have both seen an improving trend from the rock bottom about four weeks ago. Google searches for unemployment and benefits also fell, but remain significantly elevated.

ING Weekly Economic Activity Indicator increased in Week 6



Source: ING Research

In a crisis that is evolving every single day, economists have been scrambling to make sense of economic activity with more than the usual monthly or quarterly data sources.

As a snapshot indicator, we combine high-frequency indicators into a weekly activity index for the eurozone and follow the example of several national central banks, which have come up with similar indicators in recent months.

This indicator, in our view, is particularly useful for the duration of the pandemic as it is designed to detect bigger swings more than small differences in growth rates.

For more on the methodology, click [here](#).

Author

Bert Colijn

Chief Economist, Netherlands

bert.colijn@ing.com

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person

for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.