

Snap | 18 February 2021

EUROZONE NOWCAST INDICATOR

## 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](#).

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