

## Eurozone nowcast indicator remains near second wave lows

Our Weekly Economic Activity Indicator ticked up modestly at the end of January, but mainly shows a continuation of weak economic activity



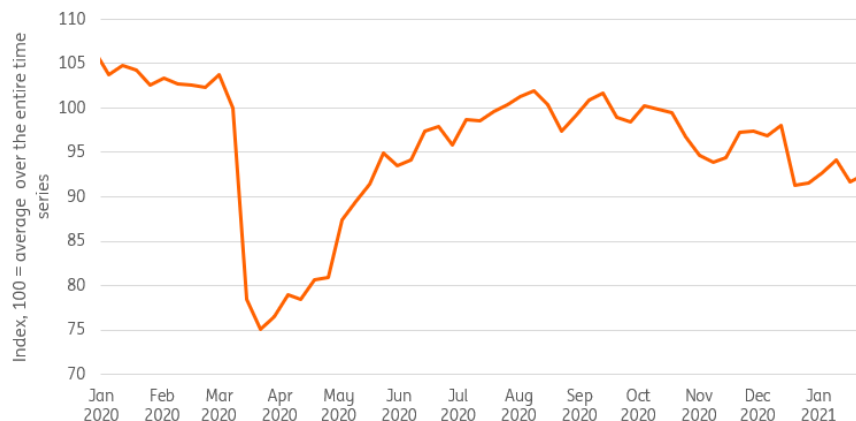
An empty Champs Elysees avenue in Paris, France

Source: Shutterstock

Our index increased from 91.6 to 92.5 in the fourth week of January, which is a broadly unchanged reading of the indicator. This means that the first four weeks of the year saw about a 2% drop compared to the last four weeks of 2020. While the eurozone's GDP decline turned out to be modest in the fourth quarter, this poor start to 2021 is in line with our expectations of another contraction in the first quarter.

The slight increase in the indicator was mainly due to a rebound in NO<sub>2</sub> emissions and electricity use after a large drop last week. The mobility indicators were roughly stable as no new measures have been introduced in the major eurozone economies and daily trips seem to have settled at a cruising speed for now. The increase in Google searches for benefits offset the rebound in emissions and electricity use to some degree.

## ING Weekly Economic Activity Indicator ticked up slightly in Week 4



Source: ING Research

In a crisis evolving more by the day than by the quarter, 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 is, in our view, particularly useful for the coronavirus crisis 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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