

## Eurozone nowcast indicator stable in week 5

With no major changes in restrictive measures, our Weekly Economic Activity Indicator continues to hover around second wave lows



Source: Shutterstock

Our index increased from 92.4 to 92.9 in the first week of February, which is a broadly unchanged reading of the indicator.

The good news is that the bottom seems to have been reached, but the bad news is that weakness is now lingering as lockdowns are extended confirming our expectations of another contraction in the first quarter of 2021 after eurozone GDP fell by -0.7% in the last quarter of 2020.

The underlying indicators showed differing movements. There was a strong decline in electricity usage, which is usually volatile. On the positive side, there was a small increase in trips to retail and recreation sites and grocery and pharmacies. Google searches for unemployment and benefits also decreased.

## ING Weekly Economic Activity Indicator ticked up slightly in Week 5



Source: ING Research

In a crisis that is ever-evolving, 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 Covid-19 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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