Summary

- We provide an update of our dashboard which consists of a host of indicators showing the effects of the COVID-19 outbreak on economies around the globe.
- The US currently tops the list of most new cases per day. After a significant drop in the number of new cases in Europe, infections have risen and most countries have entered into a second (partial) lockdown.
- Many developed economies shrank by double digits (q/q) in the second quarter, whilst strongly rebounding in the third. Fourth quarter growth rates show a mixed picture with some economies shrinking and some economies experiencing some quarter-on-quarter growth.
- Many of our most timely indicators support this consensus by exhibiting less strength in January 2021 due to the rise in new cases and stringent containment measures.

Introduction

Given that economic data (such as GDP data) becomes available with a certain time lag, we have constructed a COVID-19 dashboard which provides an early indication of the economic impact and the economic recovery in countries around the globe. We take a look at high-frequency economic data, survey data and financial market data. For a more elaborate analysis of the economic impact we refer to our most recent quarterly global economic outlook. This publication is an update of the dashboard that was pushed out on January 28.

COVID-19

While COVID-19 initially started as a local outbreak in East-Asia, it quickly developed into a pandemic. COVID-19 has far from run its course as numerous new cases are still confirmed each day (Figure 2). Especially in India, Brazil and the United States, the spread of the virus is still far from under control. Several European countries are struggling to contain the virus as well.

Figure 1: Number of confirmed COVID-19 cases

Source: World Health Organisation, Macrobond
Figure 2: The US currently tops the list of most new cases per day

Please note that the numbers presented in Figure 3 and 4 are highly dependent on the number of people tested per country, the strictness of the measures imposed, population density and several other factors.

Policy responses

Almost all countries across the globe have implemented drastic measures to curb a further spread of COVID-19 virus. Table 1 gives an overview of the restrictions currently in place for a number of countries while Figure 5 presents an overall index for the stringency of the measures in place.

Containment measures
Table 1: Containment measures (February 5)

<table>
<thead>
<tr>
<th>Country</th>
<th>Schools</th>
<th>Hospitality</th>
<th>Non-essential shops</th>
<th>Factories</th>
<th>Borders</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>Open*</td>
<td>Closed</td>
<td>Open</td>
<td>Open</td>
<td>Open for EU &amp; some non-EU countries**, closed for UK</td>
</tr>
<tr>
<td>Germany</td>
<td>Closed</td>
<td>Closed</td>
<td>Closed</td>
<td>Open</td>
<td>Open for EU &amp; some non-EU countries**, closed for UK</td>
</tr>
<tr>
<td>Italy</td>
<td>Differs per region*</td>
<td>Open till 6 pm</td>
<td>Open</td>
<td>Open</td>
<td>Open for Schengen + UK, only essential travel for non-EU**, closed for UK</td>
</tr>
<tr>
<td>Spain</td>
<td>Differs per region*</td>
<td>Regionally closed</td>
<td>Regionally closed</td>
<td>Open</td>
<td>Open for EU &amp; some non-EU countries**, closed for UK</td>
</tr>
<tr>
<td>Netherlands</td>
<td>Closed</td>
<td>Closed</td>
<td>Closed</td>
<td>Open</td>
<td>Open for EU &amp; some non-EU countries**, closed for UK</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>Closed</td>
<td>Closed</td>
<td>Closed</td>
<td>Open</td>
<td>Closed for LatAm**</td>
</tr>
<tr>
<td>United States</td>
<td>Regionally closed</td>
<td>Regionally closed</td>
<td>Regionally closed</td>
<td>Open</td>
<td>Closed for Schengen area, China, Iran, UK, Ireland &amp; Brazil</td>
</tr>
<tr>
<td>Brazil</td>
<td>Open</td>
<td>Regionally closed</td>
<td>Open</td>
<td>Open</td>
<td>Closed for UK</td>
</tr>
</tbody>
</table>

* Universities and colleges are closed in most regions
** Extra quarantine measures apply for travellers from specific regions. Most countries require a negative PCR-test.
Source: National government statements, European Commission, interpretation RaboResearch

** Fiscal measures **

Governments have taken numerous fiscal measures to support ailing businesses, the self-employed and employees who have been (partly) laid off (Table 2). Please note that it is hard to compare the size of the support package among countries. There is much variety in the way governments categorize, report and quantify their policy response. We choose to report IMF estimates (Figure 6).
Figure 6: Fiscal response

Source: IMF Fiscal Monitor (January 2021 update)

Central bank response

Central banks have taken a slew of measures to alleviate liquidity and funding issues in markets, to prevent interest rate spreads from rising sharply and to support government bond issuance. Most central banks have cut interest rates (Figure 7), have announced liquidity support measures and re-established or introduced large scale asset purchase programs.

Figure 7: Policy rates

Source: National central banks, Macrobond

Figure 8: ECB holdings under PEPP

Source: ECB, Macrobond
Note: ECB made available 1850 billion EUR under the so-called Pandemic Emergency Purchase Programme (PEPP).

Figure 9: Public debt held by the Fed

Source: Federal Reserve Bank of New York, Macrobond

Economic indicators

In this section, we present a range of (timely) economic indicators that are useful for monitoring the economic impact caused by the COVID-19 virus and the subsequent economic recovery.
Global

Figure 10: Number of flights tracked

Source: Flightradar24

Figure 11: Restaurant bookings

Source: OpenTable

Figure 12: Time spent in recreational areas

Note: Data is presented as 7-day moving average of time spent in Retail & Recreation (museums, shopping centres for example) versus the baseline which, according to Google, is an average pre-corona week.
Source: Google Mobility, Macrobond

Figure 13: Time spent in workplaces

Note: Data is presented as 7-day moving average of time spent in the workplace versus the baseline which, according to Google, is an average pre-corona week.
Source: Google Mobility, Macrobond

Figure 14: Movement in world cities

Source: Citymapper, Macrobond

Figure 15: Global GDP vs Composite PMI

Source: Markit, World Bank, Macrobond

China

As China started as the epicentre of the coronavirus epidemic, it is at least one to two months ahead of the curve in terms of economic impact. Therefore, tracking some of the hard data releases in China – whilst acknowledging large structural differences between economies – may prove useful when gauging the impact on other countries, both domestically and via trade-related channels.
Figure 16: Traffic has fallen back, both during weekdays and weekends. Especially in Shenzhen and Guangzhou

![Traffic chart comparing percentages to 2020 average for Wuhan, Shenzhen, Guangzhou, Shanghai, and Beijing for mid January and early February 2021.]

Source: TomTom

Figure 17: Car sales

![Car sales chart showing percentage change and monthly registrations for China and other countries.]

Source: Shanghai Municipal Statistics Bureau, Macrobond

Figure 18: Passenger transport

![Passenger transport chart showing percentage change and transportation modes for China.]

Source: China National Bureau of Statistics, Macrobond

Figure 19: Chinese GDP rebounded to 3.2% (y/y) in Q2 and 4.9% (y/y) in Q3

![GDP chart showing percentage change in China and other countries.]

Source: NBS, Macrobond

Figure 20: Economic activity in China

![Economic activity chart showing industrial production, electricity consumption, and retail trade in China.]

Source: NBS, Macrobond

Europe

GDP figures for the first and second quarter clearly reflect the impact of the containment measures imposed. But the subsequent recovery has been strong. Retail sales rebounded sharply, Germany even saw a y/y growth (!). But despite the fact that we see some promising figures, the economy is definitely not out of the woods.
Figure 21: Weekly textiles trade in Germany
Source: TextilWirtschaft, Macrobond

Figure 22: Truck toll mileage in Germany
Source: Destatis, Macrobond

Figure 23: Time spent at home across Europe
Note: Data is presented as 7-day moving average of time spent in Residential areas versus the baseline which, according to Google, is an average pre-corona week.
Source: Google Mobility, Macrobond

Figure 24: Composite PMI Eurozone
Note: A Purchasing Managers Index (PMI) reading of 50 is usually consistent with no economic growth
Source: Markit

Figure 25: Employment expectations
Source: European Commission, Macrobond

Figure 26: Retail sales across the Eurozone
Source: National statistics agencies, Macrobond

Figure 27: German GDP expands by 0.1% q/q in 2020Q4
Source: Markit, Destatis, Macrobond

Figure 28: French GDP contracts by 1.3% q/q in 2020Q4
Source: Markit, Eurostat, Macrobond
Figure 29: Italy’s GDP contracts 2.0% q/q in 2020Q4

Figure 30: Spain’s GDP expands by 0.4% q/q in 2020Q4

Figure 31: Eurozone’s GDP contracts by 0.7% q/q in 2020Q4

Figure 32: Consumer confidence in the Eurozone

Source: Eurostat, Macrobond

Netherlands

As the Netherlands imposed a relatively soft lockdown, it is no surprise that the shock to GDP in Q1 and Q2 turned out to be relatively modest in international comparison. However, sentiment and employment data does reflect the strain put on the Dutch economy by the ‘intelligent lockdown’ measures.

Figure 33: Dutch labour market

Figure 34: Young people bear the brunt

Source: CBS, Macrobond

Note: The unfilled vacancies indicator ranges between -3 and 3 (with -3 being the most negative score)
Figure 35: Passenger & movements airport

Figure 36: Producer confidence & manufacturing

Source: Royal Schiphol Group, Macrobond

Source: CBS, Macrobond

Figure 37: Domestic consumption & retail trade

Figure 38: Foreign trade

Source: CBS, Macrobond

Source: CBS, Macrobond

Figure 39: Dutch GDP contracts by 1.7% q/q in Q1 and 8.5% q/q in Q2 but expanded by 7.7% q/q in Q3

Figure 40: Household consumption growth usually moves together with consumer confidence

Source: Eurostat, CBS, Macrobond

Source: CBS, Macrobond
United States

Compared to some European countries, the United States saw a relatively small GDP decline in Q1 as the COVID-19 spread started slightly later. The GDP decline in the second quarter was in line with European economies however, with a q/q contraction of 9.0%. The impact of the lockdown in the United States is clearly visible when taking a look at the number of Americans that have sought unemployment benefits. Going forward, just like many other countries, the United States might be stuck with a so-called ‘six-foot economy’ to prevent a re-emergence of the COVID-19 virus. In a recent publication, we assessed which jobs in the United States are vulnerable in such a ‘six-foot economy’. Please see this publication for our US outlook.

Figure 41: Americans avoid department stores

Figure 42: Weekly jobless claims

Source: Redbook Research Inc., Macrobond

Source: US Department of Labor, Macrobond

Figure 43: Employment of hourly workers

Note: The daily data is represented as the percentage change versus the median value for that day of the week in the period January 4 – January 31, 2020

Source: Homebase

Figure 44: Production in American steel factories

Figure 45: US housing starts

Source: American Iron & Steel Institute, Macrobond

Source: US Census Bureau, Mortgage Bankers Association
Emerging markets

Since emerging markets (EMs) are so diverse, it is hard to characterize emerging markets in a single sweep. For example, we could make a distinction between net oil exporters (e.g. Russia), and net oil importers (e.g. Indonesia and India). Some emerging markets are dependent on tourism (e.g. Turkey), whereas others are more dependent on production and exports (e.g. Vietnam).

Overall, EMs will be hit not only by the lockdown measures by COVID-19 itself, but also by its global impact. Some examples of this global impact are: the decline in commodity prices, the drop in tourism and the drop in external demand. Moreover, changes in global risk aversion could cause capital outflows from EMs, causing their currencies to depreciate, and in some cases making servicing foreign currency denominated debt more difficult.
Financial markets

The stock market performance in various countries has shown which sectors and countries have been hit the hardest. Monitoring the VIX lets us grasp the degree of (short term) uncertainty currently felt by financial market participants about, among other things, the economic outlook.
We are also monitoring the exchange rates of various emerging market (EM) currencies versus the US dollar and the peripheral spreads in the eurozone. Emerging market companies and governments that are dependent on dollar funding could get into a lot of stress if the USD were to appreciate substantially. Sufficient dollar reserves could remedy this stress. Within the eurozone, elevated peripheral spreads threaten debt sustainability of some countries and could trigger a new euro crisis. If peripheral spreads in the eurozone become too large, the ECB could interfere by expanding its asset purchase programme.

**Figure 60: Peripheral spreads have narrowed**

Source: Macrobond

**Figure 61: EM currencies vs. USD**

Source: Macrobond

**Figure 62: Turkey is relatively vulnerable in terms of FX reserves import coverage**

Note: FX reserves import coverage is defined as the number of months imports can be paid from foreign FX reserves

Source: Macrobond, IMF, World Bank

**Figure 63: Total debt ($) as a percentage of GDP**

Source: Macrobond, OECD, National Central Banks
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