

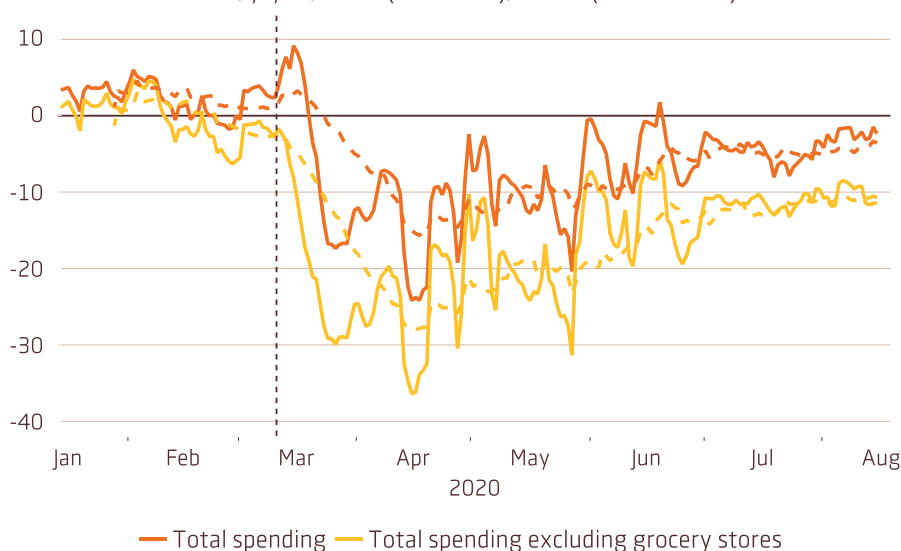
Consumer Spending Observer

Spending slowly climbs up

- Swedish card transaction data indicates that spending is still on track of approaching last year's level
- Growth is driven by groceries spending and offset mainly by a decline in recreation & culture and airlines & travel agencies

Daily spending in Sweden, 2020

Transaction turnover, y/y %, 7dma (solid lines), 4wma (dashed lines)



Sources: Swedbank Pay and Swedbank Research

Notes on data

The data shows transaction turnover based on card transactions acquired by Swedbank Pay in Sweden, both in stores and online. It includes about 5.7 million transactions per day (2019 average), corresponding to an estimated market share above 50 percent. All data is anonymised and non-referable. The graphs show transaction turnover compared to the same day of the week last year if nothing else specified. Data has been adjusted for Easter weekend, Walpurgis & Labour Day (May 1st) effects. Further details on data are [here](#).

- Swedish card transaction data up until August 15th shows that spending improved slightly last week, with the trend slowly climbing up to about 3% lower compared to the same period last year.
- Higher spending on groceries contributed again to the recent week's improvement, leaving total spending excluding grocery stores steady at around 10% below last year's level.
- Summer season spending patterns in most of the sectors are very similar to those of a year ago albeit on a lower level. Drops in recreation & culture, clothing & footwear, home electronics, and furnishings & households' equipment are normal for this period, albeit more pronounced this year. Thus, spending in year-on-year terms in these categories have been trending down lately.
- Spending on restaurants & hotels is close to last year's level perhaps owing to the warm weather. The back-to-school and back-to-the-routine effects will be interesting to observe next week.

Analysts:

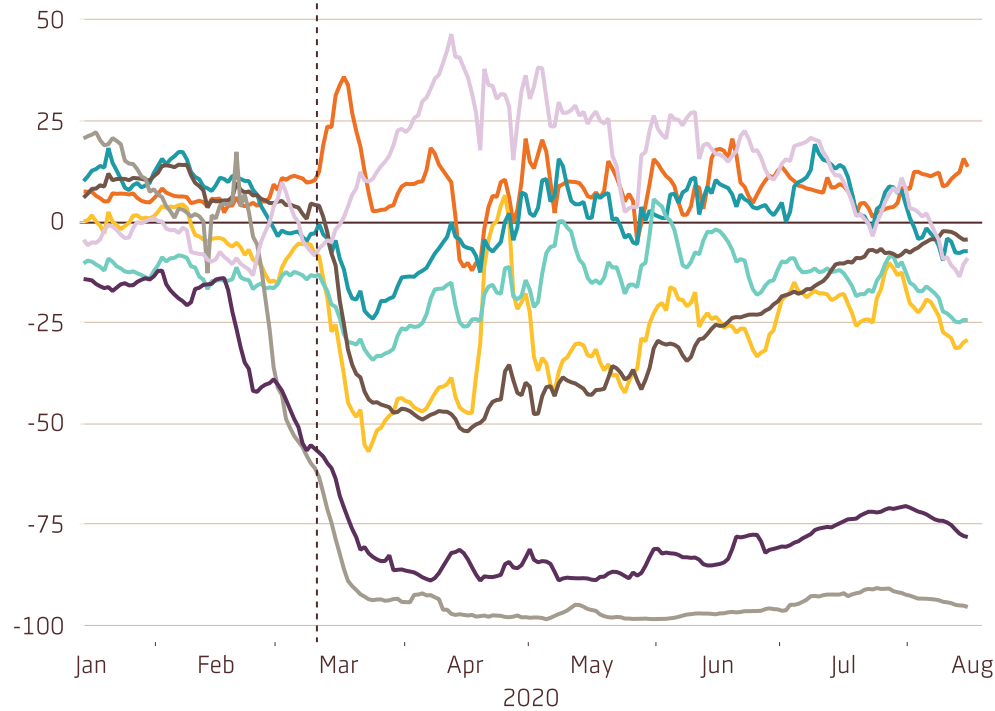
Pernilla Johansson, Senior Economist, pernilla.johansson@swedbank.se
 Jana Eklund, Senior Econometrician, jana.eklund@swedbank.se
 Robin Ahlén, Economist, robin.ahlen@swedbank.se

Transaction turnover in 2020 in different sectors

Annual growth and its contributions during selected weeks

Daily spending in different sectors, 2020

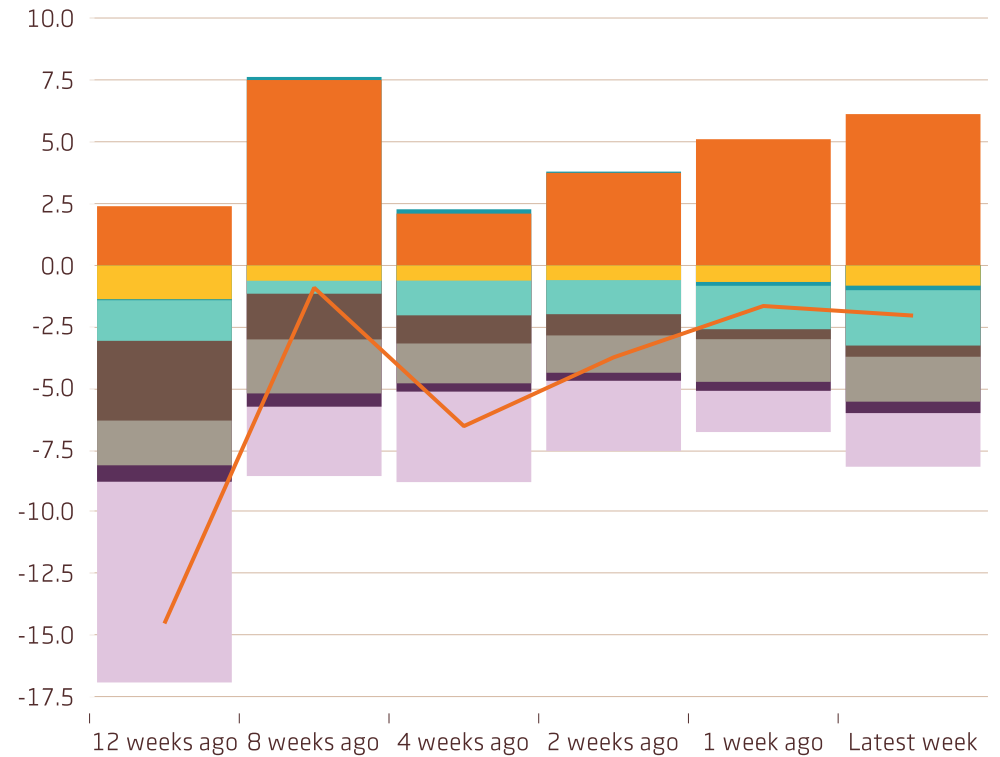
Transaction turnover, y/y %, 7dma



- Mostly food & beverages — Clothing & footwear — Furnishings & household eq.
- Recreation & culture — Restaurants & Hotels — Airlines & Travel agencies
- Taxis — Home electronics

Sources: Swedbank Pay and Swedbank Research

Contributions to yearly growth, selected sectors



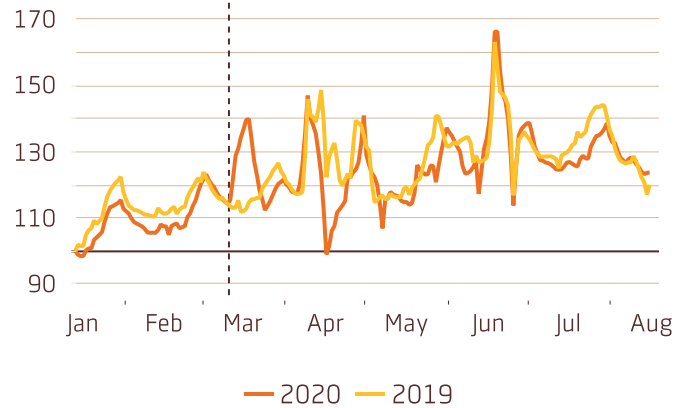
- Mostly food & beverages ■ Clothing & footwear ■ Furnishings & household eq.
- Recreation & culture ■ Restaurants & Hotels ■ Airlines & Travel agencies ■ Taxis
- All other sectors — Total spending

Sources: Swedbank Pay and Swedbank Research

Daily transaction turnover in different HUKO sectors

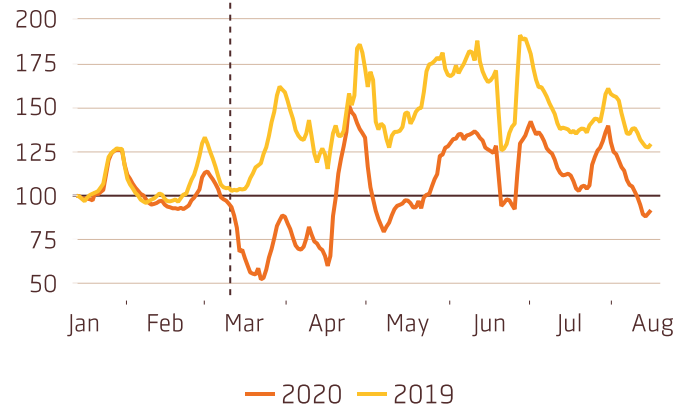
7 days moving average, index (Jan 13th = 100 for each year), 2020 compared to 2019

Mostly food and beverages



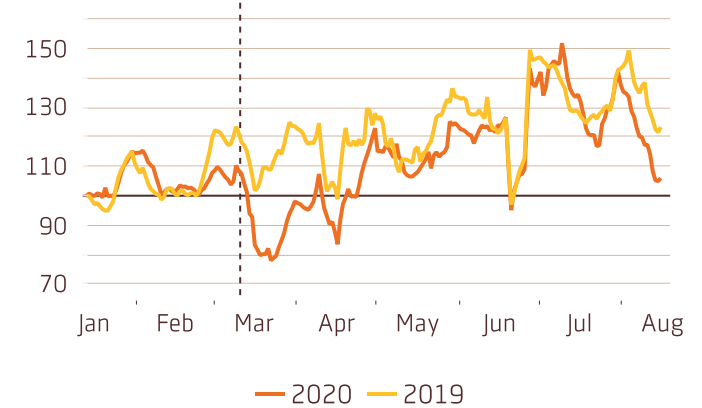
Sources: Swedbank Pay and Swedbank Research

Clothing and footwear



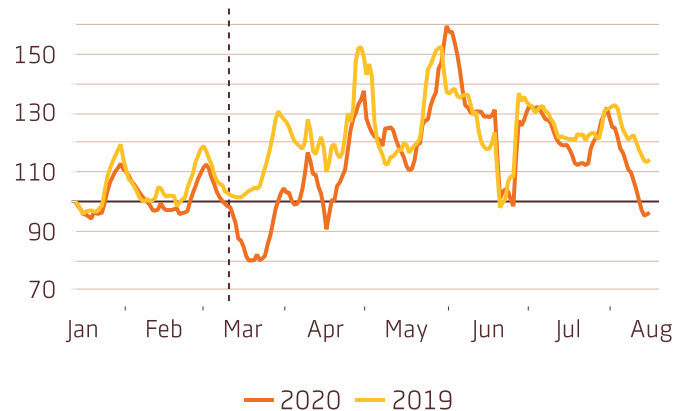
Sources: Swedbank Pay and Swedbank Research

Furnishings and household equipment



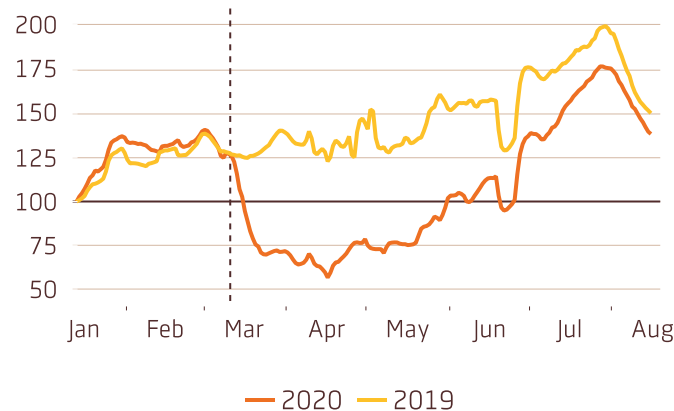
Sources: Swedbank Pay and Swedbank Research

Recreation and culture



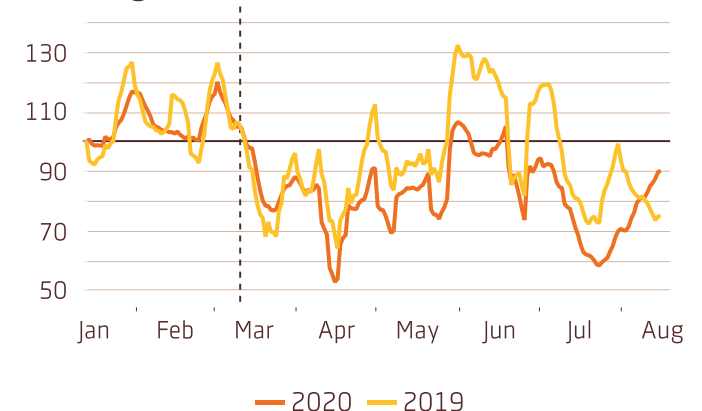
Sources: Swedbank Pay and Swedbank Research

Restaurants and Hotels



Sources: Swedbank Pay and Swedbank Research

Other goods and services

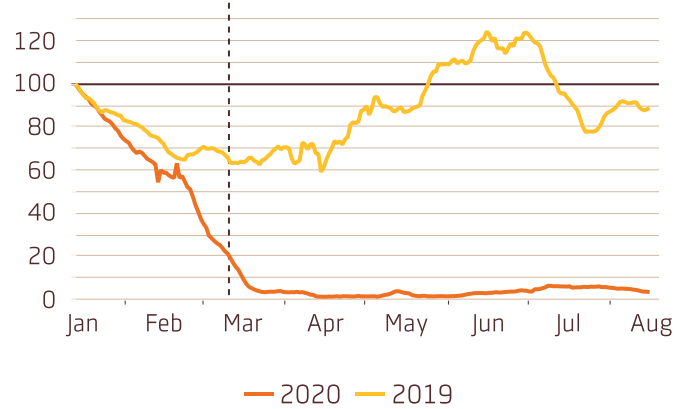


Sources: Swedbank Pay and Swedbank Research

Daily transaction turnover in other sectors

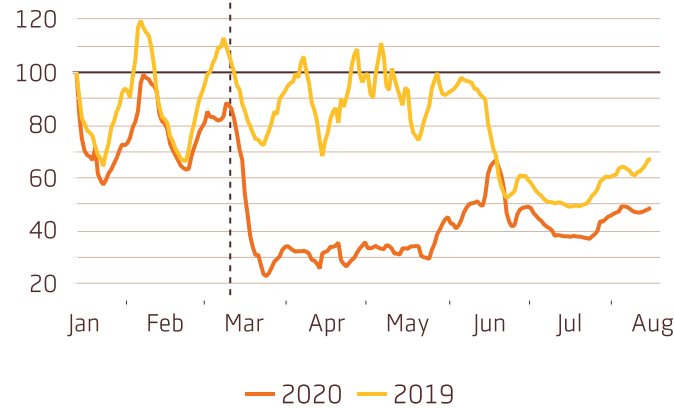
7 days moving average, index (Jan 13th = 100 for each year), 2020 compared to 2019

Airlines and Travel agencies



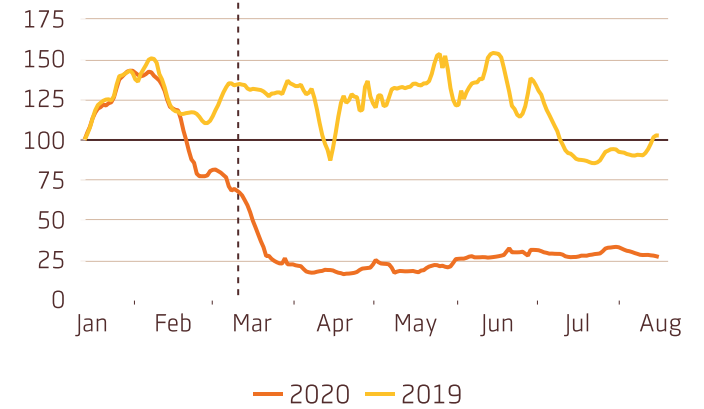
Sources: Swedbank Pay and Swedbank Research

Public transport



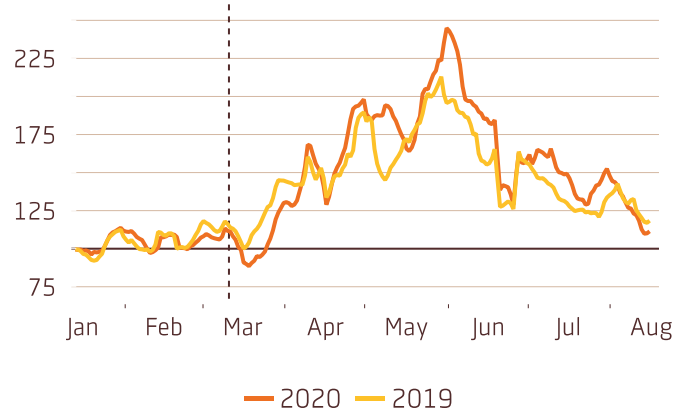
Sources: Swedbank Pay and Swedbank Research

Taxis



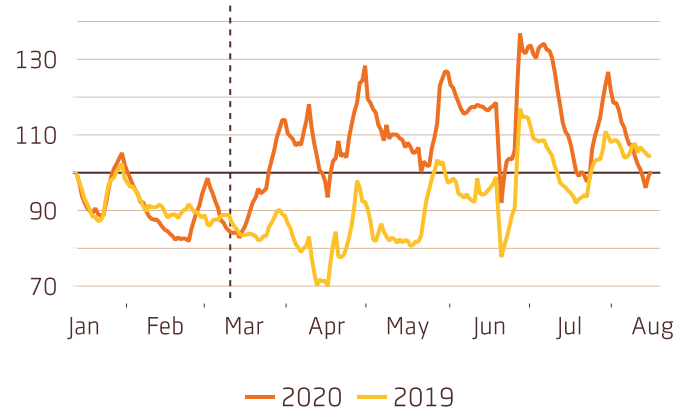
Sources: Swedbank Pay and Swedbank Research

Home furnishings and renovations



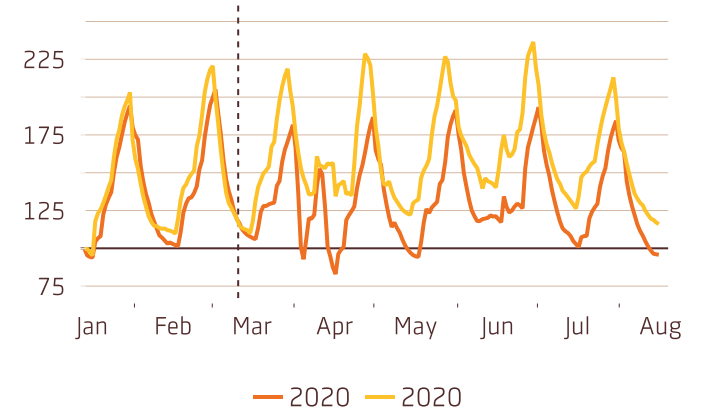
Sources: Swedbank Pay and Swedbank Research

Home electronics



Sources: Swedbank Pay and Swedbank Research

Cash withdrawal



Sources: Swedbank Pay and Swedbank Research

Swedbank Research's disclaimer

This report has been compiled by analyst(s) at Swedbank Macro Research, a unit within Swedbank Research that belongs to Swedbank Large Corporates & Institutions ("LC&I"). Macro Research are responsible for preparing reports on economic developments in the global and domestic markets. Macro Research consists of research departments in Sweden, Norway, Finland, Estonia, Latvia, and Lithuania.

What our research is based on

Swedbank Macro Research bases the research on a variety of aspects and analysis. For example: A fundamental assessment of the cyclical and structural economic, current or expected market sentiment, expected or actual changes in credit rating, and internal or external circumstances affecting the pricing of selected FX and fixed income instruments. Based on the type of investment recommendation, the time horizon can range from short-term up to 12 months.

Recommendation structure

Recommendations in FX and fixed income instruments are done both in the cash market and in derivatives. Recommendations can be expressed in absolute terms, for example attractive price, yield or volatility levels. They can also be expressed in relative terms, for example long positions versus short positions. Regarding the cash market, our recommendations include an entry level and our recommendation updates include profit and often, but not necessarily, exit levels. Regarding recommendations in derivative instruments, our recommendation include suggested entry cost, strike level and maturity. In FX, we will only use options as directional bets and volatility bets with the restriction that we will not sell options on a net basis, i.e. we will only recommend positions that have a fixed maximum loss.

Analyst's certification

The analyst(s) responsible for the content of this report hereby confirm that notwithstanding the existence of any such potential conflicts of interest referred to herein, the views expressed in this report accurately reflect their personal views about the securities covered. The analyst(s) further confirm not to have been, nor are or will be, receiving direct or indirect compensation in exchange for expressing any of the views or the specific recommendation contained in the report.

Issuer, distribution & recipients

This report by Macro Research is issued by the business area LC&I within Swedbank AB (publ) ("Swedbank"). Swedbank is under the supervision of the Swedish Financial Supervisory Authority (Finansinspektionen). In no instance is this report altered by the distributor before distribution.

In Finland this report is distributed by Swedbank's branch in Helsinki, which is under the supervision of the Finnish Financial Supervisory Authority (Finanssivalvonta).

In Norway this report is distributed by Swedbank's branch in Oslo, which is under the supervision of the Financial Supervisory Authority of Norway (Finanstilsynet).

In Estonia this report is distributed by Swedbank AS, which is under the supervision of the Estonian Financial Supervisory Authority (Finantsinspeksioon).

In Lithuania this report is distributed by "Swedbank" AB, which is under the supervision of the Central Bank of the Republic of Lithuania (Lietuvos bankas).

In Latvia this report is distributed by Swedbank AS, which is under the supervision of The Financial and Capital Market Commission (Finanšu un kapitāla tirgus komisija).

This document is being distributed in the United States by Swedbank and in certain instances by Swedbank Securities U.S. LLC ("Swedbank LLC"), a U.S registered broker dealer, only to major U.S. institutional investors, as defined under Rule 15a-6 promulgated under the US Securities Exchange Act of 1934, as amended, and as interpreted by the staff of the US Securities and Exchange Commission. This investment research is not intended for use by any person or entity that is not a major U.S institutional investor. If you have received a copy of this research and are not a major U.S institutional investor, you are instructed not to read, rely on or reproduce the contents hereof, and to destroy this research or return it to Swedbank or to Swedbank LLC. Analyst(s) preparing this report are employees of Swedbank who are resident outside the United States and are not associated persons or employees of any US registered broker-dealer. Therefore, the analyst(s) are not subject to Rule 2711 of the Financial Industry Regulatory Authority (FINRA) or to Regulation AC adopted by the U.S Securities and Exchange Commission (SEC) which among other things, restrict communications with a subject company, public appearances and personal trading in securities by a research analyst.

Any major U.S Institutional investor receiving the report, who wishes to obtain further information or wishing to effect transactions in any securities referred to herein, should do so by contacting a representative of Swedbank LLC. Swedbank LLC is a U.S. broker-dealer registered with the Securities and Exchange Commission and a member of Financial Industry Regulatory Authority and the Securities

Investor Protection Corporation. Its address is One Penn Plaza, 15th Fl., New York, NY 10119 and its telephone number is 212-906-0820. For important U.S. disclaimer, please see reference: <http://www.swedbanksecuritiesus.com/disclaimer/index.htm>

In the United Kingdom this communication is for distribution only to and directed only to "relevant persons". This communication must not be acted on – or relied on – by persons who are not "relevant persons". Any investment or investment activity to which this document relates is available only to "relevant persons" and will be engaged in only with "relevant persons". By "relevant persons" we mean persons who:

- ▶ Have professional experience in matters relating to investments falling within Article 19(5) of the Financial Promotions Order.
- ▶ Are persons falling within Article 49(2)(a) to (d) of the Financial Promotion Order ("high net worth companies, unincorporated associations etc").
- ▶ Are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) – in connection with the issue or sale of any securities – may otherwise lawfully be communicated or caused to be communicated.

Limitation of liability

All information, including statements of fact, contained in this research report has been obtained and compiled in good faith from sources believed to be reliable. However, no representation or warranty, express or implied, is made by Swedbank with respect to the completeness or accuracy of its contents, and it is not to be relied upon as authoritative and should not be taken in substitution for the exercise of reasoned, independent judgment by you.

Be aware that investments in capital markets – such as those described in this document – carry economic risks and that statements regarding future assessments comprise an element of uncertainty. You are responsible for such risks alone and we recommend that you supplement your Decision-making with that material which is assessed to be necessary, including (but not limited to) knowledge of the financial instruments in question and the prevailing requirements as regards trading in financial instruments.

Opinions contained in the report represent the analyst's present opinion only and may be subject to change. In the event that the analyst's opinion should change or a new analyst with a different opinion becomes responsible for our coverage, we shall endeavour (but do not undertake) to disseminate any such change, within the constraints of any regulations, applicable laws, internal procedures within Swedbank, or other circumstances.

If you are in doubt as to the meaning of the recommendation structure used by Swedbank in its research, please refer to "Recommendation structure".

Swedbank is not advising nor soliciting any action based upon this report. If you are not a client of ours, you are not entitled to this research report. This report is not, and should not be construed as, an offer to sell or as a solicitation of an offer to buy any securities.

To the extent permitted by applicable law, no liability whatsoever is accepted by Swedbank for any direct or consequential loss arising from the use of this report.

Conflicts of interest

In Swedbank Macro Research, a unit within Swedbank Research, internal guidelines are implemented in order to ensure the integrity and independence of the research analysts. For example:

- ▶ Research reports are independent and based solely on publicly available information.
- ▶ The analysts are not permitted, in general, to have any holdings or any positions (long or short, direct or via derivatives) in such Financial Instruments that they recommend in their investment analysis.
- ▶ The remuneration of staff within the Swedbank Macro Research department may include discretionary awards based on the firm's total earnings, including investment banking income. However, no such staff shall receive remuneration based upon specific investment banking transactions.

Planned updates

An investment recommendation is normally updated twice a month. This material may not be reproduced without permission from Swedbank Research, a unit within LC&I. This report is not intended for physical or legal persons who are citizens of, or have domicile in, a country in which dissemination is not permitted according to applicable legislation or other Decisions.

Produced by Swedbank Research, a unit within LC&I, Stockholm.

Address

Swedbank LC&I, Swedbank AB (publ), SE-105 34 Stockholm.

Visiting address: Malmkillnadsgatan 23, 111 57 Stockholm