

## How Does the Weather Affect Spending Patterns?

By Lee Kyung-eun

May 05, 2020 08:44

That weather affects the spending patterns of consumers is no surprise, but now Hana Bank has broken down the effects into clearer patterns in a report based on credit-card spending in 2018.

The report reveals that spending on daily necessities like gasoline and at convenience stores and coffee shops are less affected by weather than other goods.

Hairdressers for example flourish on sunny days since there is a popular belief that getting a perm on rainy days leads to unsatisfactory results. Technological advances have laid such concerns to rest, but many women still avoid getting perms on rainy days.



Weather also affects investor sentiment. Stocks tend to decline on rainy or snowy days. The Korea Composite Stock Price Index fell 0.26 percent on average during 2018 when weather advisories were issued and an average of 0.03 percent on days when there were none.

Trading volume and amounts both declined on days when weather advisories were issued, falling from W6.4 trillion on average to W6 trillion when advisories were issued (US\$1=W1,226).

"Many foreign research papers have also confirmed the relationship between weather and investor sentiment," a Hana staffer said. "On sunny days, the annual return of the New York Stock Exchange averaged at 24 percent, three times higher than on cloudy days."