

RESEARCH NOTE

RETAIL TRADE TREND ESTIMATE INCREASED BY 0.2 PER CENT FOR JUNE 2016 AND BY 3.1 PER CENT YEAR-ON-YEAR

Thursday, August 4 2016 - Today's release of the latest (June 2016) monthly ABS Retail Trade data indicates that the overall month-on-month (m-o-m) trend estimate grew by 0.2 per cent. In **trend terms**, retail turnover increased by 3.1 per cent year-on-year (y-o-y), down from 3.3 per cent in the prior corresponding period (pcp).

STATE OF PLAY

The adjacent table summarises the key data in **seasonally adjusted** terms across the six ABS retail categories. The strongest growth was recorded for 'Clothing, footwear and personal accessory' retailing on a m-o-m basis (3.5 per cent) and also on a y-o-y basis (8.7 per cent). In seasonally adjusted terms, **Retail Turnover** grew 0.1 per cent in June 2016 and increased by 2.8 per cent on a y-o-y basis (down from 3.4 per cent in the pcp). Despite slowing growth in Retail Turnover on a y-o-y basis, most ABS categories recorded relatively strong growth.

TREND ANALYSIS: CONSUMER SENTIMENT

Historically retail trade, albeit with a slight lag, usually tracks consumer sentiment as the adjacent chart highlights. However, since the end of 2015 there has been a distinct departure from this trend. The latest release from the Westpac-Melbourne Institute indicates that consumer sentiment is at 99.1 for July 2016, down from 102.2 in June. This fall in the index can, at least in part, be explained by the timing of the survey which was taken shortly following the 'Brexit' vote and during the uncertainty surrounding Federal election outcome.

STATE BY STATE: BEST AND WORST

Retail turnover varies within the ABS defined six categories and across different jurisdictions. The adjacent map outlines and compares the total and growth of retail trade (y-o-y), and the best and worst retail growth categories. The strongest jurisdictions in seasonally adjusted terms were Victoria (up 5.0 per cent to \$74.6 billion) followed by the ACT (up 4.9 per cent to \$5.4 billion) and New South Wales (up 4.7 per cent to \$95.4 billion). The weakest state was Tasmania (up 1.4 per cent to \$4.6 billion). New South Wales, Victoria, Tasmania and the ACT recorded positive growth across all six ABS categories. 'Clothing, footwear and personal accessory' retailing was the key driver of retail growth in Queensland (up 8.5 per cent) and New South Wales (up 8.2 per cent), a reflection of the change in season. However, the strongest growth category across all jurisdictions was 'Cafes, restaurants and takeaway food' in the ACT (up 10.8 per cent). Conversely 'Cafes, restaurants and takeaway food' retailing was the weakest performing

category in Queensland (-3.4 per cent) and Western Australia (-2.8 per cent).

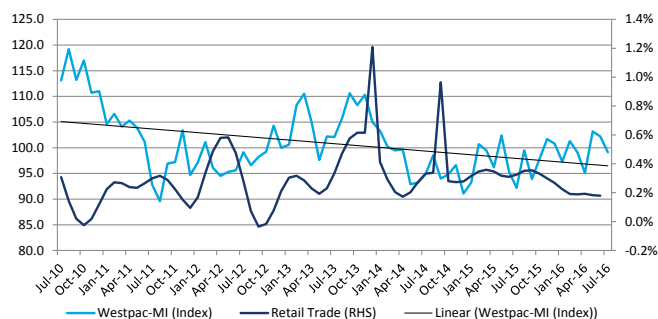
CATEGORIES	\$ billion	m-o-m	last 3 months	y-o-y
Food retailing	\$10.07	↓ -0.6%	↓ -0.1%	↑ 1.9%
Household goods retailing	\$4.40	↑ 0.3%	↓ -0.8%	↑ 0.9%
Clothing, footwear and personal accessory retailing	\$2.01	↑ 3.5%	↑ 2.2%	↑ 8.7%
Department stores	\$1.60	↑ 0.7%	↑ 0.9%	↑ 5.0%
Other retailing	\$3.47	↓ -0.1%	↑ 1.7%	↑ 3.9%
Cafes, restaurants and takeaway food services	\$3.49	↓ -0.1%	↑ 1.5%	↑ 2.4%
Retail Turnover	\$25.04	↑ 0.1%	↑ 0.5%	↑ 2.8%

Source: ABS (Cat 8501.0) / SCCA Research

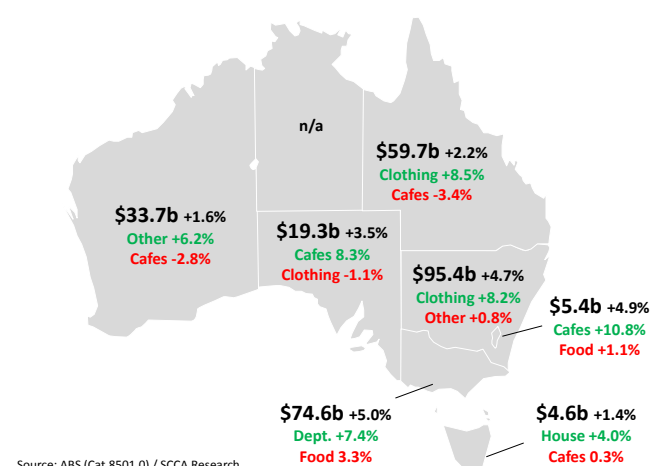
*Seasonally Adjusted

Consumer Sentiment vs. Retail Trade

Westpac-MI Index vs. ABS Retail Trade (m-o-m growth %, trend)



Source: ABS & Westpac-MI / SCCA Research



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