SHOPPING CENTRE COUNCIL OF AUSTRALIA

RESEARCH NOTE

RETAIL TRADE TREND ESTIMATE INCREASED BY 0.4 PER CENT FOR OCTOBER 2016 AND BY 3.3 PER CENT YEAR-ON-YEAR

Friday, December 2 2016 - Today's release of the latest (October 2016) monthly ABS Retail Trade data indicates that the overall month-on-month (m-o-m) **trend** estimate grew by 0.4 per cent. In **trend terms**, retail turnover increased by 3.3 per cent year-on-year (y-o-y), up from a revised 3.2 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 'Other' retailing on a m-o-m basis (0.8 per cent) while 'Cafes, restaurants and takeaway food services' retailing recorded the strongest growth on a y-o-y basis (7.3 per cent). In seasonally adjusted terms, **Retail Turnover** grew by 0.5 per cent in the month of October 2016 (down from 0.6 per cent from the pcp) and by 3.5 per cent on a y-o-y basis (equal to the pcp).

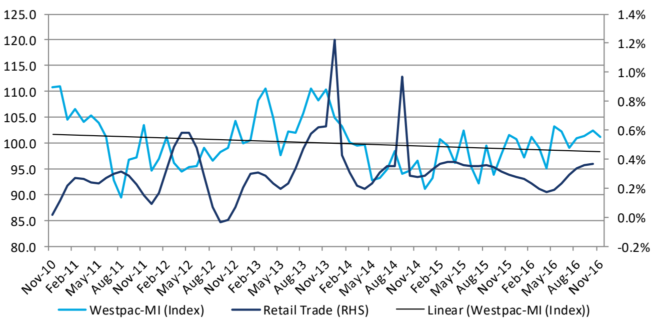
CATEGORIES	$ billion	m-o-m	last 3 months	y-o-y
Food retailing	$10.27	↑ 0.6%	↑ 1.2%	↑ 2.7%
Household goods retailing	$4.52	↑ 0.7%	↑ 3.9%	↑ 3.8%
Clothing, footwear and personal accessory retailing	$1.98	↓ -0.4%	↓ -1.6%	↑ 4.5%
Department stores	$1.55	↓ -0.4%	↑ 3.4%	↓ -3.6%
Other retailing	$3.65	↑ 0.8%	↑ 0.4%	↑ 4.5%
Cafes, restaurants and takeaway food services	$3.65	↑ 0.4%	↑ 2.7%	↑ 7.3%
Retail Turnover	**$25.62**	↑ **0.5%**	↑ **1.7%**	↑ **3.5%**

Source: ABS (Cat 8501.0) / SCCA Research *Seasonally Adjusted

TREND ANALYSIS: CONSUMER SENTIMENT

Retail trade, albeit with a slight lag, has been broadly tracking consumer sentiment since May 2016. The latest release of the Westpac Melbourne Institute Consumer Sentiment Index indicates that consumer sentiment is at 101.3 for November 2016, down from 102.4 in October. The Index has been fairly stable over the last 12 months, averaging 100.4 compared to an average of 97.0 in the 12 months to November 2015.

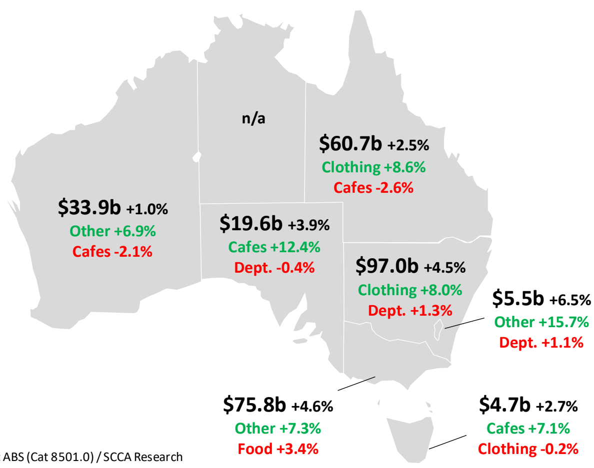
Consumer Sentiment vs. Retail Trade
Westpac Melbourne Institute Index vs. ABS Retail Trade (m-o-m growth %, trend)



Source: ABS & Westpac Melbourne Institute / SCCA Research

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 the ACT (up 6.5 per cent to $5.5 billion) followed by Victoria (up 4.6 per cent to $75.8 billion) and New South Wales (up 4.5 per cent to $97.0 billion). The weakest state was Western Australia (up 1.0 per cent to $33.9 billion). New South Wales, Victoria and the ACT were the only jurisdictions to record positive growth across all six ABS categories. 'Other' retailing was the key driver of growth in the ACT (up 15.7 per cent), Victoria (up 7.3 per cent) and Western Australia (up 6.9 per cent). However, we note that the ABS has made revisions to the estimates for 'Other' retailing, which have been incrementally applied, dating back to October 2013 (further details here). The weakest preforming category across all jurisdictions was 'Cafes, restaurants and takeaway food' retailing which occurred in Queensland (-2.6 per cent).



Source: ABS (Cat 8501.0) / SCCA Research