

# RESEARCH NOTE

## RETAIL TRADE TREND ESTIMATE INCREASED BY 0.4 PER CENT FOR NOVEMBER 2016 AND BY 3.4 PER CENT YEAR-ON-YEAR

**Tuesday, January 10 2017** - The latest release (November 2016) of the monthly ABS Retail Trade data indicates that the overall month-on-month (m-o-m) **trend** estimate grew by 0.4 per cent, the fourth consecutive month that growth has been recorded at that level. In **trend terms**, retail turnover increased by 3.4 per cent year-on-year (y-o-y), up 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 (1.7 per cent) as well as on a y-o-y basis (5.8 per cent). In **seasonally adjusted** terms, Retail Turnover grew by 0.2 per cent in the month of November 2016 (down from 0.5 per cent in the pcp) and by 3.3 per cent on a y-o-y basis (down from 3.5 per cent in the pcp).

### TREND ANALYSIS: CONSUMER SENTIMENT

The latest release of the Westpac Melbourne Institute Consumer Sentiment Index indicates that consumer sentiment was at 97.3 for December 2016, down from 101.3 in November. This is the first time that the Index has been recorded below 100 (i.e. more negative than positive respondents) since July 2016. Concerns relating to the economy, labour market and interest rates, especially in light of banks raising some interest rates independently of the RBA, were cited as reasons that the Index has fallen so sharply.

### 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 6.8 per cent to \$5.6 billion) followed by New South Wales (up 4.4 per cent to \$97.4 billion) and Victoria (up 4.4 per cent to \$76.1 billion). The weakest state was Western Australia (up 0.7 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. 'Household goods' retailing was the key driver of growth in the ACT (up 15.7 per cent), whilst 'Clothing, footwear and personal accessory' retailing was the strongest growing category for both Queensland (up 8.2 per cent) and New South Wales (up 8.0 per cent). 'Department stores' retailing was the weakest performing

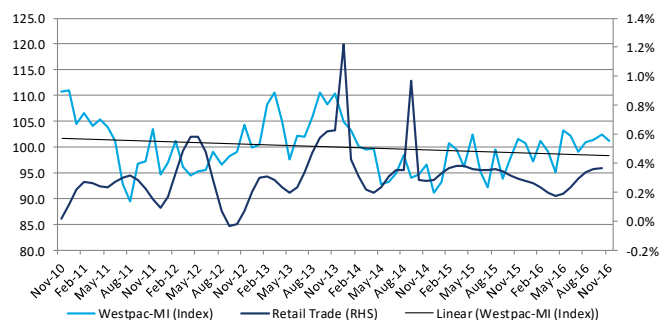
category in Western Australia, South Australia, New South Wales and the ACT.

CATEGORIES	\$ billion	m-o-m	last 3 months	y-o-y
Food retailing	\$10.31	↑ 0.4%	↑ 1.1%	↑ 3.1%
Household goods retailing	\$4.54	↑ 0.2%	↑ 3.8%	↑ 3.1%
Clothing, footwear and personal accessory retailing	\$2.01	↑ 1.7%	↑ 0.8%	↑ 5.8%
Department stores	\$1.54	↓ -0.3%	↓ -0.2%	↓ -3.2%
Other retailing	\$3.65	↓ -0.1%	↑ 0.9%	↑ 4.0%
Cafes, restaurants and takeaway food services	\$3.61	↓ -0.8%	↑ 0.1%	↑ 5.0%
<b>Retail Turnover</b>	<b>\$25.66</b>	<b>↑ 0.2%</b>	<b>↑ 1.3%</b>	<b>↑ 3.3%</b>

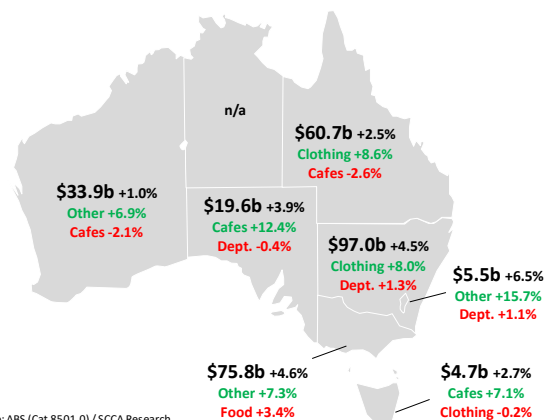
Source: ABS (Cat 8501.0) / SCCA Research

\*Seasonally Adjusted

**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



Source: ABS (Cat 8501.0) / SCCA Research