SHOPPING CENTRE COUNCIL OF AUSTRALIA

RESEARCH NOTE

RETAIL TRADE TREND ESTIMATE INCREASED BY 0.3 PER CENT FOR DECEMBER 2016 AND BY 3.2 PER CENT YEAR-ON-YEAR

Monday, February 6 2017 - The latest release (December 2016) of the monthly ABS Retail Trade data indicates that the overall month-on-month (m-o-m) **trend** estimate grew by 0.3 per cent, the third consecutive month that growth has been recorded at that level. In **trend terms**, retail turnover increased by 3.2 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 (1.4 per cent) as well as on a y-o-y basis (7.3 per cent). In **seasonally adjusted** terms, Retail Turnover fell by 0.1 per cent in the month of December 2016 (down from 0.1 per cent in the pcp) and increased by 3.0 per cent on a y-o-y basis (down from 3.2 per cent in the pcp).

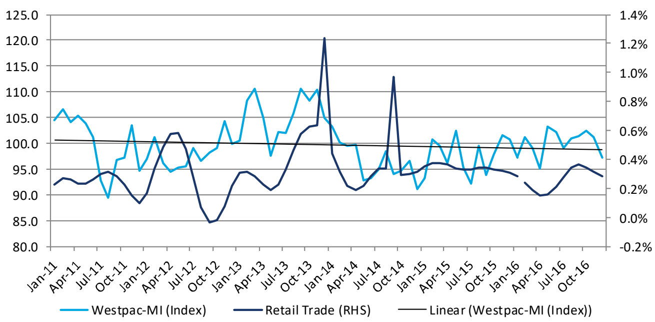
CATEGORIES	$ billion	m-o-m	last 3 months	y-o-y
Food retailing	$10.36	↑ 0.5%	↑ 1.3%	↑ 2.9%
Household goods retailing	$4.42	↓ -2.3%	↓ -1.4%	↑ 0.9%
Clothing, footwear and personal accessory retailing	$2.05	↑ 1.4%	↑ 3.1%	↑ 7.3%
Department stores	$1.54	↑ 0.3%	↓ -0.4%	↓ -2.9%
Other retailing	$3.63	↓ -0.2%	↑ 0.3%	↑ 4.3%
Cafes, restaurants and takeaway food services	$3.61	↑ 0.2%	↓ -0.5%	↑ 5.1%
Retail Turnover	**$25.61**	↓ **-0.1%**	↑ **0.5%**	↑ **3.0%**

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

TREND ANALYSIS: CONSUMER SENTIMENT

The latest release of the Westpac Melbourne Institute Consumer Sentiment Index indicates that consumer sentiment was at 97.4 for January 2017, up slightly from 97.3 in December 2016. This marks a certain level of stability in the Index following a decline of 3.9 points in December 2016. However, the January reading could be considered disappointing given the Index averaged 100.1 for calendar year 2016.

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

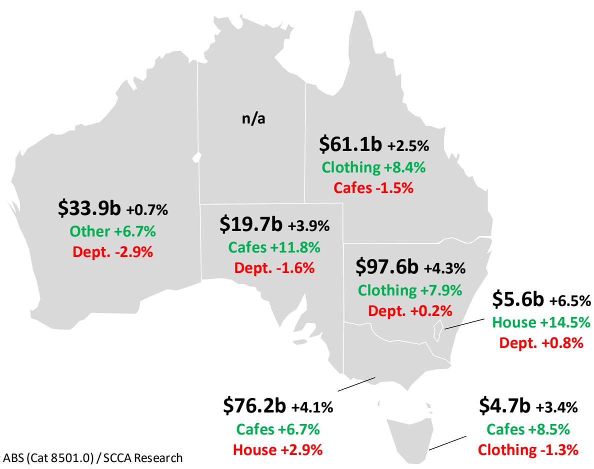


Source: ABS & Westpac Melbourne Institute / SCCA Research

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 $5.6 billion) followed by New South Wales (up 4.3 per cent to $97.6 billion) and Victoria (up 4.1 per cent to $76.2 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 14.5 per cent), whilst 'Cafes, restaurants and takeaway' retailing was the strongest growing category for Victoria (up 6.7 per cent), South Australia (up 11.8 per cent) and Tasmania (up 8.5 per cent). 'Department stores' retailing was the weakest performing category in Western Australia, South Australia, New South Wales and the ACT.



Source: ABS (Cat 8501.0) / SCCA Research