RESEARCH NOTE

RETAIL TRADE TREND ESTIMATE INCREASED BY 0.2 PER CENT FOR JANUARY 2017 AND BY 3.2 PER CENT YEAR-ON-YEAR

Monday, March 6 2017 - The latest release (January 2017) of the monthly ABS Retail Trade data indicates that the overall month-on-month (m-o-m) **trend** estimate grew by 0.2 per cent, down from 0.3 per cent in the prior corresponding period (pcp). In **trend terms**, retail turnover increased by 3.2 per cent year-on-year (y-o-y) for the third consecutive period.

STATE OF PLAY

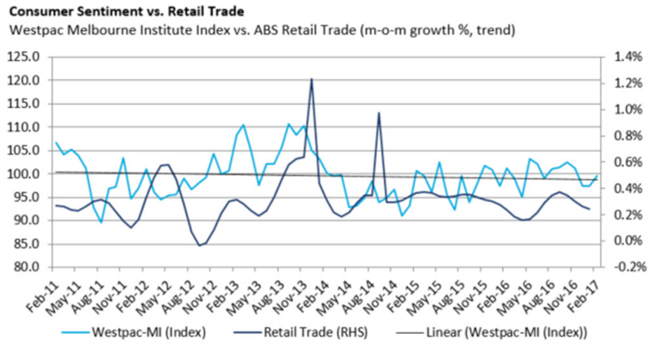
The adjacent table summarises the key data in **seasonally adjusted** terms across the six ABS retail categories. The strongest growth was recorded for 'Household goods' retailing on a m-o-m basis (1.4 per cent), whilst the strongest category on a y-o-y basis was 'Cafes, restaurants and takeaway food services' retailing (6.0 per cent). In **seasonally adjusted** terms, Retail Turnover increased by 0.4 per cent in the month of January 2017 (a significant turnaround from -0.1 per cent in the pcp) and increased by 3.1 per cent on a y-o-y basis (up from 3.0 per cent in the pcp).

CATEGORIES	$ billion	m-o-m	last 3 months	y-o-y
Food retailing	$10.38	↑ 0.2%	↑ 1.0%	↑ 3.5%
Household goods retailing	$4.48	↑ 1.4%	↓ -0.7%	↑ 2.0%
Clothing, footwear and personal accessory retailing	$2.04	↓ -0.4%	↑ 3.1%	↑ 5.2%
Department stores	$1.54	↓ -0.5%	↓ -0.7%	↓ -3.9%
Other retailing	$3.63	↑ 0.1%	↑ 0.1%	↑ 2.6%
Cafes, restaurants and takeaway food services	$3.65	↑ 1.1%	↑ 0.2%	↑ 6.0%
Retail Turnover	**$25.73**	**↑ 0.4%**	**↑ 0.5%**	**↑ 3.1%**

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 increased to 99.6 in February 2017, up from 97.4 in January 2017. Although the Index has lifted somewhat, consumer sentiment is still slightly negative (i.e. less than 100) and remains below pre-Christmas levels (102.4 in October 2016 and 101.3 in November 2016).



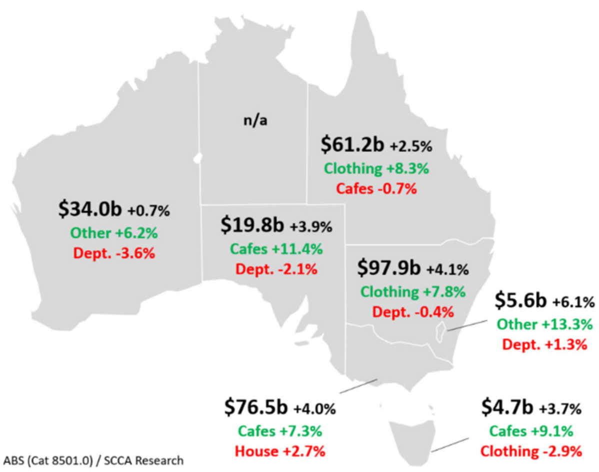
Source: ABS & Westpac Melbourne Institute / SCCA Research

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 6.1 per cent to $5.6 billion) followed by New South Wales (up 4.1 per cent to $97.9 billion) and Victoria (up 4.0 per cent to $76.5 billion). The weakest state was Western Australia (up 0.7 per cent to $34.0 billion). The ACT and Victoria 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 13.3 per cent), whilst 'Cafes, restaurants and takeaway food services' retailing was the strongest growing category for South Australia (up 11.4 per cent), Tasmania (up 9.1 per cent) and Victoria (up 7.3 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

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