

RESEARCH NOTE

RETAIL TRADE TREND ESTIMATE WAS UNCHANGED FOR FEBRUARY 2017 AND INCREASED BY 2.5 PER CENT YEAR-ON-YEAR

Tuesday, May 8 2017 - The latest release (March 2017) of the monthly ABS Retail Trade data indicates that the overall month-on-month (m-o-m) **trend** was unchanged (0.0 per cent), down from 0.1 per cent in the prior corresponding period (pcp). In **trend terms**, retail turnover increased by 2.5 per cent year-on-year (y-o-y), down from 2.7 per cent in the 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 (1.1 per cent), whilst the strongest category on a y-o-y basis was 'Cafes, restaurants and takeaway food services' retailing (4.8 per cent). In **seasonally adjusted** terms, Retail Turnover decreased by 0.1 per cent in the month of March 2017 following a decrease of 0.2 per cent in February, the first time a fall has been recorded in consecutive months since November 2012. On a y-o-y basis, Retail Turnover increased by 2.1 per cent (down from 2.7 per cent in the pcp), the lowest level at which growth has been recorded since June 2013.

TREND ANALYSIS: CONSUMER SENTIMENT

The latest release of the Westpac Melbourne Institute Consumer Sentiment Index indicates that consumer sentiment decreased to 99.0 in April 2017, down from 99.7 in March 2017. Westpac notes that this is a "surprising but welcome result" citing that recent media attention on housing affordability, major banks lifting rates on select mortgage products and speculation on the forthcoming Federal Budget could have produced a much larger fall in confidence.

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 5.2 per cent to \$5.6 billion) followed by Tasmania (up 4.2 per cent to \$4.8 billion). The weakest jurisdiction was Western Australia (up 0.6 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 12.6 per cent), whilst 'Cafes, restaurants and takeaway food services' retailing was the strongest growing category for South Australia (up 10.9 per cent), Tasmania (up 10.0 per cent) and Victoria (up 7.9 per cent). 'Department stores' retailing was the weakest performing category in all

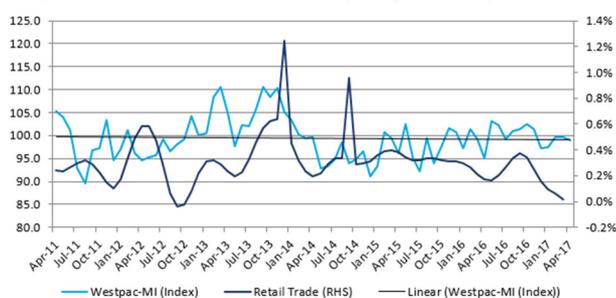
jurisdictions except Tasmania, noting that the ABS does not report 'Department stores' retailing in that particular jurisdiction.

CATEGORIES	\$ billion	m-o-m	last 3 months	y-o-y
Food retailing	\$10.36	↓ -0.5%	↔ 0.0%	↑ 2.6%
Household goods retailing	\$4.45	↓ -0.1%	↑ 0.9%	↑ 0.6%
Clothing, footwear and personal accessory retailing	\$1.98	↑ 0.4%	↓ -3.1%	↑ 0.6%
Department stores	\$1.54	↓ -0.6%	↓ -0.4%	↓ -2.8%
Other retailing	\$3.67	↑ 1.1%	↑ 1.2%	↑ 3.3%
Cafes, restaurants and takeaway food services	\$3.62	↓ -0.5%	↑ 0.5%	↑ 4.8%
Retail Turnover	\$25.63	↓ -0.1%	↑ 0.1%	↑ 2.1%

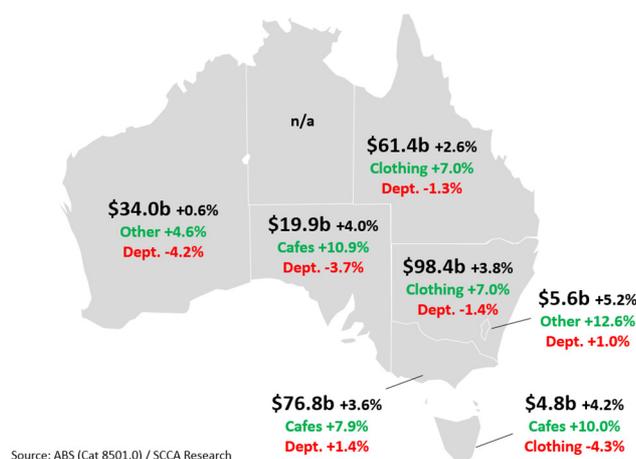
Source: ABS (Cat 8501.0) / SCCA Research

*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