SHOPPING CENTRE
COUNCIL OF AUSTRALIA

RESEARCH NOTE

RETAIL TRADE TREND ESTIMATE INCREASED 0.1 PER CENT FOR APRIL 2017 AND BY 2.7 PER CENT YEAR-ON-YEAR

Thursday, June 1 2017 - The latest release (April 2017) of the monthly ABS Retail Trade data indicates that the overall month-on-month (m-o-m) **trend** estimate increased by 0.1 per cent, equal to 0.1 per cent in the prior corresponding period (pcp). In **trend terms**, retail turnover increased by 2.7 per cent year-on-year (y-o-y), equal to (a revised) 2.7 per cent in the pcp.

STATE OF PLAY

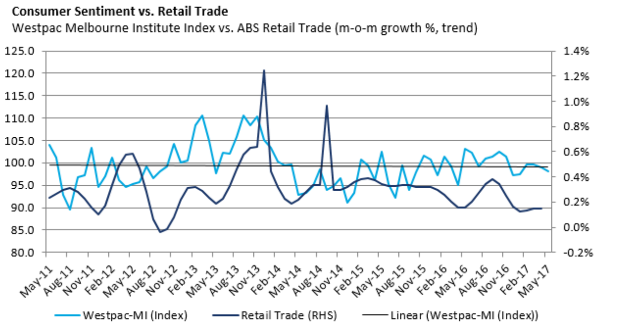
The adjacent table summarises the key data in **seasonally adjusted** terms across the six ABS retail categories. The strongest growth was recorded for 'Department stores' retailing on a m-o-m basis (2.5 per cent), whilst the strongest category on a y-o-y basis was 'Cafes, restaurants and takeaway food services' retailing (5.0 per cent). In **seasonally adjusted** terms, Retail Turnover increased by a significant 1.0 per cent in the month of April 2017 following a decrease of 0.2 per cent in March. This is the largest m-o-m growth recorded since September 2014. On a y-o-y basis, Retail Turnover increased by 3.1 per cent (significantly up from a revised 2.2 per cent in the pcp), the strongest level of growth since November 2016.

CATEGORIES	$ billion	m-o-m	last 3 months	y-o-y
Food retailing	$10.49	↑ 1.2%	↑ 1.1%	↑ 4.3%
Household goods retailing	$4.47	↑ 0.4%	↓ -0.2%	↑ 0.7%
Clothing, footwear and personal accessory retailing	$1.98	↑ 0.3%	↓ -2.0%	↑ 0.3%
Department stores	$1.58	↑ 2.5%	↑ 3.0%	↑ 0.1%
Other retailing	$3.70	↑ 0.6%	↑ 1.7%	↑ 3.7%
Cafes, restaurants and takeaway food services	$3.67	↑ 1.1%	↑ 0.7%	↑ 5.0%
Retail Turnover	**$25.89**	↑ **1.0%**	↑ **0.7%**	↑ **3.1%**

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

TREND ANALYSIS: CONSUMER SENTIMENT

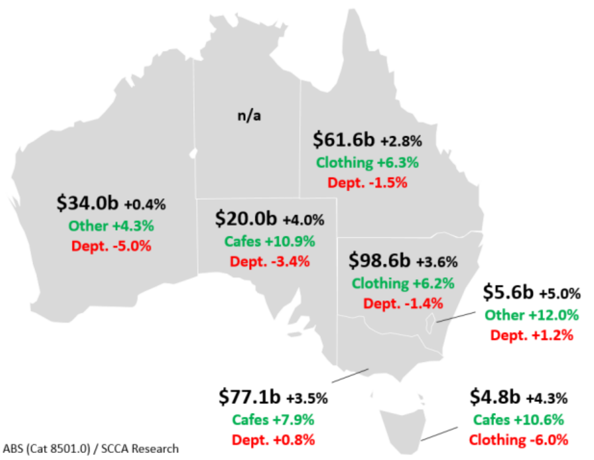
The latest release of the Westpac Melbourne Institute Consumer Sentiment Index indicates that consumer sentiment decreased to 98.0 in May 2017, down from 99.0 in April 2017. Westpac notes that this survey was conducted during the Federal Budget period but states there was "…virtually no impact from the Budget." on the Index. Interestingly, there has been a significantly higher correlation between sentiment and spending in the last 12-months than in the prior 12-moth period.



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 5.0 per cent to $5.6 billion) followed by Tasmania (up 4.3 per cent to $4.8 billion) and South Australia (up 4.0 per cent to $20.0 billion). The weakest jurisdiction was, once again, Western Australia (up 0.4 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 12.0 per cent), whilst 'Cafes, restaurants and takeaway food services' retailing was the strongest growing category for South Australia (up 10.9 per cent) and Tasmania (up 10.6 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.



Source: ABS (Cat 8501.0) / SCCA Research