SHOPPING CENTRE COUNCIL OF AUSTRALIA

RESEARCH NOTE

RETAIL TRADE TREND ESTIMATE INCREASED 0.3 PER CENT FOR MAY 2017 AND BY 3.2 PER CENT YEAR-ON-YEAR

Tuesday, July 4 2017 - The latest release (May 2017) of the monthly ABS Retail Trade data indicates that the overall month-on-month (m-o-m) **trend** estimate increased by 0.3 per cent, equal to (a revised) 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), up from (a revised) 3.1 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 'Household goods' retailing on a m-o-m basis (2.2 per cent), whilst the strongest category on a y-o-y basis was 'Cafes, restaurants and takeaway food services' retailing (5.3 per cent). In **seasonally adjusted** terms, Retail Turnover increased by 0.7 per cent in the month of May 2017, a relatively strong result following a significant increase of 1.0 per cent in April. On a y-o-y basis, Retail Turnover increased by 3.8 per cent (up from a revised 3.1 per cent in the pcp), the strongest level of growth since April 2016. Both m-o-m and y-o-y growth was positive across all ABS categories with the exception of 'Department stores' retailing.

TREND ANALYSIS: CONSUMER SENTIMENT

Conversely, the latest release of the Westpac Melbourne Institute Consumer Sentiment Index indicates that consumer sentiment decreased to 96.2 in June 2017, down from 98.0 in May 2017. This is the seventh consecutive month, and the eighth time in the last 12-months, that the Index has been recorded in negative territory. Westpac notes that "…increased pressure on family finances…" was a key driver for the latest fall in Index.

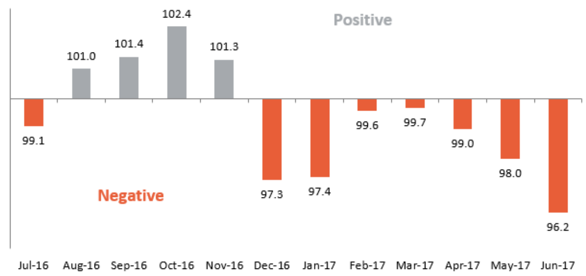
STATE BY STATE: BEST AND WORST

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 5.1 per cent to $5.7 billion) followed by Tasmania (up 4.6 per cent to $4.8 billion) and South Australia (up 4.1 per cent to $20.1 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 growth across all six ABS categories. 'Other' retailing was the key driver of growth in the ACT (up 11.4 per cent), whilst 'Cafes, restaurants and takeaway food services' retailing was the strongest growing category for South Australia and Tasmania (both up 10.8 per cent), Victoria (up 7.6 per cent) and Western Australia (up 5.4 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.

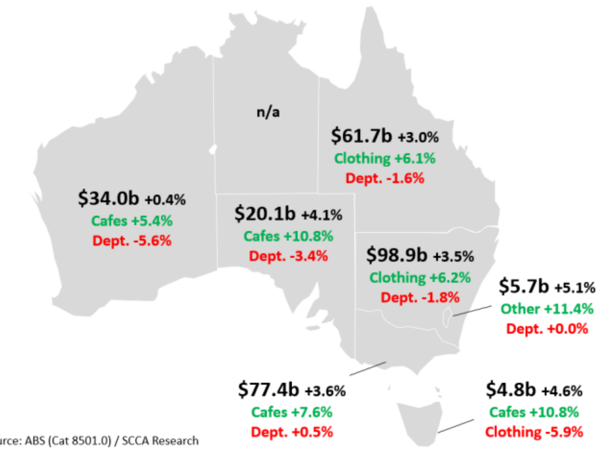
CATEGORIES	$ billion	m-o-m	last 3 months	y-o-y
Food retailing	$10.50	0.1%	0.8%	3.8%
Household goods retailing	$4.59	2.2%	2.6%	5.1%
Clothing, footwear and personal accessory retailing	$2.01	1.3%	1.9%	3.8%
Department stores	$1.57	-0.7%	1.3%	-0.3%
Other retailing	$3.72	0.6%	2.3%	2.9%
Cafes, restaurants and takeaway food services	$3.69	0.6%	1.3%	5.3%
Retail Turnover	**$26.08**	**0.7%**	**1.5%**	**3.8%**

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

Westpac-MI Consumer Sentiment
12-months to June 2017



Source: Westpac-Melbourne Institute / SCCA Research



Source: ABS (Cat 8501.0) / SCCA Research