

RESEARCH NOTE

RETAIL TRADE TREND ESTIMATE FELL BY 0.1 PER CENT IN OCTOBER 2017 AND INCREASED BY 1.6 PER CENT YEAR-ON-YEAR

Thursday, January 11 2018 - The latest release (November 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 1.7 per cent year-on-year (y-o-y), down from (a revised) 1.8 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 (4.5 per cent), whilst 'Cafes, restaurants and takeaway food services' recorded the strongest growth on a y-o-y basis (4.4 per cent). In **seasonally adjusted** terms, Retail Turnover increased by 1.2 per cent in the month of November 2017, up from 0.5 per cent in the pcp, the strongest recorded growth since February 2013. On a y-o-y basis, Retail Turnover increased by 2.9 per cent, up from 1.8 per cent in the pcp. According to the ABS, "Online retail turnover contributed 5.5 per cent to total retail turnover in original terms. This is the largest contribution to total retail turnover from online sales in the history of the online series".

TREND ANALYSIS: CONSUMER CONFIDENCE

Whilst consumer sentiment has been 'negative' for 10 of the last 12 months, the latest figures from the Westpac-Melbourne Institute Index of Consumer Confidence indicates a strong period of confidence over the last quarter of 2017. Indeed, the figures for the last three months of 2017 average 101.5 - some 4.8 points higher than the September quarter - with December 2017 reaching 103.3, the highest level since December 2013 when the Index hit 105.0. This increase in consumer confidence appears to have been reflected in the current ABS figures - at least in the lead up to the Christmas 2017 trading period.

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 Tasmania (up 4.7 per cent to \$4.9 billion) followed by Victoria (up 3.8 per cent to \$78.9 billion) and South Australia (up 3.8 per cent to \$20.4 billion). 'Cafes, restaurants and takeaway food services' retailing continues to drive growth in New South Wales, South Australia, Western Australia and Tasmania. 'Department stores' retailing was the weakest

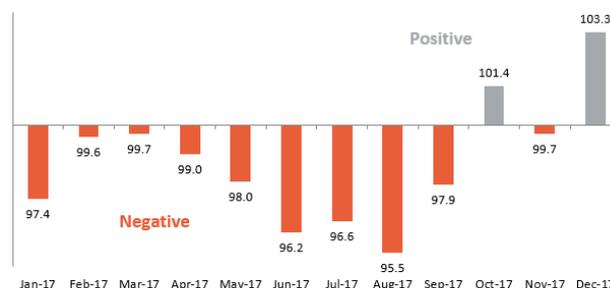
performing category in all jurisdictions except Tasmania (not reported by the ABS) and Western Australia.

CATEGORIES	\$ billion	m-o-m	last 3 months	y-o-y
Food retailing	\$10.56	↔ 0.0%	↑ 1.0%	↑ 2.4%
Household goods retailing	\$4.66	↑ 4.5%	↑ 4.4%	↑ 2.9%
Clothing, footwear and personal accessory retailing	\$2.06	↑ 1.6%	↑ 2.2%	↑ 2.2%
Department stores	\$1.56	↓ -1.1%	↑ 1.7%	↑ 1.1%
Other retailing	\$3.78	↑ 2.2%	↑ 0.6%	↑ 3.9%
Cafes, restaurants and takeaway food services	\$3.76	↑ 0.4%	↑ 2.9%	↑ 4.4%
Retail Turnover	\$26.38	↑ 1.2%	↑ 1.9%	↑ 2.9%

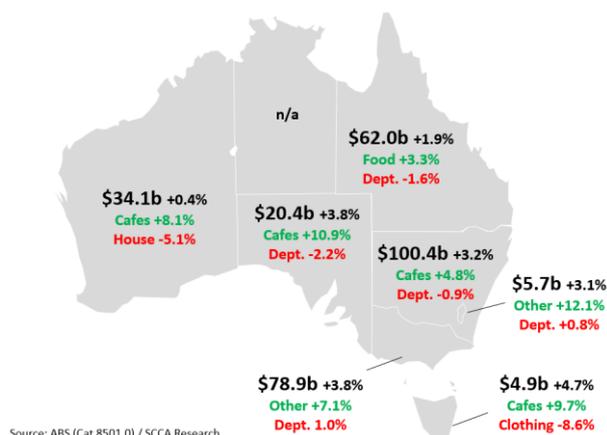
Source: ABS (Cat 8501.0) / SCCA Research

*Seasonally Adjusted

Westpac-MI Consumer Sentiment
12-months to December 2017



Source: Westpac-Melbourne Institute / SCCA Research



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