

RESEARCH NOTE

RETAIL TRADE TREND ESTIMATE INCREASED BY 0.4 PER CENT IN FEBRUARY 2018 AND BY 2.7 PER CENT YEAR-ON-YEAR

Wednesday, April 4 2018 - The latest release (February 2018) of the monthly ABS Retail Trade data indicates that the overall month-on-month (m-o-m) **trend** estimate increased by 0.4 per cent, up from 0.3 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), up from (a revised) 2.5 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 (1.5 per cent), whilst 'Clothing, footwear and personal accessory' retailing was the strongest category on a y-o-y basis (4.9 per cent). In **seasonally adjusted** terms, Retail Turnover increased by 0.6 per cent in the month of February 2018, up from (a revised) 0.2 per cent in the pcp. On a y-o-y basis, Retail Turnover increased by 3.0 per cent, significantly up from 2.1 per cent in the pcp. Positive growth was recorded across all six ABS categories on both a m-o-m and y-o-y basis for the first time since April 2017.

CATEGORIES	\$ billion	m-o-m	last 3 months	y-o-y
Food retailing	\$10.69	↑ 0.3%	↑ 1.2%	↑ 2.7%
Household goods retailing	\$4.60	↑ 1.1%	↓ -1.6%	↑ 3.2%
Clothing, footwear and personal accessory retailing	\$2.06	↑ 1.1%	↑ 0.4%	↑ 4.9%
Department stores	\$1.55	↑ 1.5%	↑ 0.0%	↑ 0.5%
Other retailing	\$3.77	↑ 0.2%	↓ -0.5%	↑ 3.4%
Cafes, restaurants and takeaway food services	\$3.77	↑ 0.7%	↑ 0.5%	↑ 3.5%
Retail Turnover	\$26.45	↑ 0.6%	↑ 0.2%	↑ 3.0%

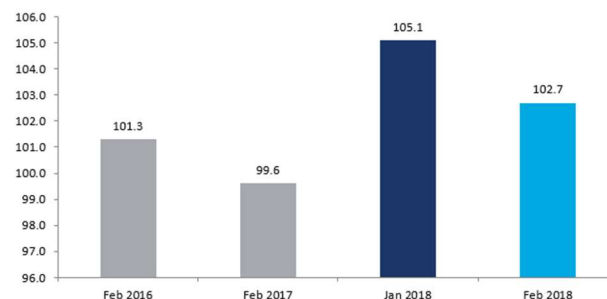
Source: ABS (Cat 8501.0) / SCCA Research

*Seasonally Adjusted

TREND ANALYSIS: CONSUMER SENTIMENT

Consumer sentiment has now been 'positive' for three consecutive months, something which has not occurred since late 2016 when four consecutive months of 'positive' consumer sentiment were recorded between August and November of that year. The latest figures from the Westpac-Melbourne Institute Index of Consumer Confidence reports consumer sentiment at 102.7. Whilst down from 105.1 in January 2018, this figure is up on the pcp in the last two years. This increase in consumer confidence would appear to have been reflected in the current ABS figures in the lead up to February 2018.

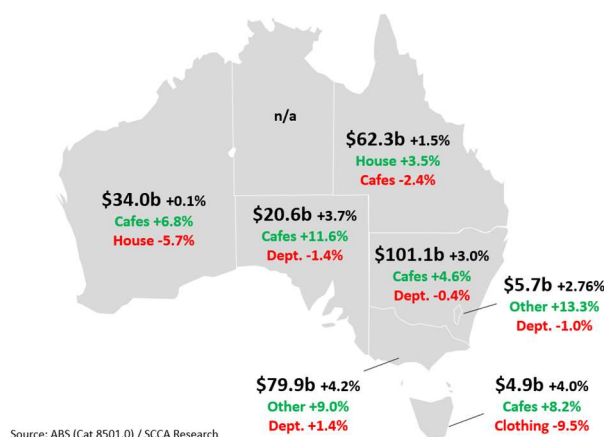
Westpac-MI Consumer Sentiment as at February 2018



Source: 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 Victoria (up 4.2 per cent to \$79.9 billion) followed by Tasmania (up 4.0 per cent to \$4.9 billion) and South Australia (up 3.7 per cent to \$20.6 billion). 'Cafes, restaurants and takeaway food services' retailing continues to drive growth in New South Wales, South Australia, WA and Tasmania. 'Department stores' retailing was the weakest performing category in New South Wales, Victoria, South Australia and the ACT. Victoria was once again the only jurisdiction to record positive growth across all six ABS categories.



Source: ABS (Cat 8501.0) / SCCA Research