

RESEARCH NOTE

RETAIL TRADE TREND ESTIMATE INCREASED BY 0.3 PER CENT IN MAY 2018 AND BY 2.8 PER CENT YEAR-ON-YEAR

Wednesday, July 4 2018 - The latest release (May 2018) 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 for the fourth consecutive month. In **trend** terms, Retail Turnover increased by 2.8 per cent year-on-year (y-o-y), up from (a revised) 2.7 per cent in the prior corresponding period (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 (3.9 per cent), whilst 'Food' retailing recorded the strongest y-o-y growth (3.7 per cent). In **seasonally adjusted** terms, Retail Turnover increased by 0.4 per cent in the month of May 2018, down from (a revised) 0.5 per cent in April 2018. On a y-o-y basis, Retail Turnover increased by 2.5 per cent, down from (a revised) 2.7 per cent in the pcp.

CATEGORIES	\$ billion	m-o-m	last 3 months	y-o-y
Food retailing	\$10.86	↑ 0.3%	↑ 1.5%	↑ 3.7%
Household goods retailing	\$4.62	↑ 0.1%	↑ 0.5%	↑ 1.1%
Clothing, footwear and personal accessory retailing	\$2.08	↑ 2.2%	↑ 0.9%	↑ 3.2%
Department stores	\$1.60	↑ 3.9%	↑ 2.7%	↑ 2.1%
Other retailing	\$3.77	↓ -0.1%	↑ 0.2%	↑ 1.6%
Cafes, restaurants and takeaway food services	\$3.74	↓ -1.0%	↓ -0.6%	↑ 1.4%
Retail Turnover	\$26.67	↑ 0.4%	↑ 0.9%	↑ 2.5%

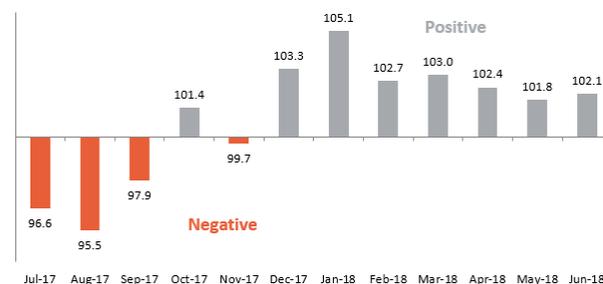
Source: ABS (Cat 8501.0) / SCCA Research

*Seasonally Adjusted

TREND ANALYSIS: CONSUMER SENTIMENT

Consumer sentiment has now been 'positive' for seven consecutive months, something which has not occurred since early 2014, when nine consecutive months of 'positive' consumer sentiment were recorded between June 2013 and February 2014. The latest figures from the Westpac-Melbourne Institute Index of Consumer Confidence reports consumer sentiment at 102.1 for June 2018, up from 101.8 in May 2018. This sustained period of consumer confidence is an improvement on 2017 but, as the report notes, "...remains well below the levels typically associated with a robust consumer."

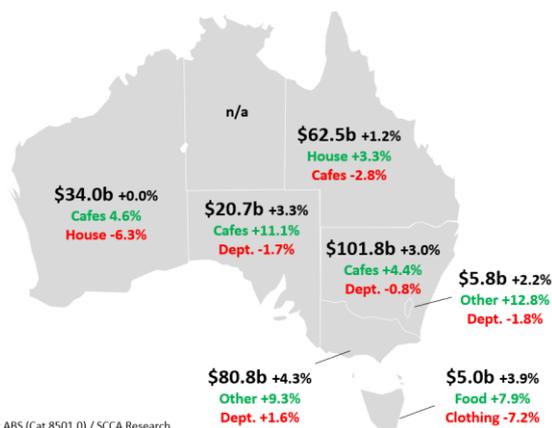
Westpac-MI Consumer Sentiment
12-months to June 2018



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 4.3 per cent to \$80.8 billion) followed by Tasmania (up 3.9 per cent to \$5.0 billion) and South Australia (up 3.3 per cent to \$20.7 billion). 'Cafes, restaurants and takeaway food services' retailing continues to drive growth in New South Wales, South Australia and Western Australia. Despite the overall growth in 'Department stores' retailing noted above, it was the weakest performing category in New South Wales, Victoria, South Australia and the Australian Capital Territory. Victoria was once again the only jurisdiction to record positive growth across all six ABS categories.



Source: ABS (Cat 8501.0) / SCCA Research