

RESEARCH NOTE

RETAIL TRADE TREND ESTIMATE INCREASED BY 0.2 PER CENT IN DECEMBER 2018 AND BY 3.2 PER CENT YEAR-ON-YEAR

Tuesday, February 5 2019 - The latest release (December 2018) of the monthly ABS Retail Trade data indicates that the overall month-on-month (m-o-m) **trend** estimate increased by 0.2 per cent for the fifth consecutive month. In **trend** terms, Turnover increased by 3.2 per cent year-on-year (y-o-y), down from (a revised) 3.4 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 'Cafes, restaurants and takeaway food services retailing on a m-o-m basis (1.1 per cent), whilst 'Other' retailing was the strongest performing category on a y-o-y basis (4.3 per cent). In **seasonally adjusted** terms, Retail Turnover decreased by 0.4 per cent in the month of December 2018, down from (a revised) 0.5 per cent in November 2018, broadly in-line with the consensus expectation given the strong result from the previous month. On a y-o-y basis, Retail Turnover increased by 2.8 per cent, equal to the pcp.

CATEGORIES	\$ billion	m-o-m	last 3 months	y-o-y
Food retailing	\$11.07	↑ 0.5%	↑ 0.9%	↑ 4.0%
Household goods retailing	\$4.54	↓ -2.8%	↓ -0.9%	↓ -0.5%
Clothing, footwear and personal accessory retailing	\$2.11	↓ -2.4%	↑ 1.6%	↑ 2.4%
Department stores	\$1.55	↓ -1.1%	↓ -0.5%	↑ 0.5%
Other retailing	\$3.88	↓ -0.1%	↑ 0.3%	↑ 4.3%
Cafes, restaurants and takeaway food services	\$3.85	↑ 1.1%	↑ 0.2%	↑ 2.9%
Retail Turnover	\$27.01	↓ -0.4%	↑ 0.4%	↑ 2.8%

Source: ABS (Cat 8501.0) / SCCA Research

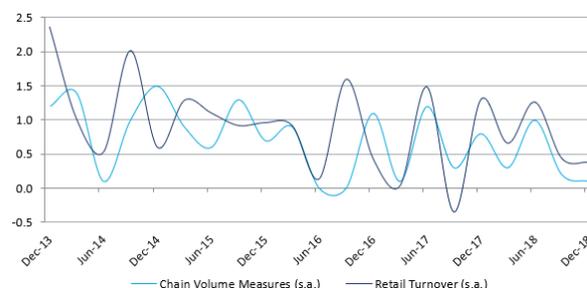
*Seasonally Adjusted

TREND ANALYSIS: CHAIN VOLUME MEASURES

The quarterly chain volume measure estimates the change in value after the direct effects of price changes have been eliminated, reflecting changes in volume. In the quarter to December 2018, Chain Volume Measures increased by 0.1 per cent, down from 0.2 per cent in the pcp. Retail Turnover increased by 0.4 per cent in the December 2018 quarter, equal to 0.4 per cent in the pcp. Retail Turnover is tracking ahead of Chain Volume Measures indicating that price inflation is the main driver of growth.

ABS Retail Turnover - Seasonally Adjusted

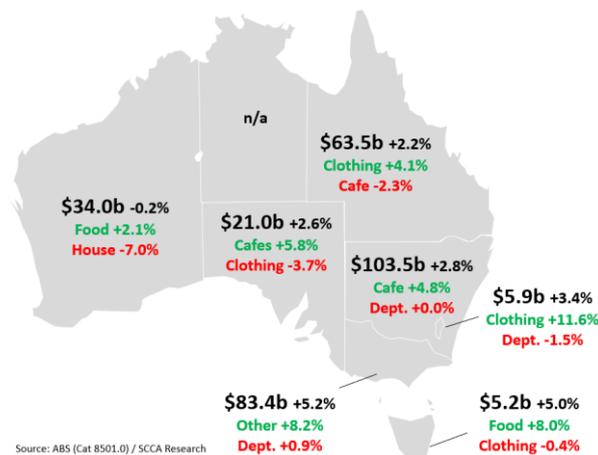
Quarterly Growth in Chain Volume Measures vs. Retail Turnover (%)



Source: ABS / 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 5.2 per cent to \$83.4 billion) followed by Tasmania (up 5.0 per cent to \$5.2 billion) and the ACT (up 3.4 per cent to \$5.9 billion). Western Australia was the worst performing jurisdiction (down 0.2 per cent to \$34.0 billion), recording the seventh consecutive month of negative growth. 'Clothing, footwear and personal accessory' retailing recorded the highest growth in the ACT (11.6 per cent) and Queensland (4.1 per cent). 'Department stores' retailing recorded the lowest growth in three jurisdictions, albeit positive growth for two of those jurisdictions. Victoria and New South Wales were the only jurisdictions to record positive growth across all six ABS categories.



Source: ABS (Cat 8501.0) / SCCA Research