

RESEARCH NOTE

RETAIL TRADE TREND ESTIMATE INCREASED BY 0.2 PER CENT IN FEBRUARY 2019 AND BY 2.9 PER CENT YEAR-ON-YEAR

Wednesday, April 3 2019 - The latest release (February 2019) 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, equal to (a revised) 0.2 per cent in the prior corresponding period (pcp). In **trend** terms, Retail Turnover increased by 2.9 per cent year-on-year (y-o-y), down from (a revised) 3.1 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 (3.5 per cent), whilst 'Food' retailing was the strongest performing category on a y-o-y basis (4.9 per cent). In **seasonally adjusted** terms, Retail Turnover increased by 0.8 per cent in the month of February 2019, up from 0.1 per cent in January 2019. On a y-o-y basis, Retail Turnover increased by 3.2 per cent, up from 2.7 per cent in the pcp.

TREND ANALYSIS: CONSUMER SENTIMENT

According to the latest figures from the Westpac-Melbourne Institute Index of Consumer Confidence report, consumer sentiment fell to 98.8 in March 2019, the second time sentiment has dropped below 100 in the last three months. This follows on from a 'cautiously optimistic' 2018 where the index was in positive territory for the entire year. The Index highlights "...Australia's economic growth slowing to a 1% annual pace over the second half of 2018" along with weakened views on family finances as key drivers of consumer confidence.

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 5.4 per cent to \$5.2 billion) followed by Victoria (up 5.1 per cent to \$83.9 billion) and the ACT (up 4.0 per cent to \$6.0 billion). Western Australia was the worst performing jurisdiction (up 0.1 per cent to \$34.1 billion), however this marks the first month of positive growth in the state following eight consecutive months of negative growth. 'Clothing, footwear and personal accessory' retailing recorded the highest growth in the ACT (10.4 per cent), Victoria (7.5 per cent) and Queensland (5.2 per cent). 'Department stores' retailing recorded the lowest growth in three jurisdictions, albeit positive growth for two of those jurisdictions. Tasmania, Victoria and New South Wales were

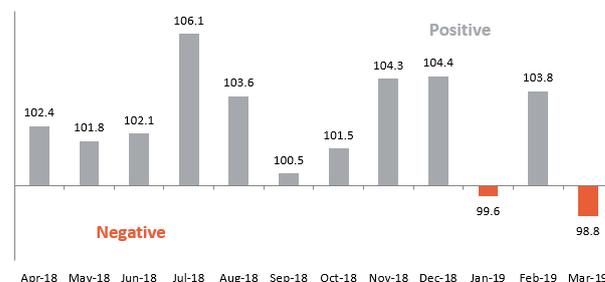
the only jurisdictions to record positive growth across all six ABS categories.

CATEGORIES	\$ billion	m-o-m	last 3 months	y-o-y
Food retailing	\$11.21	↑ 0.8%	↑ 1.8%	↑ 4.9%
Household goods retailing	\$4.59	↑ 1.1%	↓ -1.7%	↓ -0.1%
Clothing, footwear and personal accessory retailing	\$2.13	↑ 1.6%	↓ -1.5%	↑ 3.5%
Department stores	\$1.57	↑ 3.5%	↓ -0.1%	↑ 1.3%
Other retailing	\$3.91	↑ 0.0%	↑ 0.6%	↑ 3.7%
Cafes, restaurants and takeaway food services	\$3.86	↓ -0.0%	↑ 1.3%	↑ 2.4%
Retail Turnover	\$27.27	↑ 0.8%	↑ 0.6%	↑ 3.2%

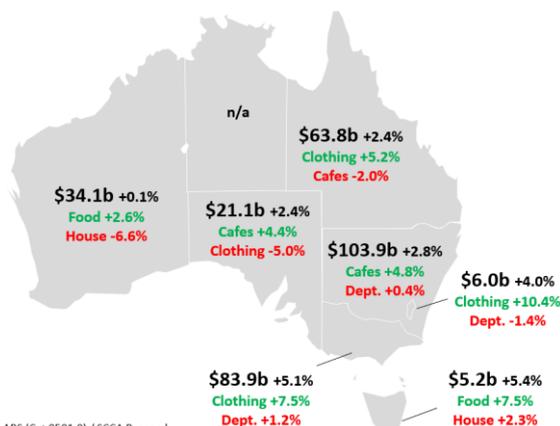
Source: ABS (Cat 8501.0) / SCCA Research

*Seasonally Adjusted

Westpac-MI Consumer Sentiment
12-months to March 2019



Source: Westpac-Melbourne Institute / SCCA Research



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