

RESEARCH NOTE

RETAIL TRADE TREND ESTIMATE INCREASED BY 0.2 PER CENT IN MAY 2019 AND BY 2.7 PER CENT YEAR-ON-YEAR

Thursday, July 4 2019 - The latest release (May 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 0.2 per cent in April 2019. In **trend** terms, Retail Turnover increased by 2.7 per cent year-on-year (y-o-y), slightly down from (a revised) 2.8 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 (0.7 per cent), whilst 'Other' retailing was the strongest performing category on a y-o-y basis (4.4 per cent). In **seasonally adjusted** terms, Retail Turnover increased by 0.1 per cent in the month of May 2019, up from -0.1 per cent in April 2019. On a y-o-y basis, Retail Turnover increased by 2.4 per cent, down from 2.8 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 was recorded at 100.7 in June 2019, down from 101.3 the prior month. Westpac noted that result was "disappointing" in light of the interest rate cut in June and suggested that "deepening concerns" for the wider Australian economy may have offset any positive consumer sentiment generated by lower rates. Overall, sentiment has been positive (i.e. above 100) for 10 out of the last 12 months.

STATE BY STATE: BEST AND WORST

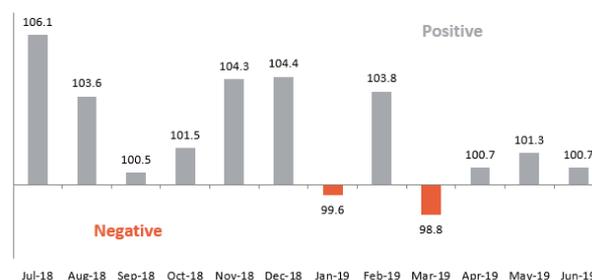
Retail turnover varies within the ABS defined six categories and across different jurisdictions. The adjacent map outlines and compares the total and growth of retail trade (y-o-y), and the best and worst retail growth categories. The strongest jurisdictions in **seasonally adjusted** terms were Victoria (up 5.0 per cent to \$84.8 billion) followed by Tasmania (up 4.9 per cent to \$5.2 billion) and the ACT (up 4.1 per cent to \$6.0 billion). Western Australia was the worst performing jurisdiction (up 0.4 per cent to \$34.1 billion), although it is worth noting that this is the fourth consecutive month of y-o-y growth for the state following nine consecutive months of negative growth. 'Clothing, footwear and personal accessory' retailing recorded the highest growth in the ACT (9.5 per cent), Victoria (7.7 per cent) and Queensland (5.4 per cent). 'Household goods' retailing recorded the lowest growth in four jurisdictions, albeit positive growth for two of those jurisdictions.

CATEGORIES	\$ billion	m-o-m	last 3 months	y-o-y
Food retailing	\$11.23	↓ -0.3%	↑ 0.2%	↑ 3.3%
Household goods retailing	\$4.57	↑ 0.5%	↓ -0.3%	↓ -0.8%
Clothing, footwear and personal accessory retailing	\$2.13	↓ -0.2%	↓ -0.4%	↑ 1.1%
Department stores	\$1.57	↓ -0.4%	↓ -0.0%	↓ -1.4%
Other retailing	\$3.94	↑ 0.6%	↑ 1.0%	↑ 4.4%
Cafes, restaurants and takeaway food services	\$3.91	↑ 0.7%	↑ 1.3%	↑ 4.2%
Retail Turnover	\$27.34	↑ 0.1%	↑ 0.3%	↑ 2.4%

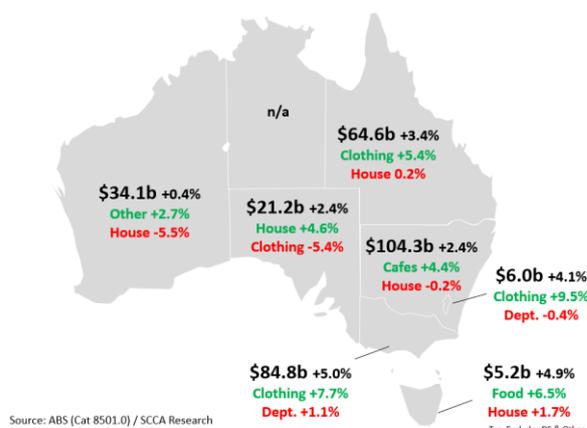
Source: ABS (Cat 8501.0) / SCCA Research

*Seasonally Adjusted

Westpac-MI Consumer Sentiment
12-months to June 2019



Source: Westpac-Melbourne Institute / SCCA Research



Source: ABS (Cat 8501.0) / SCCA Research

Tas. Excludes DS & Other