



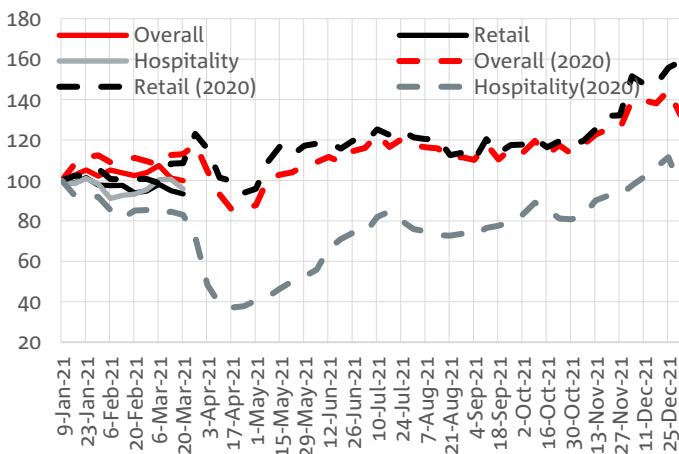
NAB ECONOMICS DATA INSIGHTS

WEEK ENDING 20 MARCH 2021

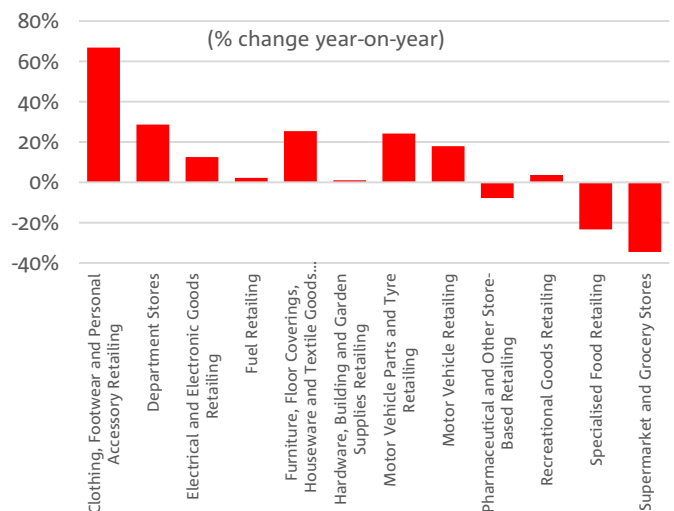
COMMENTS FROM NAB GROUP CHIEF ECONOMIST ALAN OSTER

- During these extraordinary times, NAB has taken the decision to publish aggregated customer data categorised by industry segment with the view to helping provide clarity around which segments of the economy have been most affected by the broader macroeconomic trends at play. NAB takes data privacy very seriously. All customer transaction data has been aggregated and no individual’s data is specifically identified or analysed as part of this process. The data used in this report will not be sold or made publicly available, but insights from the data will be shared with the Australian people.
- As we are now squarely one year from the onset of the first Australian coronavirus lockdowns, what then can we deduce from the latest weekly data? Firstly, there is a clear weakening in the consumer data relative to where we were at the start of 2021, and this doesn’t appear to be seasonal. Retail is down 6.6% from first week of January 2021 and hospitality down 4.2%. With total consumption essentially flat, some other services have gained.
- However, it is important to consider just how exceptional 2020 was for many parts of retail. Household goods, electronic goods and department stores all surged on people working from home, requiring extra equipment and upgrading their living spaces. But this trend was likely to have been a one-off, and we are now seeing retail return to more “normal” levels. Hospitality had a very tough 2020, and while the uptick late in the year was very welcome, the more subdued performance recently is less so.
- In index terms (2019 base), for the week ending 20 March 2021, the overall consumption series (+123) is above where it was for the same week 2020 (+109) on a weekly basis. In year on year growth terms for week 11 of 2021, growth was slightly negative (-2.3%). Bear in mind though that the same week 2020 was up 9%, so much of this y/y comparison now is really the base effects from the 2020 jump.
- State y/y growth likewise needs to be read in this context, with the headline changes largely a reflection of what happened a year ago. Some of the states with the sharpest falls, such as the ACT (-8.9%), NSW (-2.5%), SA (-3.6%), VIC (-2.4%) had recorded some of the strongest gains in 2020. In contrast, the slowest state for the same period 2020, WA, was virtually flat last week (-0.1%, y/y). With no lockdowns recently, state results are more aligned than they were for much of 2020.
- Overall inward credits growth slowed to around 1% last week. But again this reflects technical issues. In this case, a big fall in finance (around -7.2% and especially asset servicing down around -25.4%) has moved the dial substantially. If we exclude finance, business credits are up 7.5% y/y.
- JobKeeper is scheduled to end around a week from now. While our data showed many businesses heavily dependent on the program last year, it is now only contributing a small amount to business in aggregate. However, some industries (such as international tourism) are substantially more dependent than the headline data suggests.

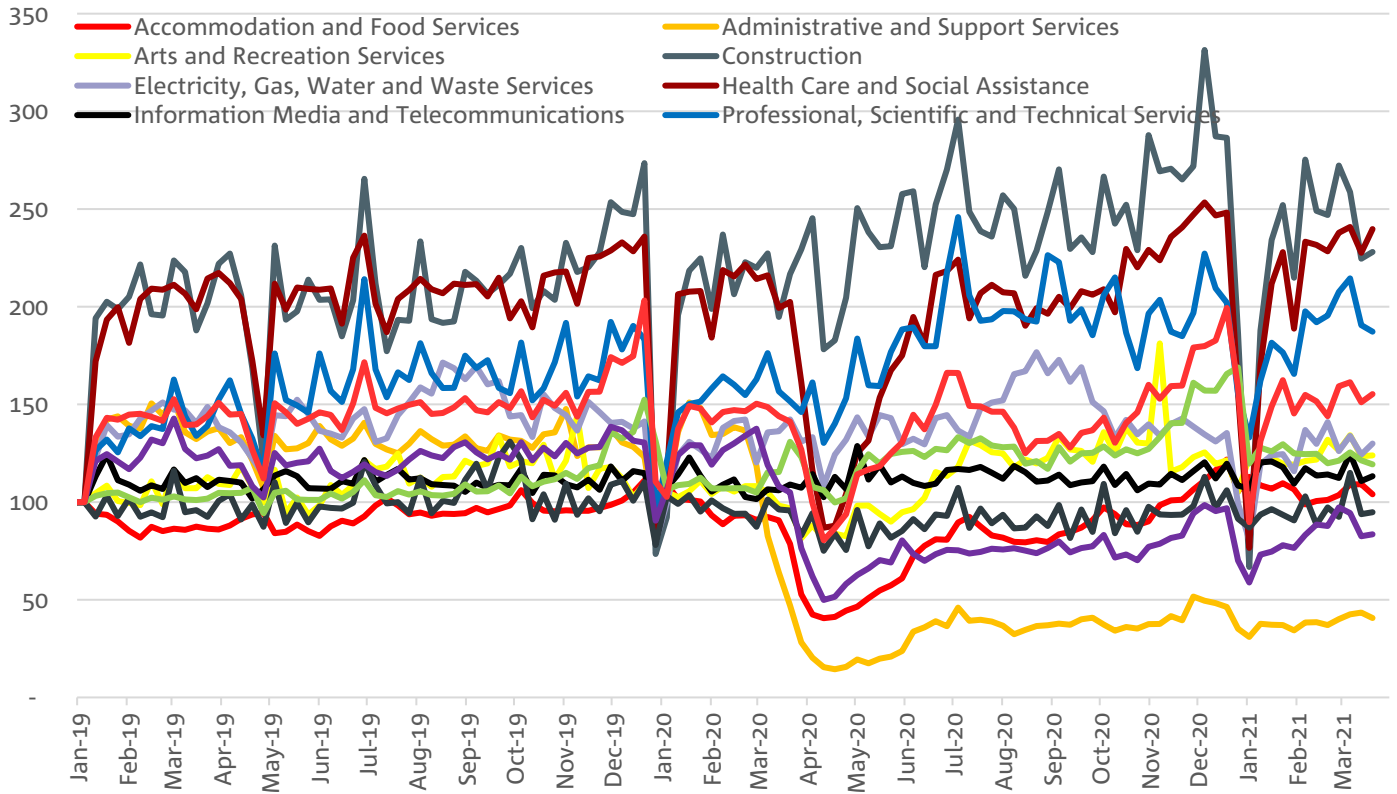
WEEKLY INDEX- BASE RESET ANNUALLY



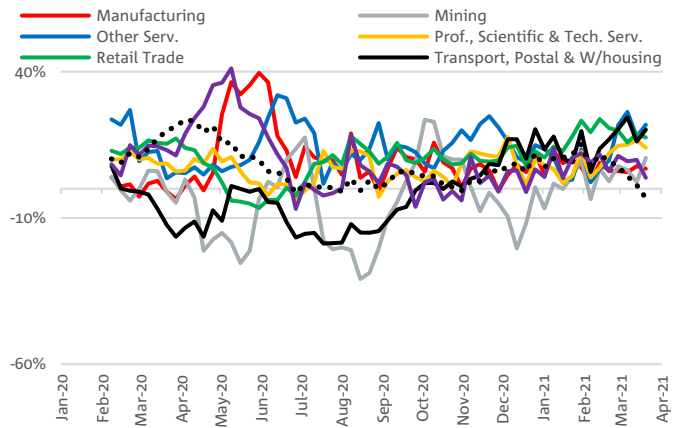
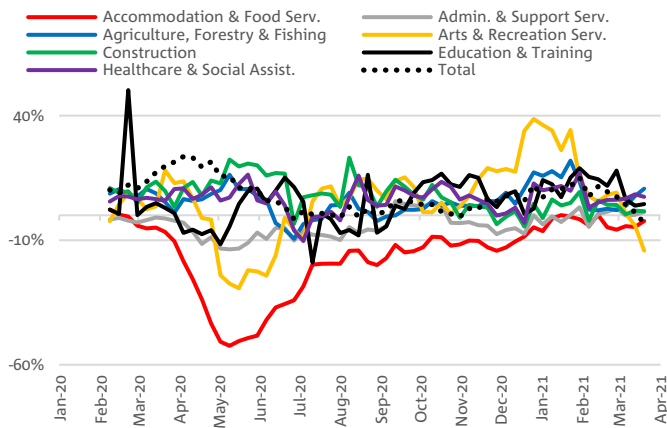
RETAIL TRADE BY INDUSTRY GROUP



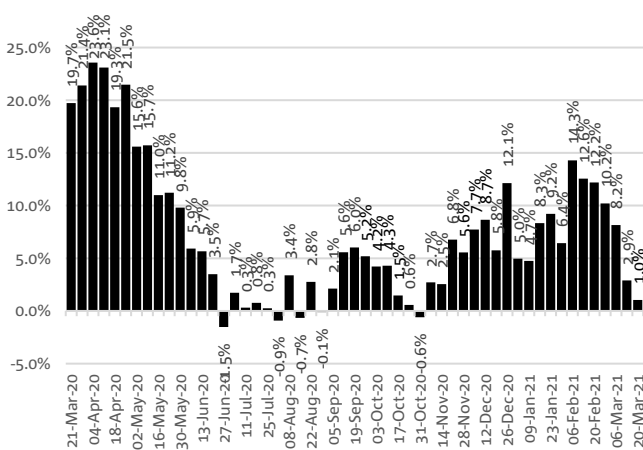
CONSUMPTION SPENDING BY INDUSTRY (INDEX, 100 = JAN 2019)



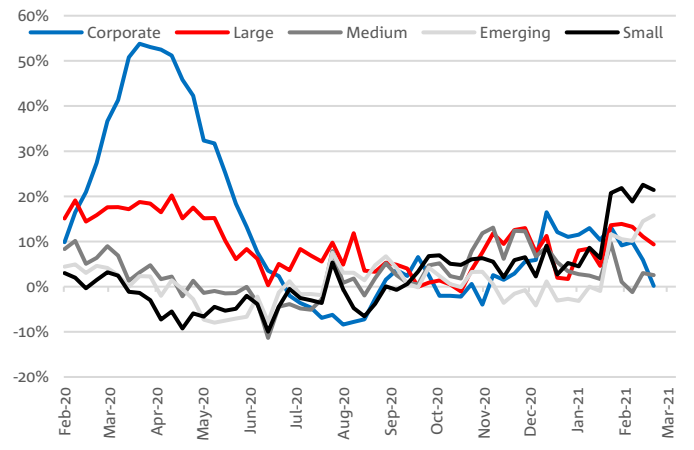
PAYMENT INFLOWS INTO NAB MERCHANTS (6 WEEK ROLLING AVERAGE YOY CHANGE)



PAYMENT INFLOWS INTO NAB MERCHANTS



RETAIL TRADE BY INDUSTRY GROUP



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