



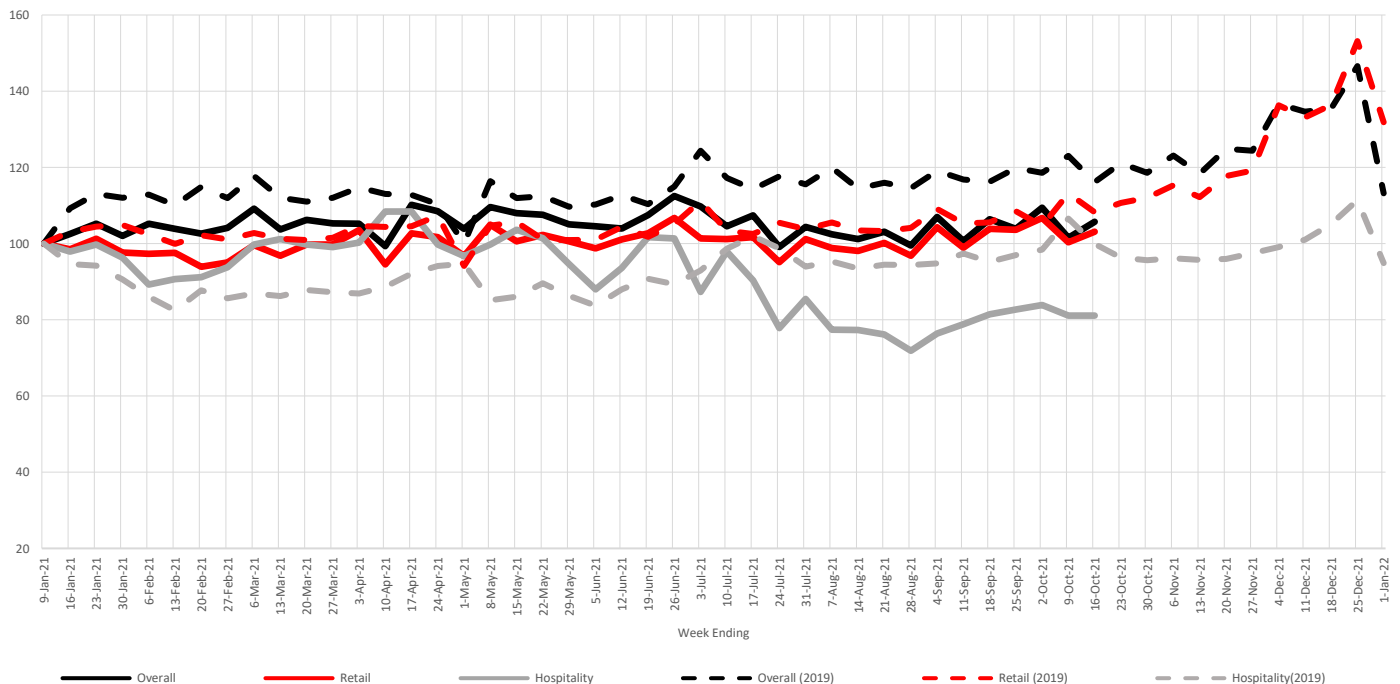
NAB ECONOMICS DATA INSIGHTS

WEEK ENDING 16 OCTOBER 2021

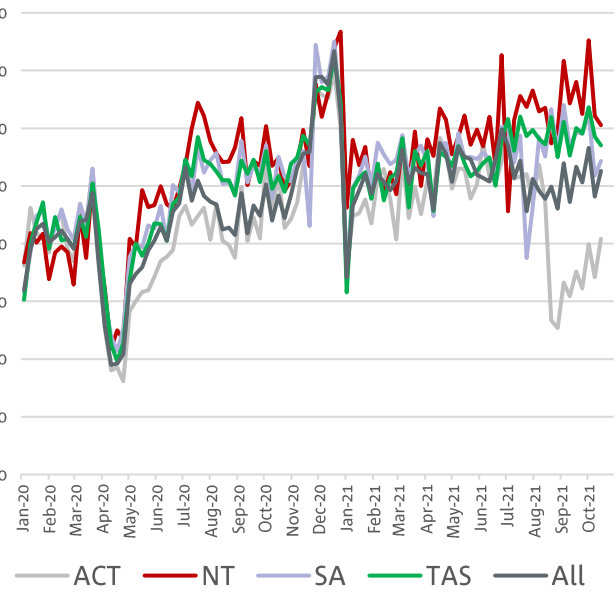
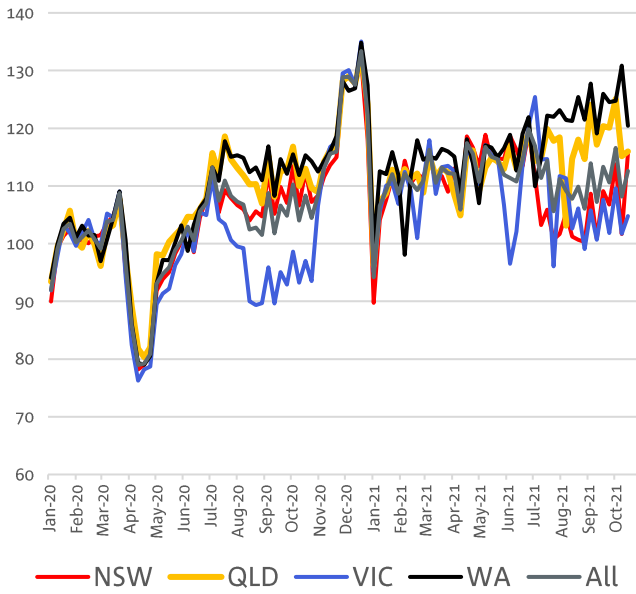
COMMENTS FROM NAB GROUP CHIEF ECONOMIST ALAN OSTER

- 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.
- This week brought the first full week of Sydney reopening and our expectations were high. NSW did jump (up around 15% in the week – reflecting hospitality and personal services (e.g. hairdressers) reopening, but other states showed weakness. Western Australia dropped substantially, while Queensland tracked sideways following a big drop the week prior. Victoria saw continued pressure, but this will almost certainly change when reopening begins this Friday (for home visits, hospitality and personal services) and around a week later for further retail reopening and intrastate travel. Smaller states saw sharp falls two weeks ago and have not recovered.
- Consumption now up 5.7% from the beginning of the year (and was essentially flat last week) but the same week in 2019 was up 16%. Clearly weakness remains, with a gap of around 10% compared to 2019 seasonality. Retail saw a smaller gap (in the order of 5%), reflecting sections of retail still open in lockdown areas, but hospitality remained much weaker, with a gap closer to 20%. This reflects closed venues in lockdown areas, combined with limited interstate and international tourism.
- Our inward credits data tracked sideways last week (currently 111.1 annual base reset) , but was broadly in line with the 2019 seasonal pattern (118.5). SMEs were in a similar position, but recovering from a weak print the week prior. Retail credits data remains soft, standing at 84.1 compared to 98.1 at the same time in 2019.
- Where does this leave us for Q4? Certainly the NSW jump is welcome, although not unexpected. While Victoria remains soft, we have every expectation of recovery in the coming weeks. However, we will closely watch recent weakness in non-lockdown states (albeit from a high base). Likewise, with online retail growing so strongly during the pandemic, it is possible that traditional “bricks and mortar” retail will not bounce back as quickly post-lockdown, as consumers keep buying online. On the other hand, our data show the end of previous lockdowns associated with slowing online retail spending growth We will have a better read on these potential trends in coming weeks.

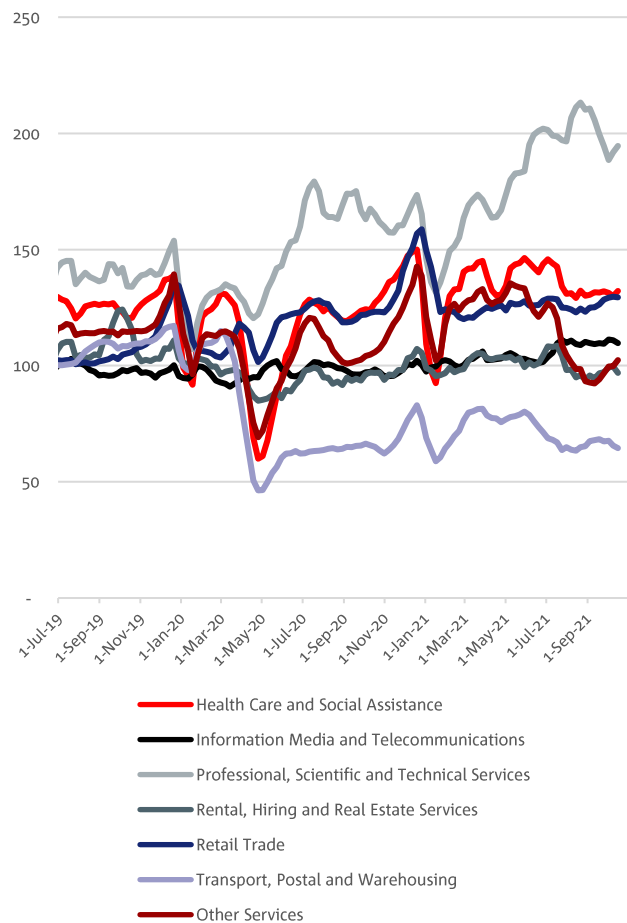
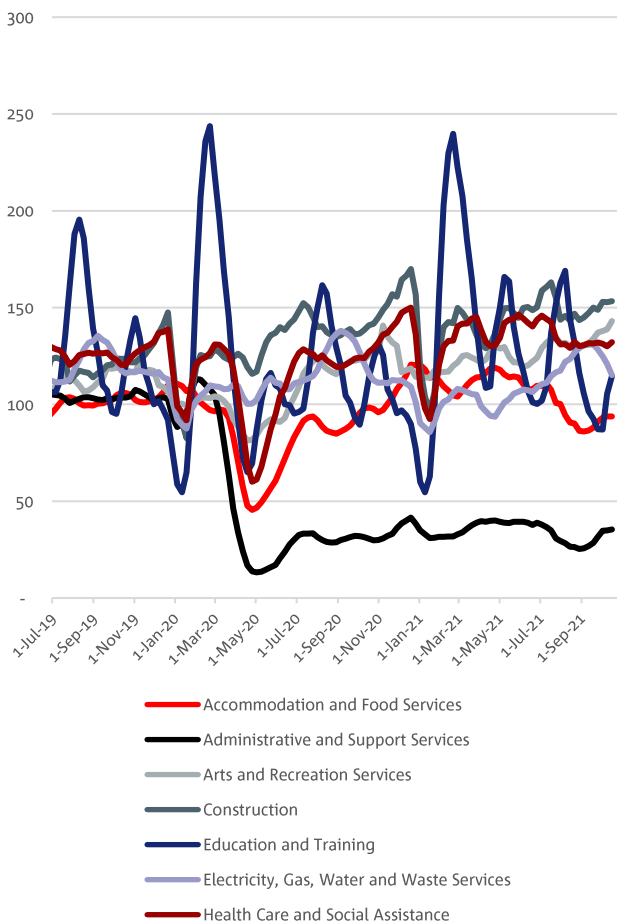
WEEKLY INDEX- BASE RESET ANNUALLY



CONSUMPTION BY STATE (INDEX, 2019 YEAR AVERAGE BASE)

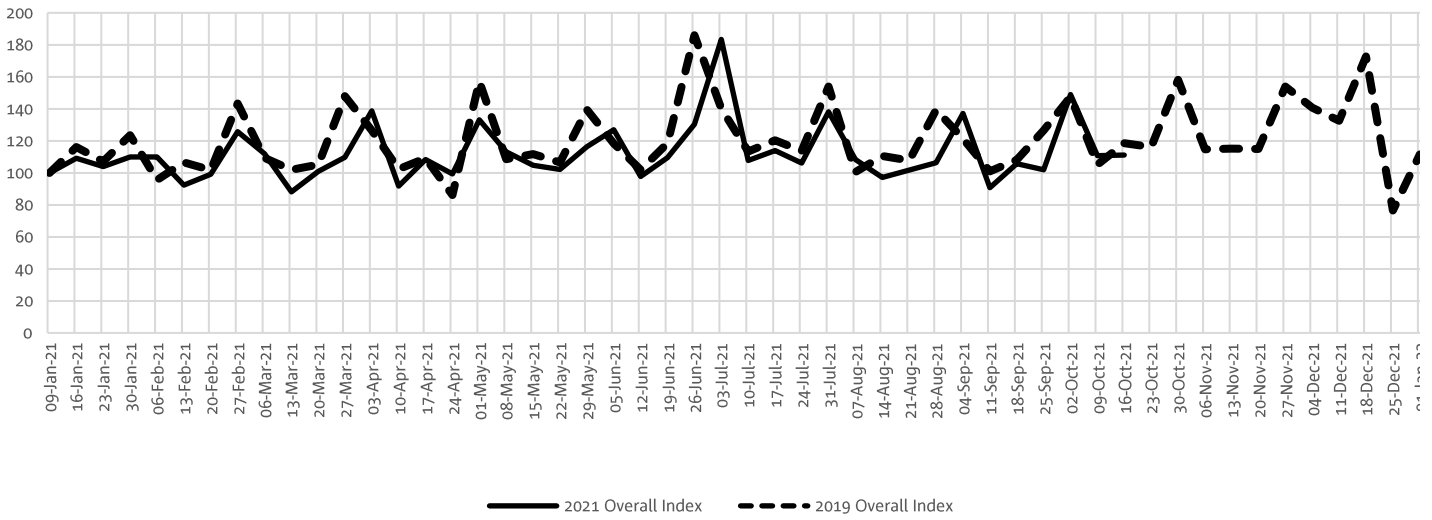


CONSUMPTION BY INDUSTRY (2019 BASE INDEX, 4 WEEK MOVING AVERAGE)

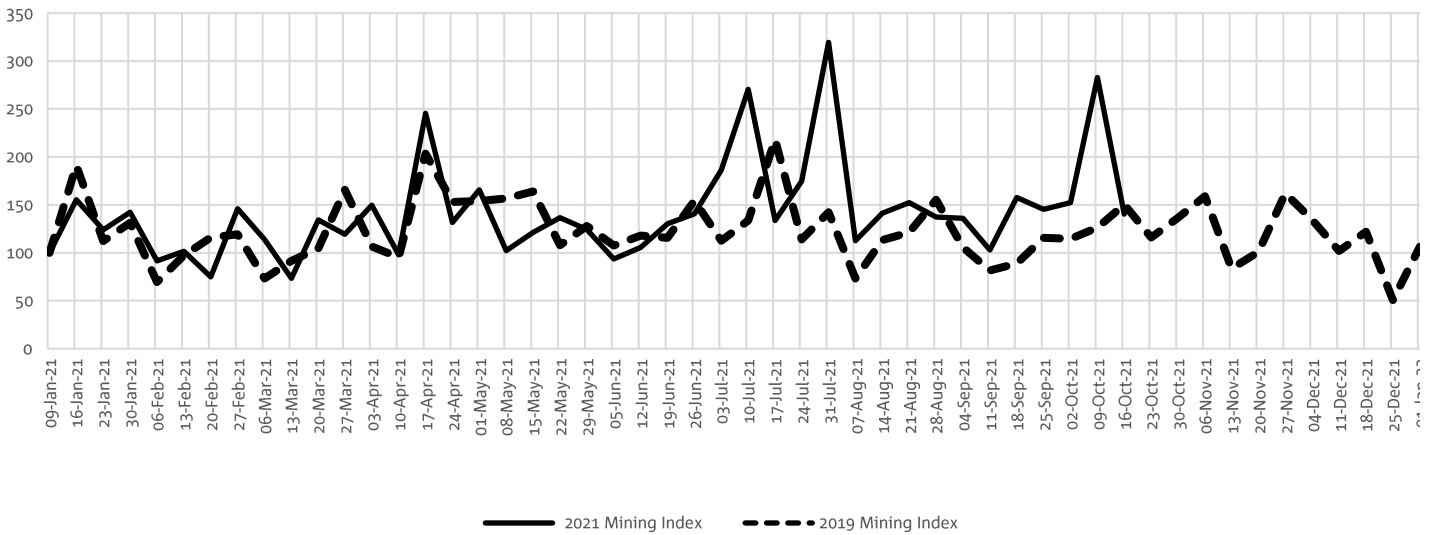


PAYMENT INFLOWS INTO NAB MERCHANTS – BASE RESET ANNUALLY

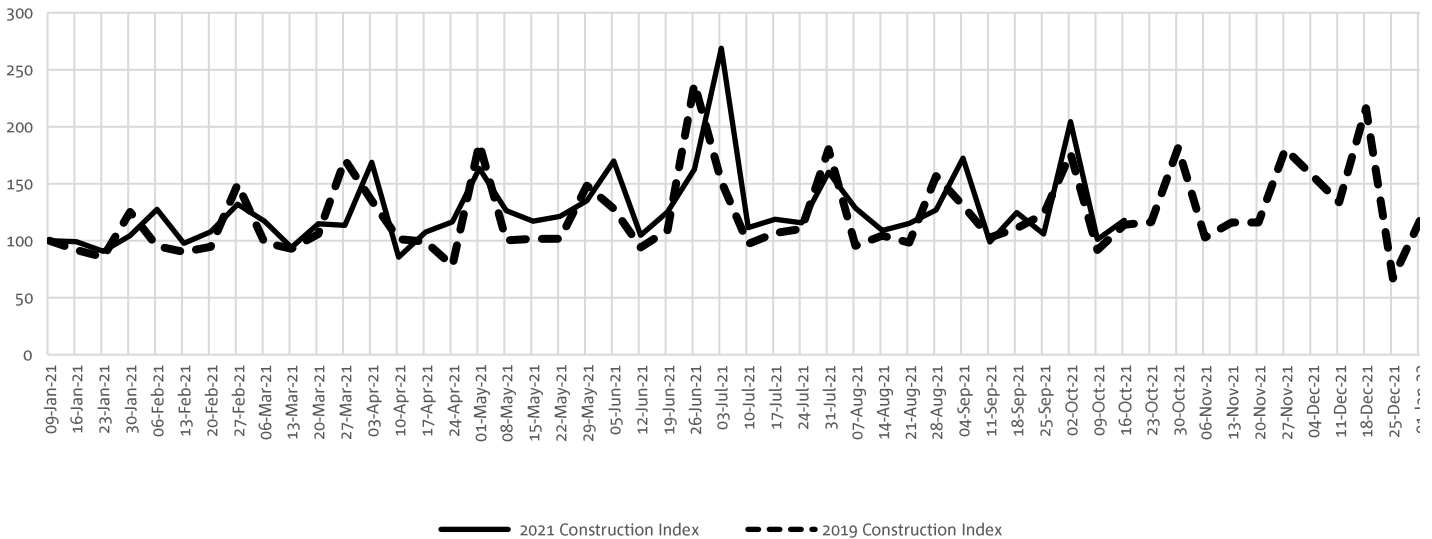
Overall



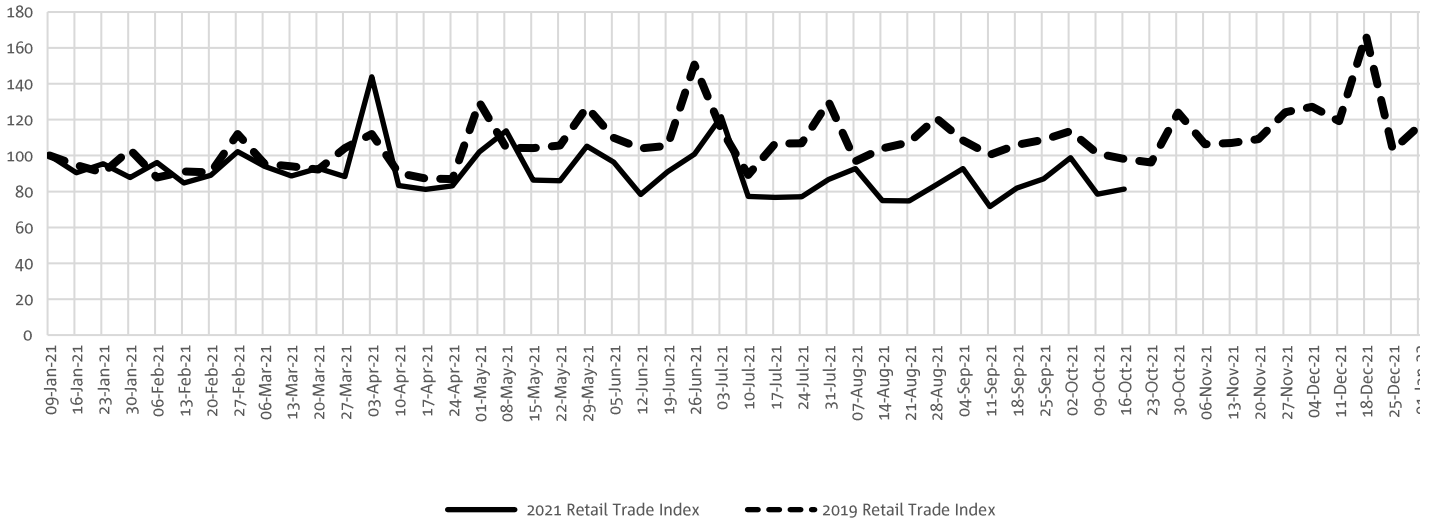
Mining



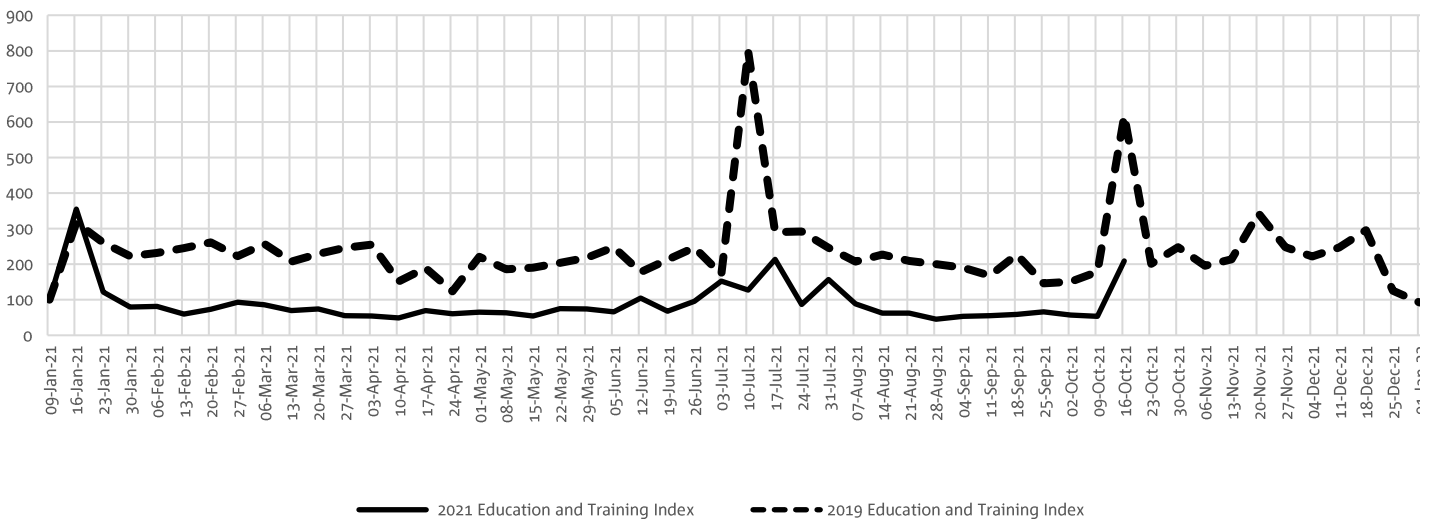
Construction



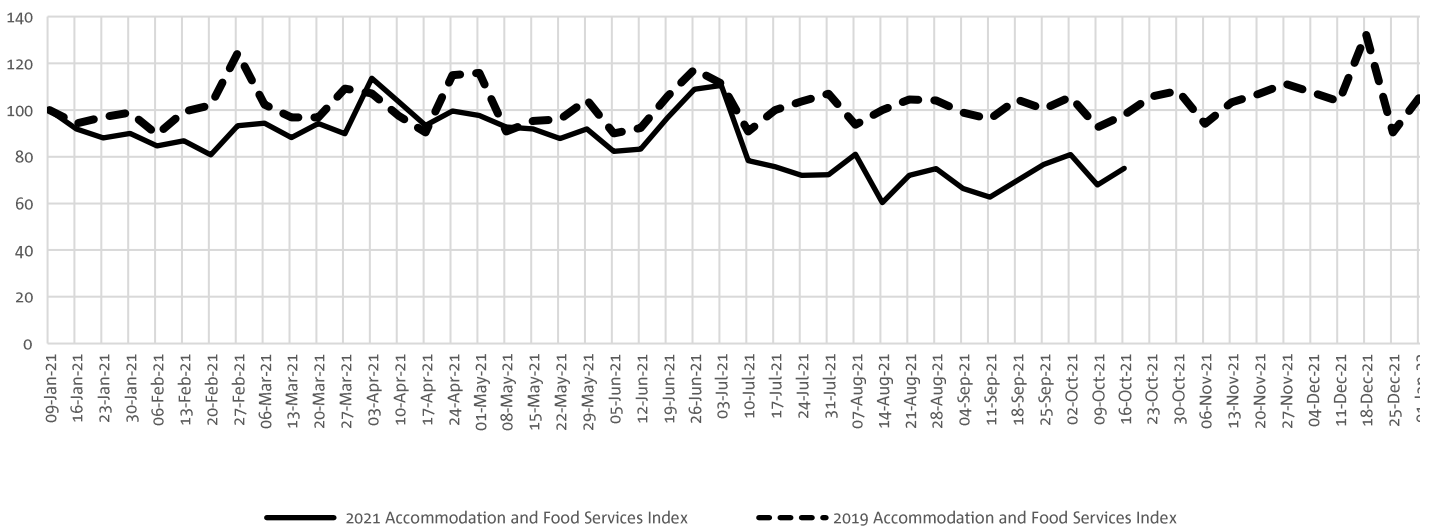
Retail



Education



Hospitality



AUTHORS

Alan Oster
Group Chief Economist
Alan.Oster@nab.com.au
+(61 0) 414 444 652

Brien McDonald
Associate Director - Economics
Brien.McDonald@nab.com.au
+(61 0) 455 052 520

Steven Wu
Associate Director - Economics
Steven.A.Wu@nab.com.au
+(61 0) 472 808 952

Dean Pearson
Head of Behavioural & Industry Economics
Dean.Pearson@nab.com.au
+(61 0) 457 517 342

Robert De Iure
Associate Director - Economics
Robert.De.Iure@nab.com.au
+(61 0) 477 723 769

Phin Ziebell
Associate Director - Economics
Phin.Ziebell@nab.com.au
+(61 0) 475 940 662

Important Notice

This document has been prepared by National Australia Bank Limited ABN 12 004 044 937 AFSL 230686 ("NAB"). Any advice contained in this document has been prepared without taking into account your objectives, financial situation or needs. Before acting on any advice in this document, NAB recommends that you consider whether the advice is appropriate for your circumstances.

NAB recommends that you obtain and consider the relevant Product Disclosure Statement or other disclosure document, before making any decision about a product including whether to acquire or to continue to hold it.

Please click [here](#) to view our disclaimer and terms of use.