



NAB ECONOMICS DATA INSIGHTS

WEEK ENDING 11 JUNE 2022

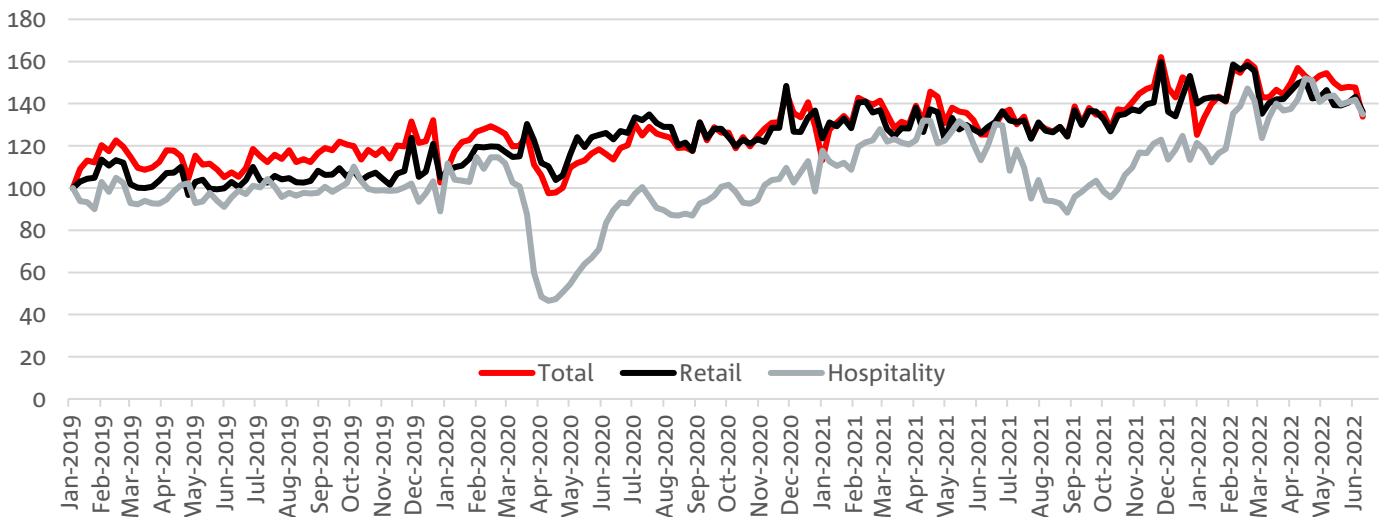
COMMENTS FROM NAB GROUP CHIEF ECONOMIST ALAN OSTER

- Our latest weekly consumer tracking data to 11 June shows ongoing signs of deterioration, albeit from elevated levels earlier this year. While revisions continue to obscure the short-term picture by pushing up prior weeks' data, we are seeing clear weakness across a range of sectors.
- While last week's data partly captured the RBA's surprise 50 basis point rate rise, it is probably still too early for this to be reflected in the results. But the rate increase, combined with heightened expectations for more (we see additional 50bp rises in July and August) is likely to act as a handbrake on consumption over coming months. While we still expect a soft landing for the Australian economy, consumption is likely to decline from the elevated levels seen in late 2021 and early 2022.
- Our weekly data show continuing mixed performance between industries. Mining and key domestic orientated sectors such as manufacturing, transport, hospitality and accommodation, wholesale and construction outperformed. That said Construction margins are being squeezed with more detail available in the May Monthly Business Survey. Petrol prices continue to bite, with fuel consumption spending up over 30% on a year-on-year basis. While some of this reflects lockdowns and border closures last year, it is clear that higher petrol prices are eating into spending.
- Overall, our seasonally adjusted consumption series stood at 133.8 for the week ending 11 June 2022, using a 2019 base. This was a sharp decline from the week prior (147.6) but remains above the same time in 2021 (125.4). Retail stood at 136.2, down from 143.2 the week prior, but still just above levels 52 weeks prior. Hospitality dropped from 141.9 a week prior to 135.0, well above the 120.2 recorded at the same time in 2021.
- Our total inward credits data dropped last week but continues to show business inflows above pre-pandemic conditions overall. Indeed the weakness last week was in line with established seasonal trends. Mining had been particularly strong but continues to fall from highs earlier this year. Utilities recorded a sharp increase, likely reflecting very high prices in eastern states electricity and gas markets.

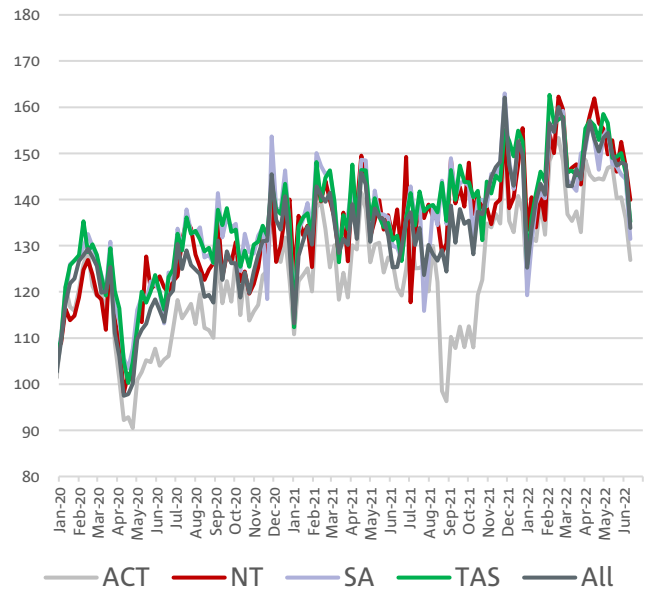
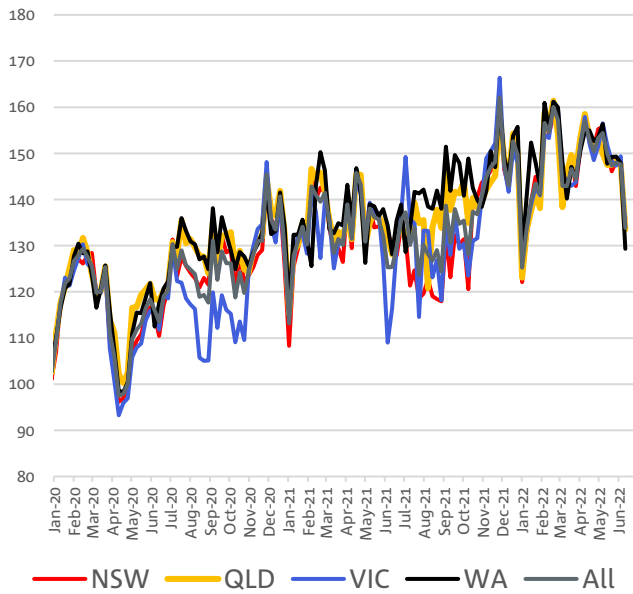
ABOUT THE REPORT

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. Insights will be shared with the Australian people.

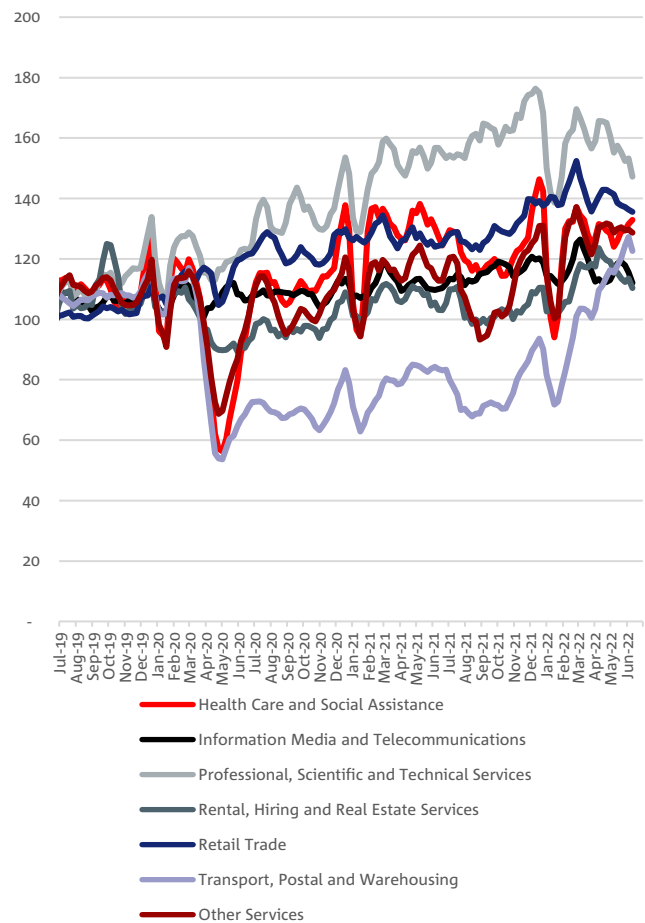
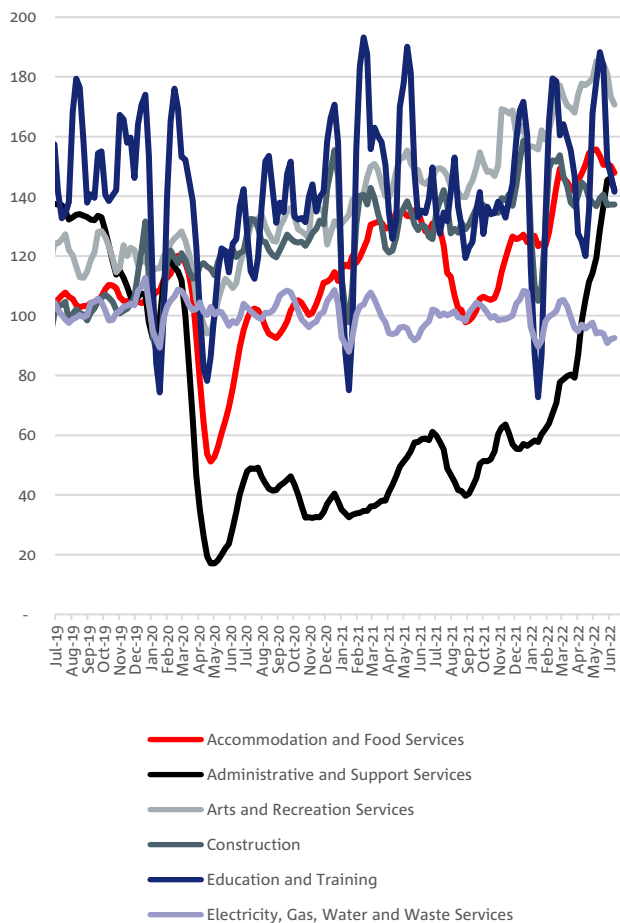
WEEKLY INDEX- JANUARY 2019 BASE, SEASONALLY ADJUSTED



CONSUMPTION BY STATE (INDEX, 2019 BASE, SEASONALLY ADJUSTED)

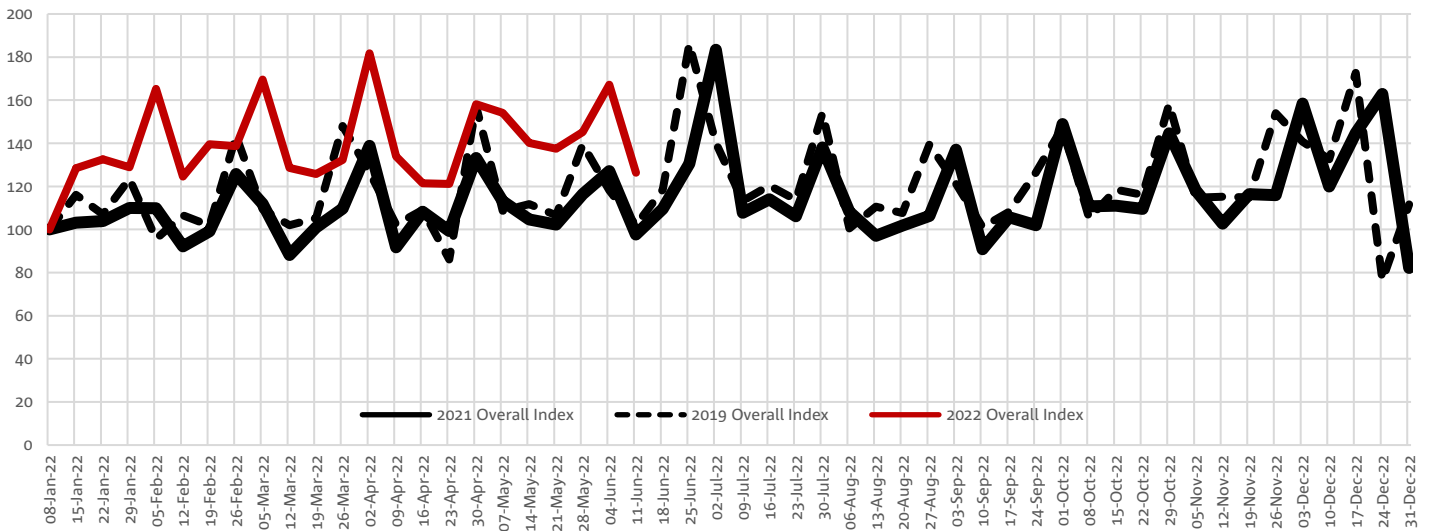


CONSUMPTION BY INDUSTRY (INDEX, 2019 BASE, 4 WK MOVING AVERAGE, SEASONALLY ADJUSTED)

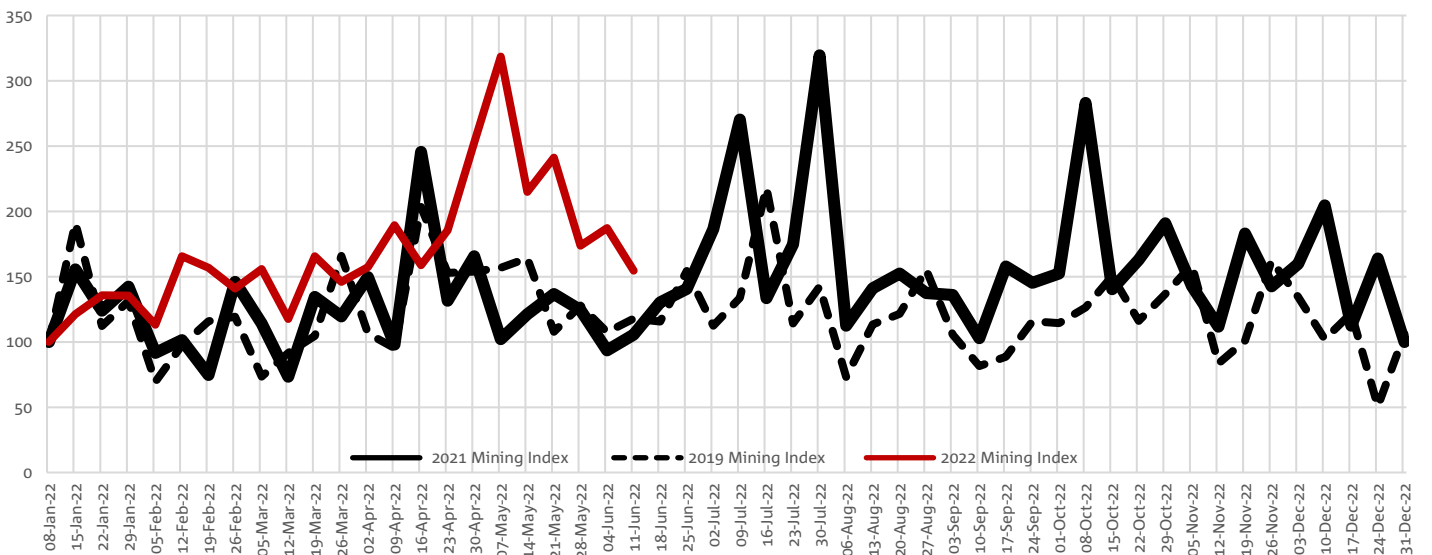


PAYMENT INFLOWS INTO NAB MERCHANTS – BASE RESET ANNUALLY

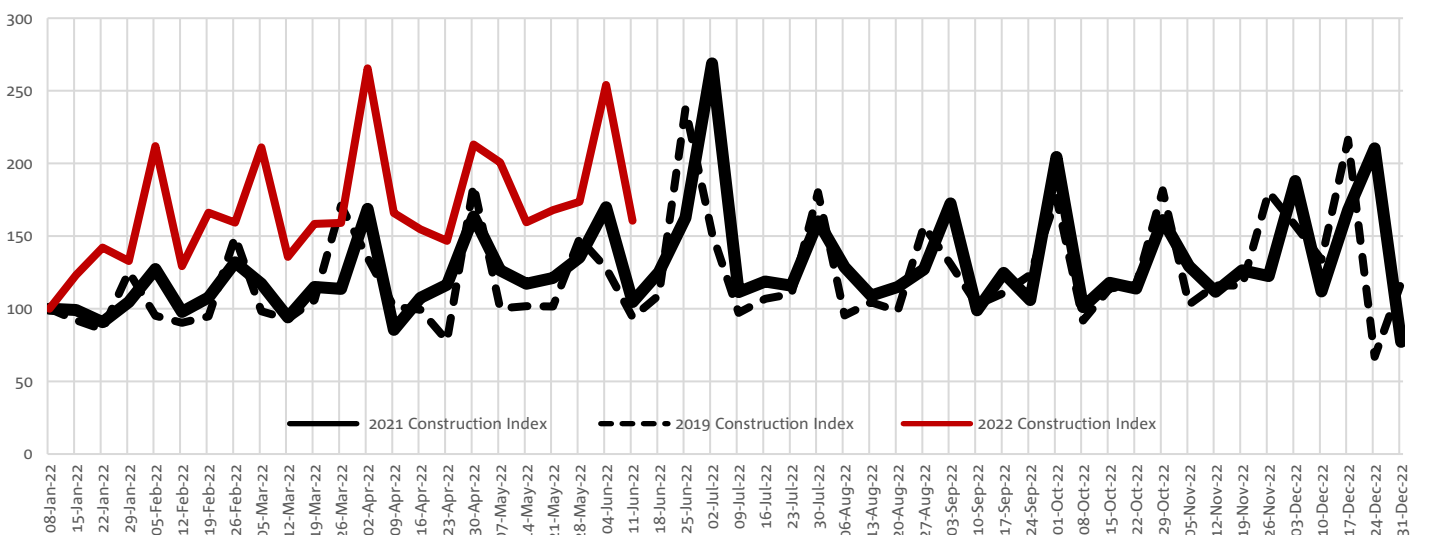
Overall



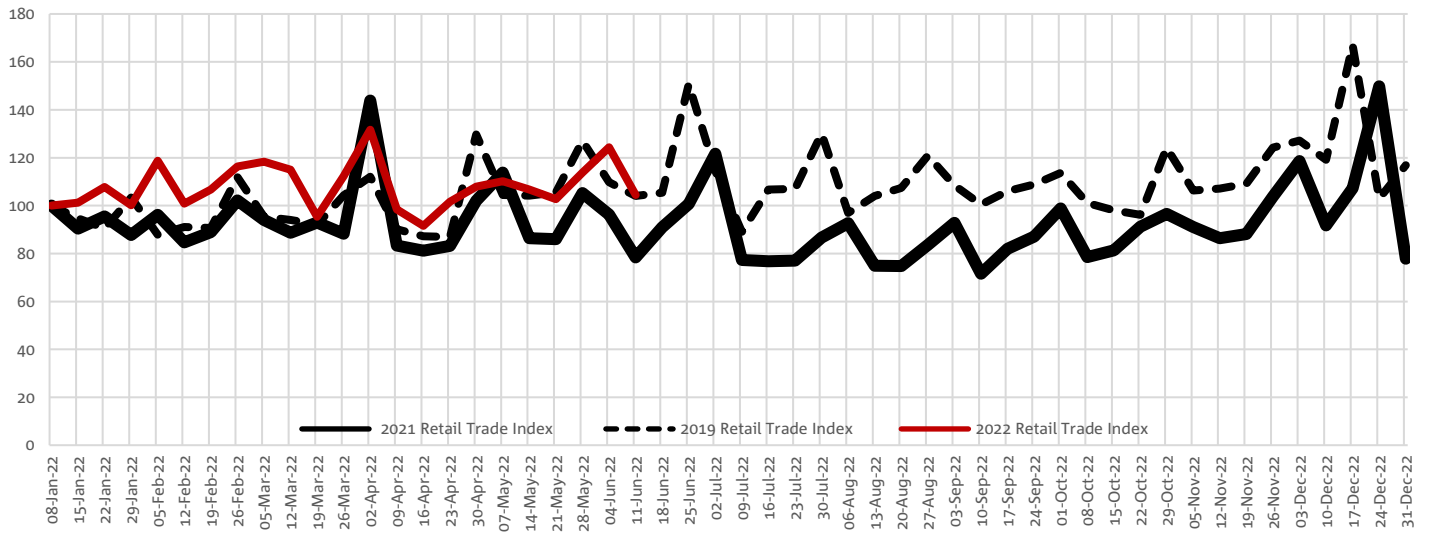
Mining



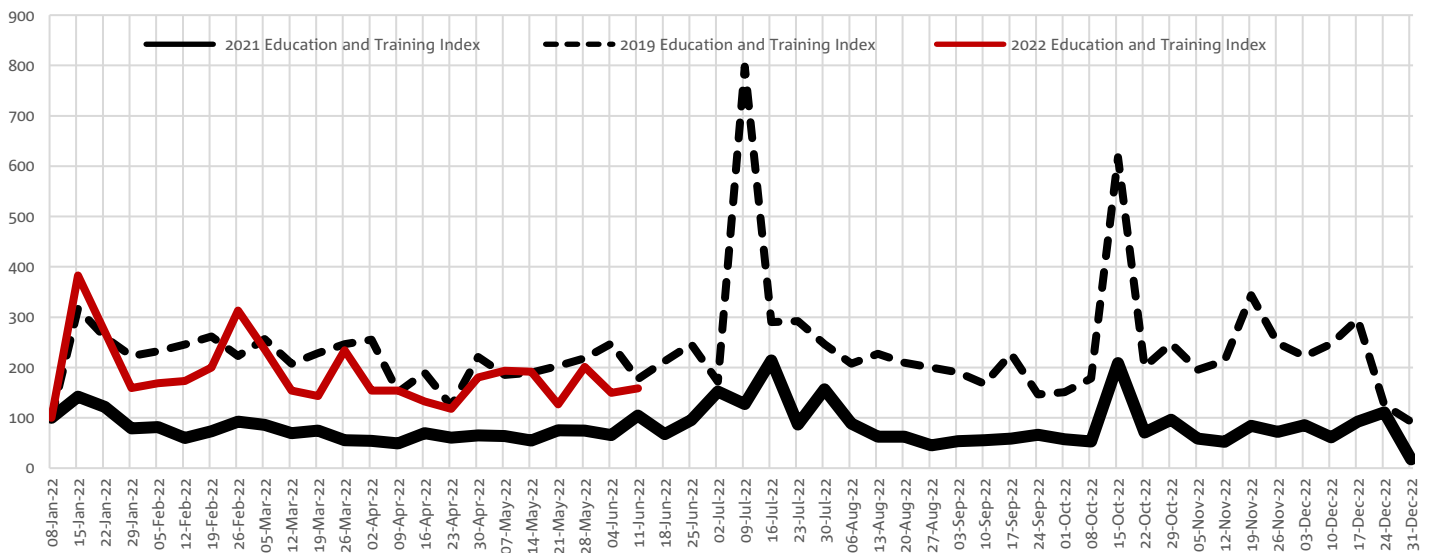
Construction



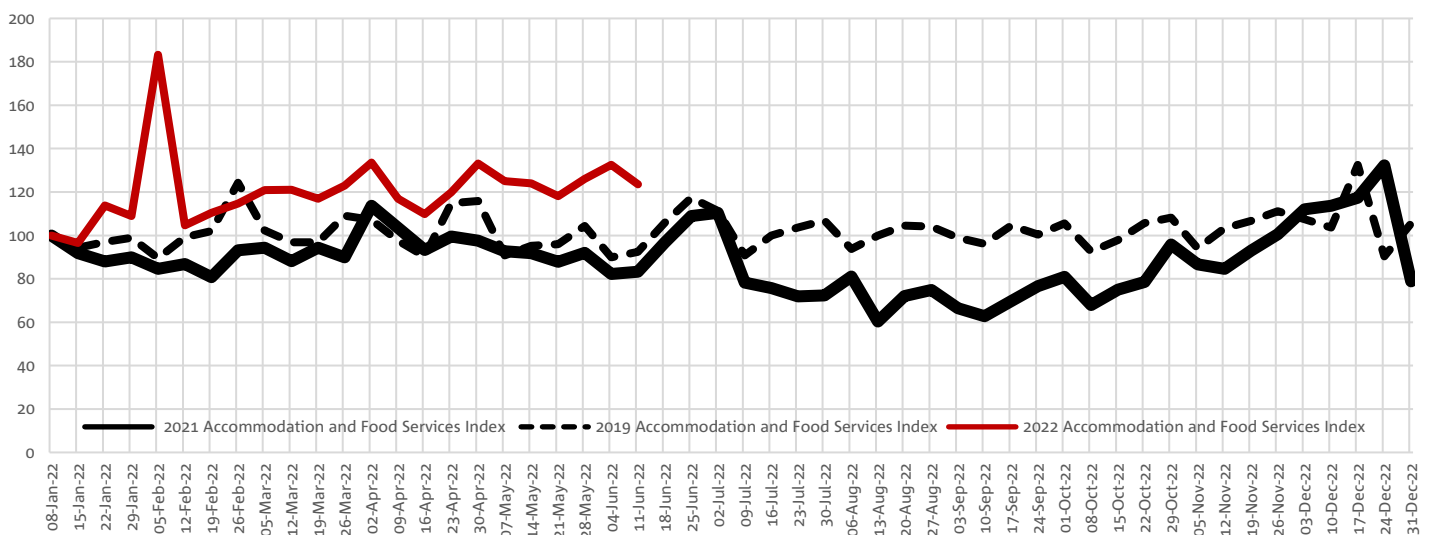
Retail



Education



Hospitality



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