



NAB ECONOMICS DATA INSIGHTS

WEEK ENDING 16 JULY 2022

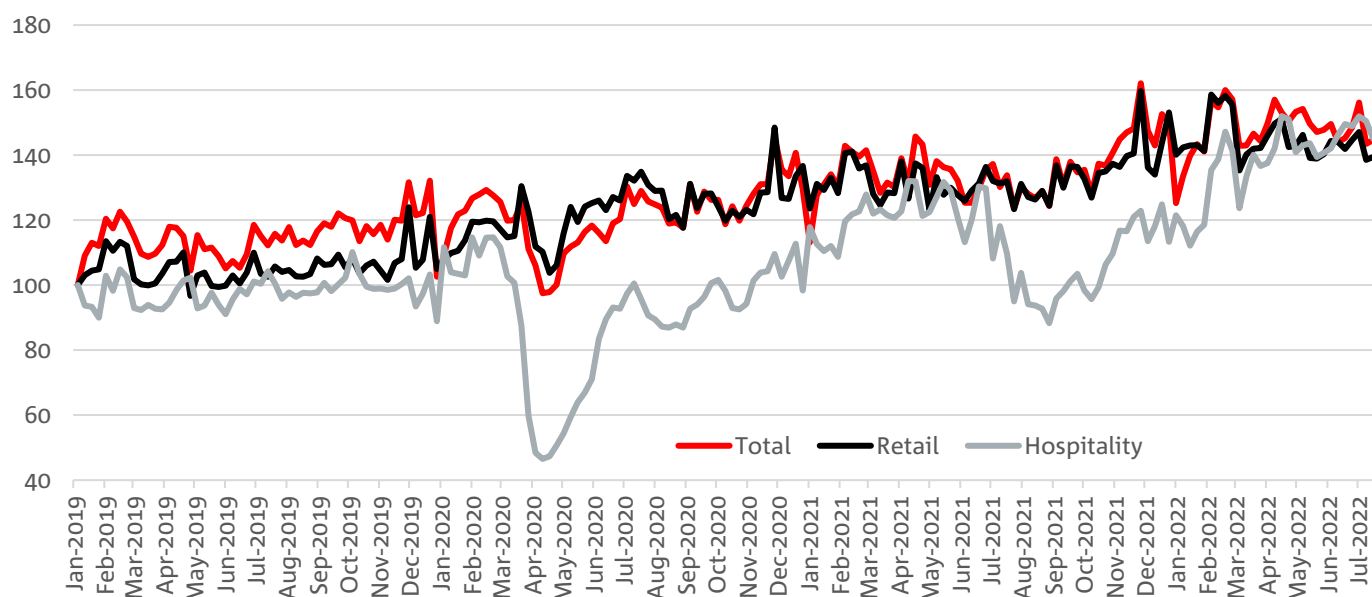
COMMENTS FROM NAB GROUP CHIEF ECONOMIST ALAN OSTER

- Our latest weekly consumer tracking data to 16 July comes after a strong end of financial year result two weeks ago. We have previously questioned how long this apparently gravity-defying trend could continue. While the new financial year has seen lower spending, the trend shows a very moderate decline. However, rising rates, high inflation and weaker confidence are still likely to eat into nominal consumer spending in the back half of this year.
- Overall, our seasonally adjusted consumption series stood at 144.6 for the week ending 16 July 2022, using a 2019 base. This was up on the week prior (143.5) but clearly below the strong EOFY result. Retail stood at 139.4, up from 138.5 the week prior and above levels a year prior (132.0). Hospitality eased slightly to 145.0 (from 150.4 a week prior) but continues to outperform on a trend basis. On four week moving average terms, hospitality spending is just below record levels.
- Overall business credits were down slightly on last week, having returned to their usual trend after an abnormally large EOFY spike two weeks ago. For retail, inward credits are tracking close to the bottom of this year's range and this is also the case for healthcare. Education has seen a strong lift recently – far stronger than that which occurred mid last year but still not as strong as the mid-2019 spike (and also somewhat delayed). Compared to last year (6 week rolling average) business inflows were up 14.9% y/y (down from 16.7% last week). The strongest performers relative to last year are mining (almost double), followed by Transport, Postal & Warehousing and Hospitality (all over 25% y/y) while, as before, retail is only a little higher than last year.
- It remains to be seen whether this encouraging trend can continue. The RBA has hiked rates 50bp at each of the last two meetings and we expect further rate rises in H2 2022. Meanwhile, global economic headwinds continue to mount. While we still expect a soft landing for the Australian economy, growth is likely to be lower next year – below 2%.

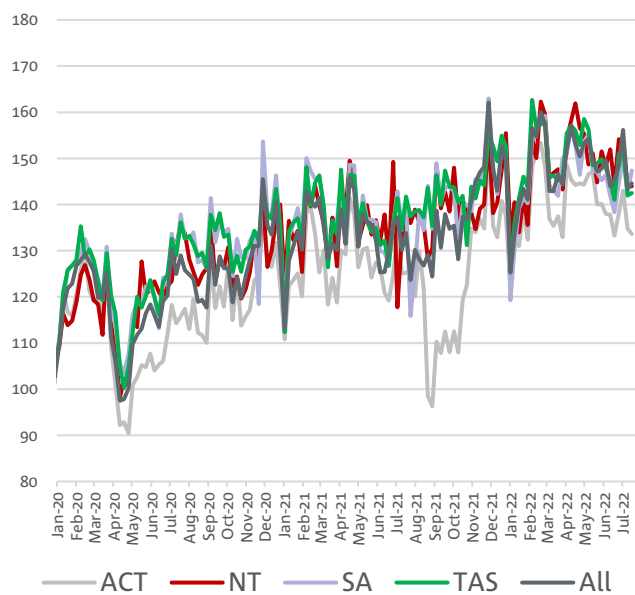
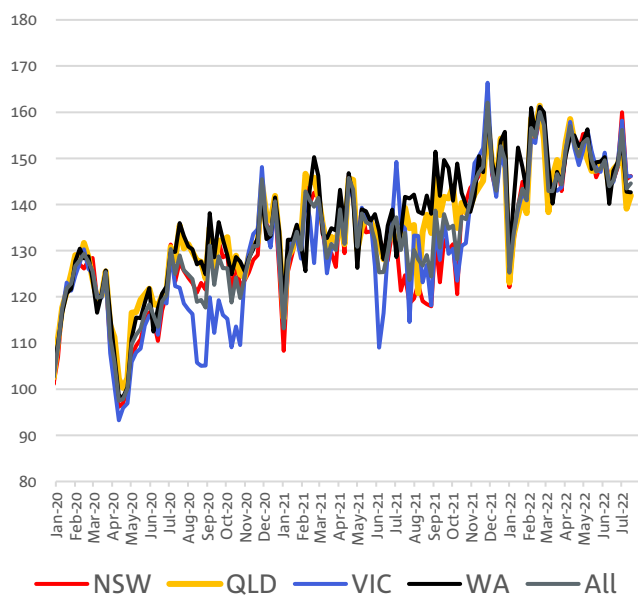
ABOUT THE REPORT

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.

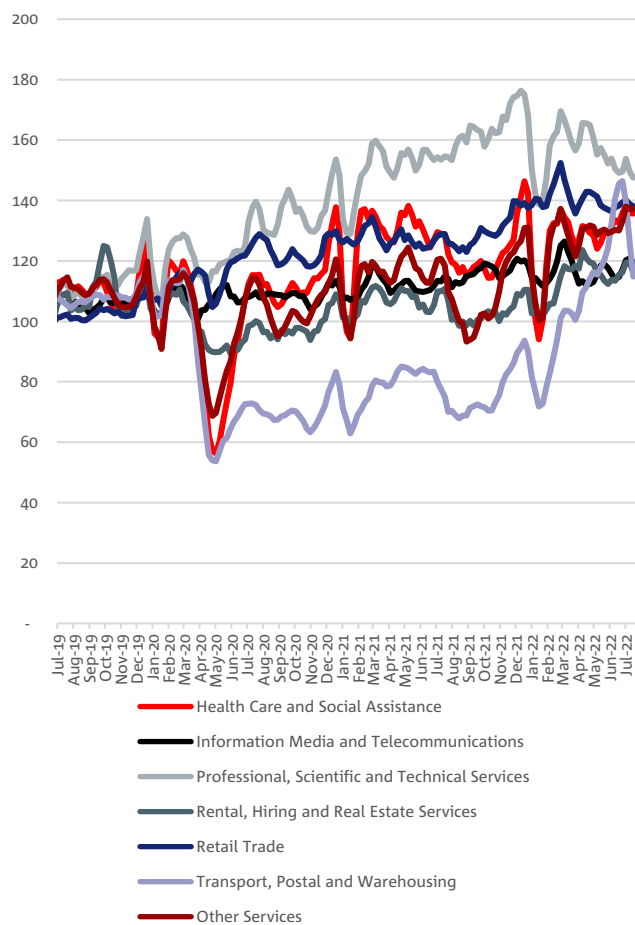
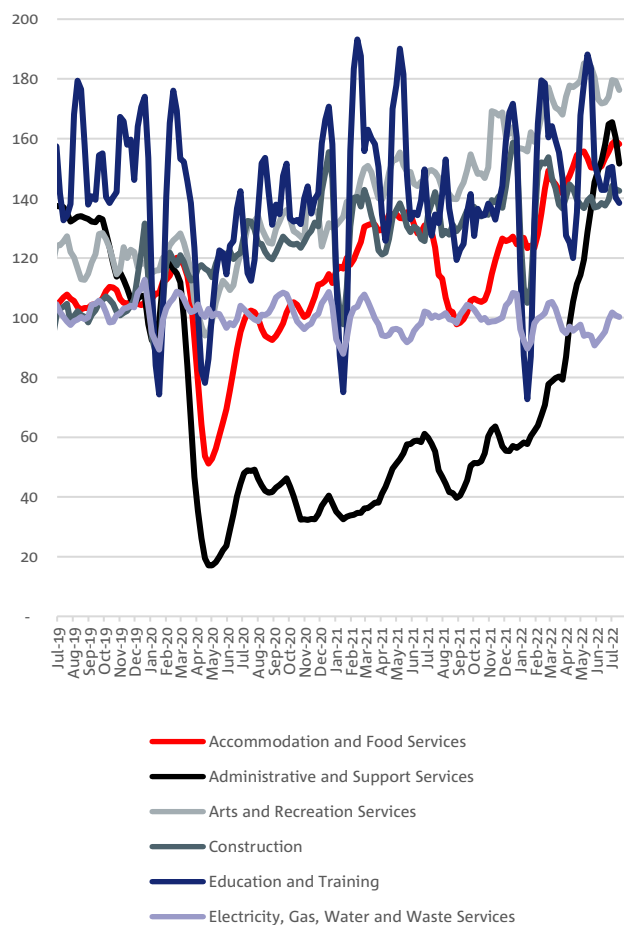
WEEKLY INDEX- JANUARY 2019 BASE, SEASONALLY ADJUSTED



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

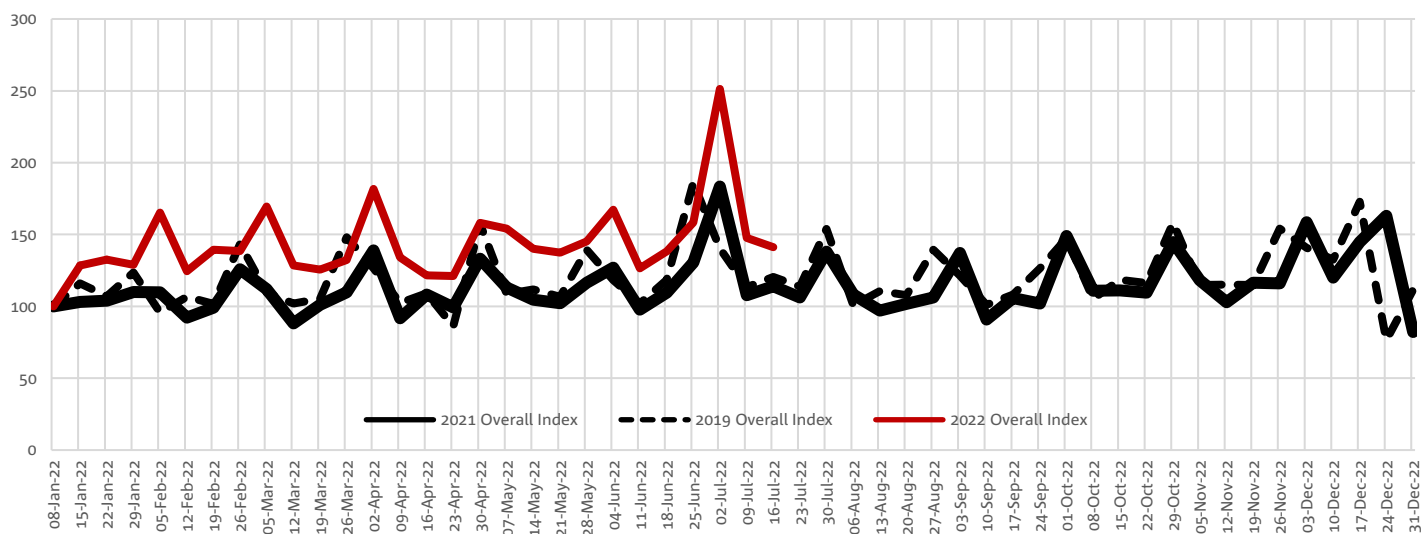


CONSUMPTION BY INDUSTRY (INDEX, 2019 BASE, 4 WK MOVING AVERAGE, SEASONALLY ADJUSTED)

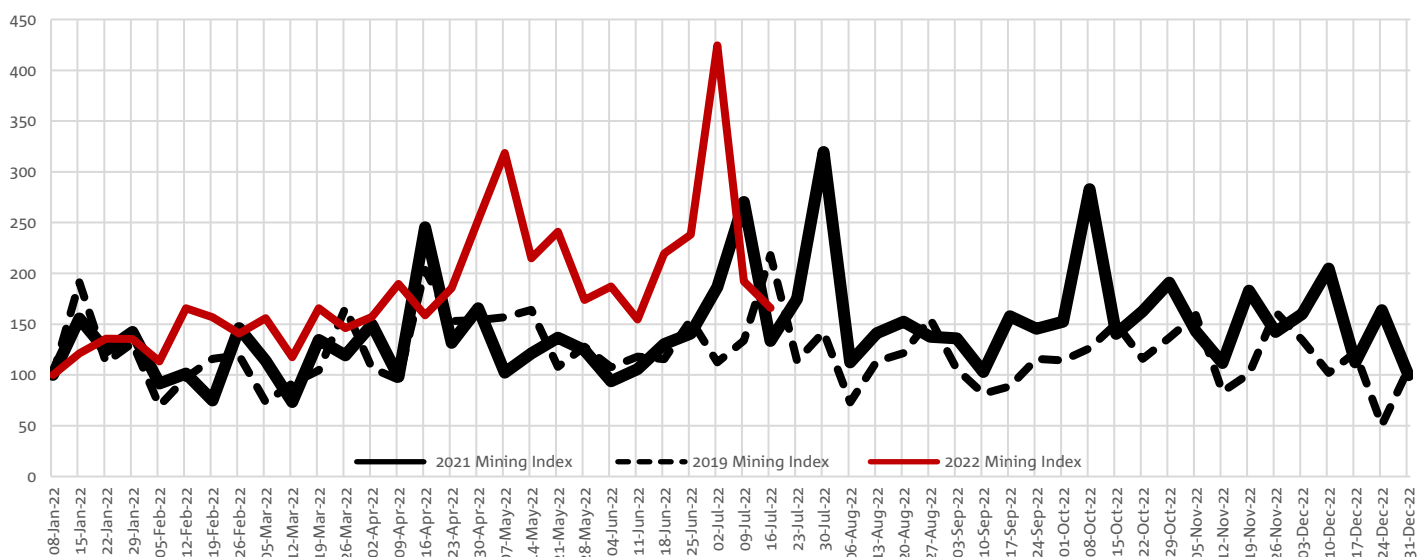


PAYMENT INFLOWS INTO NAB MERCHANTS – BASE RESET ANNUALLY

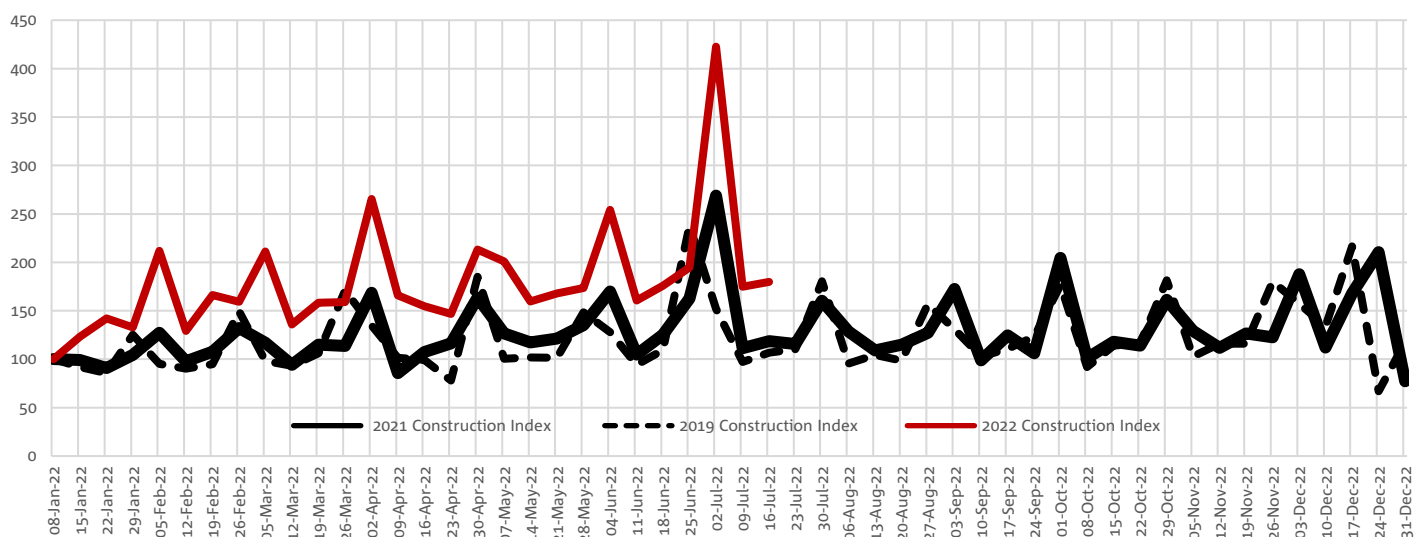
Overall



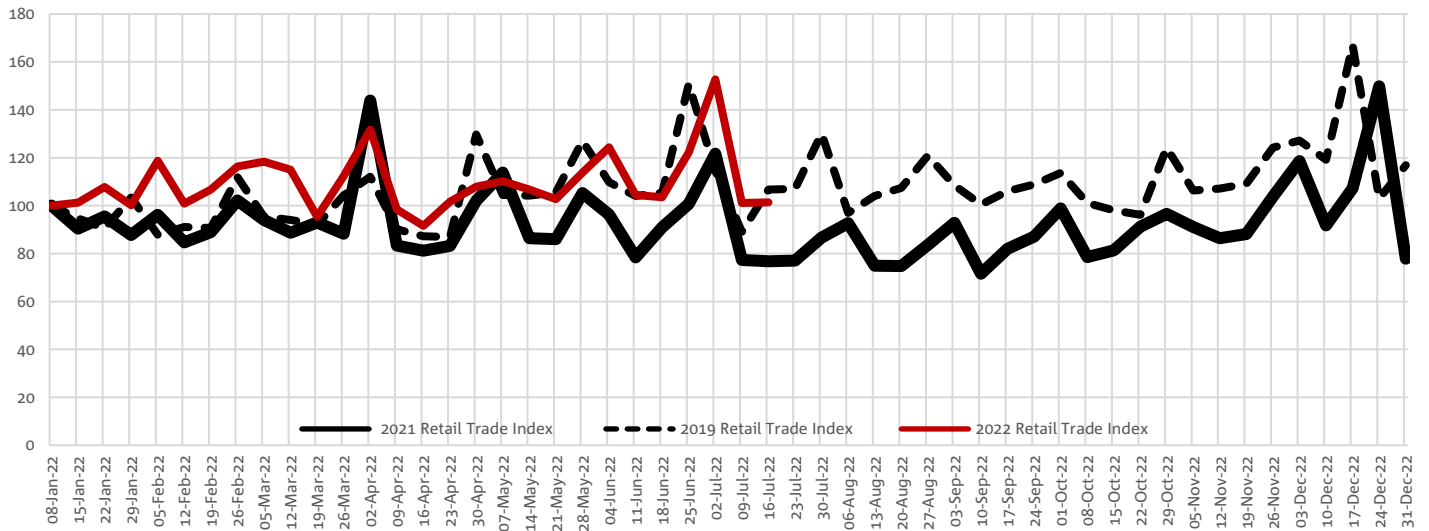
Mining



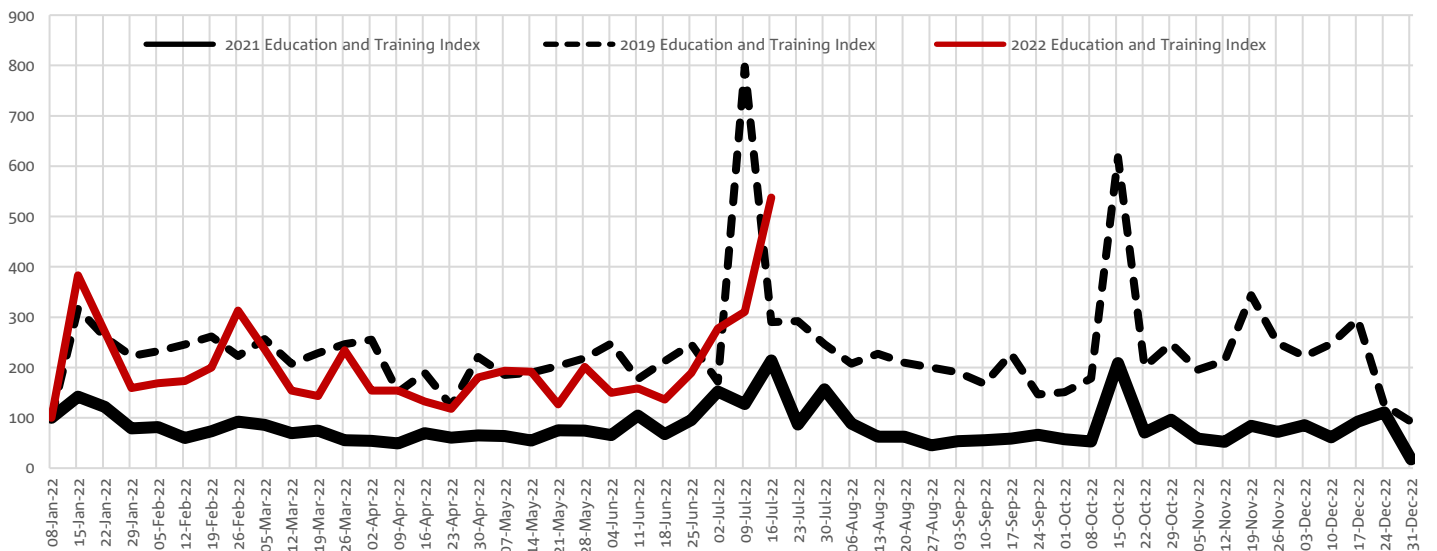
Construction



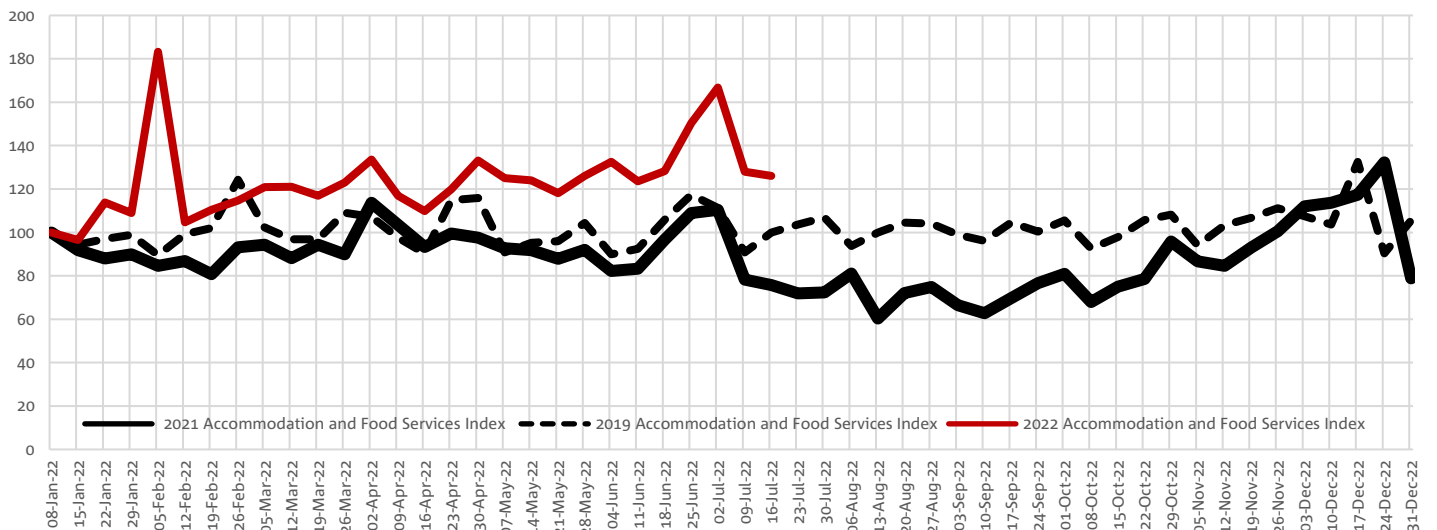
Retail



Education



Hospitality



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