



NAB ECONOMICS DATA INSIGHTS

WEEK ENDING 30 JULY 2022

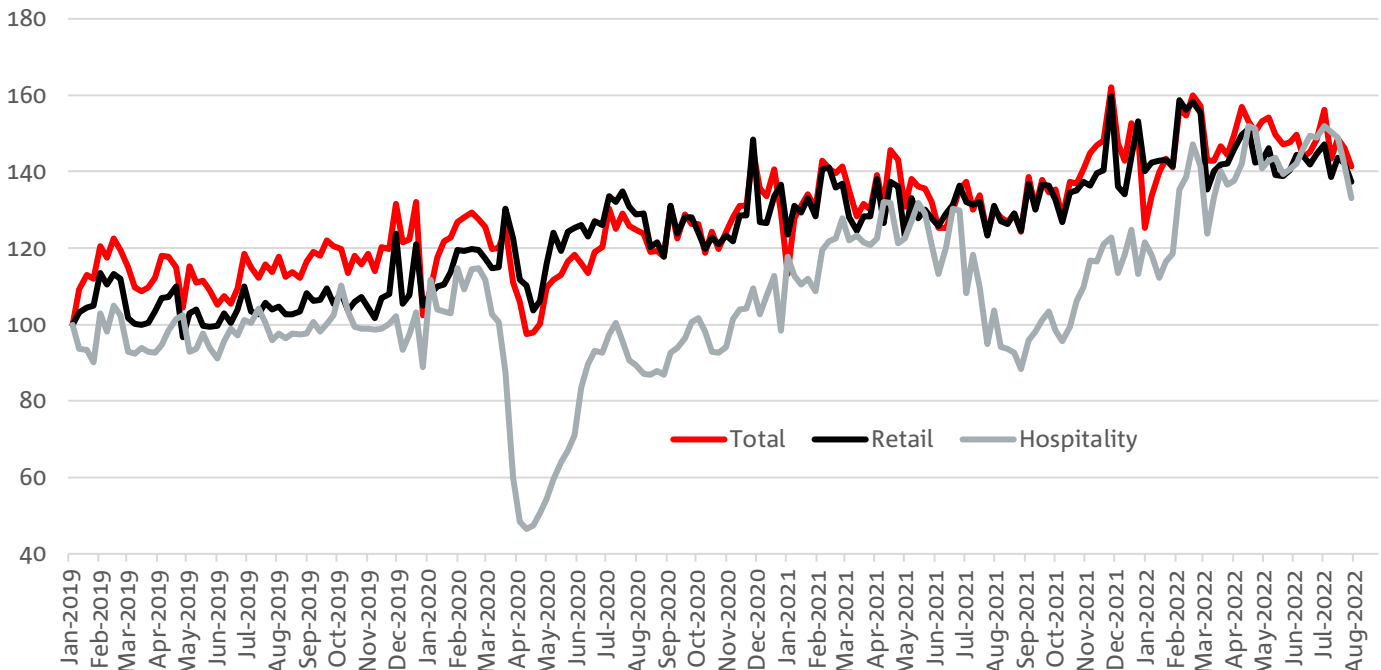
COMMENTS FROM NAB GROUP CHIEF ECONOMIST ALAN OSTER

- Our latest weekly consumer tracking data to 30 July shows the weakening trend (albeit from a high base) continues post-EOFY peak. While consumption has outperformed in the pandemic era – notwithstanding significant differences between sectors – gravity now appears to be catching up. High inflation is already eating into real consumption and a combination of this, along with rising rates and weaker confidence, are likely to accelerate this trend into 2023.
- Overall, our seasonally adjusted consumption series stood at 141.4 for the week ending 30 July 2022, using a 2019 base. This was down on the week prior (146.1) but above year-ago levels. Retail stood at 137.4, down from 142.1 the week prior but above levels a year prior (131.1). Hospitality eased to 133.1 (from 141.7 a week prior) but continues to outperform on a trend basis. However, we are seeing some signs that hospitality may have peaked, albeit from an incredible run. For reasons we do not yet fully understand, Queensland has seen broad-based weakness since the start of July, with construction, professional services, transport and rental services hit.
- Conversely, overall business credits gained this week. However, like consumption, business credits continue to outperform pre-pandemic levels. Mining has been a key driver of strength this year, although has dropped back on extraordinary levels a month ago. While construction appears to be outperforming, this is almost certainly being eroded by higher input costs, which our data cannot see. Hospitality continues to outperform, in line with our consumption data.
- It remains to be seen how well consumption will hold up to mounting challenges. The RBA has hiked rates 50bp at each of the last three meetings and we expect further rate rises this year. This alone is likely to put pressure on consumers.

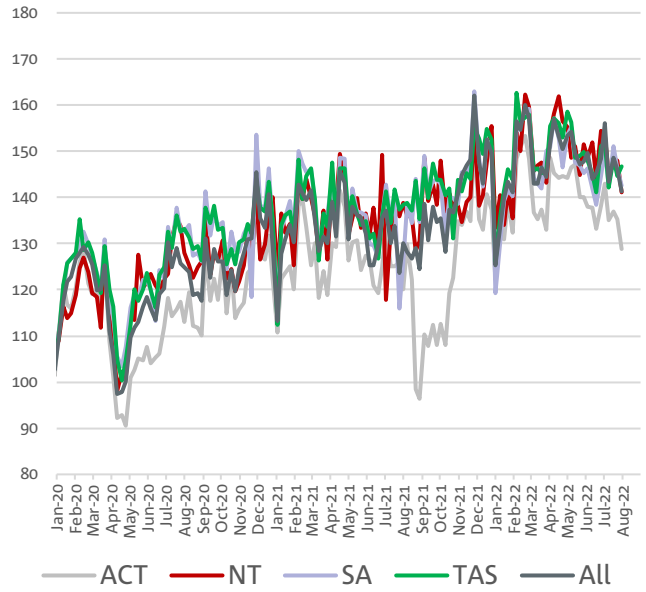
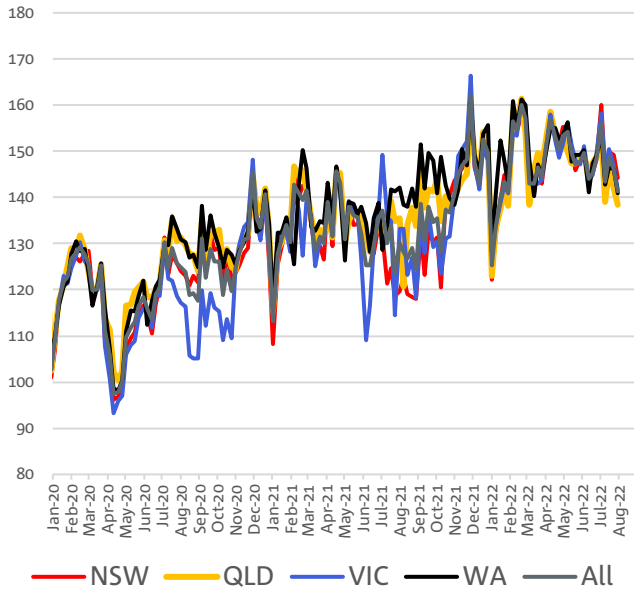
ABOUT THE REPORT

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.

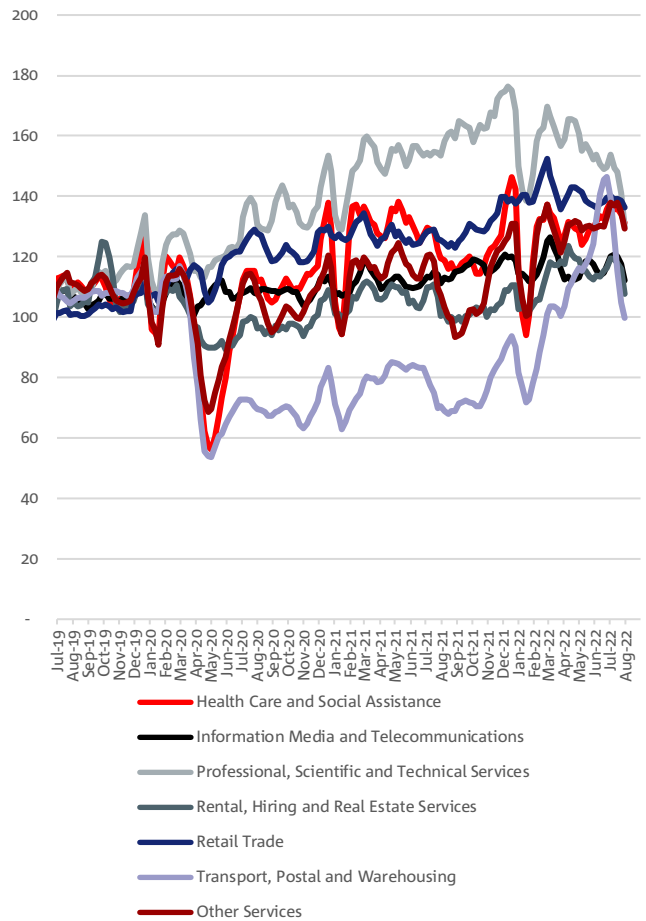
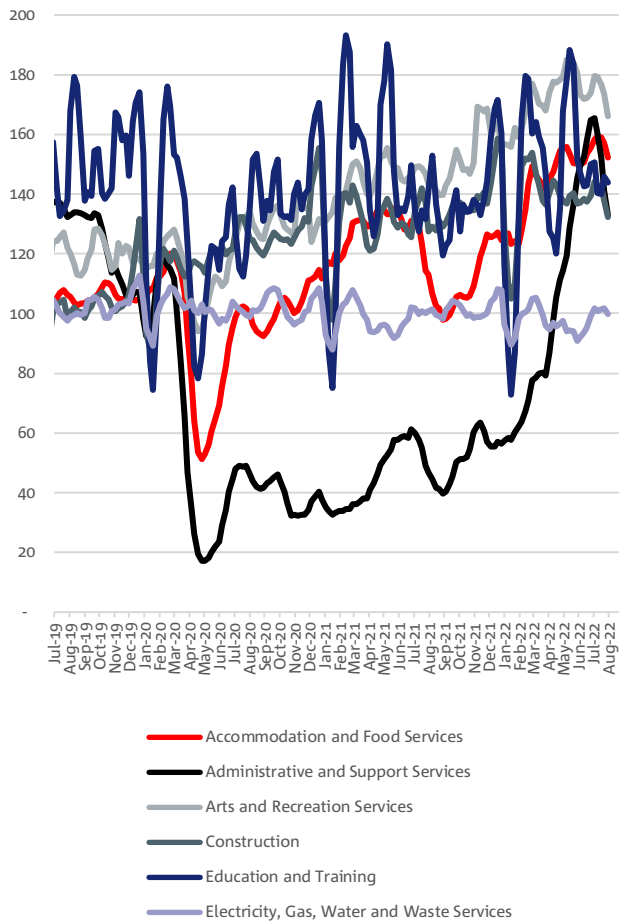
WEEKLY INDEX- JANUARY 2019 BASE, SEASONALLY ADJUSTED



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

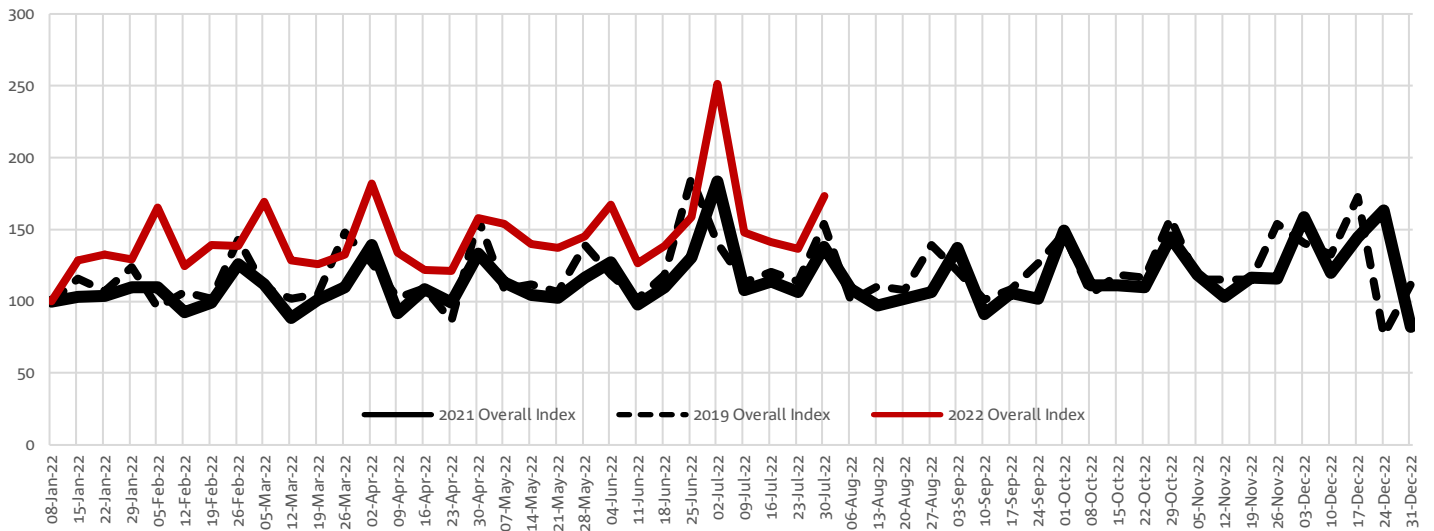


CONSUMPTION BY INDUSTRY (INDEX, 2019 BASE, 4 WK MOVING AVERAGE, SEASONALLY ADJUSTED)

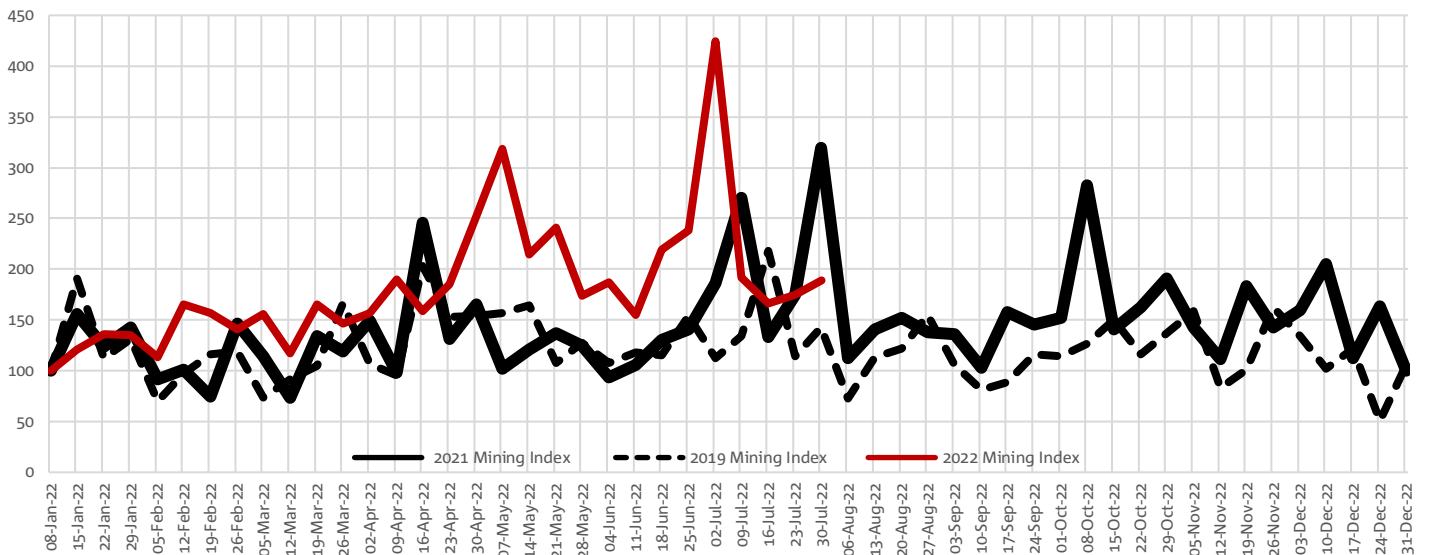


PAYMENT INFLOWS INTO NAB MERCHANTS – BASE RESET ANNUALLY

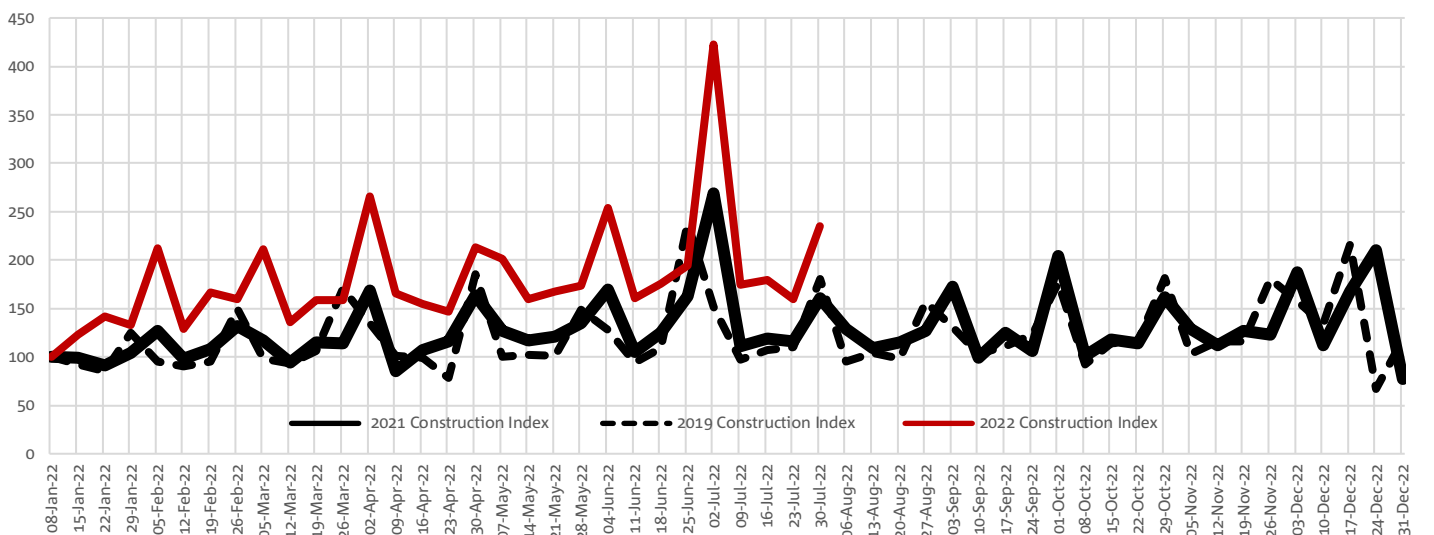
Overall



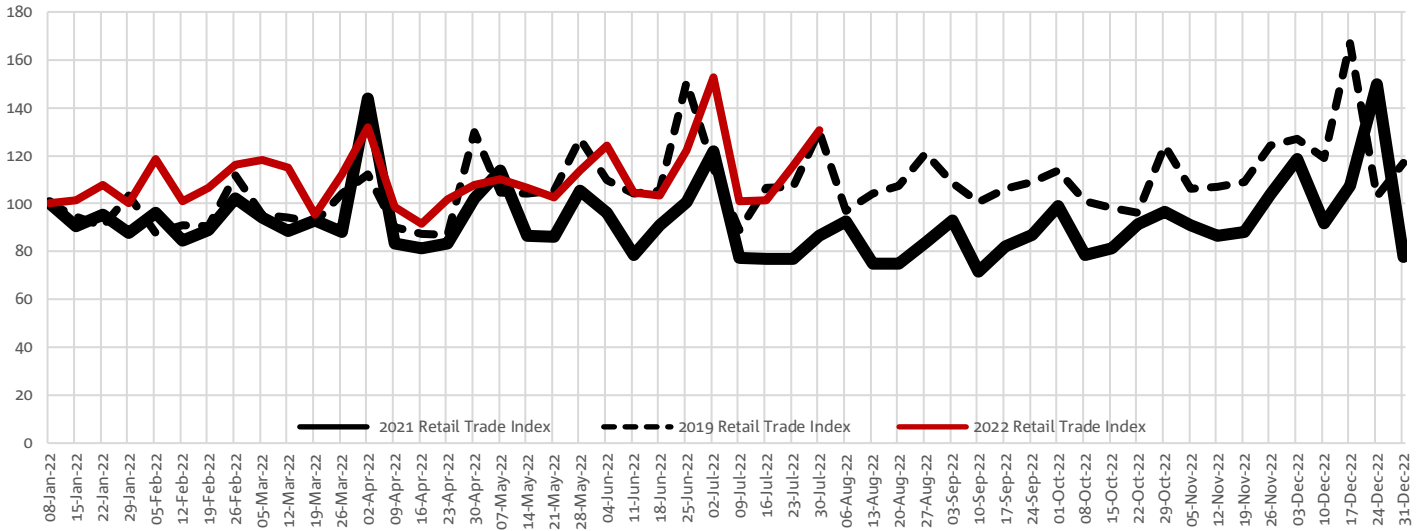
Mining



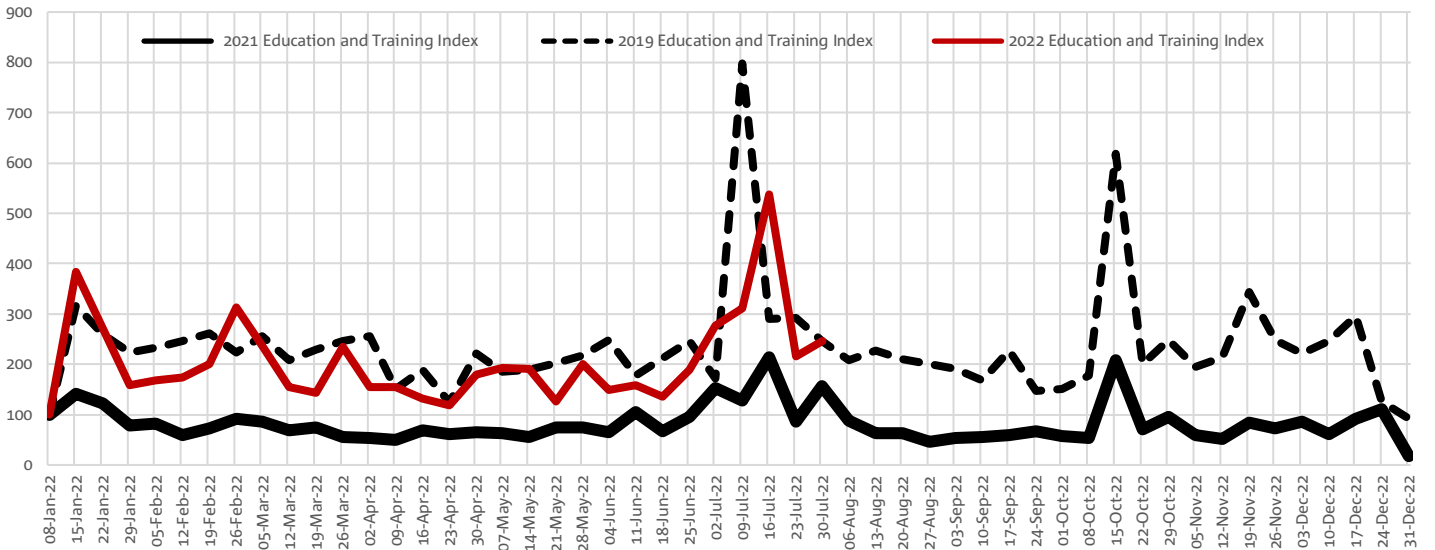
Construction



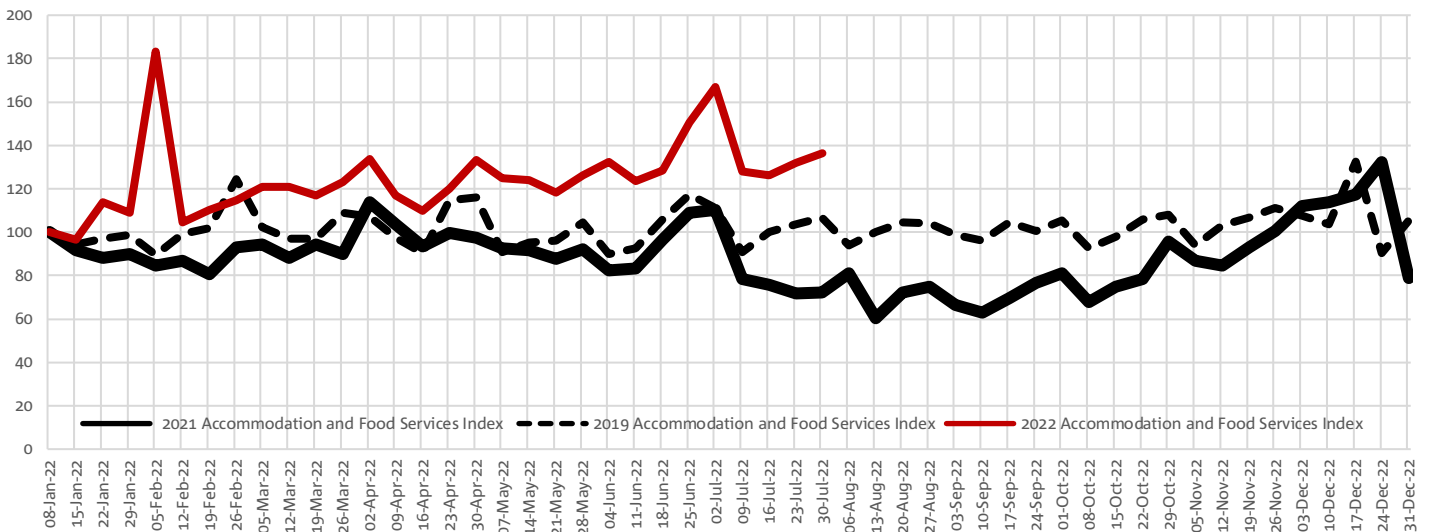
Retail



Education



Hospitality



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