



NAB ECONOMICS DATA INSIGHTS

WEEK ENDING 27 AUGUST 2022

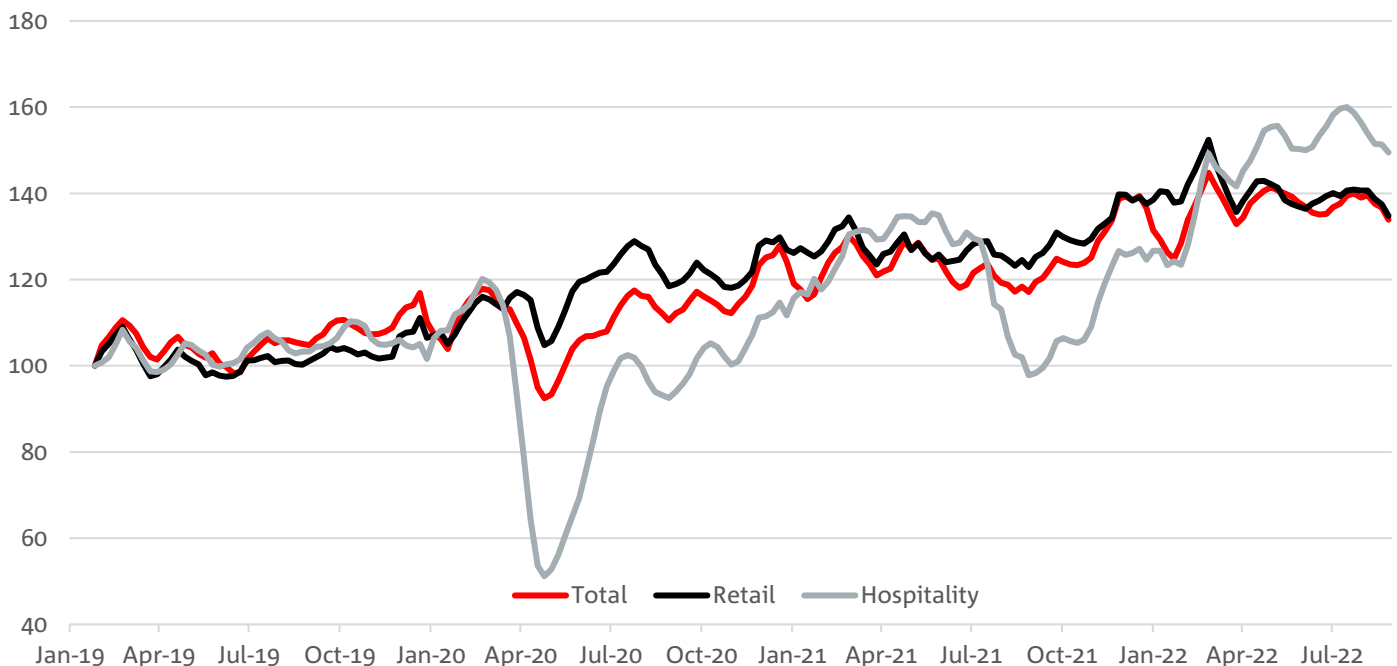
COMMENTS FROM NAB GROUP CHIEF ECONOMIST ALAN OSTER

- Our latest weekly consumer tracking data to 27 August shows the weakening trend of the past few months continues, albeit from a very high base. While consumption has outperformed in the pandemic era, high inflation is eating into real consumption and there are some signs that higher interest rates are dampening demand.
- The overall **consumption index** (139.6) was down relative to a week prior (147.0), but smoothed to a 4-week moving average, the change is more muted (133.9 vs 136.7 week prior). Note here that given previous upward revisions, we expect this result to improve next week. Despite recent slowing, Hospitality continues to outperform Retail, which partially represents a return to spending on services, including experiences. Administrative services (includes travel agents), which had been trending higher (recent peak 167.1 in early July), has slowed more than most in recent weeks (currently 137.7), but remains well above the comparative period in 2021 (39.7). By state, the recent slowing trend is broadly similar, although we observe a more marked change for WA and SA this week, with VIC and NSW faring better.
- The momentum in **business credits** last week was maintained, with the 6-week moving average growth up 14.9% year on year, a significant improvement from week ending 13th August (3.5% yoy). This week's result seems to have returned to the average range observed for most of the year, outside of the EOFY period spike. By Industry, Accommodation and Food services recorded the fastest growth this week (58.5%, 6 week rolling average, yoy). It is worth noting here that the comparison is made to a period that includes lockdowns. In Index terms, SMEs improved (142.5 vs 133.1 week prior), and is above the comparative value recorded in 2019.
- It remains to be seen how well consumption will hold up to mounting challenges. The RBA continues to normalise rates and we see another 100bp of rate rises this year, to 2.85%. This alone is likely to put pressure on consumers.

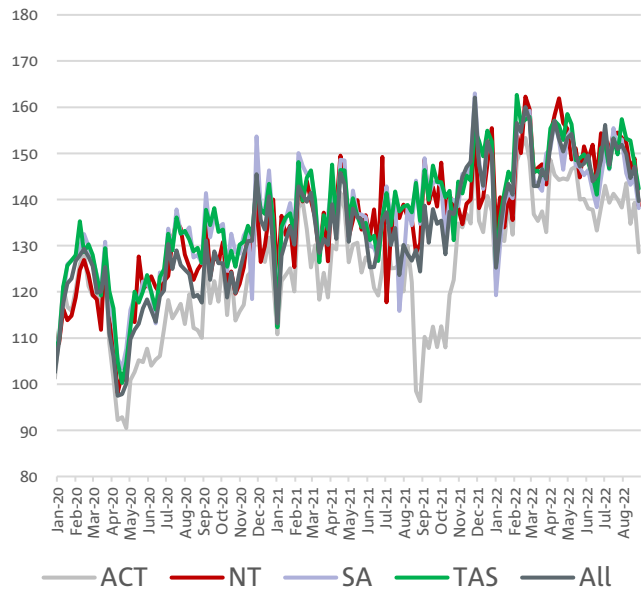
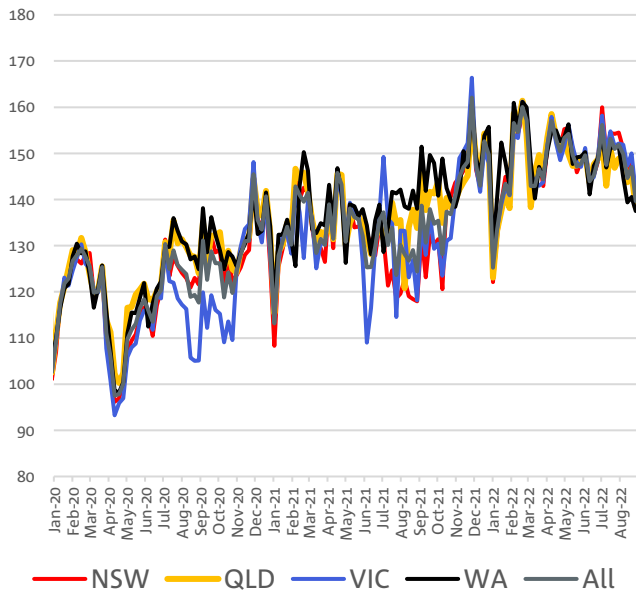
ABOUT THE REPORT

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.

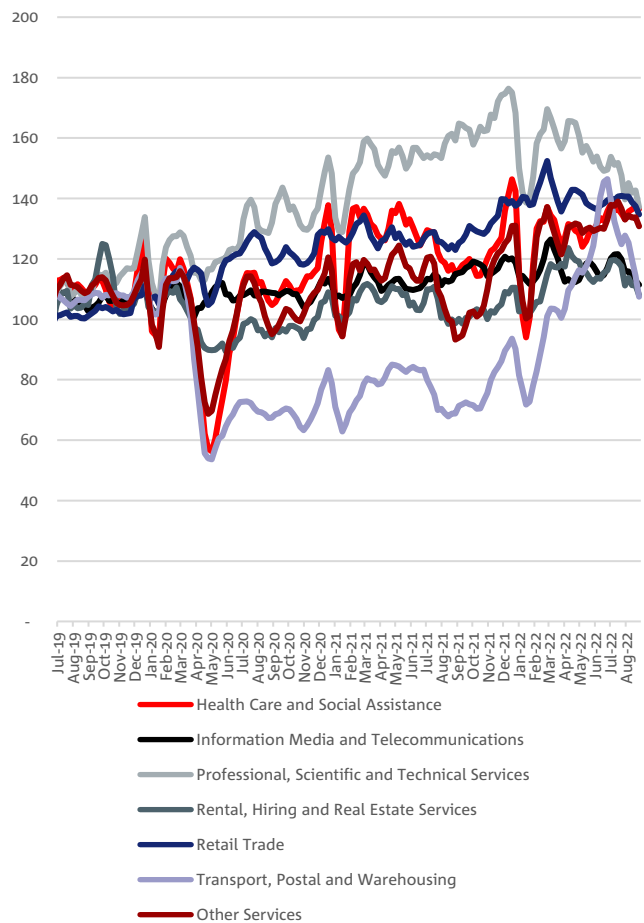
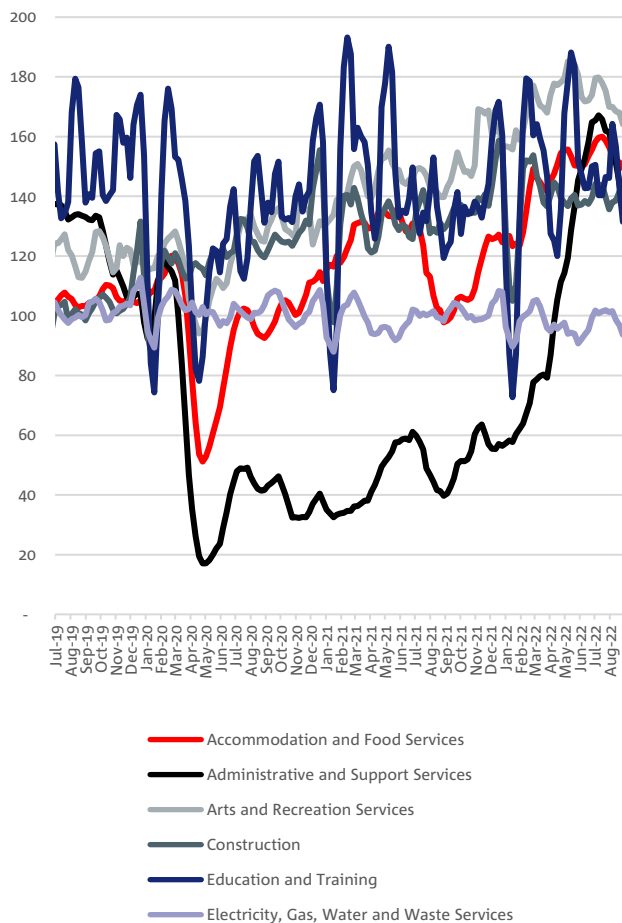
WEEKLY INDEX- JANUARY 2019 BASE, SEASONALLY ADJUSTED, 4 WEEK MOVING AVERAGE



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

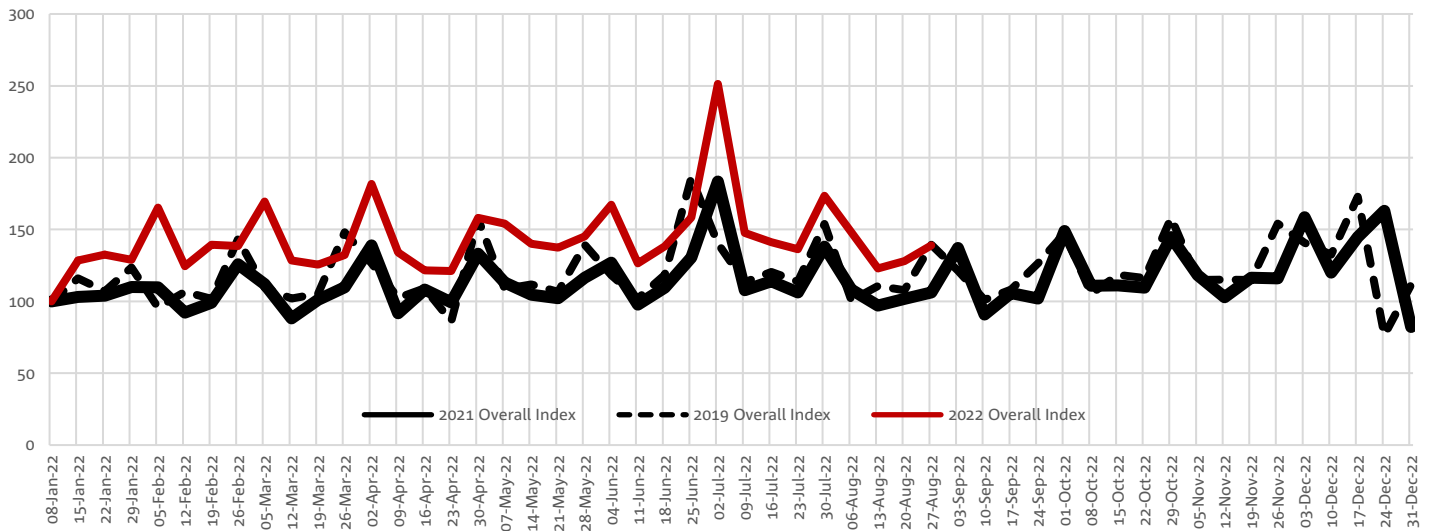


CONSUMPTION BY INDUSTRY (INDEX, 2019 BASE, 4 WK MOVING AVERAGE, SEASONALLY ADJUSTED)

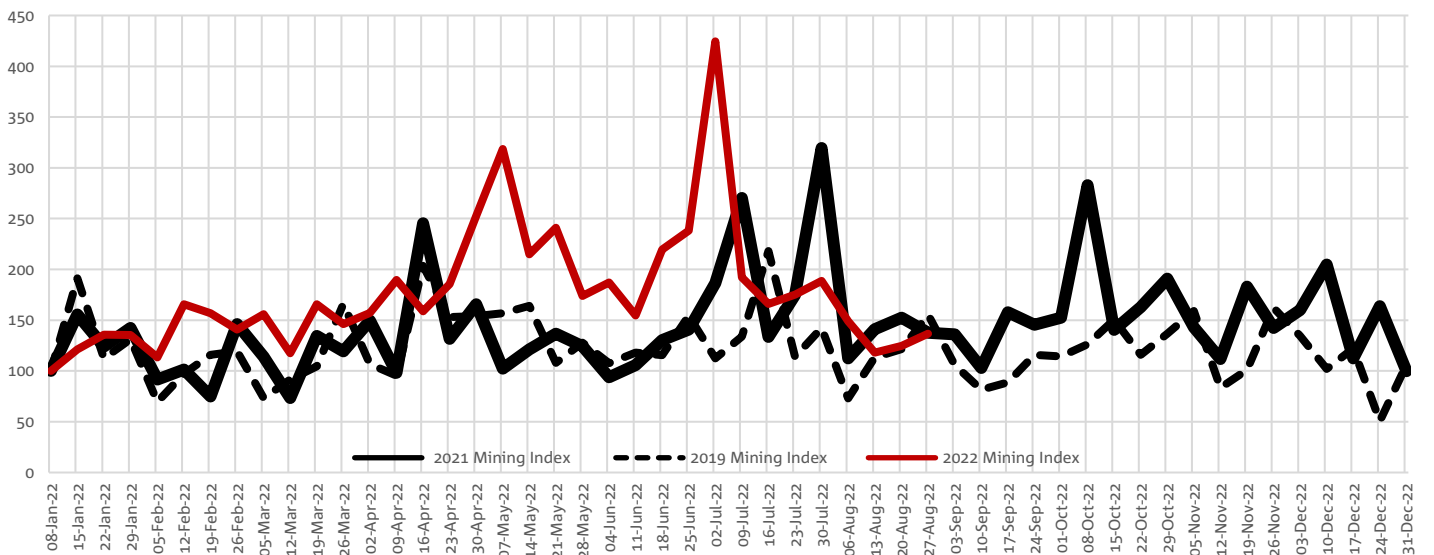


PAYMENT INFLOWS INTO NAB MERCHANTS – BASE RESET ANNUALLY

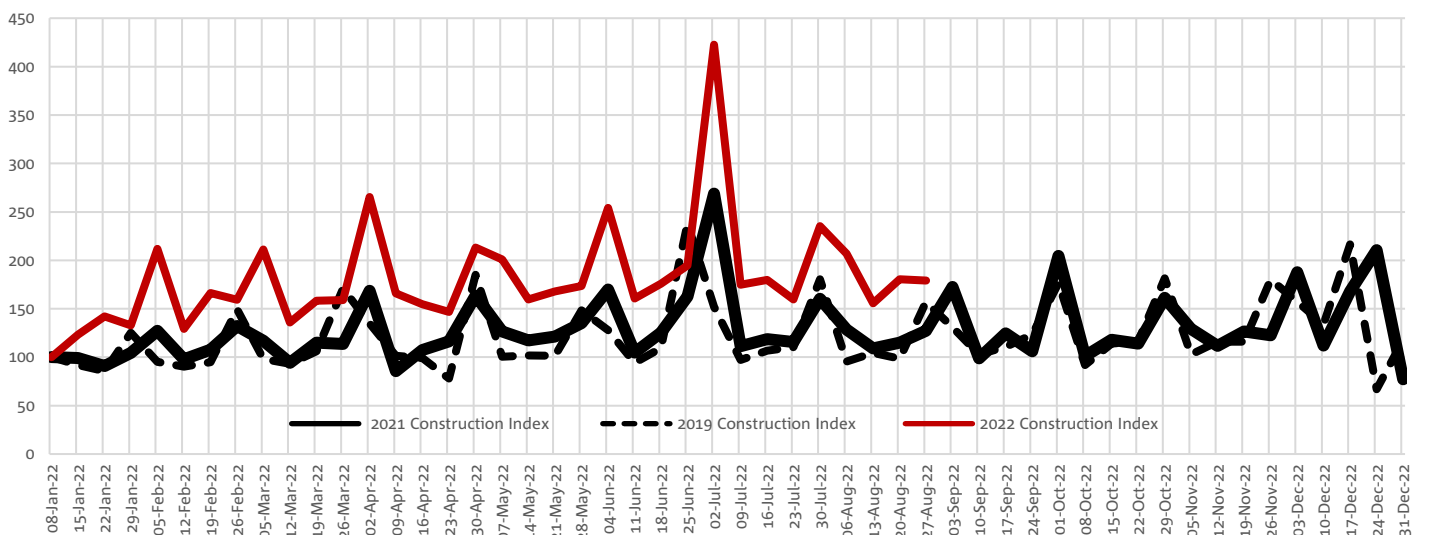
Overall



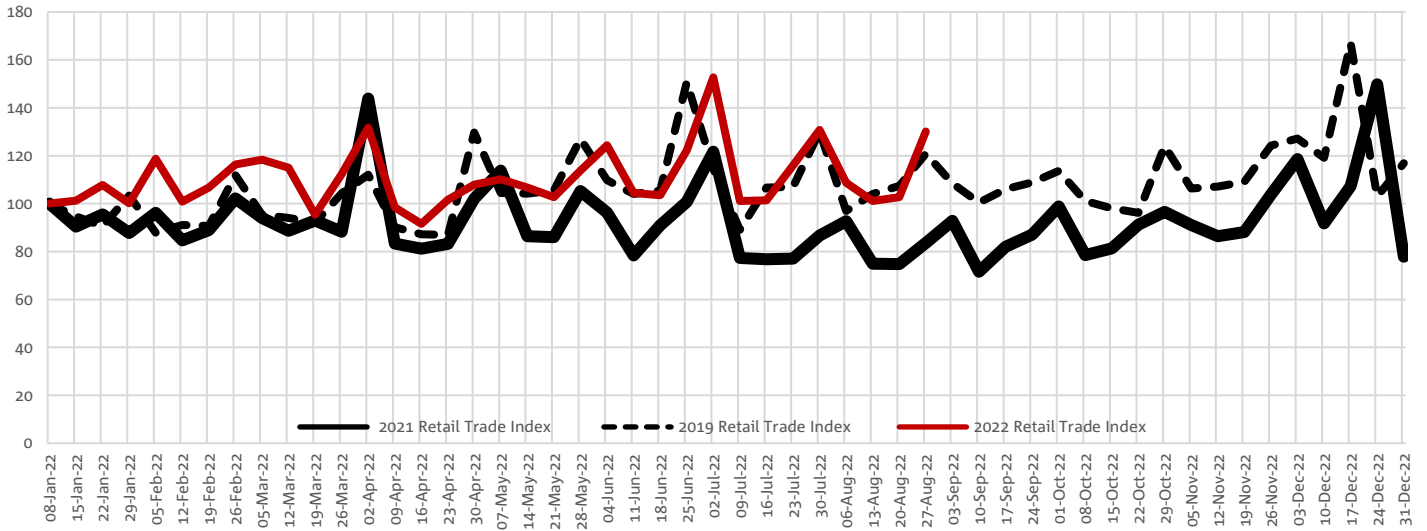
Mining



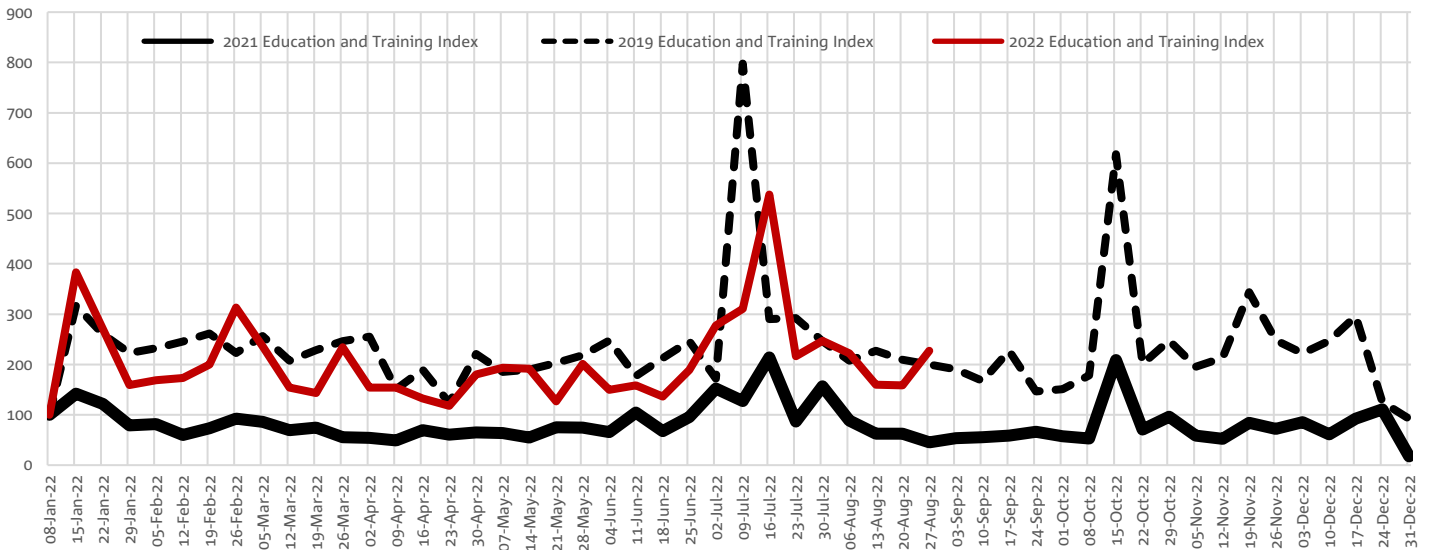
Construction



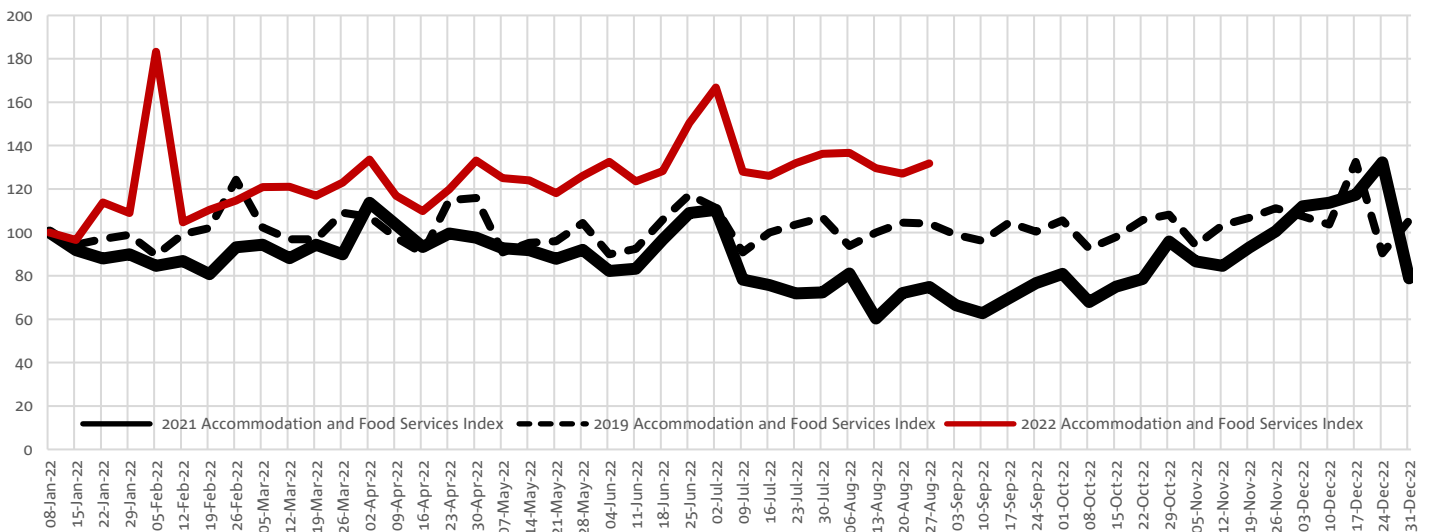
Retail



Education



Hospitality



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