



# NAB Monthly Data Insights November 2022

## NAB Group Economics

### Key Points

- **Consumer spending** strengthened slightly in November, up 0.5%, after a flat October (revised up from a small negative). Robust retail spending and a small rise in essential services offset falls in other discretionary categories.
- **Retail spending** rose 1.0% overall, with continued strength in hospitality spending, up 1.2%, and a pickup in goods retail, up 0.9% after a softer October. The latter possibly reflected some ongoing changes in seasonality.
- **Business credits** rose 0.2% in November to be 13.1% higher y/y, with utilities, education, and retail trade the strongest over the past three months, although some sectors have fallen, in particular mining and transport.

### Comments from NAB Chief Economist Alan Oster

- “Our monthly spending data indicates that spending picked up in November after a softening in October, largely driven by strength in retail and hospitality which offset a fall in some discretionary categories such as arts, recreation & travel.”
- “The strength in retail possibly reflected some ongoing changes in seasonality as Black Friday and early Christmas shopping brings spending forward from December, although the extent of the any bring-forward remains to be seen. Retail spending was only up around 2.5% on the previous November once hospitality and food are excluded.”
- “Strong inflation has likely continued to play a role in driving the growth in these nominal data, so it remains difficult to gauge movements in the underlying volume of consumption.”

### Monthly Consumer Spending

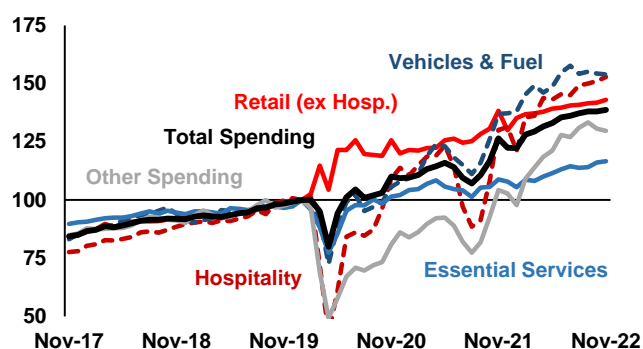
- Total spending rose 0.5% m/m in November, after a flat October (revised up from a small negative). Total spending was 1.5% higher over the past three months and 17.2% higher y/y.
- Retail spending rose 1.0% m/m, with continued strength in hospitality spending, up 1.2%, and a pickup in goods retail, up 0.9% after a softer October. Ongoing changes in seasonality may have played a role with some shifting from October and December into November possible. For more detail on retail spending, see **page 3**.
- Spending on essential services rose 0.4% m/m in November, while the more discretionary other spending category declined 0.8% m/m. Spending on vehicles & fuel fell 0.3% m/m. For more detail on non-retail spending, see **page 4**.
- Across the states, spending grew 0.9% m/m in WA, 0.8% in NT and 0.7% in Vic. NSW, Qld, SA and ACT saw smaller increases, while spending edged down in Tas. Spending in all states is up over the past three months.
- There are significant conceptual differences between NAB’s transaction-based spending measures and ABS consumption measures. Still, the data indicate slower consumption growth so far in Q4 than that seen in Q3.

Table 1: Key Consumer Spending Growth Statistics (%)

	Sep-22	Oct-22	Nov-22		
	m/m	m/m	m/m	3m/3m	y/y
Goods Retail	0.4	0.2	0.9	1.2	7.3
Hospitality	0.5	0.7	1.2	3.2	37.8
<b>Total Retail</b>	<b>0.4</b>	<b>0.3</b>	<b>1.0</b>	<b>1.7</b>	<b>12.9</b>
Vehicles & Fuel	0.6	-0.5	-0.3	-0.7	22.3
Essential Services	0.2	1.8	0.4	1.5	8.4
Other Spending	1.7	-2.0	-0.8	2.0	41.2
<b>Total Spending</b>	<b>0.7</b>	<b>0.0</b>	<b>0.5</b>	<b>1.5</b>	<b>17.2</b>

Excludes taxes, rent, mortgages, gambling, finance, insurance, and other non-consumer transactions. Data are seasonally adjusted and subject to revision.

Chart 1: Consumer Spending Index (Jan 2020 = 100)



Next release date: 25 January 2023 (est.).

# Monthly Consumer Spending - Detail by Category and State

Chart 2: Total Spending Growth (%)

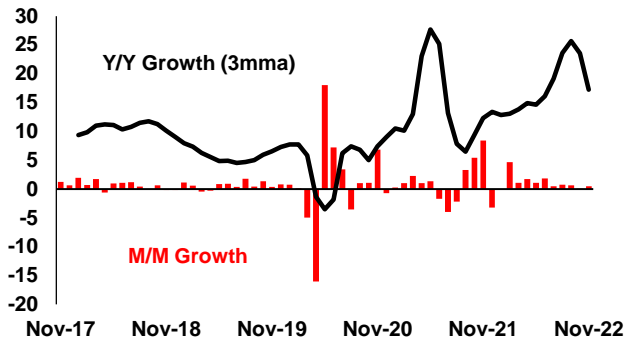


Chart 3: Comparison to ABS Consumption Growth (%)

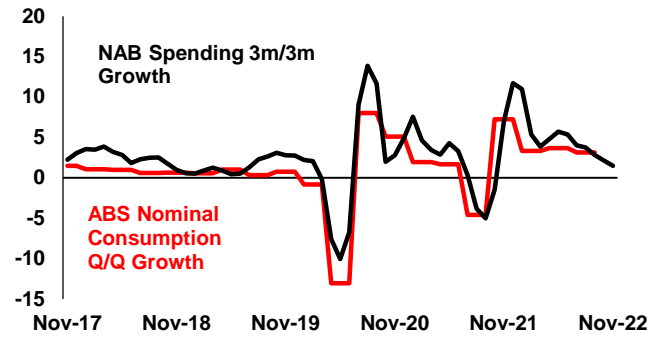


Chart 4: Spending Growth by Category (%)

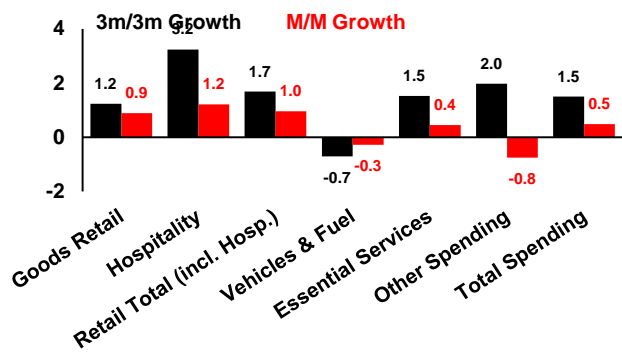


Chart 5: Contribution to Monthly Growth (%)

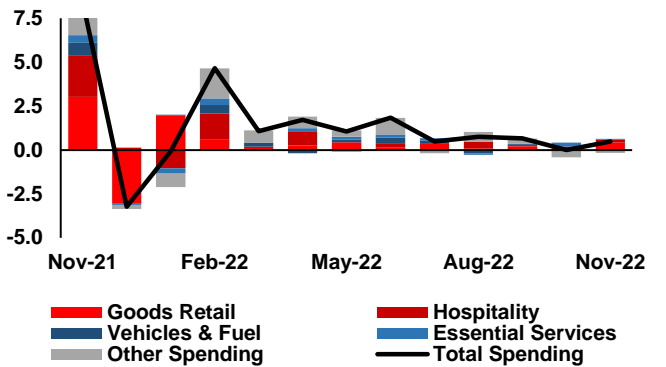


Table 2: Spending Growth by State (%)

	Sep-22	Oct-22	Nov-22		
	m/m	m/m	m/m	3m/3m	y/y
NSW	0.9	0.4	0.4	1.4	20.4
VIC	2.5	-2.1	0.7	1.7	22.3
QLD	0.8	0.2	0.3	1.5	13.1
WA	2.7	1.7	0.9	3.1	11.5
SA	1.9	0.9	0.4	2.6	11.9
TAS	0.2	0.8	-0.6	1.6	12.5
ACT	3.1	-1.5	0.4	2.3	28.4
NT	1.7	-0.8	0.8	2.2	15.9

Chart 6: Spending by State (Index, Jan 2020 = 100)

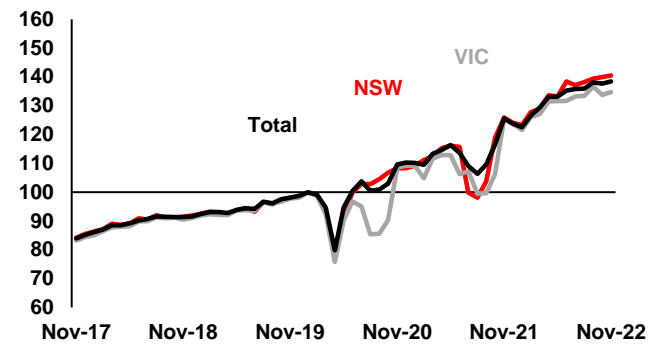


Chart 7: Spending by State (Index, Jan 2020 = 100)

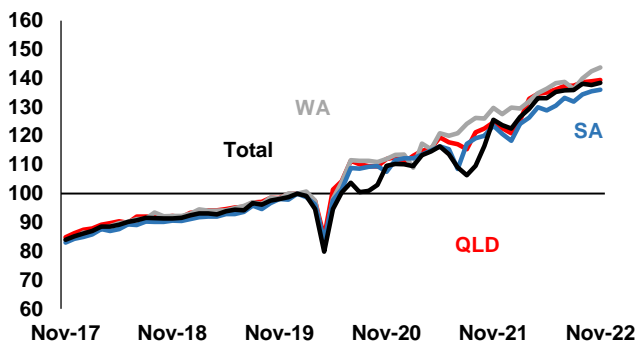
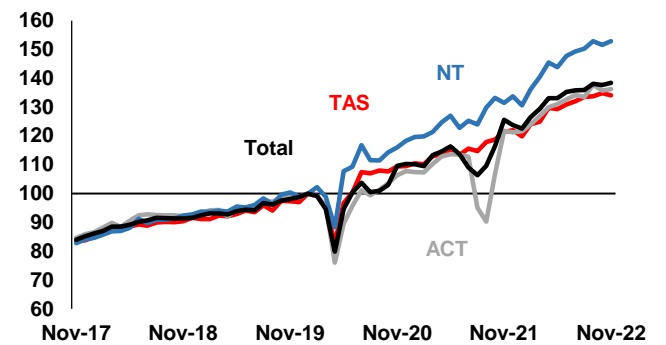


Chart 8: Spending by State (Index, Jan 2020 = 100)



Note: State spending totals differ from industry totals due to availability of geographic information.

## Monthly Consumer Spending – Retail Sector Detail

- Retail spending rose 1.0%, with continued strength in hospitality spending, up 1.2%, and a pickup in goods retail, up 0.9% after a softer October. The latter possibly reflected some ongoing changes in seasonality.
- Spending on household goods, clothing, and at department stores rose strongly, possibly reflecting some shifting from October and December into November as a result of Black Friday sales and early Christmas shopping. Food spending edged higher while other retail was lower in the month.
- The exact impact of Black Friday sales is difficult to know. In seasonally adjusted terms, retail spending was 2.4% higher than November 2021, excluding food and hospitality (3.0% not seasonally adjusted).
- Overall retail spending was 1.7% higher over the past three months and 12.9% higher y/y, with base effects from lockdowns in 2021 continuing to play a role as well as strong inflation.
- While there are differences between NAB’s retail spending measures and ABS retail sales data, the two series have tracked closely together through the pandemic period. The November result suggests a slightly stronger print could be possible when released in January after the ABS reported a small fall for October.

Table 3: Retail Spending Growth (%)

	Sep-22	Oct-22	Nov-22		
	m/m	m/m	m/m	3m/3m	y/y
Food	0.6	0.4	0.3	1.2	3.4
Hhld Goods	1.0	-1.0	2.3	1.2	5.4
Clothing	0.5	1.4	1.5	3.2	25.7
Dept. Stores	0.6	-2.7	3.7	0.4	6.4
Other Retail	-0.6	1.4	-0.7	0.5	8.9
<b>Total Goods Retail</b>	<b>0.4</b>	<b>0.2</b>	<b>0.9</b>	<b>1.2</b>	<b>7.3</b>
Hospitality	0.5	0.7	1.2	3.2	37.8
<b>Total Retail</b>	<b>0.4</b>	<b>0.3</b>	<b>1.0</b>	<b>1.7</b>	<b>12.9</b>

Chart 9: Retail Spending Index (Jan 2020 = 100)

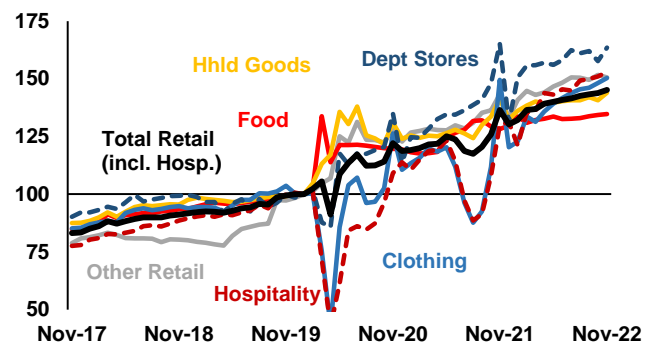


Chart 10: Total Retail Spending Growth (%)

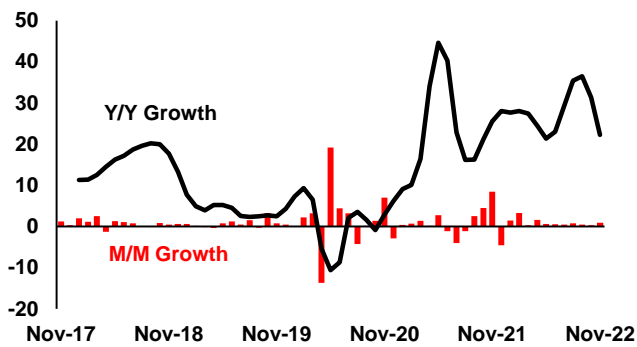


Chart 11: Comparison to ABS Retail Sales Growth (%)



Chart 12: Spending Growth by Retail Category (%)

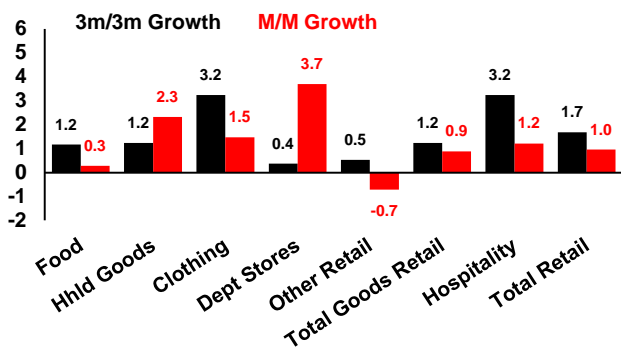
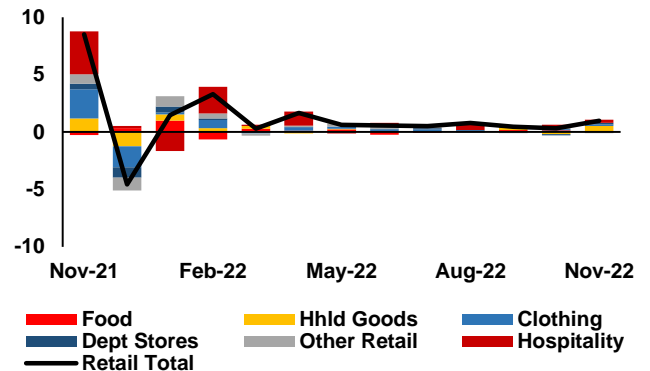


Chart 13: Contribution to Monthly Growth (%)



## Monthly Spending – Detail for Non-Retail Subcategories

- Spending on vehicles and fuel fell 0.3% in the month, with fuel spending flat and vehicle spending lower. The October total was revised up, reflected in a smaller fall of 0.5% (previously -1.1%).
- Spending on essential services rose 0.4% in the month, with rises in media & communications and utilities offsetting small declines in education and health & care.
- Other spending fell 0.8% in the month, driven by a further sharp fall in arts, recreation & travel services. The decline in this ‘discretionary’ spending category has brought spending back to around its June level after peaking in September, with pent-up demand from COVID likely playing a role. Transport & postal services also edged down but spending on professional services picked up, as did construction.

Table 4: Spending Growth by Subcategory (excl. Retail) (%)

	Sep-22	Oct-22	Nov-22				Sep-22	Oct-22	Nov-22		
	m/m	m/m	m/m	3m/3m	y/y		m/m	m/m	m/m	3m/3m	y/y
Vehicles	-1.4	0.3	-0.8	-0.2	8.8	Arts, Rec. & Travel	6.2	-8.9	-6.0	2.9	117.0
Fuel	1.6	-0.9	0.0	-0.9	29.4	Construction	-3.0	0.3	0.6	-1.4	4.3
<b>Vehicles &amp; Fuel Total</b>	<b>0.6</b>	<b>-0.5</b>	<b>-0.3</b>	<b>-0.7</b>	<b>22.3</b>	Professional Services	-0.8	0.3	3.1	0.8	-0.9
Education	5.5	2.3	-2.0	6.2	15.1	Transport & Postal	0.5	2.4	-0.1	2.3	75.0
Utilities	0.0	2.2	0.3	-0.1	0.6	Other Services	1.3	-1.1	0.5	2.3	25.7
Health & Care	-0.2	0.6	-0.5	1.5	12.8	<b>Other Spending Total</b>	<b>1.7</b>	<b>-2.0</b>	<b>-0.8</b>	<b>2.0</b>	<b>41.2</b>
Media & Comms	-2.4	3.0	3.8	0.1	5.8						
<b>Essential Svcs Total</b>	<b>0.2</b>	<b>1.8</b>	<b>0.4</b>	<b>1.5</b>	<b>8.4</b>						

Chart 14: Vehicles & Fuel Index (Jan 2020 = 100)

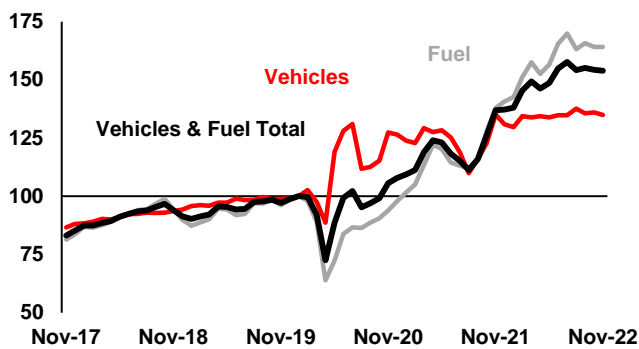


Chart 15: Other Spending Index (Jan 2020 = 100)

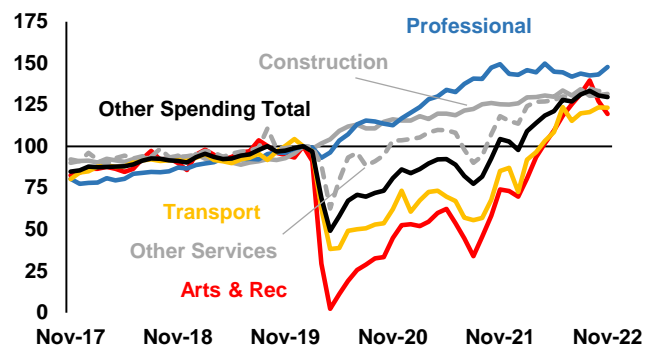
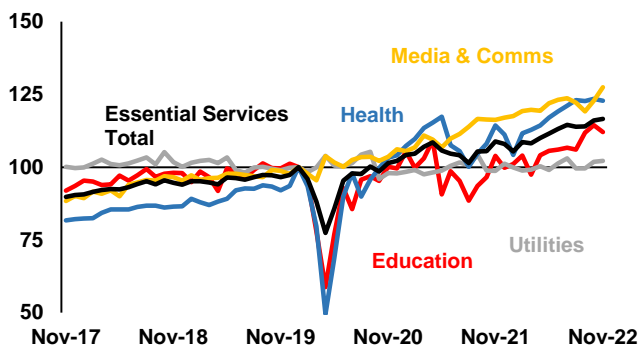


Chart 16: Essential Services Index (Jan 2020 = 100)



## Monthly Business Credits

- Business credits rose 0.2% in November to be 13.1% higher y/y, with utilities, education, and retail trade the strongest over the past three months, although some sectors have fallen, in particular mining and transport.

Chart 17: Business Credits Growth (%)

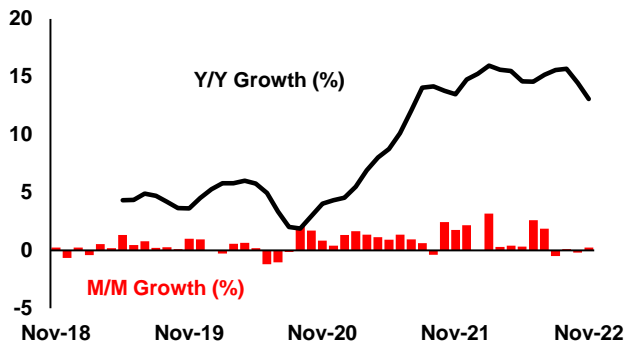


Chart 18: Business Credits Index (Jan 2020 = 100)

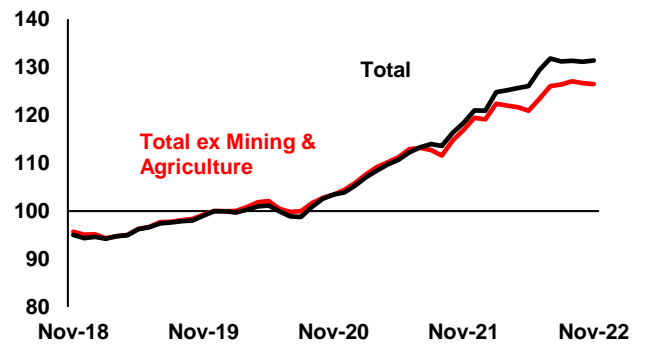


Chart 19: Credits Index by Industry (Jan 2020 = 100)

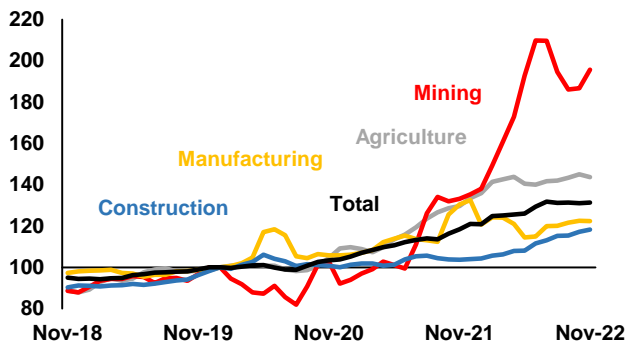


Chart 20: Credits Index by Industry (Jan 2020 = 100)

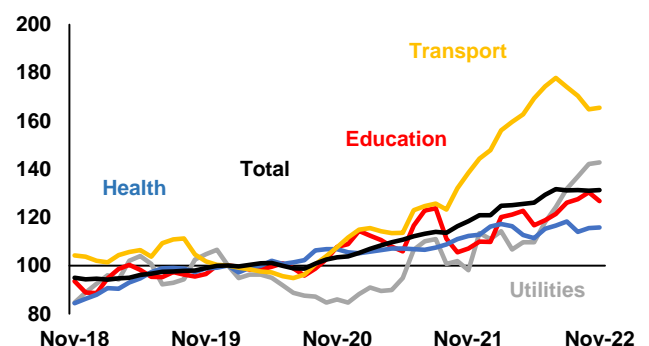


Chart 21: Credits Index by Industry (Jan 2020 = 100)

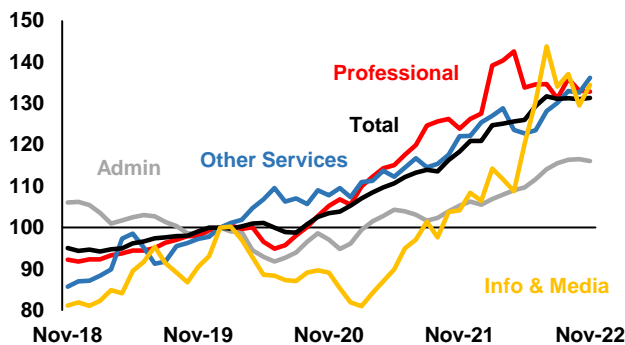


Chart 22: Credits Index by Industry (Jan 2020 = 100)

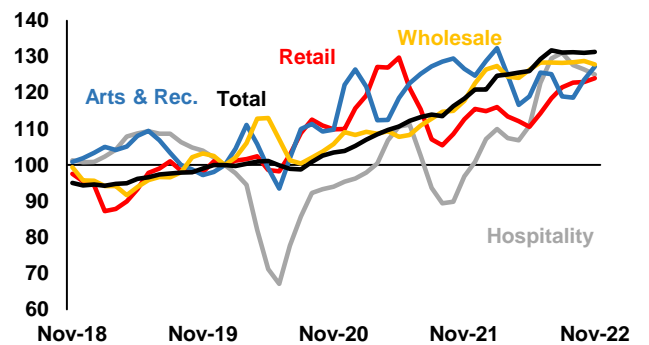


Table 5: Business Credits Growth by Industry (%)

	Sep-22	Oct-22	Nov-22			Sep-22	Oct-22	Nov-22			
	m/m	m/m	m/m	3m/3m		y/y	m/m	m/m	m/m	3m/3m	y/y
Accom & Food	-2.6	-1.0	-1.1	-1.1	37.4	Mining	-4.4	0.3	4.9	-7.4	42.4
Admin & Support	0.7	0.1	-0.4	2.3	12.1	Other Services	2.2	-0.3	2.7	5.2	13.2
Agriculture	0.9	1.2	-1.0	2.0	12.3	Professional Services	3.7	-2.1	-0.1	0.4	6.9
Arts & Rec.	-0.3	4.2	2.9	0.0	-4.0	Rental & Real Estate	0.8	-2.2	-4.2	-0.8	2.2
Construction	0.2	1.5	0.9	3.3	12.5	Retail Trade	1.1	0.2	0.8	4.4	13.2
Education	1.2	2.3	-2.9	5.0	18.8	Transport & Postal	-2.1	-3.3	0.4	-4.8	27.2
Utilities	3.8	3.7	0.5	12.7	40.3	Wholesale Trade	0.2	0.2	-0.8	0.0	10.8
Health	-3.6	1.4	0.1	-1.4	4.0	<b>Total</b>	<b>0.1</b>	<b>-0.2</b>	<b>0.2</b>	<b>0.4</b>	<b>13.1</b>
Info & Media	2.3	-5.6	3.8	-1.8	31.3	Total ex Mining & Agri	0.6	-0.3	-0.2	1.2	10.8
Manufacturing	1.2	0.8	-0.1	3.3	-0.5						

All data calculated as a three month moving average of seasonally adjusted monthly data.

## About this report

NAB publishes aggregated customer transaction data with the view to providing real-time insights into economic activity in Australia. 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 underlying data used in this report are not sold or made publicly available. This monthly report replaced the fortnightly *Data Insights* report and the monthly *NAB Cashless Retail Sales Index*, which were discontinued in October 2022.

### Consumer Spending Methodology

Data on consumer spending are derived from NAB electronic transactions data, encompassing more than 4 million transactions per day. The data include transactions made by EFTPOS, Credit Card, BPAY, Bank Transfers, Direct Debits and Paypal services where available, and include transactions with Australian and international merchants. Spending includes both online and offline transactions. The data excludes cash withdrawals made during a purchase and purchases made offline in an overseas location. As the data only capture electronic transactions, results can be affected by changes in the take-up rate of electronic payment methods relative to cash. State splits of spending are based on where the customer lives, which may or may not be where the actual spending activity occurs. Customers without an Australian residential address are excluded. Transactions attributable to non-consumer sectors including Manufacturing, Mining, and Wholesale are excluded, as are Financial & Insurance Services transactions and Public Administration transactions (largely tax payments). Gambling spending and rental and mortgage payments are also excluded. Opportunities to expand coverage to include these sectors will be explored in the future. Individual industry and state series are seasonally adjusted using the X-11 method.

### Business Inward Credits Methodology

Data on business inward credits are derived from credits paid into the accounts of NAB business banking customers, and are intended to approximate business revenues. Data do not account for business expenses and therefore are not reflective of profits or margins. Credits related to financing arrangements and capital raising are excluded where possible. Industry growth rates can also be affected by significant changes in the composition of NAB's business banking customer base. Businesses in the Financial & Insurance Services sector and Public Administration & Safety are excluded. Individual industry series are seasonally adjusted using the X-11 method and a three-month moving average is used to smooth volatility related to the timing of payments made to businesses. History for these series are limited and as such seasonal variation remains difficult to capture accurately. Opportunities to extend the available history to improve analysis will be explored in the future.

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