



NAB Monthly Data Insights December 2022

NAB Group Economics

Key Points

- **Consumer spending** declined slightly in December, falling 0.3%, although there were small upwards revisions to October and November (+0.2 and 0.3ppts respectively). Falls in retail and vehicle & fuel spending more than offset a rise in other spending while spending on essential services was little changed.
- **Retail spending** fell 0.9%, with a small fall in hospitality (-0.2% m/m) and a larger decline in goods retail (-1.1%) with the latter perhaps reflecting changes in seasonality.
- **Business credits** fell 0.4% in December. Credits are up 10.9% from a year ago but have flattened out since mid-22, with no growth in the December quarter.

Comments from NAB Chief Economist Alan Oster

- “Our monthly transaction data indicates that spending softened in December after a solid rise in November, largely driven by weakness in retail goods and spending on fuel, while discretionary spending showed some strength.”
- “The fall-off in retail may reflect changes in seasonal spending patterns, with Black Friday and early Christmas shopping potentially bringing spending forward from December. Putting aside the month-to-month volatility, retail spending appears to have levelled off in recent months.”
- “While total spending was up 1.6% in the December quarter, this is the slowest quarterly growth rate this year, and growth in volumes is likely to be lower given still high inflation.”

Monthly Consumer Spending

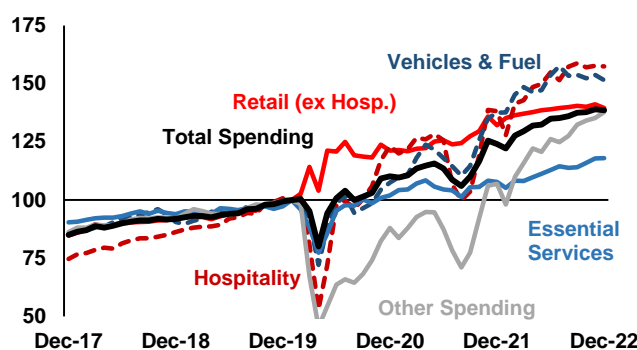
- Total spending fell 0.3% m/m in December after a solid outcome November. Total spending was up 1.6% in 3-month average terms and 11.7% y/y.
- Retail spending fell 0.9% m/m, with the fall concentrated in goods retailing. While changes in seasonal patterns may have affected recent monthly growth rates – shifting spending from one month to another - it appears that retail spending has plateaued in recent months. For more detail on retail spending, see **page 3**.
- Spending on essential services increased marginally (0.1% m/m) while the more discretionary other spending rose by a strong 1.9%. Vehicle and fuel spending fell 1.5% in the month. For more detail on non-retail spending, see **page 4**.
- Across the states, spending grew 0.5% m/m in Vic, 0.2% in SA, was flat in NSW and declined in the other states (particularly Qld and NT). Spending in all states is up over the past three months on the previous three months.
- Note, to better align with ABS data, from this publication spending on accommodation is included in the arts, recreation & travel subcategory (within “other spending”). It was previously included as part of hospitality.

Table 1: Key Consumer Spending Growth Statistics (%)

	Oct-22	Nov-22	Dec-22		
	m/m	m/m	m/m	3m/3m	y/y
Goods Retail	-0.2	0.8	-1.1	0.2	5.6
Hospitality	-1.1	0.4	-0.2	1.0	13.9
Total Retail	-0.4	0.7	-0.9	0.4	7.0
Vehicles & Fuel	-1.0	1.0	-1.5	-1.5	10.2
Essential Services	1.7	1.6	0.1	2.8	9.5
Other Spending	1.4	0.7	1.9	5.8	28.7
Total Spending	0.2	0.8	-0.3	1.6	11.7

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: 15 February 2023

Monthly Consumer Spending - Detail by Category and State

Chart 2: Total Spending Growth (%)

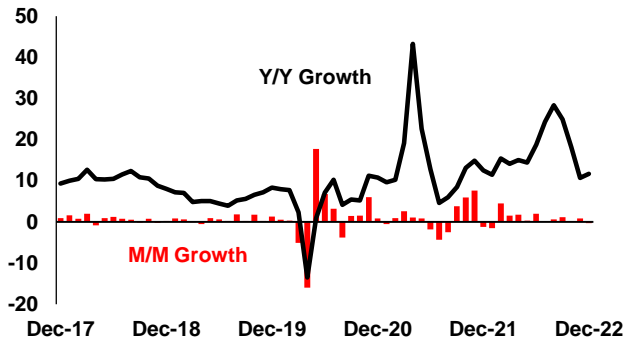


Chart 3: Comparison to ABS Consumption Growth (%)

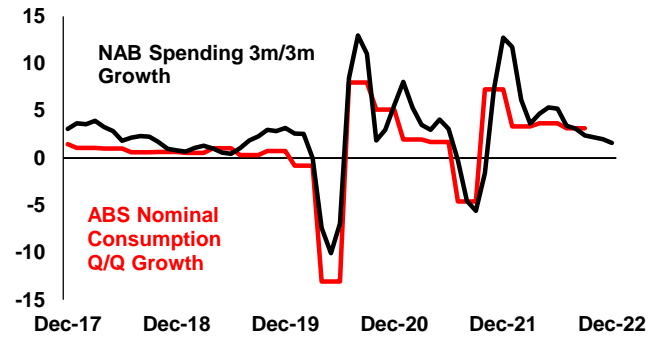


Chart 4: Spending Growth by Category (%)

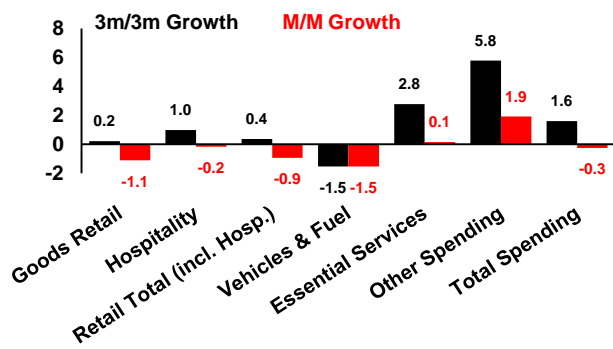


Chart 5: Contribution to Monthly Growth (%)

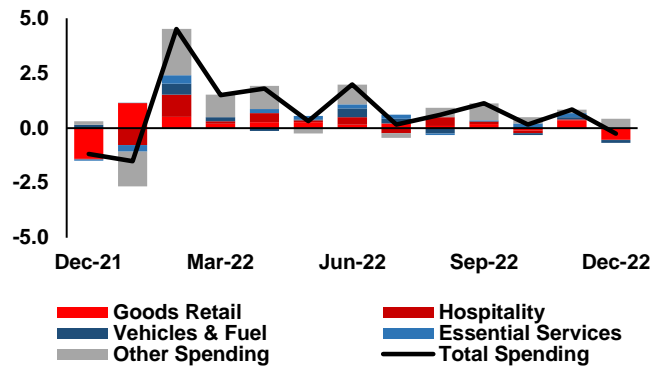


Table 2: Spending Growth by State (%)

	Oct-22	Nov-22	Dec-22		
	m/m	m/m	m/m	3m/3m	y/y
NSW	0.3	0.8	0.0	1.7	13.2
VIC	-2.1	1.0	0.5	0.3	9.6
QLD	0.1	0.2	-1.6	0.4	11.4
WA	0.9	1.3	-0.3	2.9	10.9
SA	0.9	0.7	0.2	2.4	13.2
TAS	0.7	0.0	-0.1	1.2	9.7
ACT	-1.6	0.8	-0.7	0.5	11.0
NT	-1.1	1.2	-1.2	0.5	11.7

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

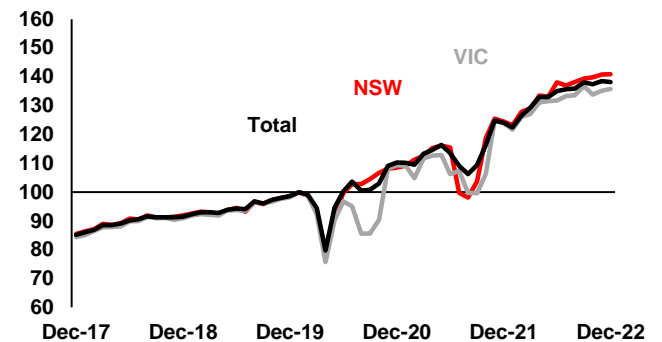


Chart 7: Spending by State (Index, Jan 2020 = 100)

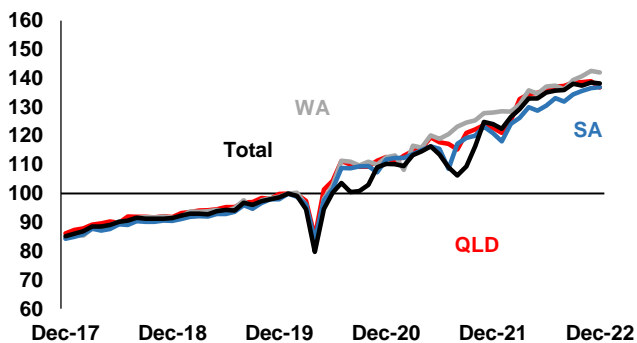
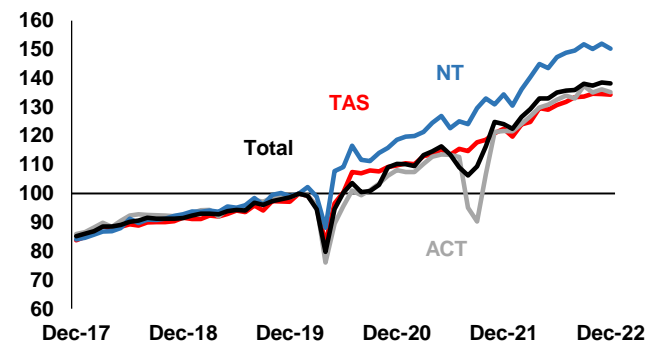


Chart 8: Spending by State (Index, Jan 2020 = 100)



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

Monthly Consumer Spending – Retail Sector Detail

- Retail spending fell 0.9% m/m, with the fall concentrated in goods retailing – but there was also a small decline in hospitality. While changes in seasonal patterns may have affected recent growth rates, it appears that retail spending has plateaued in recent months. This likely reflects a rebalancing of spending from goods to services consumption, at least in part. That said, growth in hospitality spending has also softened recently.
- Retail categories that saw the largest gains in November, experienced the largest reversals in December. Department stores spending fell 6.3% m/m while spending on household goods declined by 3.2%. This is consistent with a shift in spending out of October/December into November due to Black Friday sales and early Christmas shopping. Food spending was the only category where spending rose in December (0.7% m/m).
- Overall retail spending was 0.4% higher over the past three months (on the previous three months) and 7.0% higher y/y, with the latter reflecting strong growth in the first half of the year and high 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 latest result suggests the strong growth in retail sales reported by the ABS for November will not be sustained in December.

Table 3: Retail Spending Growth (%)

	Oct-22		Nov-22		Dec-22	
	m/m	m/m	m/m	3m/3m	y/y	
Food	0.6	0.7	0.7	1.7	5.1	
Hhld Goods	-1.2	2.1	-3.2	-0.3	2.9	
Clothing	-2.0	1.0	-0.8	-0.8	6.7	
Dept. Stores	-2.8	2.1	-6.3	-3.5	6.6	
Other Retail	0.9	-1.2	-1.0	-0.6	9.3	
Total Goods Retail	-0.2	0.8	-1.1	0.2	5.6	
Hospitality	-1.1	0.4	-0.2	1.0	13.9	
Total Retail	-0.4	0.7	-0.9	0.4	7.0	

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

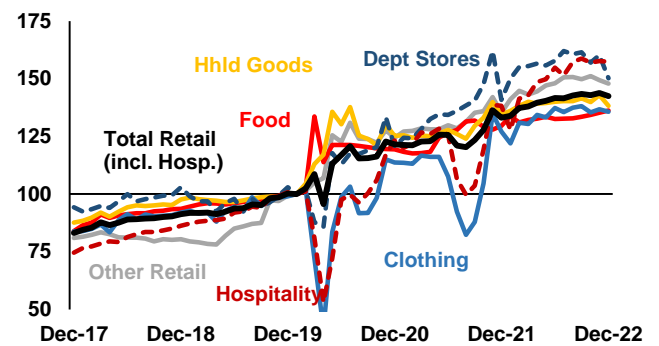


Chart 10: Total Retail Spending Growth (%)

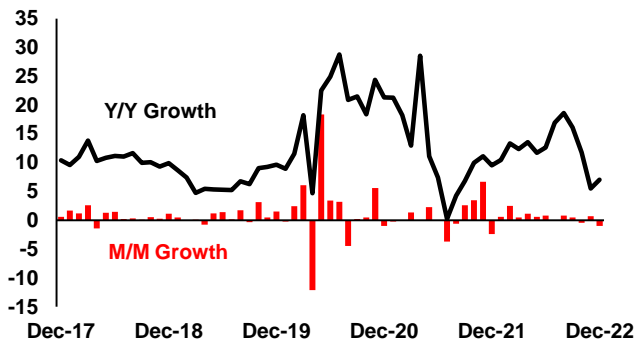


Chart 11: Comparison to ABS Retail Sales Growth (%)



Chart 12: Spending Growth by Retail Category (%)

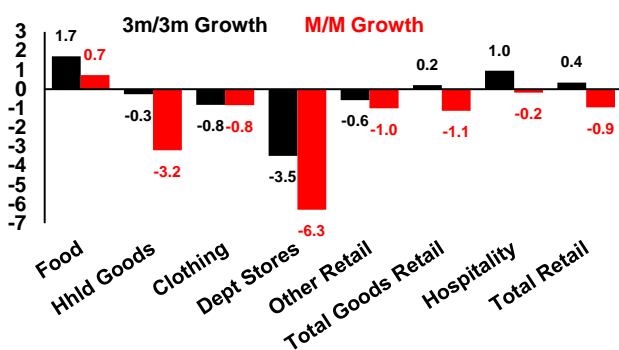
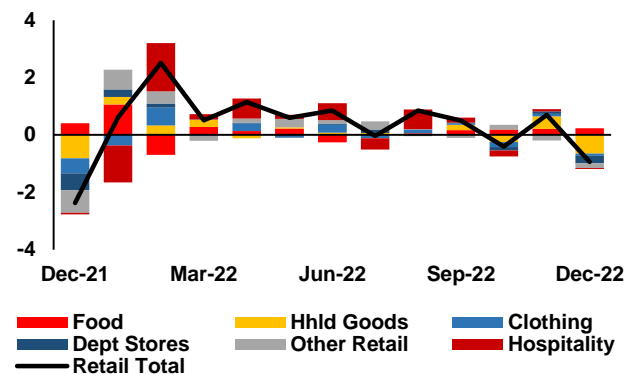


Chart 13: Contribution to Monthly Growth (%)



Monthly Spending – Detail for Non-Retail Subcategories

- Spending on vehicles & fuel fell 1.5% in the month, entirely due to a reduction in spending on fuel, with vehicle spending up 0.6% m/m. Revisions to previous months were mixed but overall positive due to a large upward revision to November (now 1.0% m/m, previously -0.3%) while October was revised down.
- Spending on essential services increased marginally (0.1% m/m) although the November result was revised upwards. As in November, growth in media & communications and utilities offset declines in education and health & care.
- Other spending rose by a strong 1.9% in the month, with gains across all the discretionary categories apart from ‘other services’. The inclusion of accommodation spending, from this month, into the arts, recreation & travel category contributed to an upwards revision to October and November.

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

	Oct-22	Nov-22	Dec-22				Oct-22	Nov-22	Dec-22		
	m/m	m/m	m/m	3m/3m	y/y		m/m	m/m	m/m	3m/3m	y/y
Vehicles	0.2	-0.4	0.6	-0.1	3.9	Arts, Rec. & Travel	-0.5	1.0	3.0	9.0	47.4
Fuel	-1.6	1.6	-2.4	-2.2	13.3	Construction	0.3	2.0	1.1	1.2	8.3
Vehicles & Fuel Total	-1.0	1.0	-1.5	-1.5	10.2	Professional Services	0.9	4.4	2.2	4.7	7.8
Education	2.2	-2.0	-0.8	3.9	10.2	Transport & Postal	2.5	0.3	3.2	5.6	47.4
Utilities	2.2	2.4	0.4	3.3	8.1	Other Services	3.8	-1.7	-0.7	2.8	12.6
Health & Care	0.5	-0.4	-0.7	0.4	9.4	Other Spending Total	1.4	0.7	1.9	5.8	28.7
Media & Comms	2.7	6.6	1.8	5.4	10.6						
Essential Svcs Total	1.7	1.6	0.1	2.8	9.5						

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

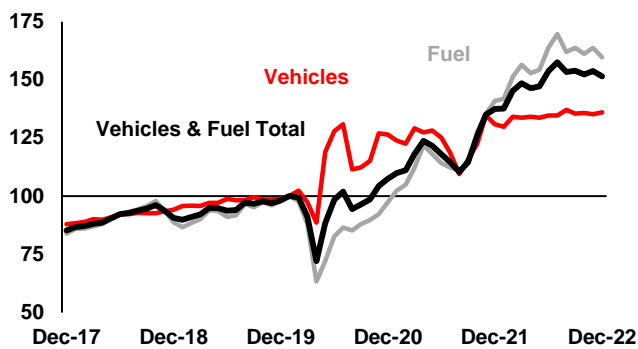


Chart 15: Other Spending Index (Jan 2020 = 100)

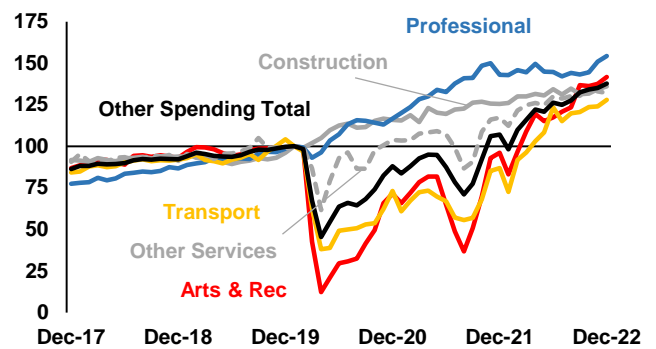
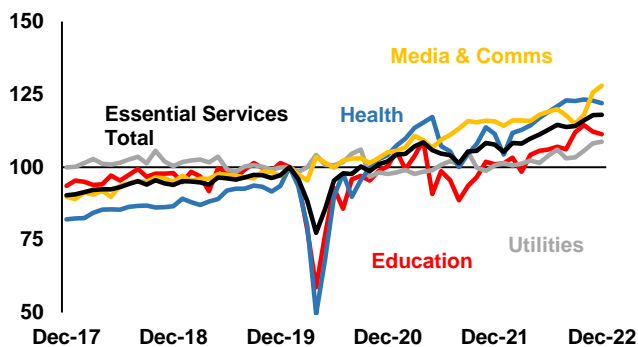


Chart 16: Essential Services Index (Jan 2020 = 100)



Monthly Business Credits

- Business credits fell 0.4% in December. Credits are up 10.9% from a year ago but have flattened out since mid-22. There was no growth in the December quarter but there has been considerable variation by industry.

Chart 17: Business Credits Growth (%)

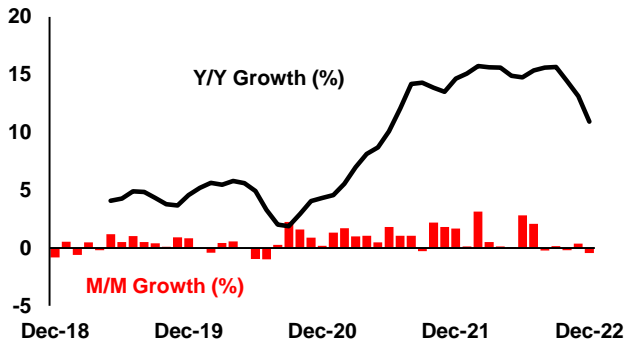


Chart 18: Business Credits Index (Jan 2020 = 100)

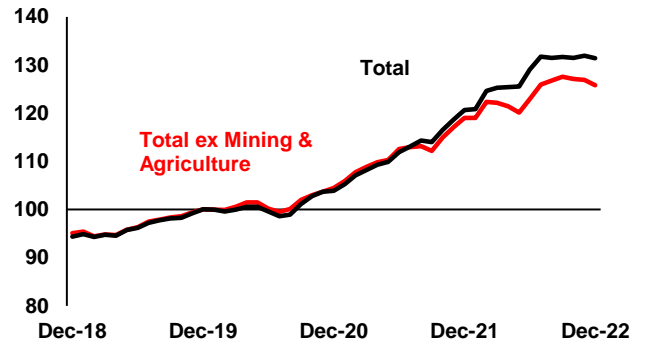


Chart 19: Credits Index by Industry (Jan 2020 = 100)

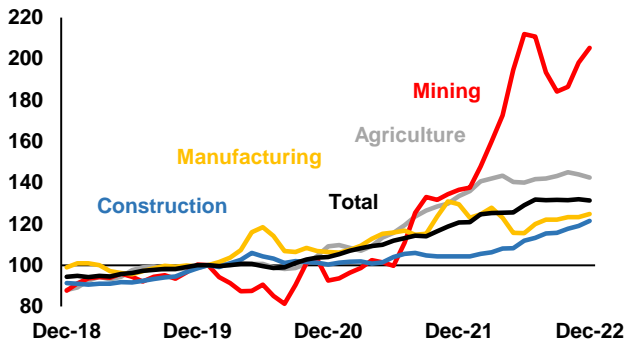


Chart 20: Credits Index by Industry (Jan 2020 = 100)

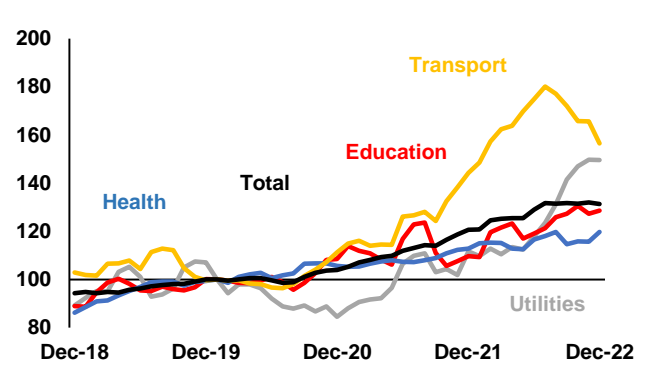


Chart 21: Credits Index by Industry (Jan 2020 = 100)

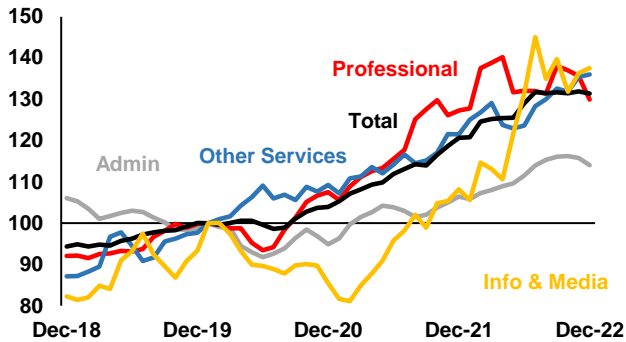


Chart 22: Credits Index by Industry (Jan 2020 = 100)

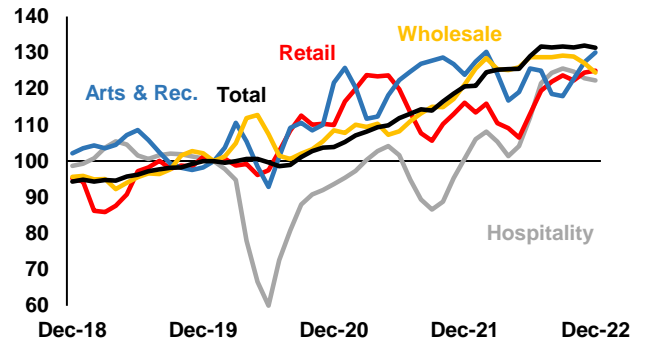


Table 5: Business Credits Growth by Industry (%)

	Oct-22	Nov-22	Dec-22			Oct-22	Nov-22	Dec-22			
	m/m	m/m	m/m	3m/3m		y/y	m/m	m/m	m/m	3m/3m	y/y
Accom & Food	-0.7	-1.5	-0.5	-0.4	29.9	Mining	1.3	6.3	3.6	0.3	46.5
Admin & Support	0.1	-0.4	-1.5	0.2	9.8	Other Services	-0.5	2.7	0.5	3.2	12.0
Agriculture	1.2	-0.8	-1.0	1.0	10.1	Professional Services	-0.8	-1.0	-4.2	0.3	5.1
Arts & Rec.	4.0	3.8	2.1	5.1	0.2	Rental & Real Estate	-2.4	-3.4	-1.8	-4.4	-2.0
Construction	1.8	1.1	2.1	4.0	14.5	Retail Trade	-1.1	1.8	0.4	1.8	9.5
Education	2.6	-2.5	1.0	3.2	19.6	Transport & Postal	-3.6	-0.2	-5.5	-7.8	17.6
Utilities	3.9	1.9	-0.1	12.6	40.4	Wholesale Trade	-0.2	-1.4	-2.1	-1.6	7.7
Health	1.0	0.0	3.4	-0.3	4.5	Total	-0.2	0.4	-0.4	0.0	10.9
Info & Media	-5.6	3.4	0.9	-3.3	27.4	Total ex Mining & Agri	-0.4	-0.2	-0.8	-0.1	8.2
Manufacturing	1.0	-0.1	1.2	2.0	-3.3						

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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