



NAB Monthly Data Insights July 2023

NAB Group Economics

Key Points

- **Consumer spending**, according to NAB’s transaction data, remained resilient in July, rising 0.5% m/m overall. Estimated spending in June was also revised up, now showing an increase of 0.9% m/m. **Retail spending** however remains under pressure.
- **Both discretionary and non-discretionary** spending categories rose in the month but growth in discretionary categories remains softer, up 0.9% in three-month-average terms compared to 2% for non-discretionary spending.
- **Business credits** rose 0.3% m/m in July, or 0.2% when excluding mining and agriculture.

Comments from NAB Chief Economist Alan Oster

- “Our monthly transaction data showed surprisingly positive result for July, with spending still holding up.”
- “Nominal spending in retail has been fairly flat, which suggests further falls in real terms are likely, but the resilience of spending is nonetheless impressive including in more discretionary sectors such as hospitality, arts, recreation and travel.”
- “Spending on essential services like healthcare and utilities has also continued to rise and we know this in part reflects the ongoing rises in prices that consumers are facing in many services sectors.”

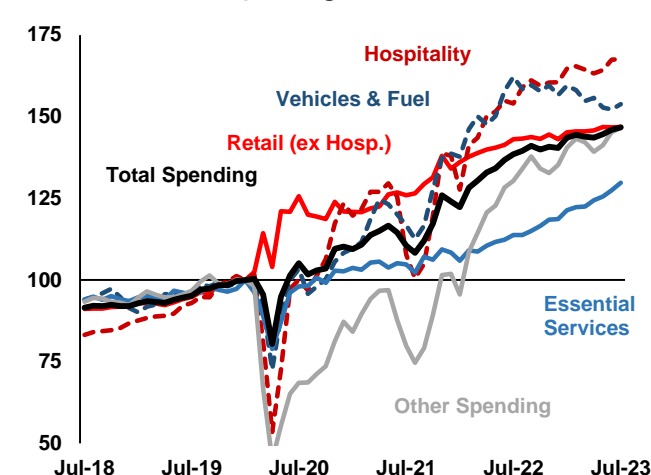
Monthly Consumer Spending

- Total spending rose 0.5% m/m in July after a rise of 0.9% in June (revised from -0.1%). With these revisions, total spending is now 1.2% higher in three-month-average terms and 6% higher y/y.
- Retail spending rose 0.1% m/m with June also revised up. Total retail spending was up 0.9% in three-month-average terms and 3.8% y/y. For detail on retail spending, see **page 3**.
- Spending on essential services rose 1.8% m/m and the ‘other spending’ category rose 0.8% m/m, while vehicles & fuel spending rose 1.1%. For detail on non-retail spending, see **page 4**.
- Total spending across goods categories rose 0.2% m/m, while spending across services grew 1%. Spending across discretionary categories was similarly positive but softer than non-discretionary spending.

Table 1: Key Consumer Spending Growth Statistics (%)

	May-23	Jun-23	Jul-23		
	m/m	m/m	m/m	3m/3m	y/y
Goods Retail	0.7	-0.1	0.1	0.8	2.7
Hospitality	0.7	1.9	0.1	1.3	8.9
Total Retail	0.7	0.3	0.1	0.9	3.8
Vehicles & Fuel	-1.9	-0.4	1.1	-2.1	-5.1
Essential Services	0.9	1.5	1.8	3.7	14.1
Other Spending	1.4	2.9	0.8	2.0	12.4
Total Spending	0.7	0.9	0.5	1.2	6.0
Goods	0.3	-0.1	0.2	0.4	1.4
Services	1.1	2.2	1.0	2.3	12.0
Discretionary	0.7	1.0	0.4	0.9	4.5
Non-Discretionary	0.7	0.7	0.8	2.0	9.3

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



Note: Spending data excludes taxes, rent, mortgages, gambling, finance, insurance, and other non-consumer transactions. Data are seasonally adjusted and subject to revision. “Goods” includes goods retail, vehicles and fuel, and “services” includes all other categories. “Non-discretionary” includes food, health, education, utilities, and media & comms, and “discretionary” includes all other categories. **Next release date: 13 September 2023.**

Chart 2: Total Spending Growth (%)

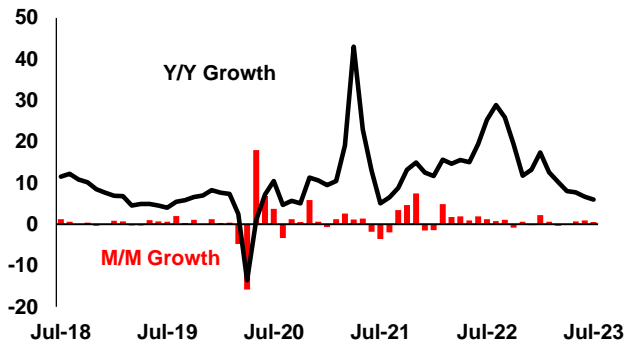


Chart 3: Comparison to ABS Consumption Growth (%)

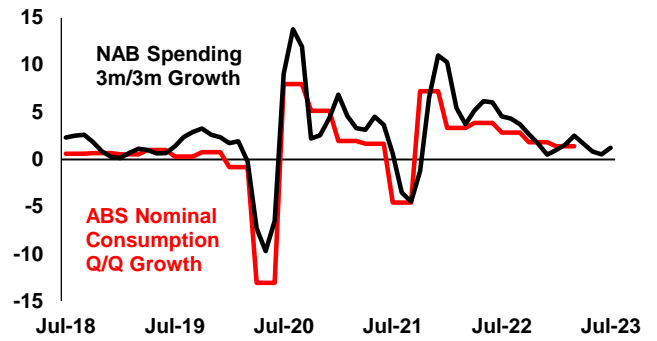


Chart 4: Goods vs Services Index (Jan 2020 = 100)

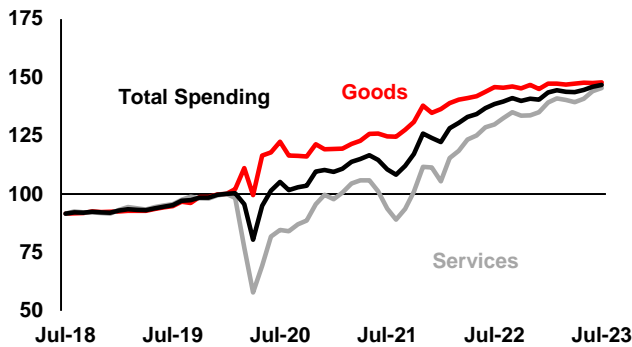
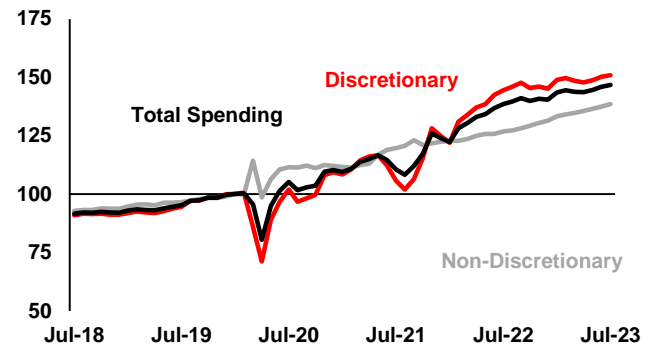


Chart 5: Discretionary Spending Index (Jan 2020 = 100)



Monthly Consumer Spending – Detail by State

- Spending in the month fell in NSW and Vic as well as Tas and NT. In three-month average terms, spending was up by 0.5%-1%, with the exception of Tas, which was flat.

Table 2: Spending Growth by State (%)

	May-23		Jun-23		Jul-23	
	m/m	m/m	m/m	3m/3m	y/y	
NSW	-0.1	1.6	-0.9	0.5	4.9	
VIC	0.7	0.2	-0.3	1.1	4.8	
QLD	-0.3	0.1	0.4	0.7	6.0	
WA	-0.1	0.4	0.7	0.7	8.2	
SA	0.1	0.9	0.1	1.1	6.4	
TAS	-0.2	1.3	-1.3	0.0	3.8	
ACT	0.1	2.5	0.4	1.0	5.9	
NT	0.8	1.7	-0.8	1.0	7.9	

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

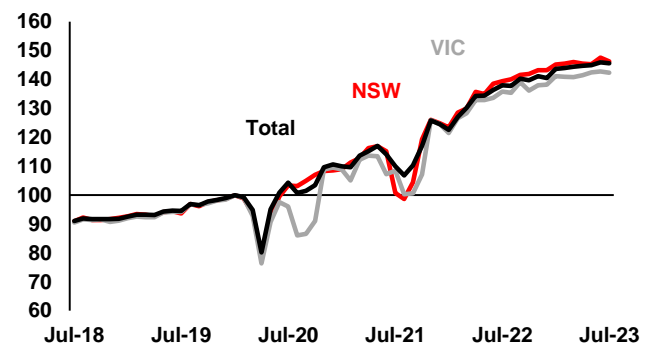


Chart 7: Spending by State (Index, Jan 2020 = 100)

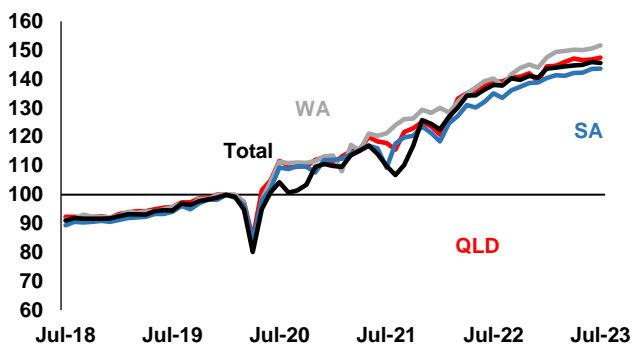
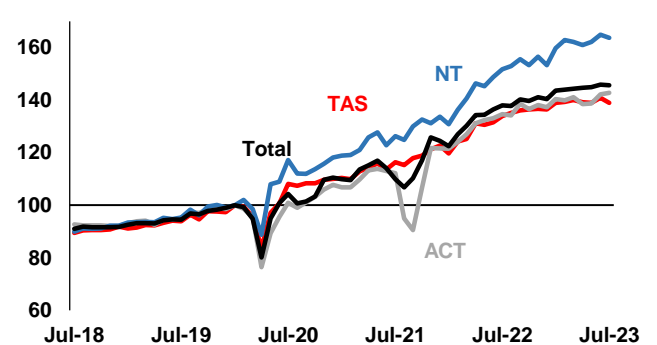


Chart 8: Spending by State (Index, Jan 2020 = 100)



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

Monthly Consumer Spending – Retail Sector Detail

- Retail spending rose 0.1% m/m, with a consistent result across goods retail and hospitality. Total retail spending was up 0.9% in three-month average terms and 3.8% y/y.
- By subcategory, there was a rise in clothing (0.7%), other retail (0.6%) and food (0.1%) but offsetting falls in other subcategories with department stores down 1.1% and household goods down 0.5%. Overall goods retail spending remains up 0.8% in three-month-average terms.
- Hospitality spending rose 0.1% m/m but is still 1.3% higher in three-month-average terms and 8.9% higher y/y, remaining at an elevated level.
- While the original June estimate showed a fall, in line with the ABS retail trade series, the June result was revised higher this month and now shows a 0.3% m/m rise overall. This likely reflects transactions towards the end of the month and highlights that there are important differences between the NAB transaction data and ABS series.

Table 3: Retail Spending Growth (%)

	May-23		Jun-23		Jul-23	
	m/m	m/m	m/m	3m/3m	y/y	
Food	0.5	0.1	0.1	0.8	6.1	
Hhld Goods	1.6	1.4	-0.5	2.4	1.4	
Clothing	1.3	-0.4	0.7	0.6	-1.6	
Dept. Stores	0.4	-0.7	-1.1	-1.3	-5.6	
Other Retail	-0.1	-1.8	0.6	-0.2	1.6	
Total Goods Retail	0.7	-0.1	0.1	0.8	2.7	
Hospitality	0.7	1.9	0.1	1.3	8.9	
Total Retail	0.7	0.3	0.1	0.9	3.8	

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

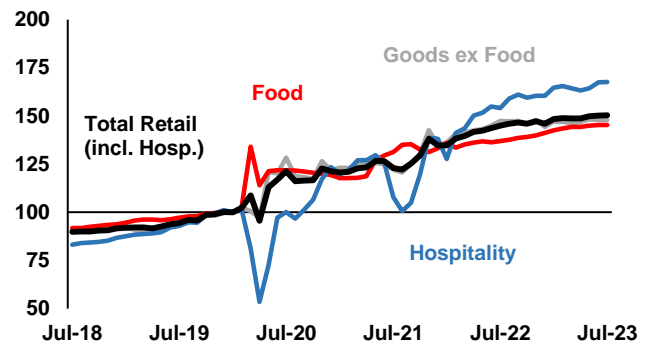


Chart 10: Total Retail Spending Growth (%)

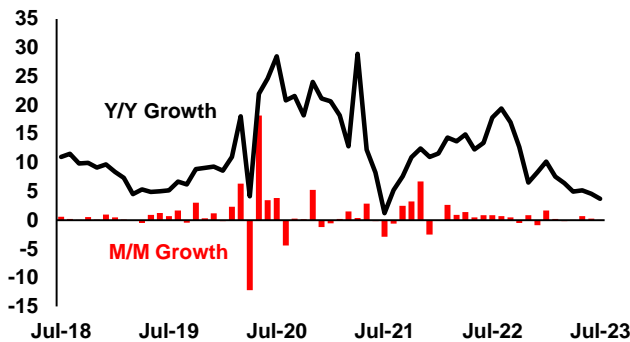


Chart 11: Comparison to ABS Retail Sales Growth (%)

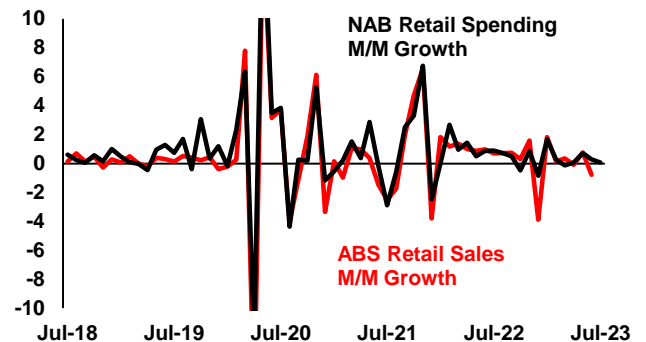


Chart 12: Spending Growth by Retail Category (%)

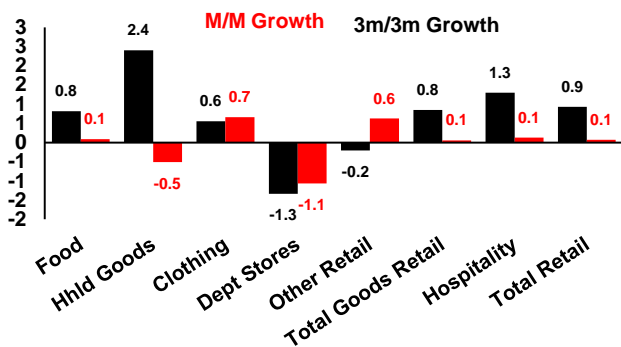
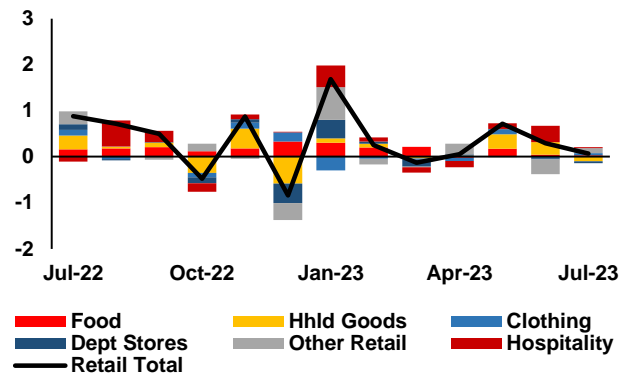


Chart 13: Contribution to Monthly Growth (%)



Monthly Spending – Detail for Non-Retail Subcategories

- Spending on vehicles & fuel rose 1.1% in July, with both the vehicles and fuel subcategories rising. Spending in this category had trended down since mid-2022 but is now showing signs of stabilising.
- Spending on essential services rose 1.8% m/m, with growth in June also revised up to 1.5% (previously 0.4%). July saw strong increases in health & care as well as education. Overall essential services spending is now 3.7% higher in three-month-average terms.
- Other spending increased 0.8% m/m and the June estimate was also revised up to 2.9% (previously 0.9%). There were further increases in arts, recreation & travel and other services in July, as well as transport & postal and construction. Professional services, by contrast, saw a notable fall. Overall, the other spending category has risen 2% in three-month-average terms to be 12.4% higher y/y.

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

	May-23	Jun-23	Jul-23				May-23	Jun-23	Jul-23		
	m/m	m/m	m/m	3m/3m	y/y		m/m	m/m	m/m	3m/3m	y/y
Vehicles	3.0	0.5	0.8	3.0	6.8	Arts, Rec. & Travel	5.2	4.4	2.0	5.4	14.1
Fuel	-4.1	-0.9	1.2	-4.5	-10.1	Construction	5.5	-3.6	0.9	0.5	3.8
Vehicles & Fuel Total	-1.9	-0.4	1.1	-2.1	-5.1	Professional Services	0.4	2.7	-4.0	1.4	10.4
Education	-0.6	-0.3	1.6	1.4	8.4	Transport & Postal	-4.9	5.4	1.1	-2.9	17.9
Utilities	2.6	0.2	0.5	3.2	7.3	Other Services	1.6	0.2	2.0	2.1	8.9
Health & Care	0.8	2.9	3.5	5.2	18.0	Other Spending Total	1.4	2.9	0.8	2.0	12.4
Media & Comms	0.4	1.7	0.6	3.2	18.6						
Essential Svcs Total	0.9	1.5	1.8	3.7	14.1						

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

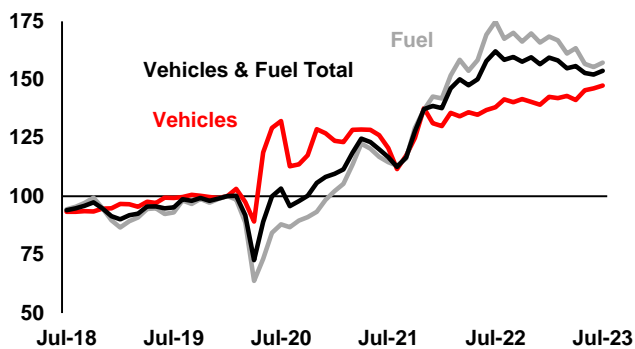


Chart 15: Other Spending Index (Jan 2020 = 100)

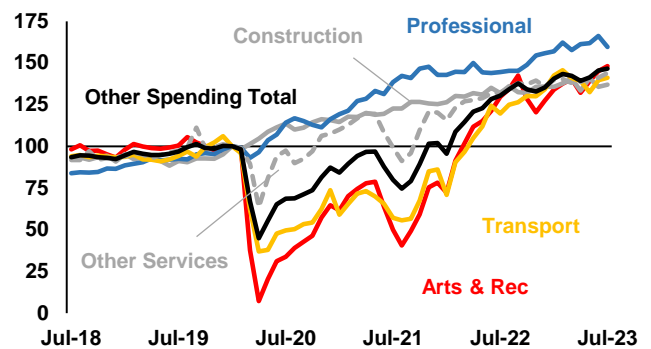
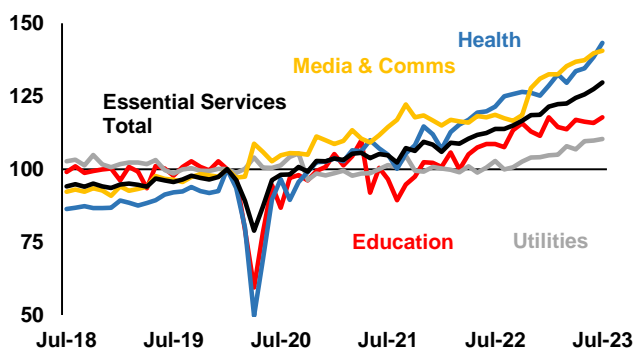


Chart 16: Essential Services Index (Jan 2020 = 100)



Monthly Business Credits

- Business credits rose 0.3% m/m in July, or 0.2% when excluding mining and agriculture. Credits are now just 1.6% higher than a year ago and flat in three-month-average terms. In recent months, administration, information & media, and other services saw the strongest growth, while utilities, mining and transport have seen large declines.

Table 5: Business Credits Growth by Industry (%)

	May-23	Jun-23	Jul-23				May-23	Jun-23	Jul-23		
	m/m	m/m	m/m	3m/3m	y/y		m/m	m/m	m/m	3m/3m	y/y
Accom & Food	0.6	-0.3	0.8	0.7	5.8	Mining	-3.8	-4.8	1.0	-9.8	-19.2
Admin & Support	1.5	1.2	-0.6	5.5	19.0	Other Services	1.5	0.5	-2.5	4.3	20.5
Agriculture	0.3	1.4	1.9	-0.3	-2.9	Professional Services	0.1	1.2	-1.7	0.6	-5.0
Arts & Rec.	1.6	-1.7	-2.3	1.9	16.1	Rental & Real Estate	-1.2	-0.2	1.6	-1.5	-5.9
Construction	1.8	0.2	1.3	3.4	17.1	Retail Trade	1.0	-0.8	-0.6	1.5	9.7
Education	-0.1	0.7	-2.1	3.4	16.2	Transport & Postal	-3.4	-1.4	0.7	-4.7	-11.6
Utilities	3.7	-8.0	1.6	-11.4	10.6	Wholesale Trade	0.2	1.8	1.1	2.1	-2.1
Health	1.6	0.9	1.3	3.7	12.0	Total	0.0	-0.1	0.3	0.0	1.6
Info & Media	2.6	3.6	1.4	4.7	14.7	Total ex Mining & Agri	0.3	0.3	0.2	1.0	4.1
Manufacturing	-0.1	-0.2	0.8	-1.1	2.2						

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

Chart 17: Business Credits Growth (%)

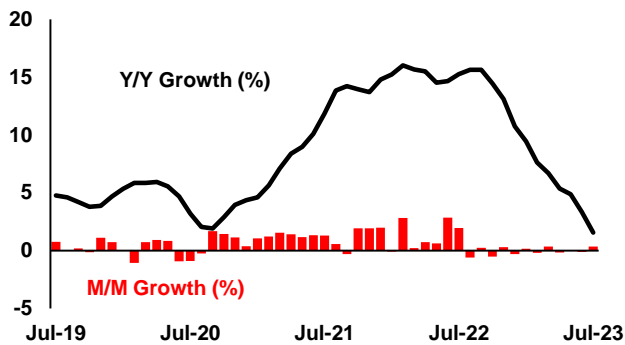


Chart 18: Business Credits Index (Jan 2020 = 100)

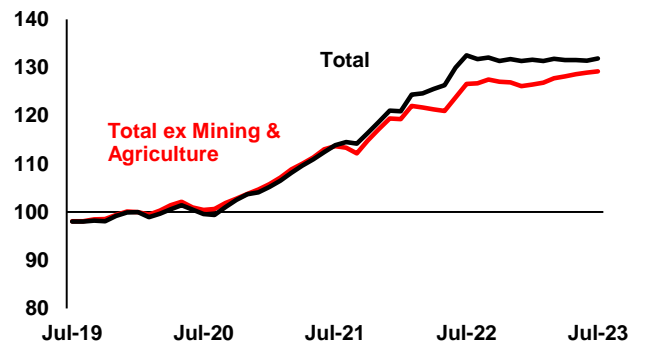


Chart 19: Credits Index by Industry (Jan 2020 = 100)

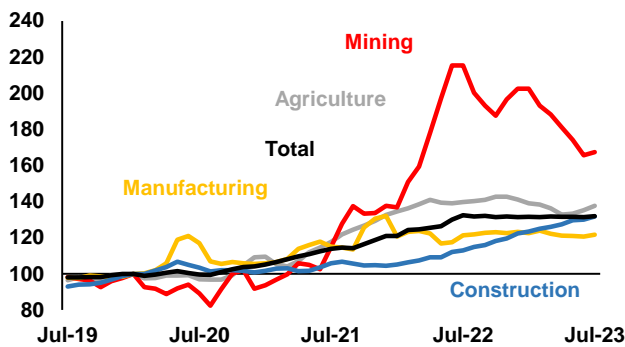


Chart 20: Credits Index by Industry (Jan 2020 = 100)

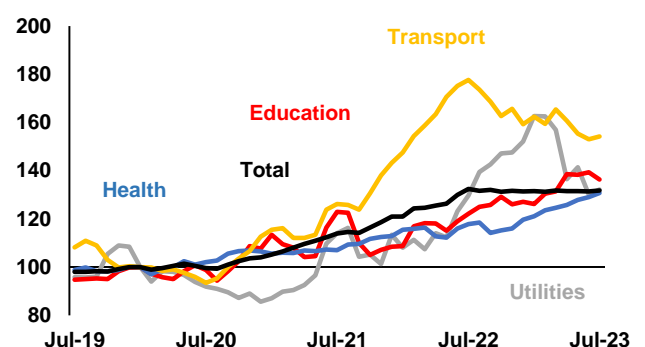


Chart 21: Credits Index by Industry (Jan 2020 = 100)

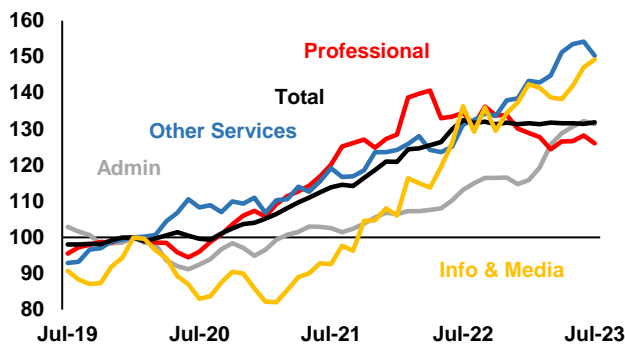
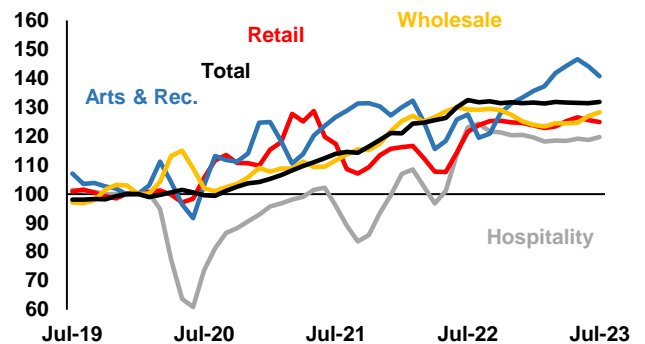


Chart 22: Credits Index by Industry (Jan 2020 = 100)



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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