



NAB Monthly Data Insights November 2023

NAB Group Economics

Key Points

- **Consumer spending**, according to NAB’s transaction data, rose by 0.1% m/m in November. Estimated spending in October was also revised up, now showing a smaller decrease of -0.6% m/m. **Retail spending** also rose in November, up 1.0% m/m.
- **Discretionary spending** rose in the month, while there was a fall in in non-discretionary spending driven by fuel. Both categories remain higher in three-month average and year-on-year terms.
- **Business credits** picked up 1.2% m/m in November, or 1.4% when excluding mining and agriculture.

Comments from NAB Chief Economist Alan Oster

- “Our monthly transaction data showed a pickup in spending in November, particularly in retail where the Black Friday sales clearly played a role. Before seasonal adjustment, our data suggest a 10% increase in goods retail spending, up from the 8.4% increase in November 2022.”
- “Total spending was broadly unchanged in the month but this partly reflected falling fuel prices, with spending across discretionary categories picking up in the month.”
- “Nonetheless, we know that household budgets are under pressure and some of the extra spending in November will likely translate into softer spending in December.”

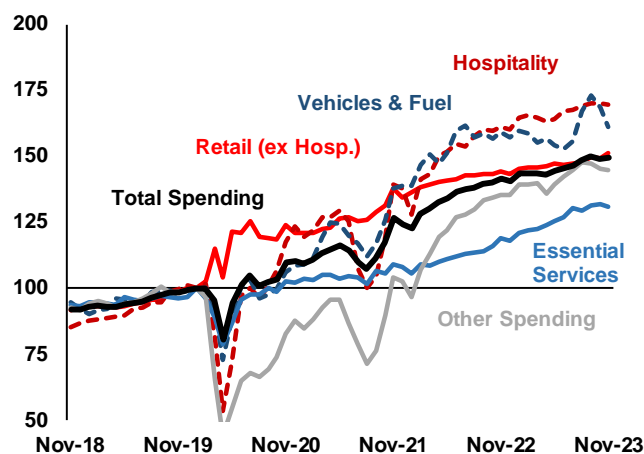
Monthly Consumer Spending

- Total spending rose 0.1% m/m in November after a decline of 0.6% in October (revised up from -1.3%). With these revisions, total spending is now up 1.8% in three-month-average terms and 5.6% y/y.
- Retail spending rose 1.0% m/m. Total retail spending was up 1.6% in three-month-average terms and 4.7% y/y. For detail on retail spending, see **page 3**.
- There was a 4.4% m/m decline in spending on vehicles & fuel with smaller falls in essential services (down 0.8%) and the ‘other spending’ category (down 0.1%). For detail on non-retail spending, see **page 4**.
- Total spending across goods categories rose 0.4% m/m while spending across services fell 0.4%. Spending rose in discretionary but declined in the non-discretionary categories.

Table 1: Key Consumer Spending Growth Statistics (%)

	Sep-23	Oct-23	Nov-23		
	m/m	m/m	m/m	3m/3m	y/y
Goods Retail	1.0	-0.2	1.3	1.7	4.5
Hospitality	0.4	0.0	-0.2	1.0	5.3
Total Retail	0.9	-0.2	1.0	1.6	4.7
Vehicles & Fuel	3.6	-2.6	-4.4	5.7	1.3
Essential Services	1.7	0.4	-0.8	2.1	10.3
Other Spending	-0.3	-1.5	-0.1	0.6	7.0
Total Spending	1.0	-0.6	0.1	1.8	5.6
Goods	1.4	-0.6	0.4	2.3	4.0
Services	0.4	-0.6	-0.4	1.1	7.5
Discretionary	0.5	-0.9	0.8	1.3	5.3
Non-Discretionary	1.9	-0.2	-1.1	2.6	5.9
Total ex Fuel	0.8	-0.4	0.5	1.4	6.0

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, media & comms, and fuel, and “discretionary” includes all other categories. **Next release date: 24 January 2023.**

Chart 2: Total Spending Growth (%)

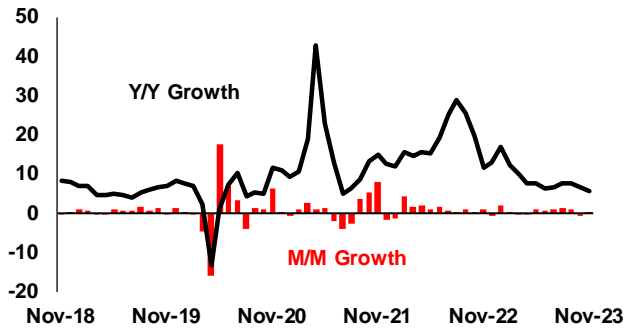


Chart 3: Comparison to ABS Consumption Growth (%)

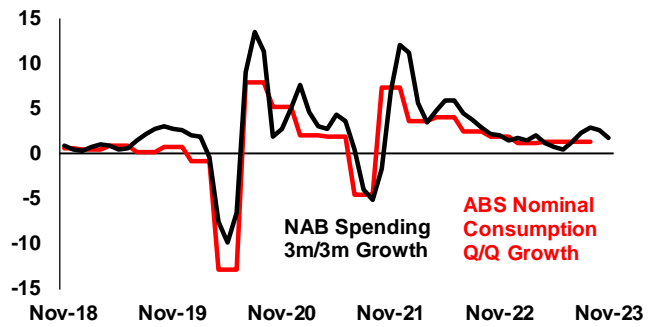


Chart 4: Goods vs Services Index (Jan 2020 = 100)

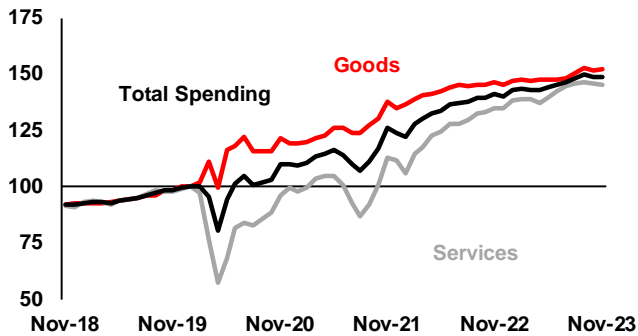
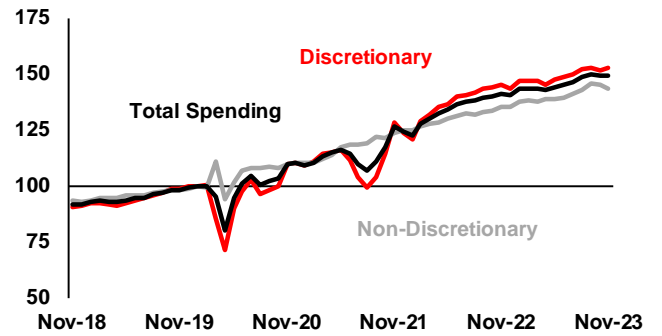


Chart 5: Discretionary Spending Index (Jan 2020 = 100)



Monthly Consumer Spending – Detail by State

- Spending in the month rose in all states except QLD. In three-month average terms, spending was still up in all states with growth strongest in the WA at 2.3% and weakest in Tas, Vic and the ACT at 0.9-1.0%.

Table 2: Spending Growth by State (%)

	Sep-23	Oct-23	Nov-23		
	m/m	m/m	m/m	3m/3m	y/y
NSW	1.2	-1.0	0.2	1.7	4.6
VIC	1.1	-1.9	1.7	1.0	4.6
QLD	0.2	0.0	-0.3	1.2	4.9
WA	1.2	0.5	0.4	2.3	7.5
SA	1.1	-1.9	2.3	1.6	7.0
TAS	0.6	-0.8	0.2	0.9	3.3
ACT	1.1	-1.6	1.1	1.0	4.7
NT	0.2	1.9	1.9	2.0	8.8

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

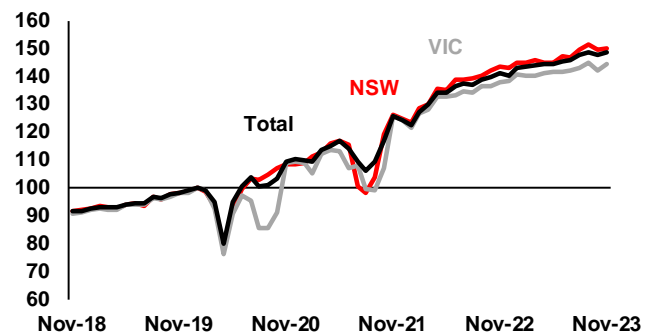


Chart 7: Spending by State (Index, Jan 2020 = 100)

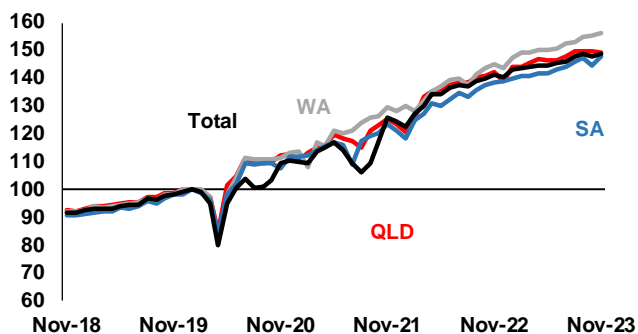
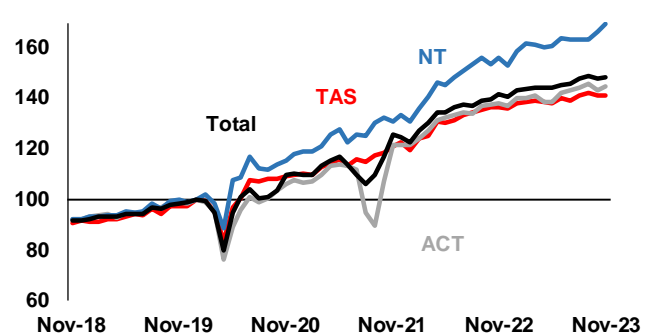


Chart 8: Spending by State (Index, Jan 2020 = 100)



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% m/m in November, while the October estimate for retail spending was revised higher, from -0.7% to -0.2% m/m. Total retail spending was up 1.6% in three-month average terms and 4.7% y/y.
- By subcategory, department store spending declined in November though at a slightly slower rate than in October, while all other goods retail categories rose. November saw spending growth turn positive for clothing (up 4.1% m/m), household goods (up 2.2%) and other retail (up 1.3%). Overall goods retail spending is up 1.7% in three-month-average terms and 4.5% y/y.
- Hospitality spending declined 0.2% m/m but remains up 1.0% in three-month-average terms and 5.3% y/y.
- The strong monthly rise in November likely reflected in part the strength of Black Friday spending. Before seasonal adjustment, total goods retail spending rose 10% m/m in November, up from 8.4% in November 2022 and around 6-7% in the years prior to the pandemic. Accordingly, the seasonally adjusted growth rate of 1.3% was up from the 0.7% seasonally adjusted increase seen in November 2022. Over time, the seasonal adjustment will better account for the shift towards spending in November.

Table 3: Retail Spending Growth (%)

	Sep-23	Oct-23	Nov-23		
	m/m	m/m	m/m	3m/3m	y/y
Food	1.2	0.6	0.3	1.4	5.2
Hhld Goods	1.6	-1.2	2.2	2.0	5.1
Clothing	1.5	-0.4	4.1	3.5	4.7
Dept. Stores	-0.6	-0.4	-0.3	0.0	-2.7
Other Retail	0.3	-0.6	1.3	1.7	4.2
Total Goods Retail	1.0	-0.2	1.3	1.7	4.5
Hospitality	0.4	0.0	-0.2	1.0	5.3
Total Retail	0.9	-0.2	1.0	1.6	4.7

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

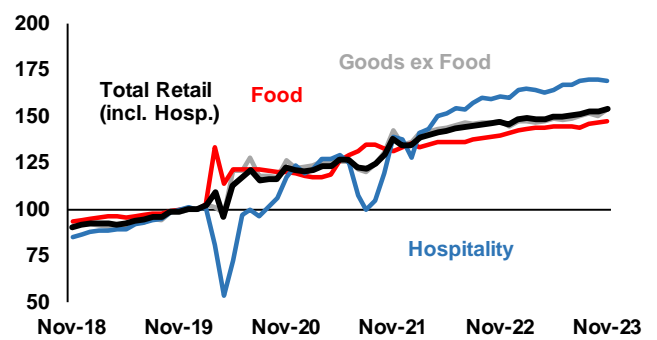


Chart 10: Total Retail Spending Growth (%)

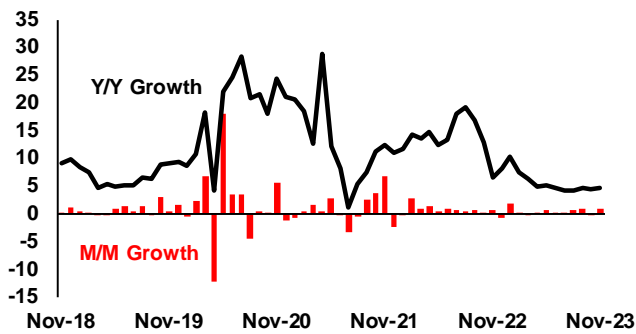


Chart 11: Comparison to ABS Retail Sales Growth (%)

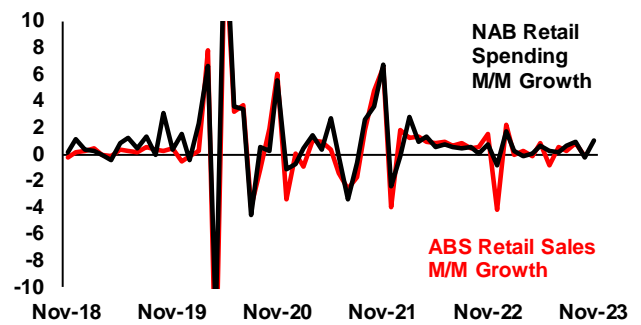


Chart 12: Spending Growth by Retail Category (%)

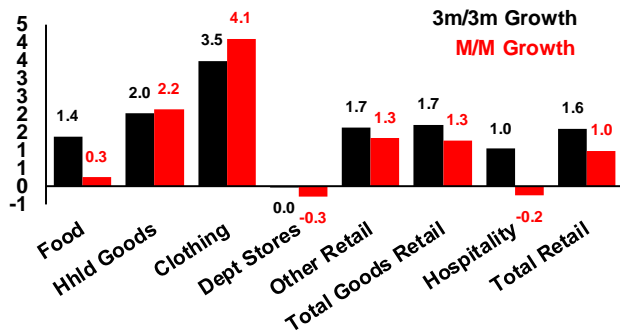
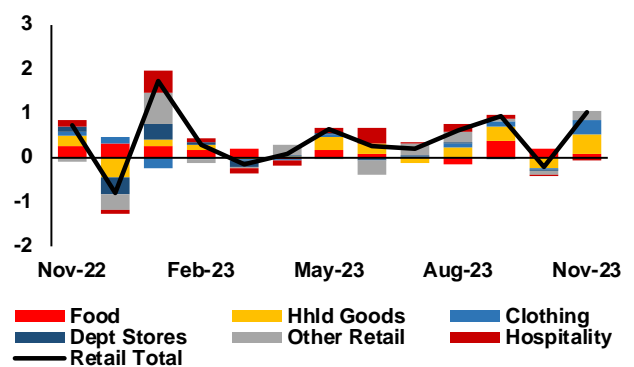


Chart 13: Contribution to Monthly Growth (%)



Monthly Spending – Detail for Non-Retail Subcategories

- Spending on vehicles & fuel declined 4.4% m/m in November, with fuel down 6.3% and vehicles down 0.2%. A further decline in fuel prices in the month likely drove the result.
- Spending on essential services fell 0.8% m/m with the October result revised up from -0.2% to 0.4%. For November, all categories of essential services spending declined except media & communications, with the largest fall in education (-3.8% m/m).
- Other spending edged down 0.1% m/m. There was a notable decline in construction (-6.1% m/m) with smaller falls in other services and arts, recreation & travel, while spending rose in transport & postal (1.9%) and professional services (1.2%). Overall, the other spending category remains 0.6% higher in three-month-average terms and up 7.0% y/y.

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

	Sep-23	Oct-23	Nov-23				Sep-23	Oct-23	Nov-23		
	m/m	m/m	m/m	3m/3m	y/y		m/m	m/m	m/m	3m/3m	y/y
Vehicles	1.6	0.3	-0.2	1.7	5.9	Arts, Rec. & Travel	-1.0	-3.7	-0.2	-0.8	8.9
Fuel	4.5	-3.8	-6.3	7.6	-0.8	Construction	1.7	0.3	-6.1	0.9	-0.1
Vehicles & Fuel Total	3.6	-2.6	-4.4	5.7	1.3	Professional Services	1.5	-3.3	1.2	1.1	8.7
Education	5.3	-0.8	-3.8	2.9	1.4	Transport & Postal	-1.0	-0.6	1.9	1.1	8.0
Utilities	0.9	0.4	-1.0	0.6	5.4	Other Services	-0.2	1.5	-1.4	1.5	4.0
Health & Care	0.3	0.7	-0.7	1.4	12.5	Other Spending Total	-0.3	-1.5	-0.1	0.6	7.0
Media & Comms	2.4	0.6	1.1	4.2	17.6						
Essential Svcs Total	1.7	0.4	-0.8	2.1	10.3						

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

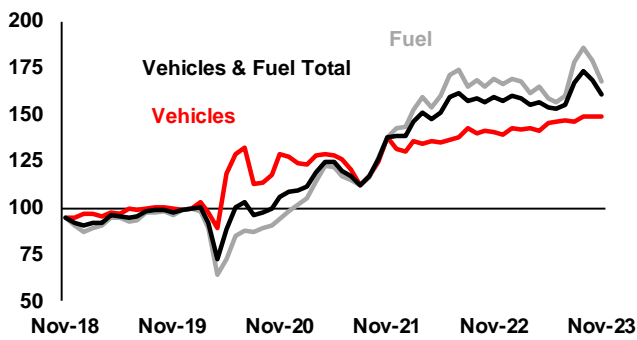


Chart 15: Other Spending Index (Jan 2020 = 100)

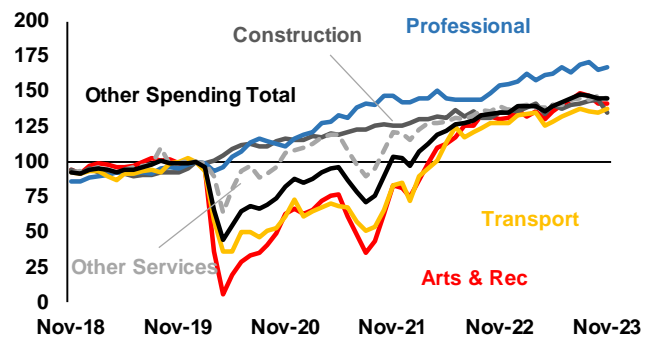
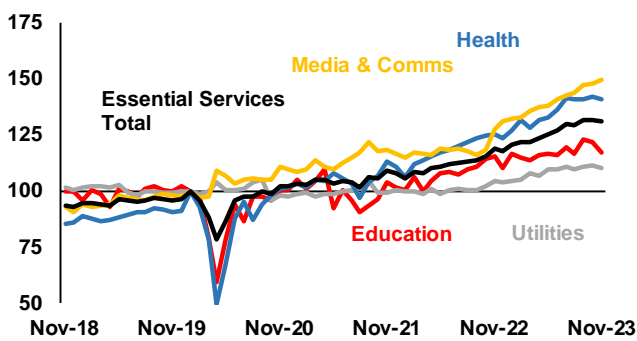


Chart 16: Essential Services Index (Jan 2020 = 100)



Monthly Business Credits

- Business credits rose 1.2% m/m in November (1.4% when excluding mining and agriculture). Credits were up 1.6% over three months and up 1.5% y/y. November saw a notable rise in utilities (up 8.6% m/m) as well as professional services (up 3.7%) and retail trade (up 3.4%), while agriculture, education and transport & postal ticked back.

Table 5: Business Credits Growth by Industry (%)

	Sep-23	Oct-23	Nov-23		
	m/m	m/m	m/m	3m/3m	y/y
Total	0.6	0.8	1.2	1.6	1.5
<i>Total ex Mining & Agri</i>	<i>0.5</i>	<i>1.1</i>	<i>1.4</i>	<i>1.6</i>	<i>2.8</i>
Accom & Food	0.5	2.8	1.0	3.3	1.3
Admin & Support	-1.8	1.1	1.3	-1.2	11.0
Agriculture	0.1	-2.2	-1.2	-1.8	-6.6
Arts & Rec.	-0.9	8.8	2.1	3.1	10.6
Construction	1.1	1.3	0.6	2.6	14.1
Education	0.5	0.4	-0.9	0.5	8.8
Utilities	5.6	2.7	8.6	0.1	-14.7
Health	4.1	0.2	0.3	5.0	19.6
Info & Media	-3.7	-1.8	0.5	-6.9	-0.2
Manufacturing	1.6	0.5	1.4	2.5	1.4
Mining	2.5	-1.4	0.1	3.9	-8.0
Other Services	0.7	-2.2	0.7	-0.8	9.9
Professional Services	-1.0	1.9	3.7	1.6	-4.9
Rental & Real Estate	-0.4	-0.2	0.2	-0.4	-5.8
Retail Trade	2.8	3.6	3.4	6.3	7.5
Transport & Postal	-1.7	-1.6	-0.7	-3.1	-10.7
Wholesale Trade	-0.2	1.1	1.2	1.1	0.9

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

Chart 17: Business Credits Growth (%)

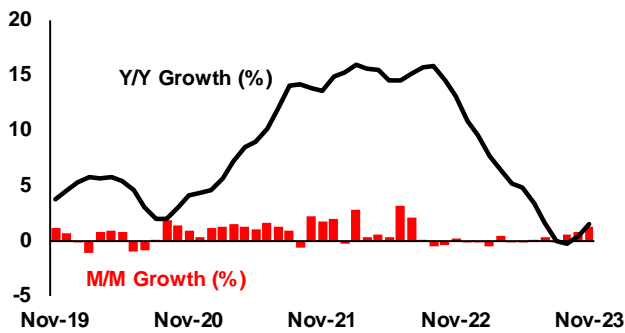


Chart 18: Business Credits Index (Jan 2020 = 100)

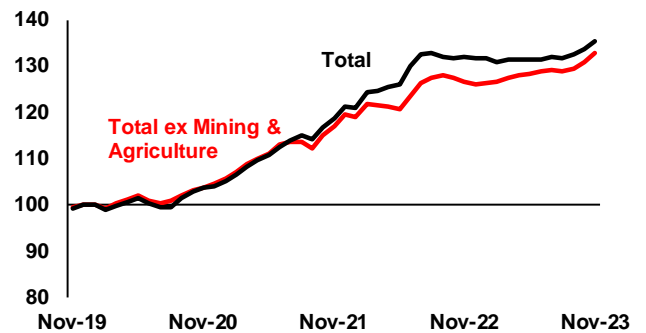


Chart 19: Credits Index by Industry (Jan 2020 = 100)

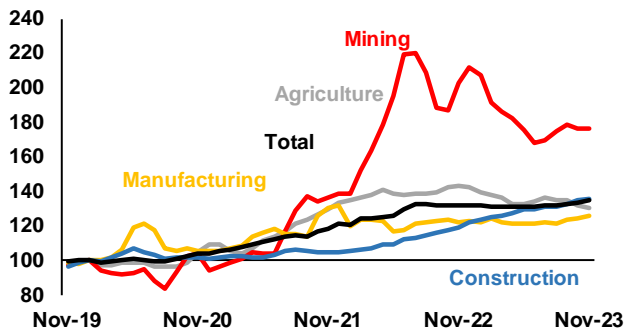


Chart 20: Credits Index by Industry (Jan 2020 = 100)

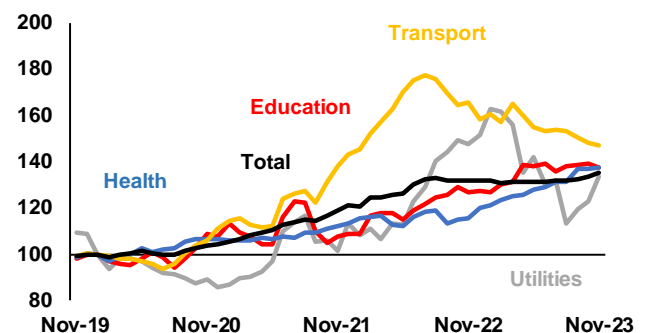


Chart 21: Credits Index by Industry (Jan 2020 = 100)

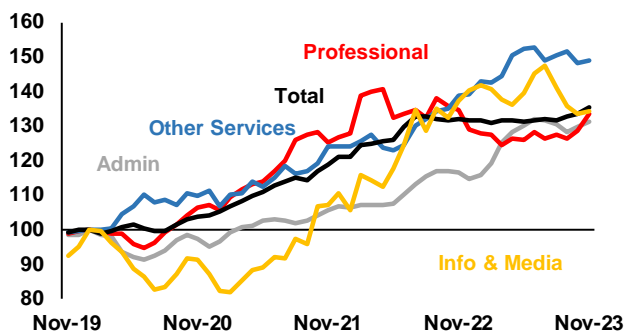
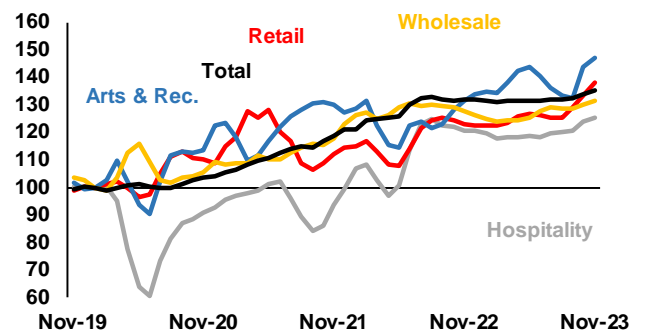


Chart 22: Credits Index by Industry (Jan 2020 = 100)



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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