

NAB Monthly Data Insights January 2024



NAB Economics

Key Points

- **Consumer spending**, according to NAB’s transaction data, rose 1.0% m/m in January (seasonally adjusted), reversing the fall in December. **Retail spending** also rebounded in January, up 1.6% in seasonally adjusted terms.
- **Discretionary and non-discretionary** spending both rose in the month, with goods spending rising overall while services spending was broadly steady.
- **Business credits** declined -2.7% m/m in January but remained up 5.1% y/y.

Comments from NAB Chief Economist Alan Oster

- “Our monthly transaction data showed rise in spending in January in seasonally adjusted terms, driven by a rebound in retail spending after the fall seen in December.”
- “Changes in seasonal patterns continue to be a source of uncertainty, as well as the impact of prices on these nominal estimates, but the pickup in January is nonetheless an encouraging sign.”

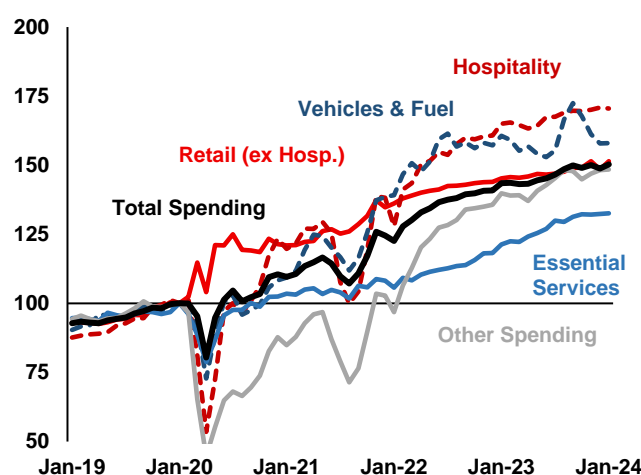
Monthly Consumer Spending

- Total spending rose 1.0% m/m in January after a fall of 0.9% in December. Total spending is now up 0.4% in three-month-average terms and 4.7% y/y.
- Retail spending rose 1.6% m/m, driven by a rise in goods retail spending which was partially offset by a small fall in hospitality. Total retail spending was up 1.1% in three-month-average terms and 4.1% y/y. For detail on retail spending, see [page 3](#).
- Spending on essential services rose 0.2% m/m and the ‘other spending’ category rose 0.2%, while vehicles & fuel spending was broadly steady, up just 0.1%. For detail on non-retail spending, see [page 4](#).
- Total spending across goods categories rose 1.7% m/m while spending across services grew 0.1%. Spending rose across both discretionary and non-discretionary categories.

Table 1: Key Consumer Spending Growth Statistics (%)

	Nov-23	Dec-23	Jan-24		
	m/m	m/m	m/m	3m/3m	y/y
Goods Retail	1.6	-2.0	2.0	1.2	4.2
Hospitality	0.2	0.5	-0.2	0.6	3.3
Total Retail	1.3	-1.5	1.6	1.1	4.1
Vehicles & Fuel	-3.9	-2.1	0.1	-5.9	-1.7
Essential Services	-0.1	0.2	0.2	1.0	9.2
Other Spending	1.5	0.8	0.2	0.6	6.2
Total Spending	0.7	-0.9	1.0	0.4	4.7
Goods	0.7	-2.0	1.7	0.1	3.3
Services	0.7	0.5	0.1	0.7	6.4
Discretionary	1.5	-0.9	1.2	0.9	4.9
Non-Discretionary	-0.7	-0.8	0.7	-0.5	4.3
Total ex Fuel	1.1	-0.8	1.0	0.9	5.2

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: 12 March 2024.**

Chart 2: Total Spending Growth (%)

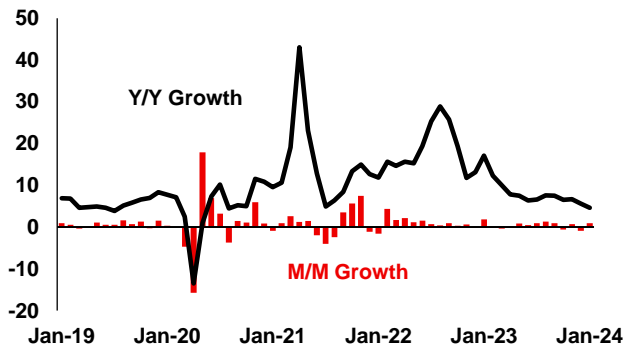


Chart 3: Comparison to ABS Consumption Growth (%)

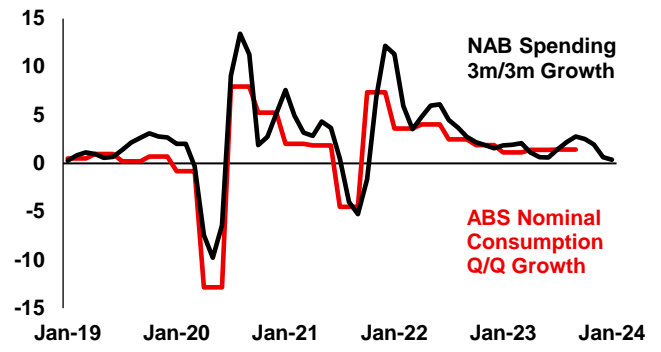


Chart 4: Goods vs Services Index (Jan 2020 = 100)

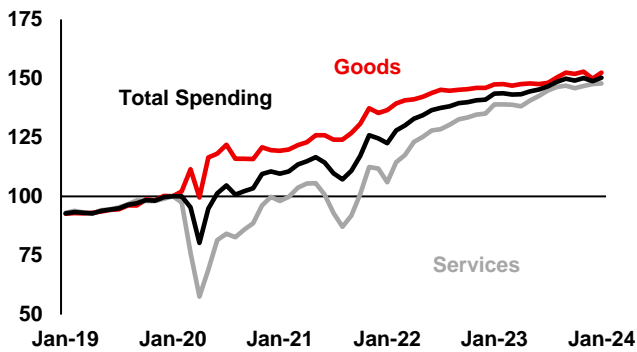
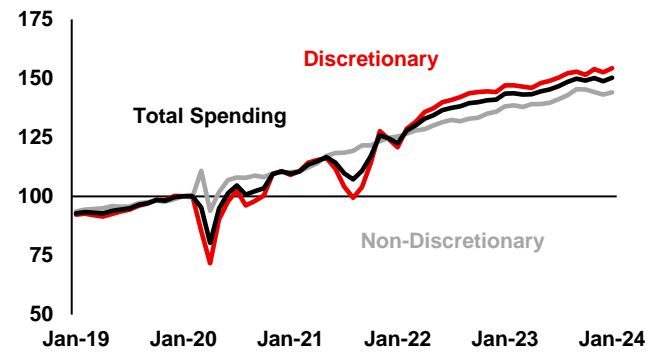


Chart 5: Discretionary Spending Index (Jan 2020 = 100)



Monthly Consumer Spending – Detail by State

- Spending in the month rose across all states and territories. In three-month average terms, spending growth was strongest in the NT at 3.6%.

Table 2: Spending Growth by State (%)

	Nov-23	Dec-23	Jan-24		
	m/m	m/m	m/m	3m/3m	y/y
NSW	0.9	-0.1	0.8	0.7	5.0
VIC	2.3	-0.4	0.6	1.2	3.2
QLD	0.2	-0.9	1.2	0.1	4.5
WA	0.8	0.2	0.5	1.8	7.1
SA	2.8	-1.7	0.9	1.2	5.0
TAS	1.0	0.3	0.7	1.1	4.1
ACT	1.7	-0.8	1.4	0.8	4.1
NT	2.4	-1.0	1.8	3.6	7.7

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

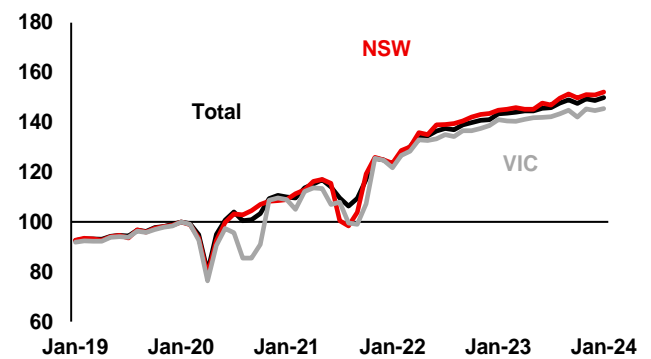


Chart 7: Spending by State (Index, Jan 2020 = 100)

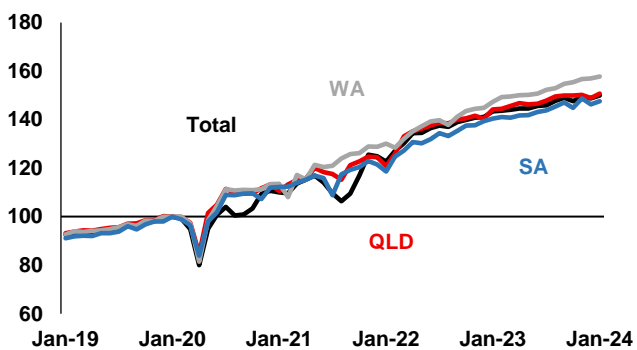
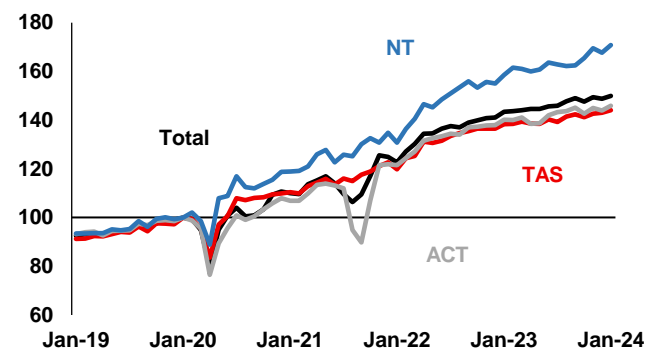


Chart 8: Spending by State (Index, Jan 2020 = 100)



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

Monthly Consumer Spending – Retail Sector Detail

- Retail spending rose 1.6% m/m in January, with a rise in goods retail (up 2.0%) outweighing a small fall in hospitality (down 0.2%). Total retail spending was up 1.1% in three-month average terms 4.1% y/y.
- Most goods categories saw large increases in the month including other retail (up 4.3%), department stores (up 3.4%) and household goods (up 1.8%), while clothing was broadly steady (down 0.1%). Food also rose 1.2% m/m. Overall goods retail spending was up 1.2% in three-month-average terms and 4.2% y/y.
- Hospitality spending fell slightly, down 0.2% m/m, but remains up 0.6% in three-month-average terms and 3.3% y/y.

Table 3: Retail Spending Growth (%)

	Nov-23		Jan-24		
	m/m	m/m	m/m	3m/3m	y/y
Food	0.6	-1.0	1.2	1.1	3.6
Hhld Goods	1.2	-2.1	1.8	0.8	5.1
Clothing	6.3	-4.5	-0.1	3.2	2.7
Dept. Stores	0.3	-3.4	3.4	-1.4	-0.3
Other Retail	2.2	-2.2	4.3	1.8	6.1
Total Goods Retail	1.6	-2.0	2.0	1.2	4.2
Hospitality	0.2	0.5	-0.2	0.6	3.3
Total Retail	1.3	-1.5	1.6	1.1	4.1

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

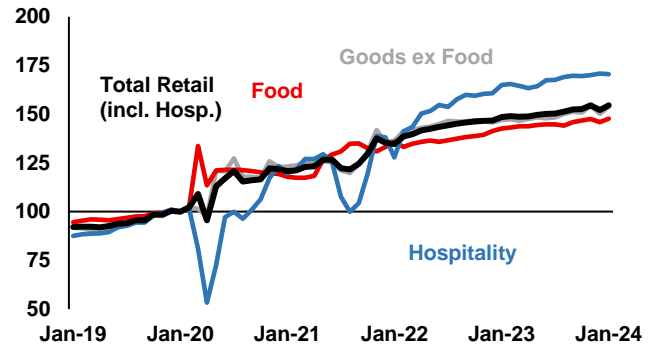


Chart 10: Total Retail Spending Growth (%)

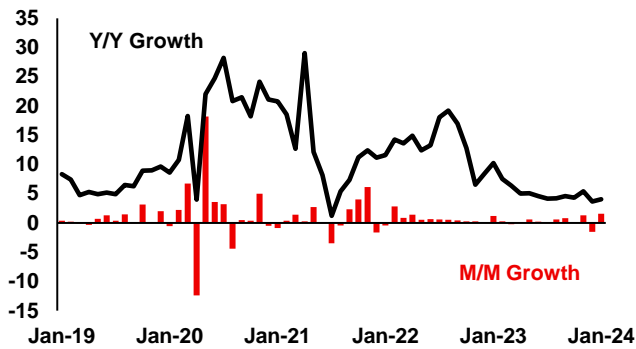


Chart 11: Comparison to ABS Retail Sales Growth (%)

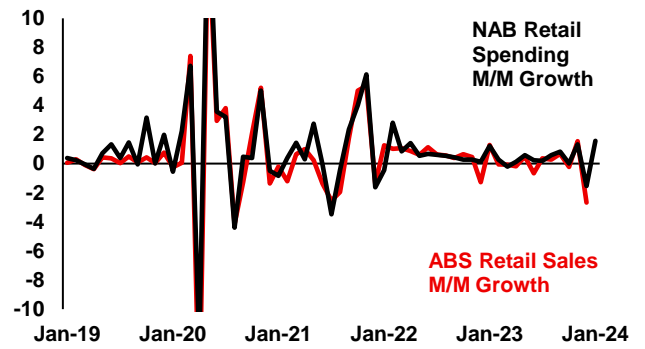


Chart 12: Spending Growth by Retail Category (%)

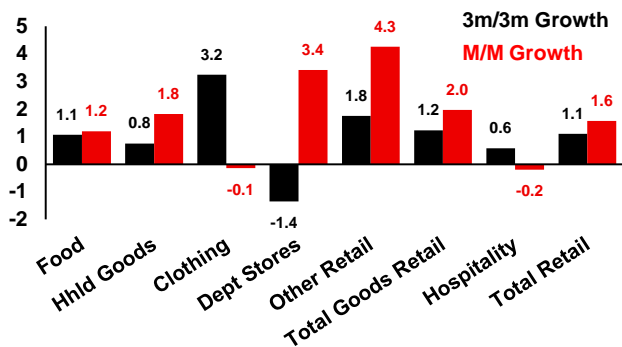
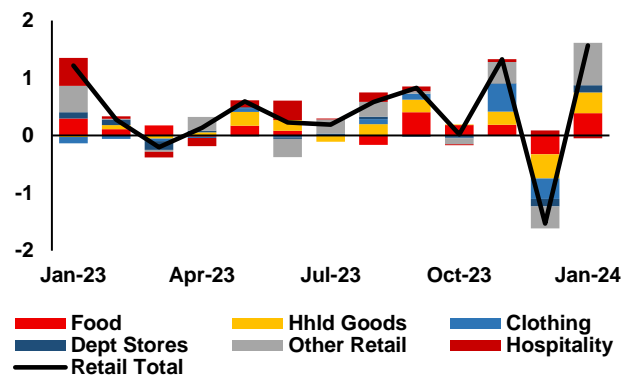


Chart 13: Contribution to Monthly Growth (%)



Monthly Spending – Detail for Non-Retail Subcategories

- Spending on vehicles & fuel rose 0.1% in January, with fuel steady and vehicle spending up 0.1%.
- Spending on essential services rose 0.2% m/m with a fall in education (down 2.5% m/m) offset by a 1.0% rise in health & care and a 0.5% rise in media & communications.
- Other spending rose 0.2% m/m, with notable falls in professional services and construction offset by increases in arts, recreation & travel and transport & postal. Overall, the other spending category remains 0.6% higher in three-month-average terms and up 6.2% y/y.

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

	Nov-23	Dec-23	Jan-24				Nov-23	Dec-23	Jan-24		
	m/m	m/m	m/m	3m/3m	y/y		m/m	m/m	m/m	3m/3m	y/y
Vehicles	0.1	-1.1	0.1	0.1	3.1	Arts, Rec. & Travel	0.7	0.0	2.9	-1.2	6.8
Fuel	-5.8	-2.5	0.0	-8.5	-3.8	Construction	-3.7	1.5	-2.8	-2.8	-0.1
Vehicles & Fuel Total	-3.9	-2.1	0.1	-5.9	-1.7	Professional Services	2.7	4.4	-4.4	2.4	7.8
Education	-2.8	3.7	-2.5	0.1	0.0	Transport & Postal	5.5	-0.6	1.7	3.0	9.1
Utilities	0.4	-0.2	0.1	0.9	6.4	Other Services	-0.3	0.6	-0.9	0.7	3.5
Health & Care	-0.6	-0.6	1.0	0.1	11.7	Other Spending Total	1.5	0.8	0.2	0.6	6.2
Media & Comms	1.8	-0.3	0.5	3.0	14.3						
Essential Svcs Total	-0.1	0.2	0.2	1.0	9.2						

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

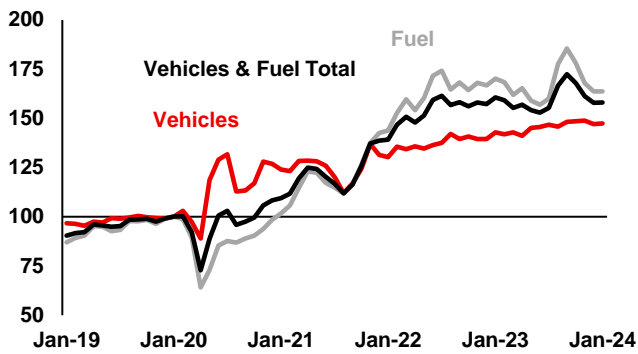


Chart 15: Other Spending Index (Jan 2020 = 100)

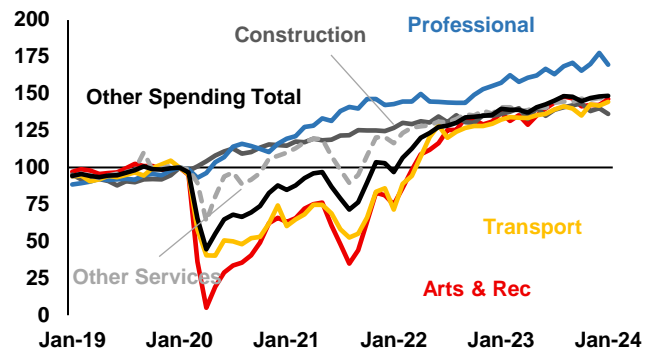
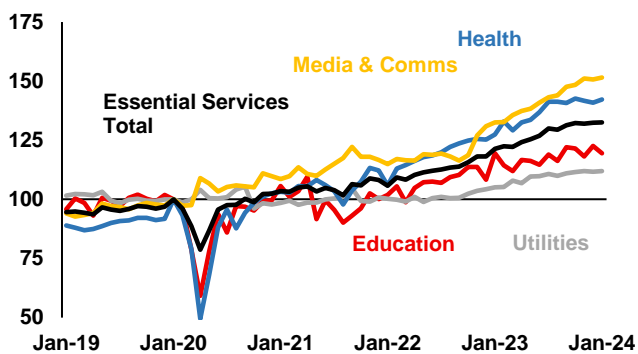


Chart 16: Essential Services Index (Jan 2020 = 100)



Monthly Business Credits

- Business credits declined 2.7% in January, to be up just 0.5% in three-month average terms and up 5.1% y/y. The fall in the month was broad based with falls in transport & postal, wholesale, agriculture, construction, accommodation & food, manufacturing, retail and professional services. Note: business credits can be volatile through December-January (as well as June-July) even after seasonal adjustment.

Table 5: Business Credits Growth by Industry (%)

	Nov-23	Dec-23	Jan-24		
	m/m	m/m	m/m	3m/3m	y/y
Total	1.0	-0.5	-2.7	0.7	5.1
<i>Total ex Mining & Agri</i>	1.3	-0.5	-2.9	1.2	7.6
Accom & Food	4.4	-1.1	-4.0	5.8	20.1
Admin & Support	0.6	0.4	-2.8	0.7	16.1
Agriculture	-1.3	-4.8	-4.4	-7.0	-8.2
Arts & Rec.	0.3	2.1	0.1	0.4	1.4
Construction	0.9	-0.6	-4.1	1.3	15.9
Education	-1.0	2.7	-2.0	0.5	11.3
Utilities	5.7	1.8	3.2	10.2	-7.1
Health	1.1	-3.1	-1.0	0.4	17.9
Info & Media	0.8	-1.2	5.4	-4.0	-3.5
Manufacturing	1.4	-0.8	-3.4	0.8	6.0
Mining	-1.6	1.2	-0.3	-0.5	-11.6
Other Services	-0.8	1.1	3.4	0.7	14.1
Professional Services	3.3	1.3	-2.5	4.3	7.6
Rental & Real Estate	0.2	2.4	-1.9	1.2	6.6
Retail Trade	3.1	-1.8	-2.5	5.5	13.5
Transport & Postal	-1.1	-3.9	-8.4	-8.3	-13.0
Wholesale Trade	1.0	-0.9	-4.4	-0.1	4.1

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

Chart 17: Business Credits Growth (%)

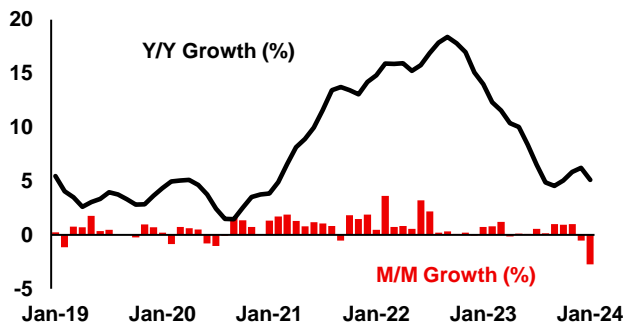


Chart 18: Business Credits Index (Jan 2020 = 100)

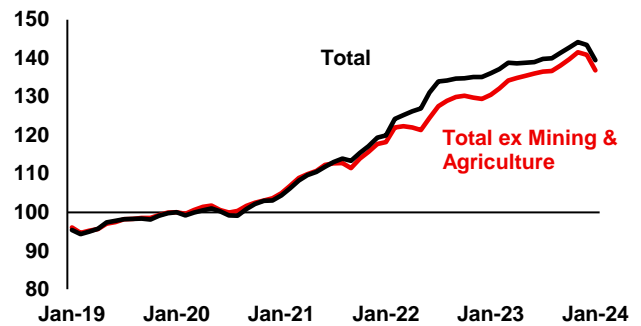


Chart 19: Credits Index by Industry (Jan 2020 = 100)

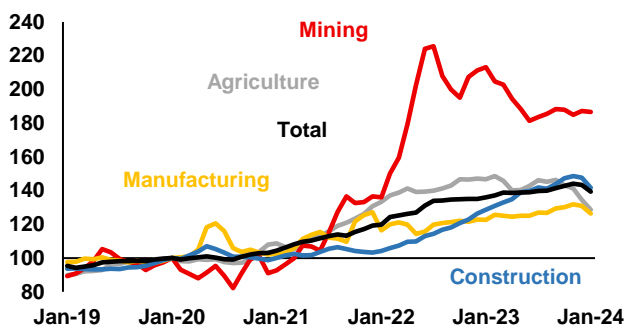


Chart 20: Credits Index by Industry (Jan 2020 = 100)

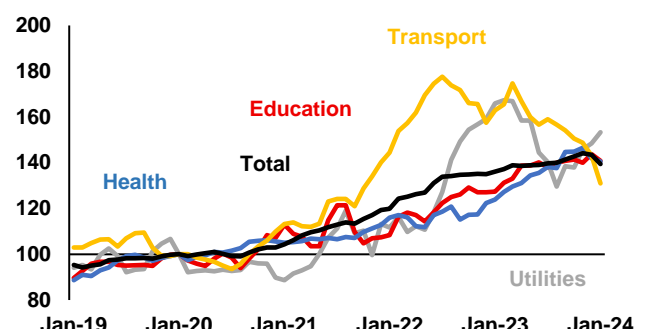


Chart 21: Credits Index by Industry (Jan 2020 = 100)

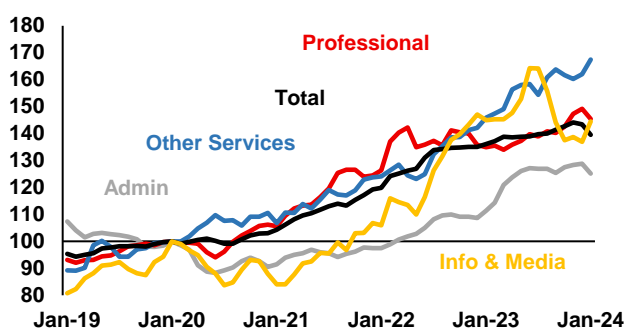
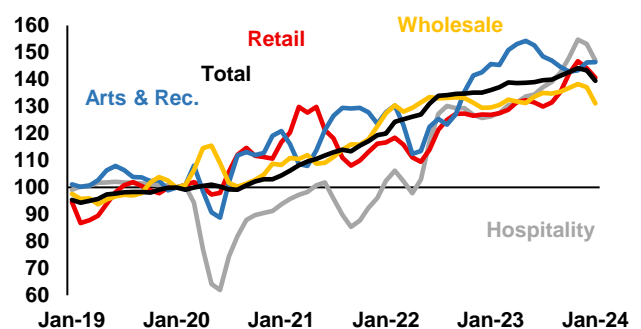


Chart 22: Credits Index by Industry (Jan 2020 = 100)



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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