

NAB Monthly Data Insights February 2024



NAB Economics

Key Points

- **Consumer spending**, according to NAB’s transaction data, was broadly steady in February, up 0.1% m/m, after a strong rise in January. Growth in **retail spending** was also subdued.
- **Discretionary spending** declined slightly, while **non-discretionary spending** rose in the month.
- **Business credits** were also broadly steady, declining 0.2% m/m.

Comments from NAB Chief Economist Alan Oster

- “Our monthly transaction data suggest spending was more subdued in February after a reasonably strong pickup to start the year in January.”
- “Retail spending looks like it was reasonably flat in the month, which could reflect a mix of price movements as well as volumes, though hospitality spending was a bright spot with strong growth in cafes & restaurants.”
- “With the volatile Christmas period now in the rear-view mirror, we can start to get a bit of a clearer picture and it appears consumers remained under pressure in early 2024.”

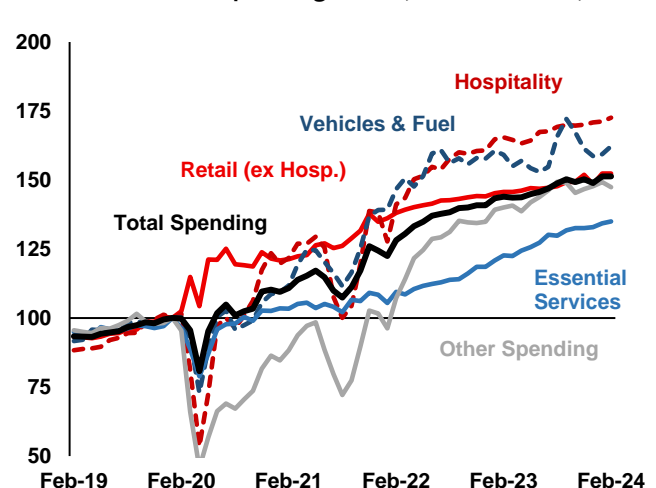
Monthly Consumer Spending

- Total spending was little changed in February, up 0.1% m/m after rising 1.6% in January. Total spending remains up 0.4% in three-month-average terms and is now up 5.2% y/y.
- Retail spending rose 0.2% m/m, driven by cafes & restaurants with goods spending flat. Total retail spending was up 0.6% in three-month-average terms and 4.5% y/y. For detail on retail spending, see **page 3**.
- Spending on essential services rose 0.6% m/m and vehicles & fuel rose 1.8%, while the ‘other spending’ category declined 1.2%. For detail on non-retail spending, see **page 4**.
- Total spending across goods categories rose 0.3% m/m while spending across services fell 0.2%. Discretionary spending declined slightly while non-discretionary categories rose.

Table 1: Key Consumer Spending Growth Statistics (%)

	Dec-23	Jan-24	Feb-24		
	m/m	m/m	m/m	3m/3m	y/y
Goods Retail	-2.3	2.6	0.0	0.6	4.6
Cafes & Restaurants	0.5	0.2	0.8	1.0	4.3
Total Retail	-1.8	2.1	0.2	0.6	4.5
Vehicles & Fuel	-1.6	0.5	1.8	-4.1	2.0
Essential Services	0.3	1.0	0.6	1.3	10.1
Other Spending	0.7	1.0	-1.2	0.7	5.3
Total Spending	-1.0	1.6	0.1	0.4	5.2
Goods	-2.2	2.3	0.3	-0.2	4.2
Services	0.5	0.8	-0.2	1.0	6.4
Discretionary	-0.9	1.6	-0.3	0.7	5.0
Non-Discretionary	-1.1	1.6	0.6	-0.3	5.5
Total ex Fuel	-0.9	1.7	-0.1	0.8	5.4

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.

Chart 2: Total Spending Growth (%)

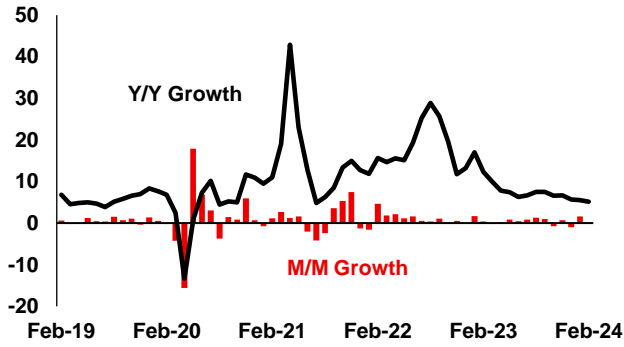


Chart 3: Comparison to ABS Consumption Growth (%)

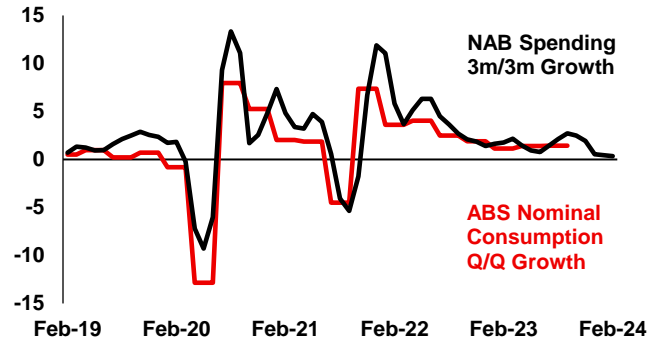


Chart 4: Goods vs Services Index (Jan 2020 = 100)

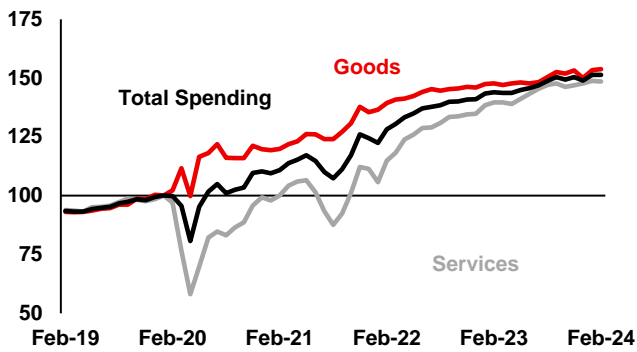
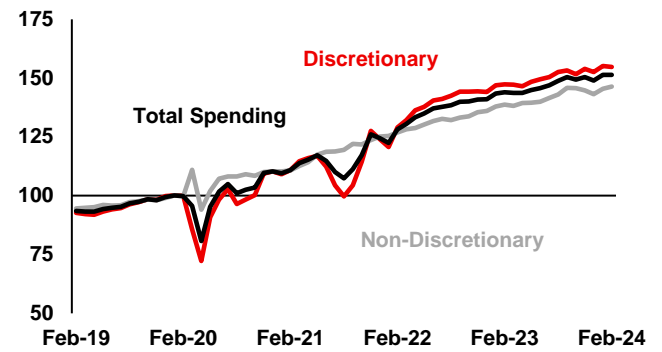


Chart 5: Discretionary Spending Index (Jan 2020 = 100)



Monthly Consumer Spending – Detail by State

- Spending in the month declined slightly in NSW and Vic but was steady or rose in other jurisdictions. In three-month average terms, spending growth remained positive across the board.

Table 2: Spending Growth by State (%)

	Dec-23	Jan-24	Feb-24		
	m/m	m/m	m/m	3m/3m	y/y
NSW	-0.1	1.3	-0.3	0.9	4.8
VIC	-0.5	1.1	-0.1	1.1	3.8
QLD	-0.7	1.7	0.6	0.7	5.7
WA	0.2	1.0	0.1	1.6	6.3
SA	-1.7	1.4	0.3	0.6	5.4
TAS	0.4	1.4	0.0	1.6	4.6
ACT	-0.7	1.7	1.0	1.3	5.9
NT	-1.0	2.2	0.7	2.8	6.9

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

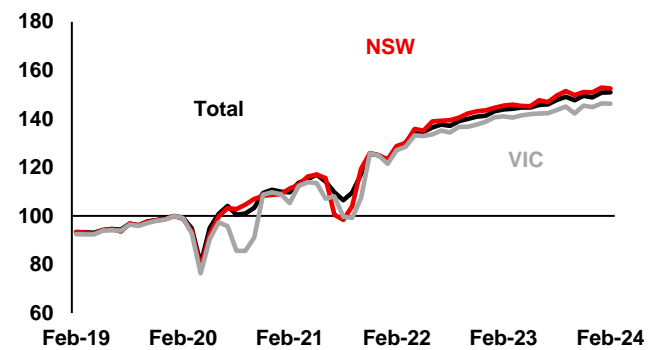


Chart 7: Spending by State (Index, Jan 2020 = 100)

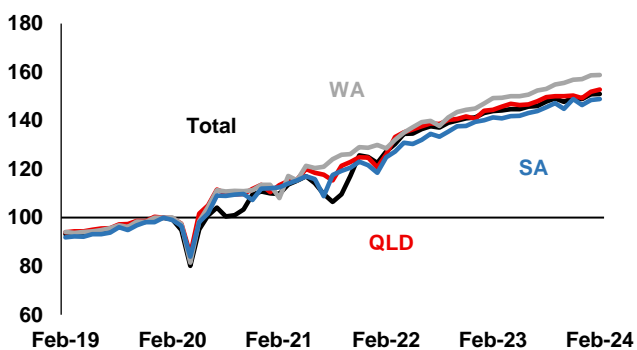
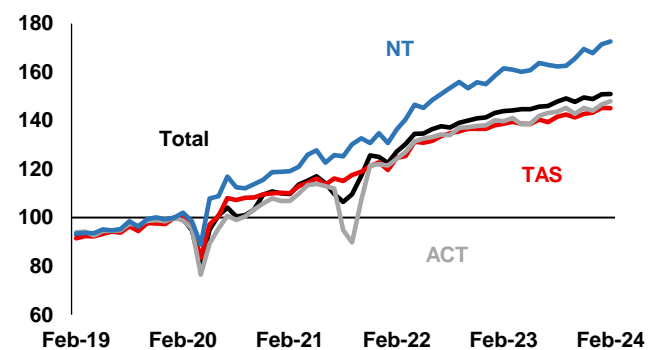


Chart 8: Spending by State (Index, Jan 2020 = 100)



Note: State spending totals differ from industry totals due to availability of geographic information. Spending data excludes taxes, rent, mortgages, gambling, finance, insurance, and other non-consumer transactions.

Monthly Consumer Spending - Retail Sector Detail

- Retail spending rose 0.2% m/m in February, with a strong 0.8% m/m rise in hospitality but a broadly flat result across retail goods. Total retail spending was up 0.6% in three-month average terms 4.5% y/y.
- Goods categories were mixed in the month with rises in household goods (up 1.5%), department stores (up 0.4%) and clothing (up 0.2%), but a decline in other retail (down 1.5%). Food was little changed (down 0.1%). Overall goods retail spending was up 0.6% in three-month-average terms and 4.6% y/y.
- Hospitality spending rose 0.8% m/m, now up 1.0% in three-month-average terms and 4.3% y/y.

Table 3: Retail Spending Growth (%)

	Dec-23	Jan-24	Feb-24		
	m/m	m/m	m/m	3m/3m	y/y
Food	-1.7	2.2	-0.1	0.3	3.6
Hhld Goods	-3.0	2.6	1.5	0.3	7.3
Clothing	-4.3	0.0	0.2	-0.5	4.2
Dept. Stores	-3.5	3.8	0.4	-0.8	-1.2
Other Retail	-1.4	4.2	-1.5	2.2	4.7
Total Goods Retail	-2.3	2.6	0.0	0.6	4.6
Cafes & Restaurants	0.5	0.2	0.8	1.0	4.3
Total Retail	-1.8	2.1	0.2	0.6	4.5

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

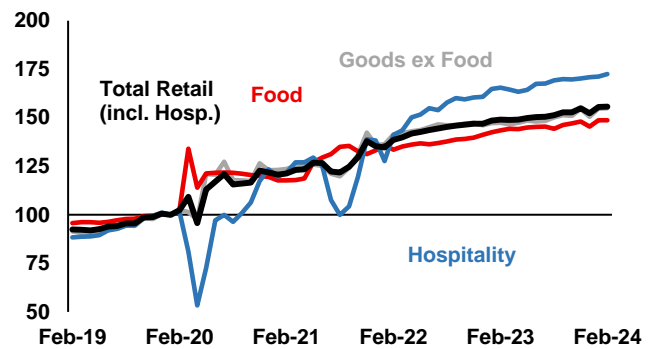


Chart 10: Total Retail Spending Growth (%)

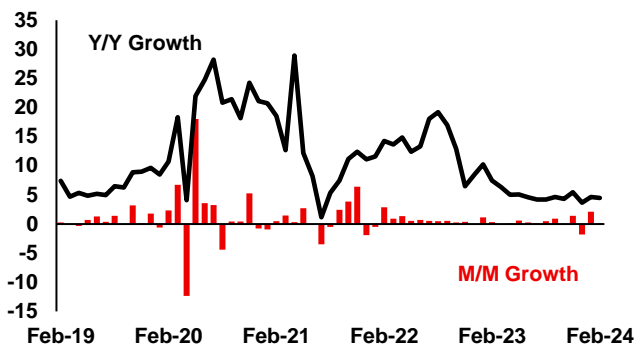


Chart 11: Comparison to ABS Retail Sales Growth (%)

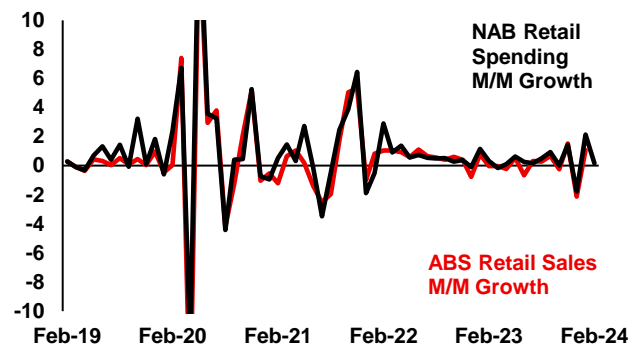


Chart 12: Contribution to Monthly Growth (%)

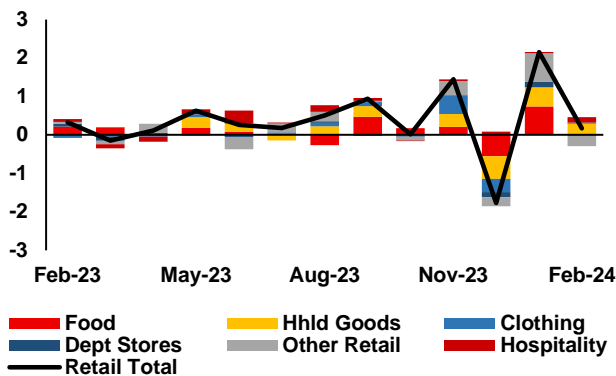
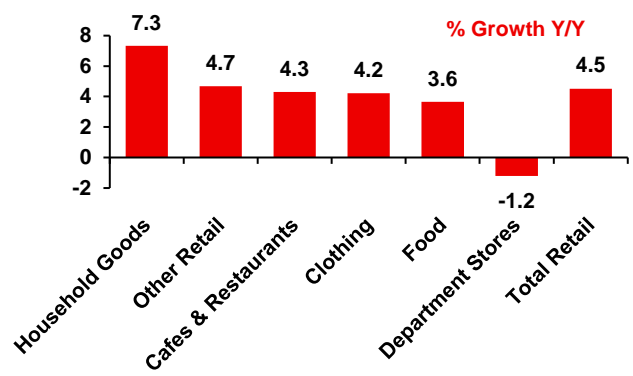


Chart 13: Y/Y Growth, Retail Subcategories



Monthly Spending – Detail for Non-Retail Subcategories

- Spending on vehicles & fuel rose 1.8% in February, driven by a rise in fuel spend as prices rose with a 1.0% m/m fall in vehicles spending.
- Spending on essential services rose 0.6% m/m with another fall in education (down 1.5% m/m) offset by increases in healthcare (up 1.5%) and utilities (up 0.8%) with media & communications broadly steady.
- Other spending declined 1.2% m/m, with notable falls in arts, recreation & travel and professional services partially offset by increases in transport & postal, other services and construction. Overall, the other spending category was 0.7% higher in three-month-average terms and up 5.3% y/y.

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

	Dec-23	Jan-24	Feb-24				Dec-23	Jan-24	Feb-24		
	m/m	m/m	m/m	3m/3m	y/y		m/m	m/m	m/m	3m/3m	y/y
Vehicles	0.0	0.0	-1.0	0.1	2.9	Arts, Rec. & Travel	-0.5	3.4	-4.6	-1.7	3.6
Fuel	-2.4	0.7	3.1	-5.9	1.6	Construction	1.5	-1.6	1.1	-1.2	1.7
Vehicles & Fuel Total	-1.6	0.5	1.8	-4.1	2.0	Professional Services	4.4	-3.4	-1.9	2.1	2.8
Education	3.6	-1.0	-1.5	0.7	4.8	Transport & Postal	-0.3	2.5	1.4	3.5	10.0
Utilities	0.0	1.5	0.8	1.7	9.7	Other Services	0.6	0.0	1.3	1.3	6.0
Health & Care	-0.5	1.5	1.5	1.1	9.4	Other Spending Total	0.7	1.0	-1.2	0.7	5.3
Media & Comms	-0.3	1.0	0.1	1.8	14.9						
Essential Svcs Total	0.3	1.0	0.6	1.3	10.1						

Chart 14: Y/Y Growth, Non-Retail Subcategories

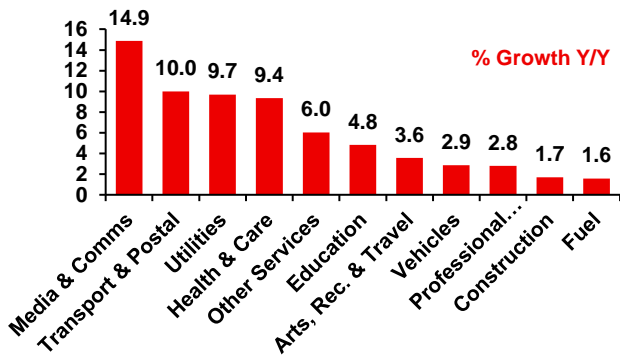


Chart 15: Vehicles & Fuel Index (Jan 2020 = 100)

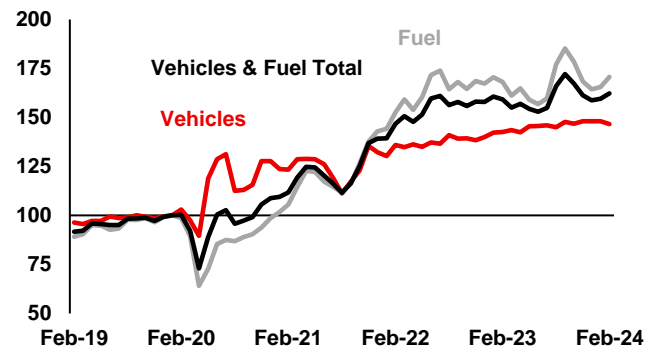


Chart 16: Essential Services Index (Jan 2020 = 100)

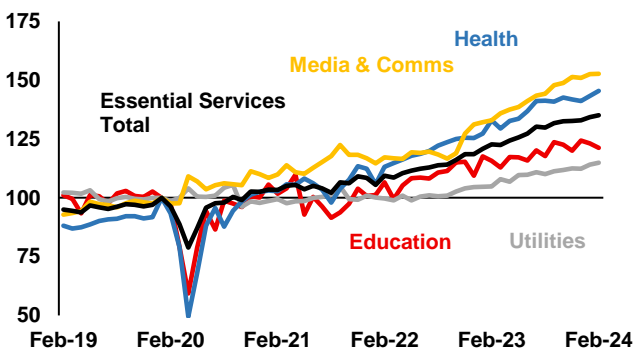
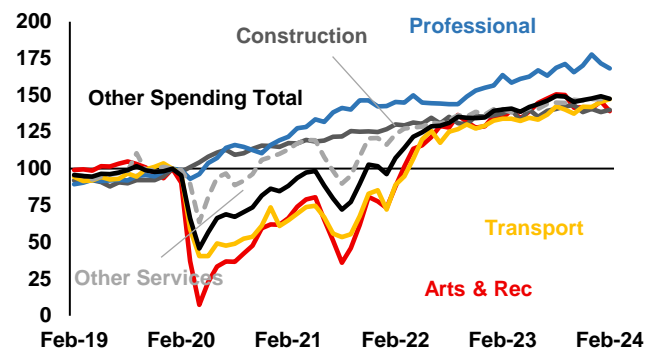


Chart 17: Other Spending Index (Jan 2020 = 100)



Note: 'Arts, Recreation & Travel' amalgamates Arts & Recreation Services, Accommodation (as Food Services are captured separately under Retail) and Travel Agencies (which make up the bulk of consumer Administration & Support Services spending). 'Other Services' includes some residual Administration & Support Services and Rental, Hiring & Real Estate services.

Monthly Business Credits

- Business credits declined slightly in February, down 0.2%, with the decline in January revised to a more modest 0.3%. Overall business credits were 0.6% higher in three-month average terms and 5.5% y/y.
- Notable movements in the month included falls in transport & postal, accommodation & food, and mining, while there were large increases in rental & real estate, arts & recreation and agriculture.

Table 5: Business Credits Growth by Industry (%)

	Dec-23	Jan-24	Feb-24		
	m/m	m/m	m/m	3m/3m	y/y
Total	-0.2	-0.3	-0.2	0.6	5.5
<i>Total ex Mining & Agri</i>	<i>-0.1</i>	<i>-0.5</i>	<i>-0.1</i>	<i>0.9</i>	<i>7.8</i>
Accom & Food	0.9	-1.7	-3.7	3.8	17.6
Admin & Support	0.6	-0.1	-0.3	1.3	14.8
Agriculture	-4.9	-2.7	2.3	-7.0	-9.1
Arts & Rec.	2.5	1.2	2.4	3.9	3.3
Construction	-0.2	-1.3	0.4	0.6	14.4
Education	2.8	-1.2	0.8	1.7	11.3
Utilities	2.1	5.1	1.1	9.9	-5.4
Health	-3.0	0.9	0.5	-1.4	15.2
Info & Media	-1.2	6.3	1.0	2.2	-1.4
Manufacturing	-0.7	0.0	-1.0	0.2	5.7
Mining	1.1	2.8	-2.9	0.2	-9.9
Other Services	1.2	4.5	0.3	3.4	15.4
Professional Services	1.9	0.0	-0.4	4.4	10.6
Rental & Real Estate	2.0	0.6	2.8	3.6	9.4
Retail Trade	-1.0	-0.8	-0.3	1.6	13.2
Transport & Postal	-3.7	-6.3	-4.2	-10.2	-16.1
Wholesale Trade	-0.1	-1.2	0.5	0.7	5.6

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

Chart 18: Business Credits Growth (%)

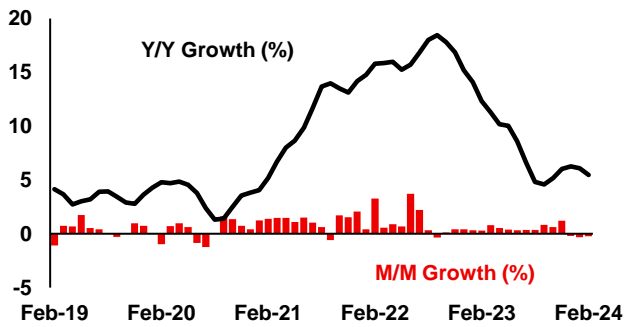


Chart 19: Business Credits Index (Jan 2020 = 100)

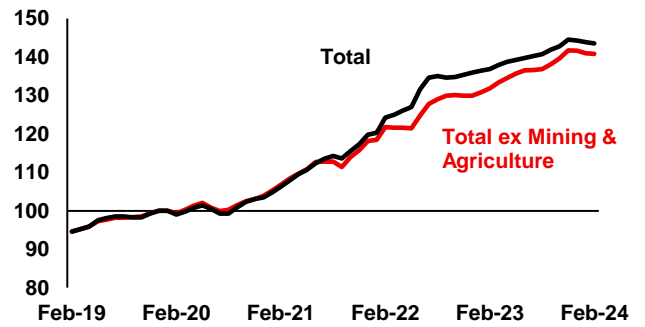


Chart 20: Credits Index by Industry (Jan 2020 = 100)

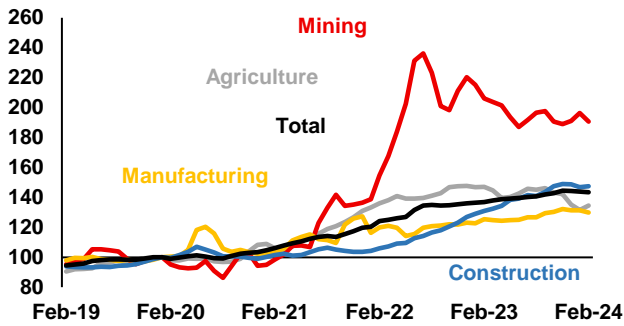


Chart 21: Credits Index by Industry (Jan 2020 = 100)

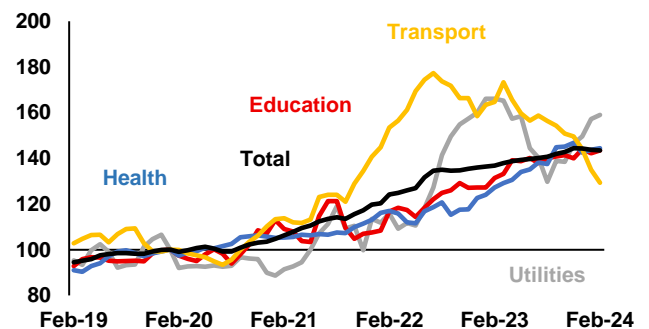


Chart 22: Credits Index by Industry (Jan 2020 = 100)

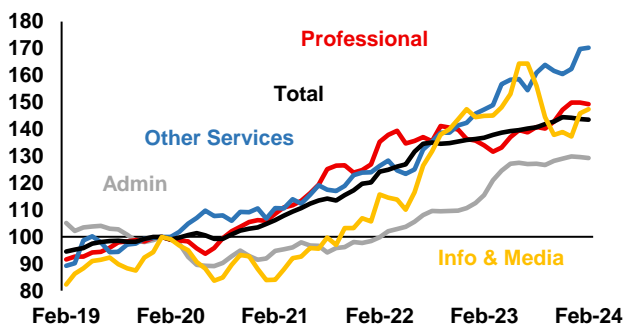
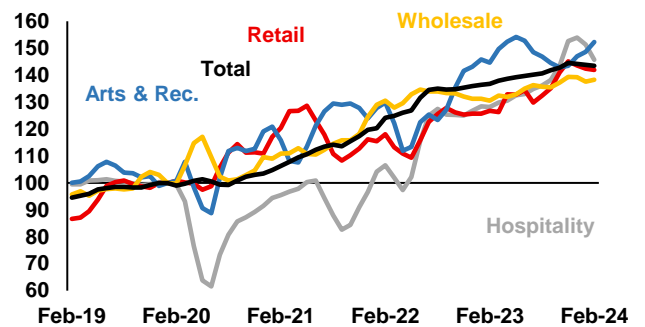


Chart 23: Credits Index by Industry (Jan 2020 = 100)



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 spending in these areas 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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