

# NAB Monthly Data Insights

## March 2024



### NAB Economics

#### Key Points

- **Consumer spending**, according to NAB’s transaction data, was broadly flat in March, with growth revised up to a small positive for February to see total spending up 1.5% across Q1 as a whole.
- **Retail spending** declined 0.5% in the month (in seasonally adjusted terms), led by goods categories.
- **Business credits** rose 0.6% m/m, or 0.7% excluding mining and agriculture.

#### Comments from NAB Chief Economist Alan Oster

- “Our monthly transaction data suggest spending was broadly steady in March but still shows a reasonable rise across the first quarter of the year overall.”
- “Retail spending appears to have declined in seasonally adjusted terms in the month, but prices may be playing a role here especially as inflation eases.”
- “We know consumers remain under pressure and we expect that to show up in subdued spending through the first half of the year before easing inflation starts to more materially support real incomes later in 2024.”

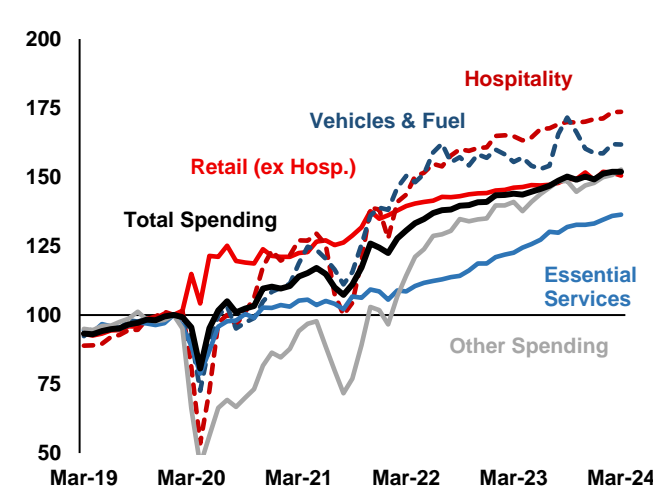
#### Monthly Consumer Spending

- Total spending steady in March after rising 0.5% in February (revised up from 0.1%). Total spending was up 1.5% over the quarter as a whole and 5.5% y/y.
- Retail spending declined 0.5% m/m, driven by a fall in goods spending with cafes & restaurants broadly steady. Total retail spending was up 1.0% for the quarter and 3.5% y/y. For detail on retail spending, see **page 3**.
- Spending on essential services rose 0.4% m/m and the ‘other spending’ category rose 1.3%, while vehicles & fuel spending was little changed. For detail on non-retail spending, see **page 4**.
- Total spending across goods categories fell 0.6% m/m while spending across services rose 0.7%. There was little difference across discretionary and non-discretionary spending in the month.

Table 1: Key Consumer Spending Growth Statistics (%)

	Jan-24	Feb-24	Mar-24		
	m/m	m/m	m/m	3m/3m	y/y
Goods Retail	2.1	-0.2	-0.7	1.0	3.0
Cafes & Restaurants	0.2	1.3	0.1	1.5	5.3
<b>Total Retail</b>	<b>1.7</b>	<b>0.0</b>	<b>-0.5</b>	<b>1.0</b>	<b>3.5</b>
Vehicles & Fuel	-0.1	2.1	-0.1	-0.6	4.1
Essential Services	1.0	1.1	0.4	2.1	11.3
Other Spending	1.4	0.6	1.3	3.1	8.3
<b>Total Spending</b>	<b>1.4</b>	<b>0.5</b>	<b>0.0</b>	<b>1.5</b>	<b>5.5</b>
Goods	1.7	0.1	-0.6	0.7	3.2
Services	1.0	0.9	0.7	2.4	8.4
Discretionary	1.5	0.1	0.1	1.7	5.2
Non-Discretionary	1.1	1.0	-0.1	1.2	6.1
Total ex Fuel	1.5	0.3	0.1	1.7	5.6

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 (%)

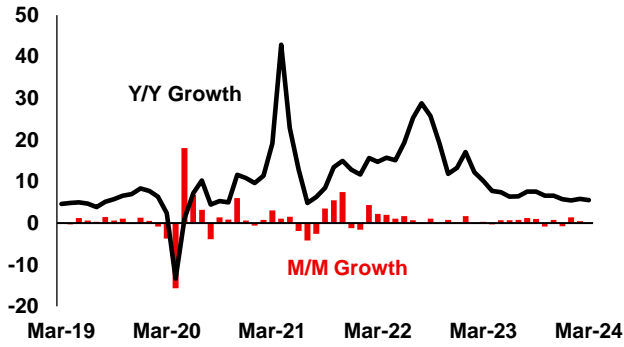


Chart 3: Comparison to ABS Consumption Growth (%)

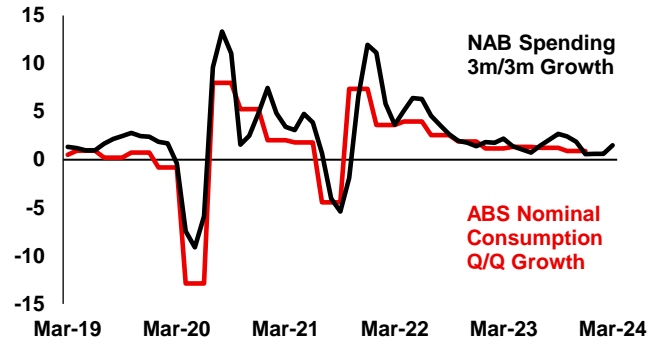


Chart 4: Goods vs Services Index (Jan 2020 = 100)

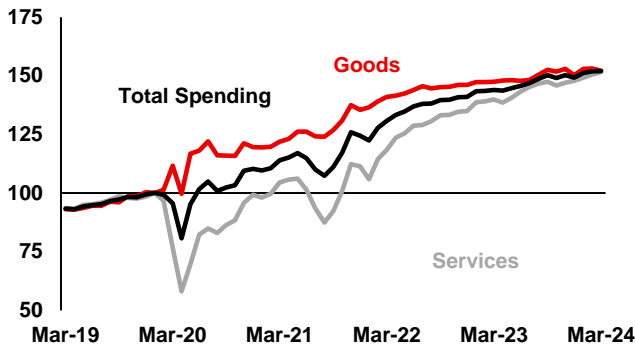
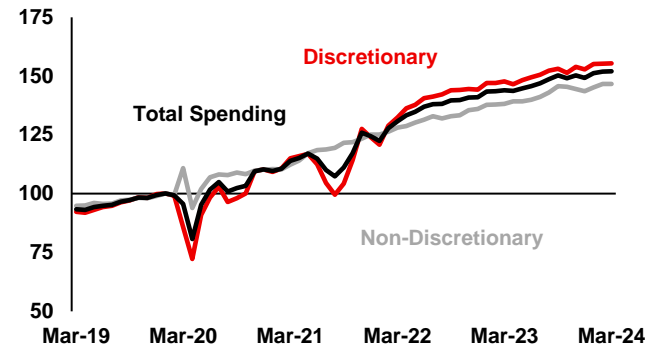


Chart 5: Discretionary Spending Index (Jan 2020 = 100)



## Monthly Consumer Spending – Detail by State

- Spending in the month rose in WA, Vic and Qld but declined in NT and SA, with other jurisdictions broadly steady. In three-month average terms, spending growth remained positive across the board.

Table 2: Spending Growth by State (%)

	Jan-24	Feb-24	Mar-24		
	m/m	m/m	m/m	3m/3m	y/y
NSW	1.3	0.9	-0.1	2.2	5.6
VIC	1.1	0.6	0.5	2.1	5.3
QLD	2.7	1.2	0.4	2.6	6.0
WA	1.1	0.6	1.5	2.4	8.8
SA	1.4	1.0	-0.4	1.7	5.7
TAS	1.4	0.6	-0.1	2.4	4.6
ACT	1.6	1.5	-0.1	2.7	5.4
NT	2.0	1.2	-1.2	2.5	5.9

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

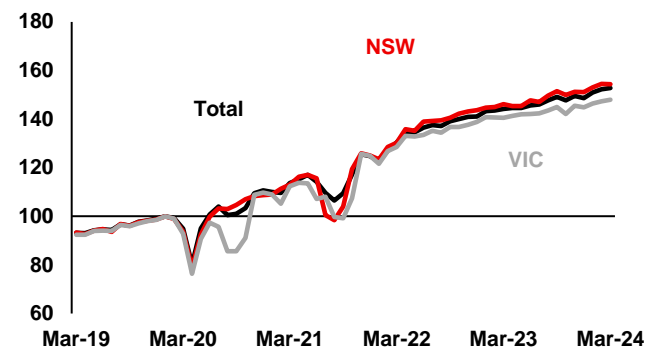


Chart 7: Spending by State (Index, Jan 2020 = 100)

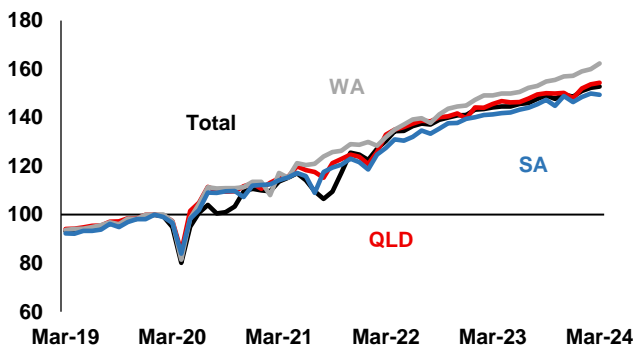
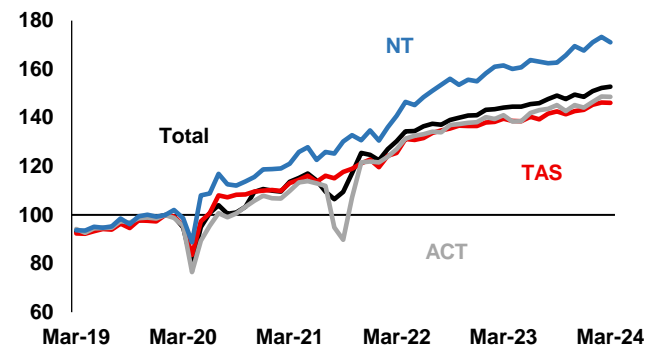


Chart 8: Spending by State (Index, Jan 2020 = 100)



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. Data are seasonally adjusted and subject to revision.

## Monthly Consumer Spending – Retail Sector Detail

- Retail spending declined 0.5% m/m in March, driven by a fall in goods retail. Total retail spending was up 1.0% in three-month average terms and 3.5% y/y.
- Goods categories all fell in the month, led by department stores (down 3.2%), other retail (down 1.4%) and household goods (down 0.5%). Overall goods retail spending was up 1.0% in three-month-average terms and 3.0% y/y.
- Hospitality spending rose 0.1% m/m to be up 1.5% in three-month-average terms and 5.3% y/y.

Table 3: Retail Spending Growth (%)

	Jan-24	Feb-24	Mar-24		
	m/m	m/m	m/m	3m/3m	y/y
Food	1.6	0.3	-0.2	1.2	3.3
Hhld Goods	1.5	-0.3	-0.5	0.1	3.7
Clothing	0.0	-0.1	-0.2	-1.0	3.5
Dept. Stores	3.2	0.7	-3.2	0.4	-2.6
Other Retail	4.1	-1.6	-1.4	2.4	2.8
<b>Total Goods Retail</b>	<b>2.1</b>	<b>-0.2</b>	<b>-0.7</b>	<b>1.0</b>	<b>3.0</b>
Cafes & Restaurants	0.2	1.3	0.1	1.5	5.3
<b>Total Retail</b>	<b>1.7</b>	<b>0.0</b>	<b>-0.5</b>	<b>1.0</b>	<b>3.5</b>

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

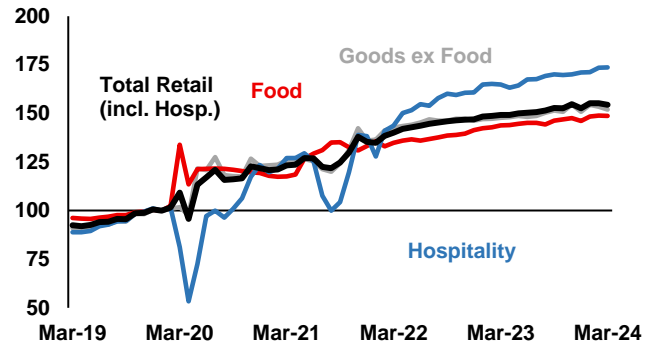


Chart 10: Total Retail Spending Growth (%)

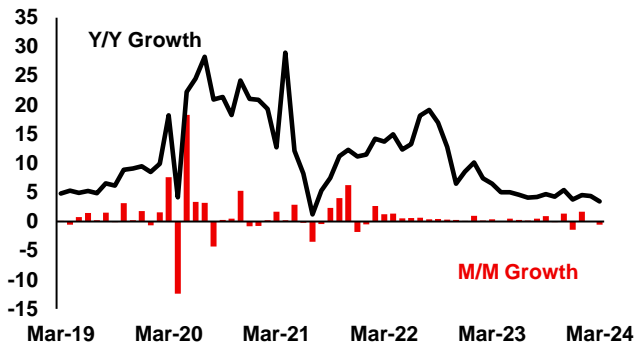


Chart 11: Comparison to ABS Retail Sales Growth (%)

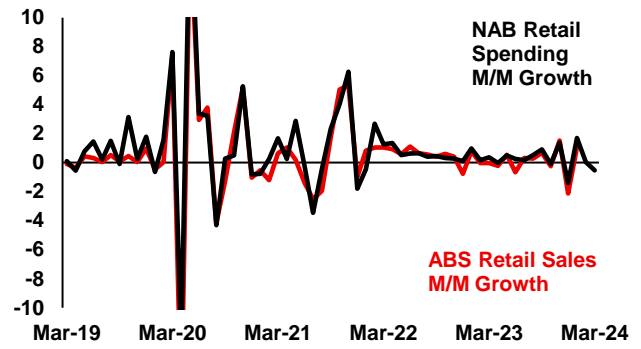


Chart 12: Contribution to Monthly Growth (%)

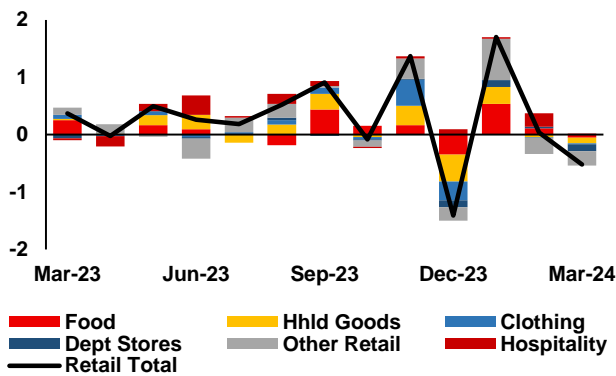
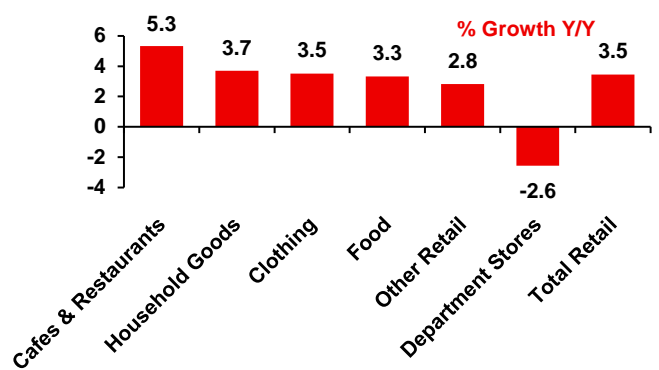


Chart 13: Y/Y Growth, Retail Subcategories



Note: Data are seasonally adjusted and subject to revision.

## Monthly Spending – Detail for Non-Retail Subcategories

- Spending on vehicles & fuel declined 0.1% in March, with a rise in spending on vehicles offset by a fall in fuel.
- Spending on essential services rose 0.4% m/m with increases in education (up 1.7% m/m) as well as utilities and media & communications, while spending on health & care edged down. Overall spending on essential services was up 2.1% over the quarter and 11.3% y/y.
- Other spending rose 1.3% m/m, with increases in arts, recreation & travel (up 2.9%), professional services (up 2.0%) and transport & postal (up 1.1%). There were offsetting declines in construction and other services (both down 0.8%). Overall, the other spending category was up 3.1% over the quarter and 8.3% y/y.

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

	Jan-24	Feb-24	Mar-24				Jan-24	Feb-24	Mar-24		
	m/m	m/m	m/m	3m/3m	y/y		m/m	m/m	m/m	3m/3m	y/y
Vehicles	0.2	-0.5	1.5	0.7	4.7	Arts, Rec. & Travel	4.0	-3.0	2.9	3.1	6.8
Fuel	-0.2	3.4	-0.8	-1.2	3.9	Construction	-1.7	2.6	-0.8	-0.4	0.4
<b>Vehicles &amp; Fuel Total</b>	<b>-0.1</b>	<b>2.1</b>	<b>-0.1</b>	<b>-0.6</b>	<b>4.1</b>	Professional Services	-1.9	4.5	2.0	5.2	18.1
Education	-0.9	0.0	1.7	1.5	10.9	Transport & Postal	2.2	0.9	1.1	4.5	5.6
Utilities	1.6	1.8	0.5	3.3	9.2	Other Services	0.0	2.3	-0.8	1.6	8.0
Health & Care	1.4	1.3	-0.2	1.7	11.4	<b>Other Spending Total</b>	<b>1.4</b>	<b>0.6</b>	<b>1.3</b>	<b>3.1</b>	<b>8.3</b>
Media & Comms	1.1	0.6	0.3	2.0	13.3						
<b>Essential Svcs Total</b>	<b>1.0</b>	<b>1.1</b>	<b>0.4</b>	<b>2.1</b>	<b>11.3</b>						

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

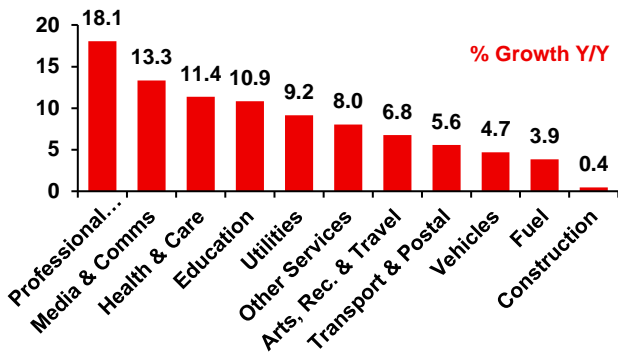


Chart 15: Vehicles & Fuel Index (Jan 2020 = 100)

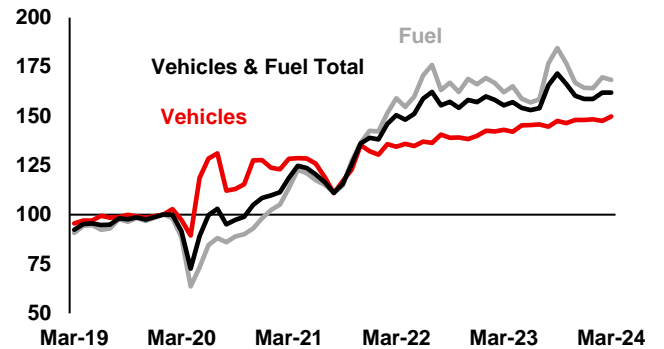


Chart 16: Essential Services Index (Jan 2020 = 100)

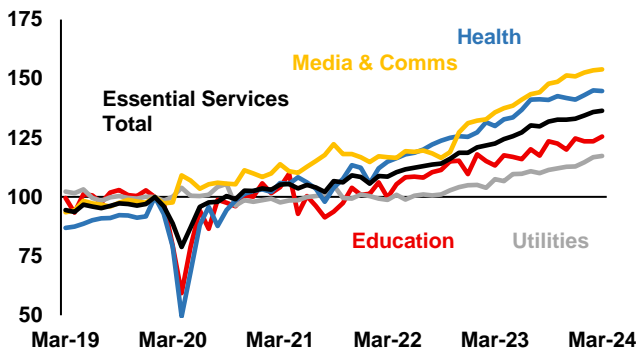
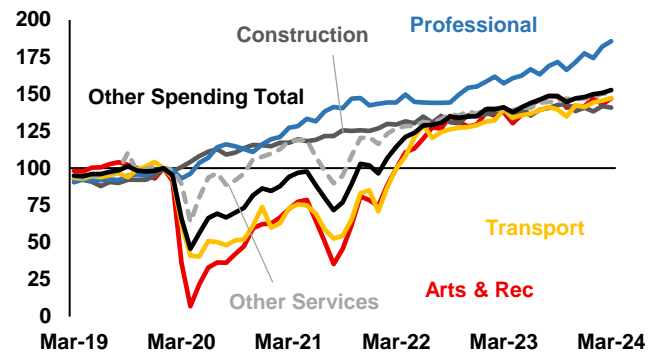


Chart 17: Other Spending Index (Jan 2020 = 100)



Note: Data are seasonally adjusted and subject to revision. '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 rose 0.6% m/m in March (0.7% excluding mining and agriculture) to be flat in three-month average terms and 4.9% higher y/y.
- Notable movements in the month included strong increases in information & media, utilities, agriculture, and retail trade while there were falls in some industries including arts & recreation, mining, and rental & real estate.

Table 5: Business Credits Growth by Industry (%)

	Jan-24	Feb-24	Mar-24		y/y
	m/m	m/m	m/m	3m/3m	
<b>Total</b>	<b>-0.3</b>	<b>-0.2</b>	<b>0.6</b>	<b>0.0</b>	<b>4.9</b>
<i>Total ex Mining &amp; Agri</i>	<i>-0.4</i>	<i>-0.1</i>	<i>0.7</i>	<i>0.1</i>	<i>7.0</i>
Accom & Food	-1.9	-3.8	0.1	-1.9	14.4
Admin & Support	-0.2	-0.4	-0.6	0.0	10.9
Agriculture	-2.7	1.9	5.3	-3.3	-6.8
Arts & Rec.	1.2	2.4	-5.3	2.7	1.1
Construction	-1.2	0.5	1.4	0.0	13.2
Education	-1.1	1.0	0.9	1.5	10.1
Utilities	5.3	1.3	5.5	11.8	-1.9

	Jan-24	Feb-24	Mar-24		y/y
	m/m	m/m	m/m	3m/3m	
Health	0.9	0.4	-0.7	-0.7	13.2
Info & Media	6.4	1.4	6.7	9.3	5.6
Manufacturing	0.0	-1.0	0.5	-0.5	5.0
Mining	1.6	-1.7	-3.1	-0.2	-9.9
Other Services	4.6	0.4	1.6	6.0	16.1
Professional Services	0.0	-0.4	0.2	2.1	11.8
Rental & Real Estate	0.5	2.8	-1.4	3.3	8.8
Retail Trade	-0.3	-1.2	3.5	-0.2	14.1
Transport & Postal	-6.1	-3.5	1.4	-10.3	-20.8
Wholesale Trade	-1.2	0.5	-0.3	-0.6	4.8

Chart 18: Business Credits Growth (%)

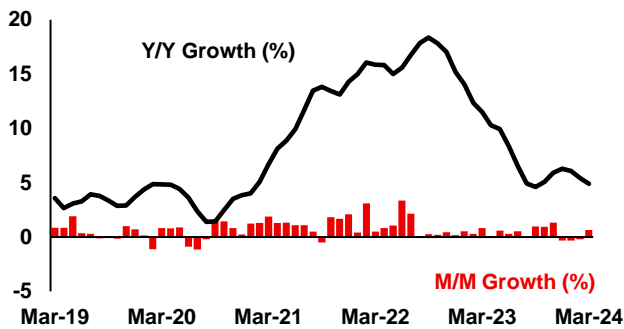


Chart 19: Business Credits Index (Jan 2020 = 100)

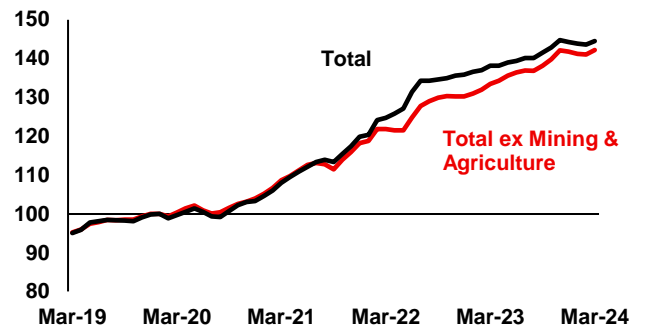


Chart 20: Credits Index by Industry (Jan 2020 = 100)

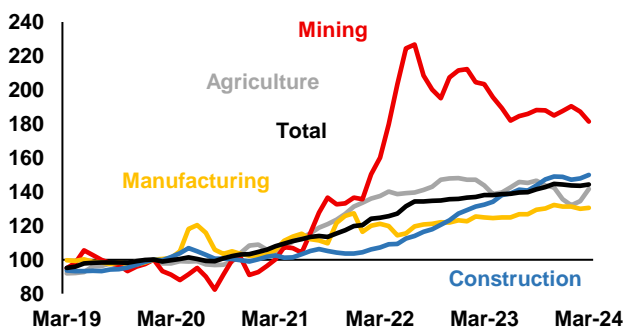


Chart 21: Credits Index by Industry (Jan 2020 = 100)

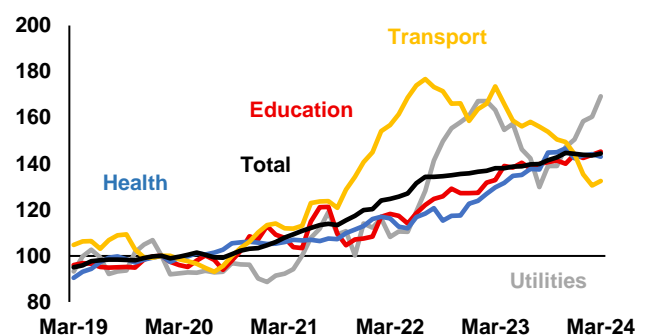


Chart 22: Credits Index by Industry (Jan 2020 = 100)

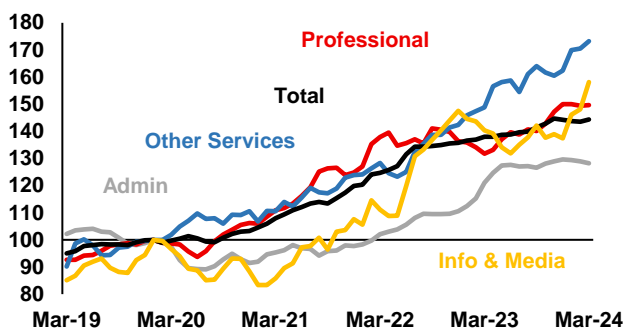
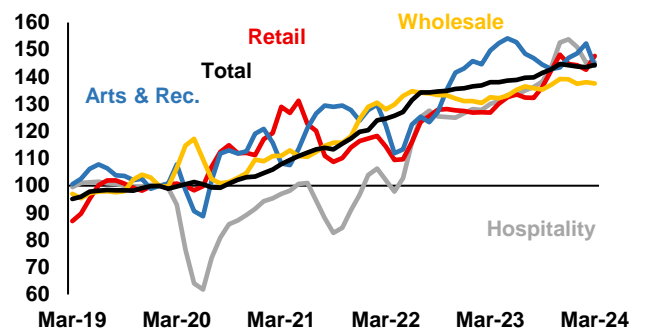


Chart 23: Credits Index by Industry (Jan 2020 = 100)



Note: 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 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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