

NAB Monthly Data Insights

April 2024



NAB Economics

Key Points

- **Consumer spending**, according to NAB’s transaction data, rose 0.2% after being flat last month. Consumer spending is up 5.7% over the past 12 months.
- Strong performance in goods retail (up 1.1%) boosted consumption in April. However, the growth was partially offset by the contraction in spending on vehicles and fuel (down -0.5%) and other spending (down -0.7%).
- **Business credits** rose 1.7% m/m, led by utilities (up 4.9%). Overall, business credits increased by 5.4% over the year, or 7.2% excluding mining and agriculture.

Comments from NAB Chief Economist Alan Oster

- “Our monthly transaction data suggest spending ticked up after a stagnant performance last month.”
- “However, the decreased m/m growth across the past 3 months in most categories elaborates on the trend of consumer’s targeted cutbacks shown in our recent consumer sentiment survey. Consumers remain under pressure, cutting back on eating out, services and making fewer car trips to save fuel.”
- “We expect subdued spending to continue at least through the first half of the year before inflation eases further.”

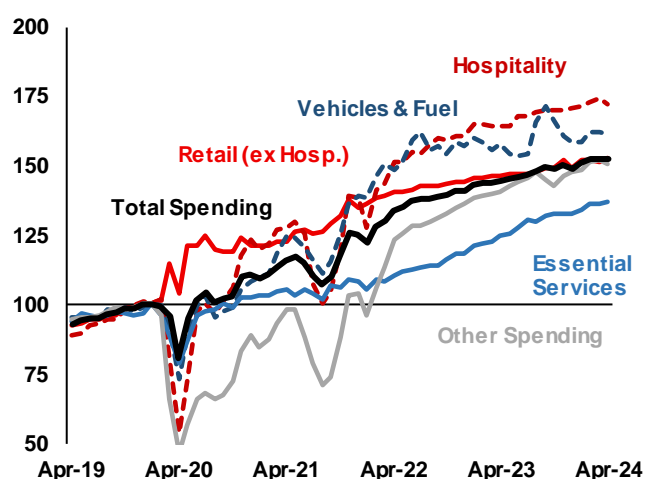
Monthly Consumer Spending

- Total spending ticked up by 0.2% in April after a flat result in March. Total spending was up 1.4% over the past three months and 5.7% y/y.
- Retail spending increased by 0.7% m/m, driven by an increase in goods spending. However, a decrease in spending on eating out partially offset the increase in spending on goods. For detail on retail spending, see **page 3**.
- Spending on essential services rose 0.2% m/m while vehicles & fuel and other spending both declined (see **page 4**).
- Total spending across goods categories rose 0.9% m/m while spending across services declined 0.5%. Non-discretionary spending rose 0.4% while discretionary spending was little changed.

Table 1: Key Consumer Spending Growth Statistics (%)

	Feb-24		Apr-24		
	m/m	Mar-24 m/m	m/m	3m/3m	y/y
Goods Retail	-0.2	-0.5	1.1	0.6	4.6
Cafes & Restaurants	1.2	0.5	-0.9	1.5	4.8
Total Retail	0.1	-0.3	0.7	0.8	4.6
Vehicles & Fuel	2.2	0.2	-0.5	1.7	2.5
Essential Services	1.2	0.5	0.2	2.4	9.9
Other Spending	1.8	0.4	-0.7	2.4	7.4
Total Spending	0.8	0.0	0.2	1.4	5.7
Goods	0.2	-0.4	0.9	0.8	4.2
Services	1.5	0.5	-0.5	2.2	7.5
Discretionary	0.5	-0.1	0.1	1.1	5.4
Non-Discretionary	1.1	0.2	0.4	2.0	6.1
Total ex Fuel	0.6	0.0	0.3	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.

Chart 2: Total Spending Growth (%)

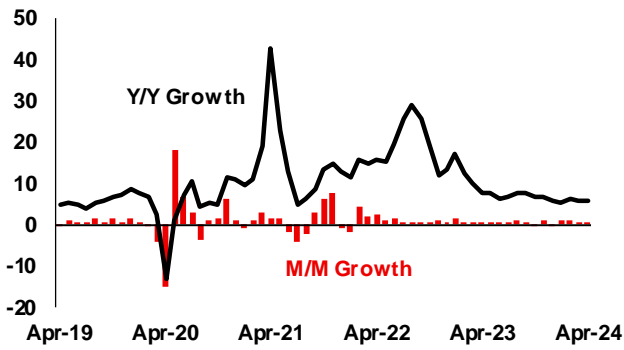


Chart 3: Comparison to ABS Consumption Growth (%)

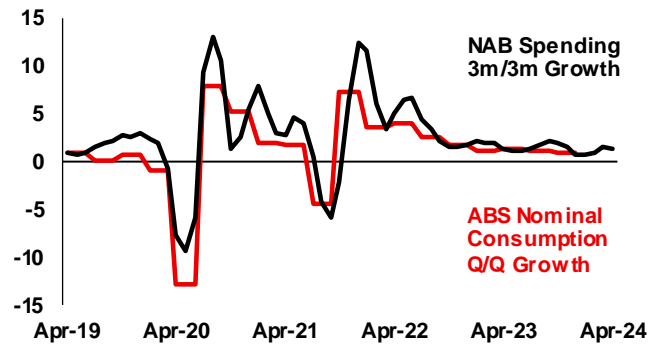


Chart 4: Goods vs Services Index (Jan 2020 = 100)

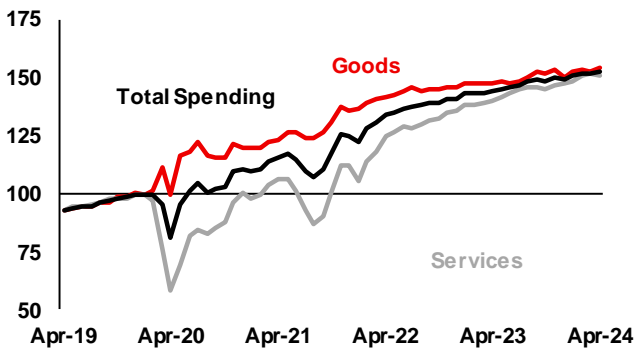
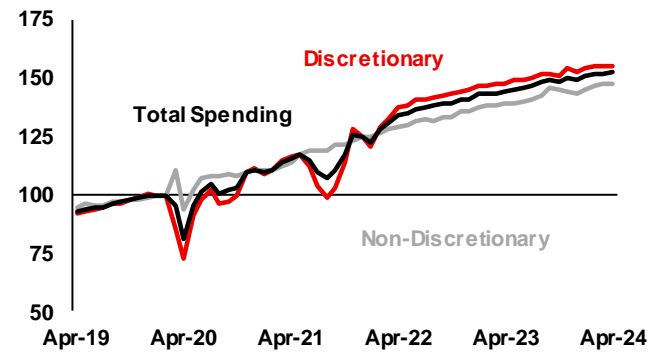


Chart 5: Discretionary Spending Index (Jan 2020 = 100)



Monthly Consumer Spending – Detail by State

- Spending in the month rose in SA, NT and WA but declined in other jurisdictions. In three-month average terms, spending growth remained positive across the board, led by WA and QLD.

Table 2: Spending Growth by State (%)

	Feb-24	Mar-24	Apr-24		
	m/m	m/m	m/m	3m/3m	y/y
NSW	0.9	0.0	-0.4	1.6	5.2
VIC	0.5	0.7	-0.6	1.3	3.7
QLD	1.2	0.6	-0.3	2.4	4.8
WA	0.6	1.6	0.2	2.6	8.6
SA	1.0	-0.2	0.7	1.4	5.9
TAS	0.5	0.2	-1.2	1.3	3.8
ACT	1.5	0.1	-0.7	2.0	5.3
NT	1.1	-0.9	0.5	1.6	7.0

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

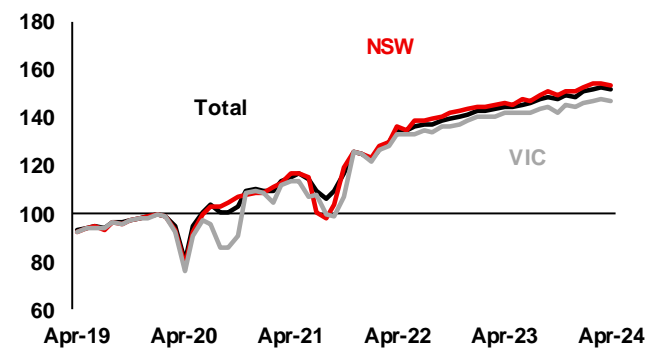


Chart 7: Spending by State (Index, Jan 2020 = 100)

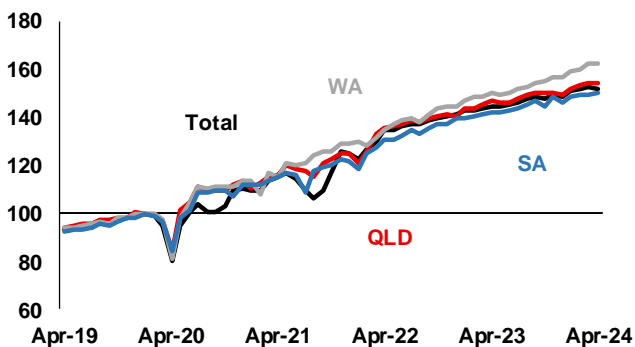
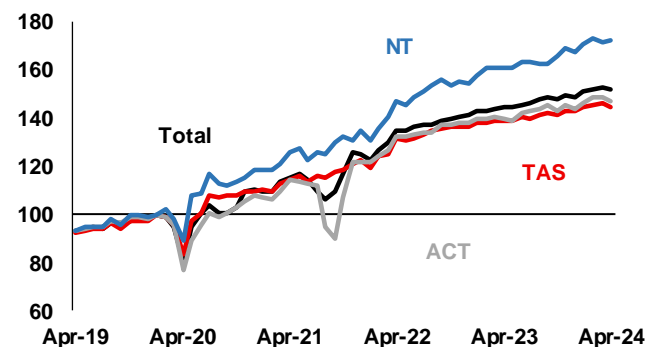


Chart 8: Spending by State (Index, Jan 2020 = 100)



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 rose 0.7%, driven by growth in goods retail (up 1.1%) but partially offset by a decline in spending on cafes & restaurants (down 0.9%). Total retail spending was up 0.8% in three-month average terms and 4.6% y/y.
- Spending increased across most goods categories except for clothing spending, which was broadly unchanged. There was strong growth in department stores (2.8%), other retail (2.3%) and food (1%). Overall goods retail spending was up 0.6% in three-month-average terms and 4.6% y/y.
- Hospitality spending declined 0.9% m/m to be up 1.5% in three-month-average terms and 4.8% y/y.

Table 3: Retail Spending Growth (%)

	Feb-24	Mar-24	Apr-24		
	m/m	m/m	m/m	3m/3m	y/y
Food	0.4	0.2	1.0	1.7	5.1
Hhld Goods	-0.3	-0.4	0.4	-0.1	4.1
Clothing	0.2	-0.5	-0.1	-1.9	3.9
Dept. Stores	0.8	-2.9	2.8	0.8	1.3
Other Retail	-1.5	-1.3	2.3	0.6	5.0
Total Goods Retail	-0.2	-0.5	1.1	0.6	4.6
Cafes & Restaurants	1.2	0.5	-0.9	1.5	4.8
Total Retail	0.1	-0.3	0.7	0.8	4.6

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

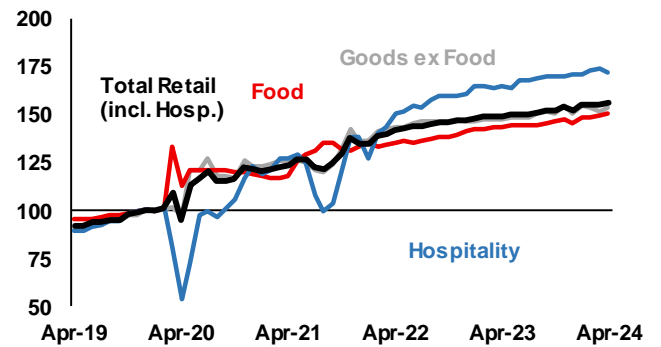


Chart 10: Total Retail Spending Growth (%)

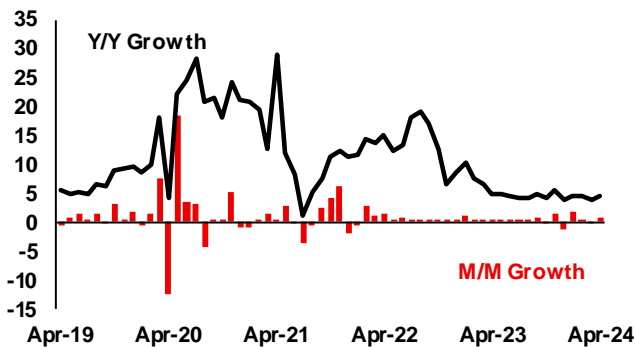


Chart 11: Comparison to ABS Retail Sales Growth (%)

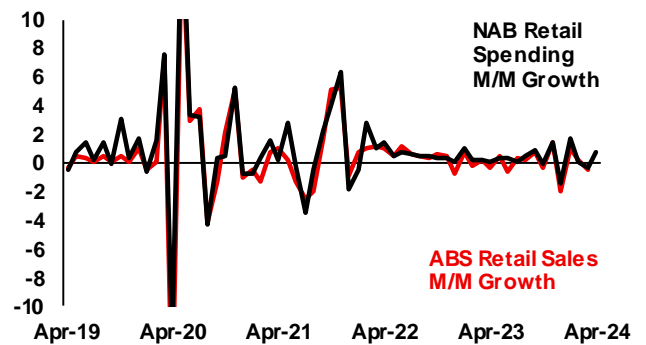


Chart 12: Contribution to Monthly Growth (%)

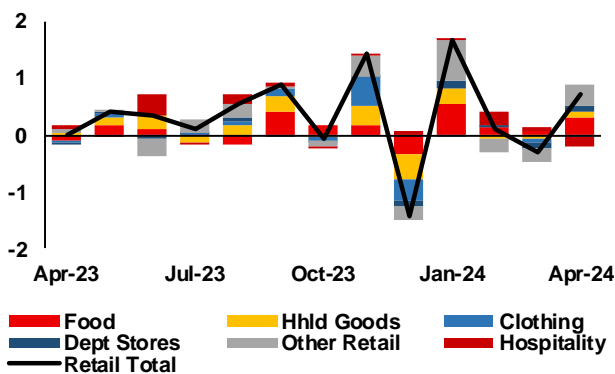
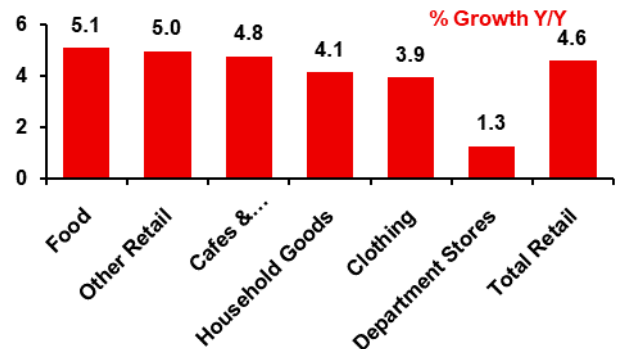


Chart 13: Y/Y Growth, Retail Subcategories



Note: Data are seasonally adjusted and subject to revision.

Monthly Spending – Detail for Non-Retail Subcategories

- Spending on vehicles & fuel declined 0.5% in April, led by a fall in fuel (-0.7%).
- Spending on essential services rose 0.2% m/m with health & care increasing (up 1.4% m/m) while spending on utilities and media & communication edged down. Overall, spending on essential services was up 2.4% over the past three months and 9.9% y/y.
- Other spending declined 0.7% m/m, with decreases in construction (-4.3%), professional services (-3.6%) and arts, recreation and travel (-0.5%). Overall, the other spending category was up 2.4% over the past three months and 7.4% y/y.

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

	Feb-24	Mar-24	Apr-24			Feb-24	Mar-24	Apr-24			
	m/m	m/m	m/m	3m/3m	y/y	m/m	m/m	m/m	3m/3m	y/y	
Vehicles	-0.4	1.5	-0.1	0.6	5.1	Arts, Rec. & Travel	0.6	0.6	-0.5	1.8	5.4
Fuel	3.4	-0.4	-0.7	2.2	1.2	Construction	2.5	-1.2	-4.3	-0.5	0.8
Vehicles & Fuel Total	2.2	0.2	-0.5	1.7	2.5	Professional Services	4.4	1.6	-3.6	4.0	9.7
Education	0.1	1.9	-0.1	2.0	6.9	Transport & Postal	0.8	1.1	0.4	2.9	9.9
Utilities	2.1	0.9	-0.4	3.7	10.4	Other Services	2.3	-0.7	0.6	2.3	8.0
Health & Care	1.6	-0.3	1.4	2.6	10.7	Other Spending Total	1.8	0.4	-0.7	2.4	7.4
Media & Comms	0.5	0.3	-0.9	1.0	10.2						
Essential Svcs Total	1.2	0.5	0.2	2.4	9.9						

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

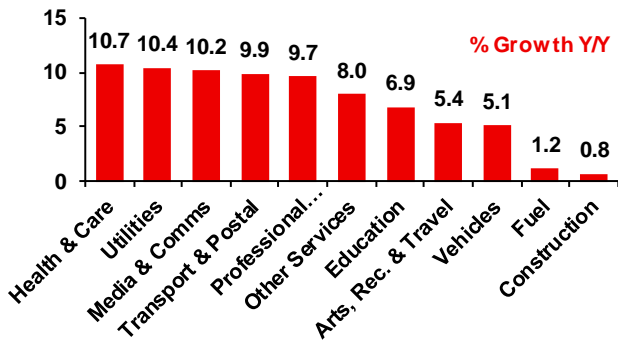


Chart 15: Vehicles & Fuel Index (Jan 2020 = 100)

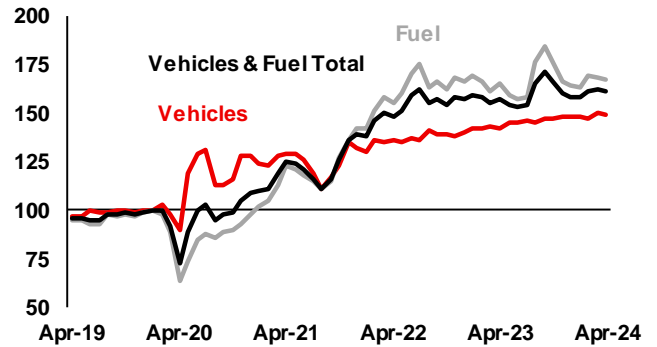


Chart 16: Essential Services Index (Jan 2020 = 100)

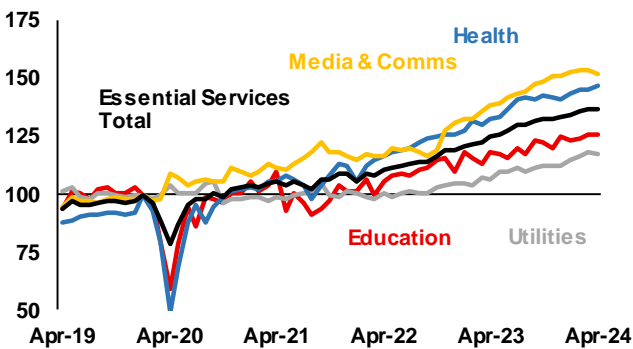
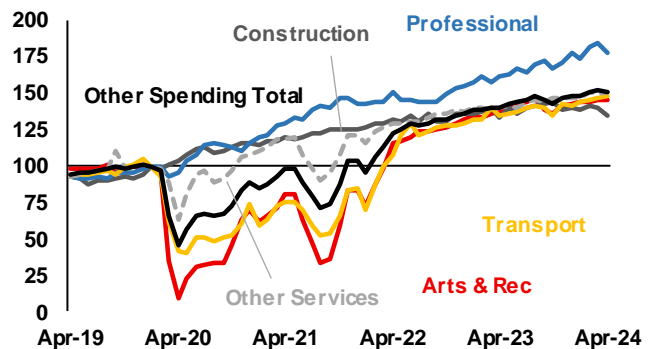


Chart 17: Other Spending Index (Jan 2020 = 100)



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 1.7% m/m in April, accelerating from the pace of growth in March. Credits were up 0.8% over three months and 5.4% y/y.
- Notable movements in the month included strong increases in utilities, transport, information & media, education and rental & real estate services while there were falls in retail trade, mining and other services.

Table 5: Business Credits Growth by Industry (%)

	Feb-24	Mar-24	Apr-24		
	m/m	m/m	m/m	3m/3m	y/y
Total	-0.1	0.9	1.7	0.8	5.4
<i>Total ex Mining & Agri</i>	<i>0.0</i>	<i>1.0</i>	<i>1.8</i>	<i>0.9</i>	<i>7.2</i>
Accom & Food	-3.7	0.3	1.3	-4.0	12.7
Admin & Support	-0.3	-0.4	1.1	0.0	7.4
Agriculture	2.3	5.5	3.2	3.5	-1.8
Arts & Rec.	2.5	0.2	0.1	4.3	2.4
Construction	0.4	1.3	0.4	0.6	12.5
Education	1.0	0.9	4.0	3.3	9.7
Utilities	1.6	6.8	4.9	12.9	5.5

	Feb-24	Mar-24	Apr-24		
	m/m	m/m	m/m	3m/3m	y/y
Health	0.5	-0.7	2.0	0.2	11.8
Info & Media	1.3	6.7	4.2	11.4	11.5
Manufacturing	-1.0	0.5	1.3	-0.4	4.9
Mining	-1.7	-3.1	-0.4	-2.4	-9.1
Other Services	0.3	1.6	-1.0	4.5	13.4
Professional Services	-0.2	0.3	3.1	1.7	13.9
Rental & Real Estate	2.9	-0.5	3.6	5.0	10.1
Retail Trade	-0.9	3.6	-0.1	0.6	13.6
Transport & Postal	-3.4	1.5	4.5	-6.2	-20.6
Wholesale Trade	0.6	-0.2	1.7	0.3	5.4

Chart 18: Business Credits Growth (%)

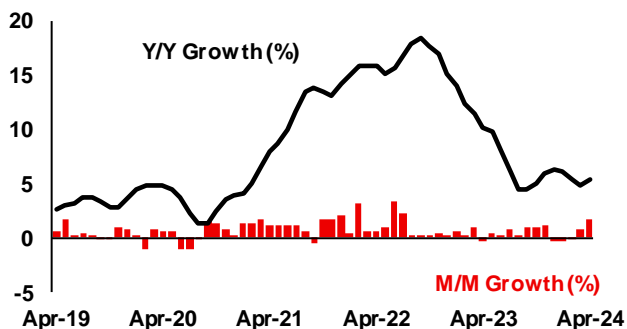


Chart 19: Business Credits Index (Jan 2020 = 100)

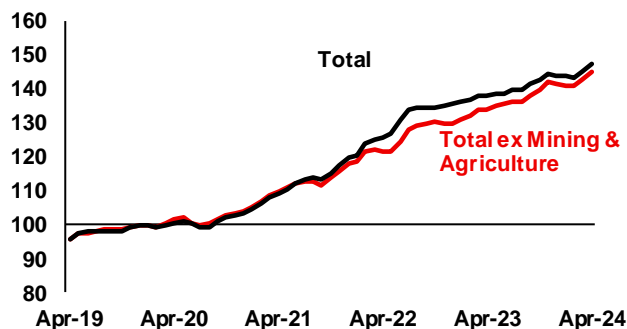


Chart 20: Credits Index by Industry (Jan 2020 = 100)

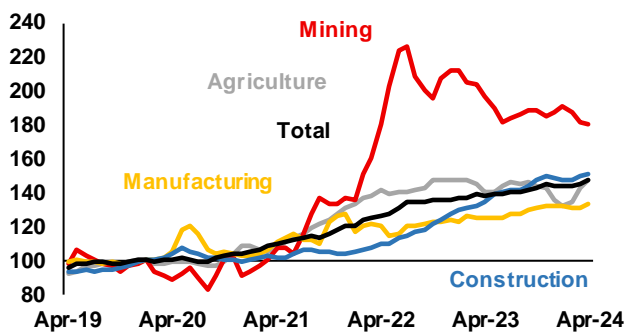


Chart 21: Credits Index by Industry (Jan 2020 = 100)

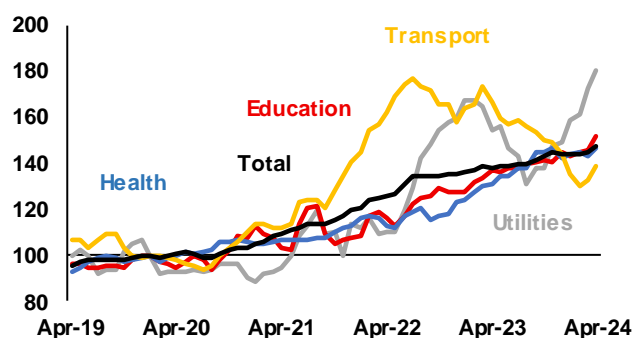


Chart 22: Credits Index by Industry (Jan 2020 = 100)

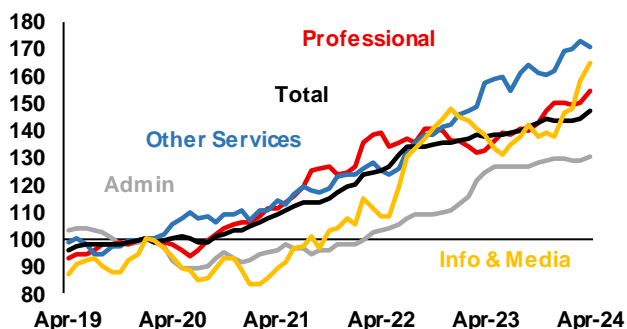
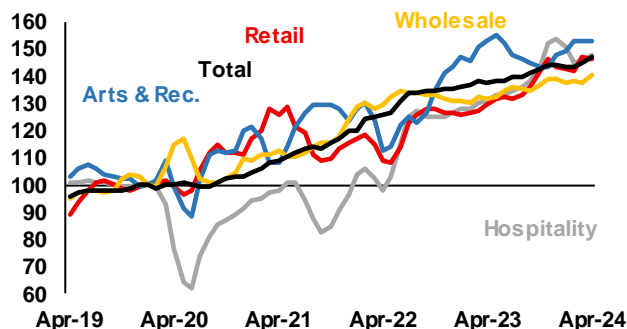


Chart 23: Credits Index by Industry (Jan 2020 = 100)



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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