

# NAB Monthly Business Survey Oct-24



## Business Confidence Lifts

### NAB Economics

#### Summary

Business confidence rose sharply in the month and is now back around average and at its highest level since early 2023. The improvement in confidence was relatively broad-based in the month. Business conditions tracked sideways at an around-average level in the month. In trend terms, outside of mining, conditions are strongest in the services sectors, while the goods sectors are weaker (and negative in manufacturing and retail). Input costs growth – both labour and purchase costs – eased further in the month. Output price growth tracked sideways at a benign rate, though retail price growth rebounded in the month. Overall, the survey continues to paint a picture of resilient activity levels in the economy and a trend easing in price and cost pressures, though with capacity utilisation still high it will likely take more time before inflation pressures normalise. Indeed, capacity utilisation declined by a relatively sharp 0.7ppts in the month but remains well above its long run average.

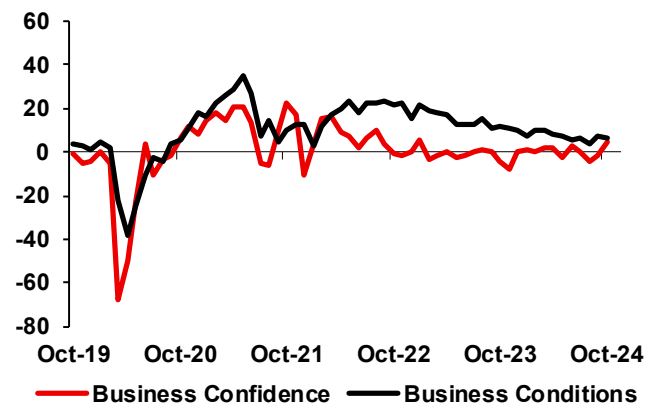
#### Survey Details

- **Business confidence** rose 7pts to 5 index points, with notable improvements across most industries, except for construction (down 8pts) and retail (down 2pts). In trend terms, confidence remains weakest in retail (-10 index points), followed by wholesale (-4 index points).
- **Business conditions** were unchanged +7 index points. Trading conditions edged up 1pt to +13 index points, while profitability was flat at 5 index points. The employment index edged down in the month to +3 index points.
- **By industry**, conditions fell in mining (-46 pts), manufacturing (-16pts) and construction (-7pts) and edged down in transport & utilities (-1pt). Conditions rose in wholesale (+15pts), finance, business & property services (+8pts) and retail (+2pts), while they were flat in rec & personal services). In trend terms, conditions were weakest, and negative, in manufacturing (-9 index points) and retail (-7 index points).
- **By State**, conditions declined in Qld and Vic and rose in the other states. In trend terms, conditions are strongest in Qld and weakest in SA and Tas.
- **Forward orders** rose to -3 index points. **Capex** fell 1pt to +8 index points, while **capacity utilisation** declined to 82.5% but remains well above average.
- **Labour cost growth** eased to 1.4% in quarterly equivalent terms (from 1.9% in September), while **purchase cost growth** eased further to 0.9%.
- **Product price growth** was 0.5% (from 0.6%). **Retail price growth** rebounded to 1.1% (from 0.6%), while **recreation & personal services price growth** was unchanged at 0.9%.

Table 1: Key Monthly Business Survey Statistics

	Aug-24	Sep-24	Oct-24
Net balance			
Business confidence	-4	-2	5
Business conditions	4	7	7
Trading	9	12	13
Profitability	2	5	5
Employment	1	5	3
Forward Orders	-5	-5	-3
Capex	10	9	8
Stocks	3	5	9
Exports	-1	-2	0
% change at quarterly rate			
Labour costs	2.0	1.9	1.4
Purchase costs	1.6	1.3	0.9
Final products prices	0.7	0.6	0.5
Retail prices	1.2	0.6	1.1
Percent			
Capacity utilisation rate	82.9	83.1	82.5

Chart 1: Confidence & Conditions (Net Balance, SA)



All data seasonally adjusted and subject to revision. Survey conducted from 25 to 31 October 2024, covering over 350 firms across the non-farm business sector. Next release date: 10 December 2024.

## Business Conditions and Confidence

Chart 2: Business Conditions, SA (Net Balance)

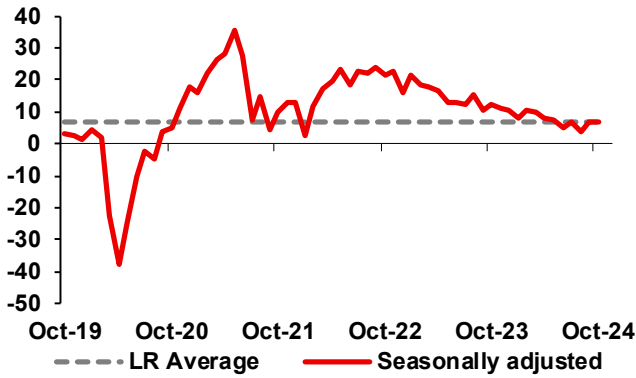


Chart 3: Components of Conditions, SA (Net Balance)

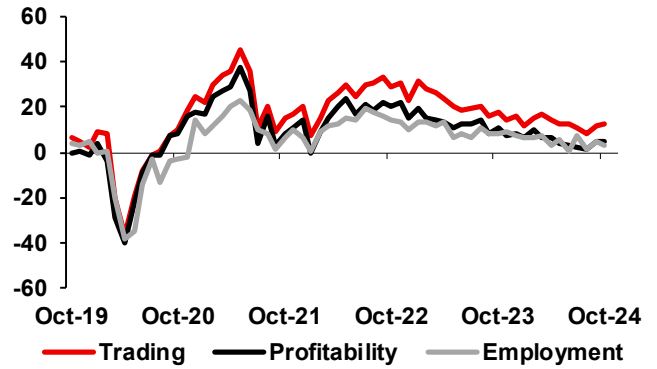


Chart 4: Business Confidence, SA (Net Balance)

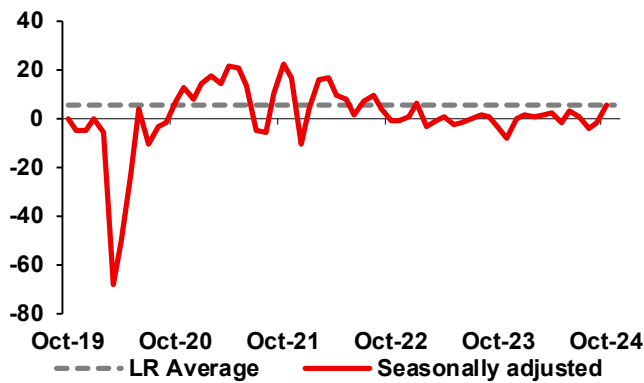


Chart 5: Conditions & Confidence, Trend (Net Balance)

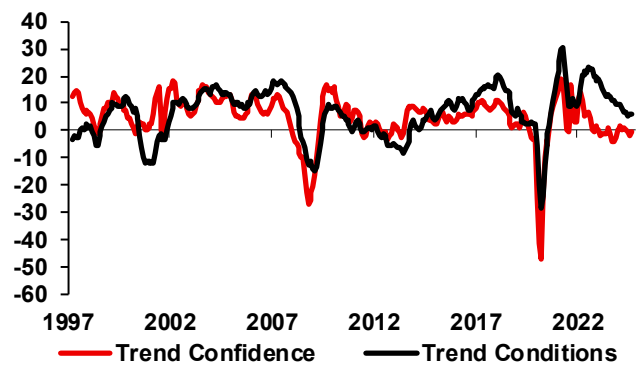


Chart 6: Conditions & Confidence by Industry, Trend (Net Balance)

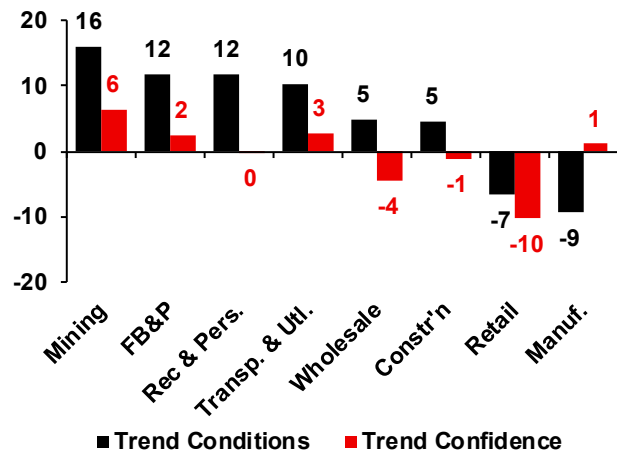
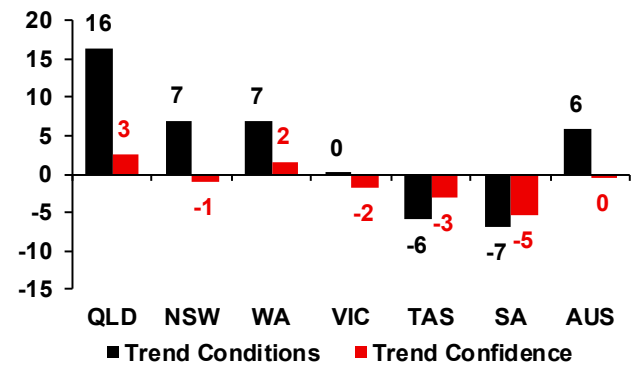


Chart 7: Conditions & Confidence by State, Trend (Net Balance)



## Leading Indicators and Other Key Measures

Chart 8: Forward Orders, SA (Net Balance)

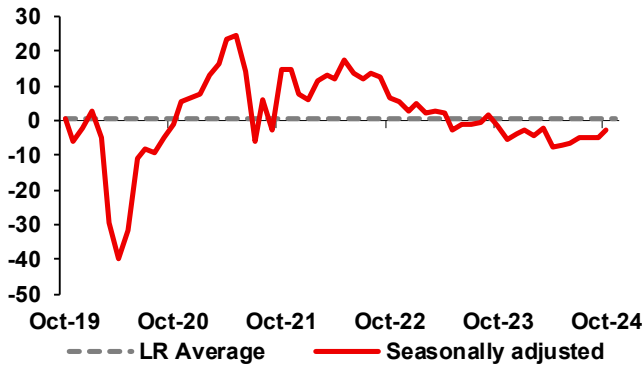


Chart 9: Fwd. Orders by Industry, Trend (Net Balance)

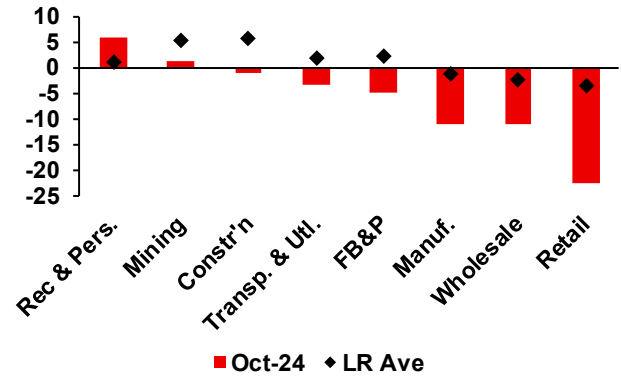


Chart 10: Capacity Utilisation, SA (%)

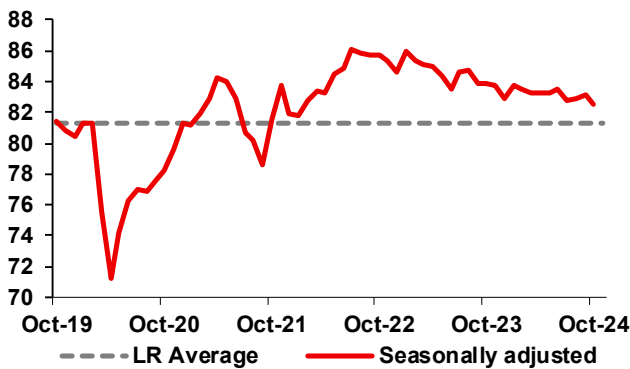


Chart 11: Capacity Util. by Industry, Trend

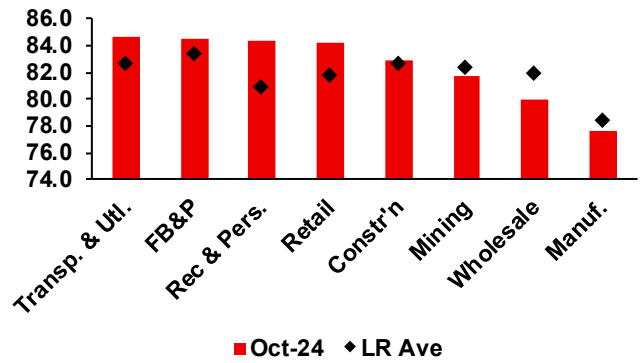


Chart 12: Capital Expenditure, SA (Net Balance)

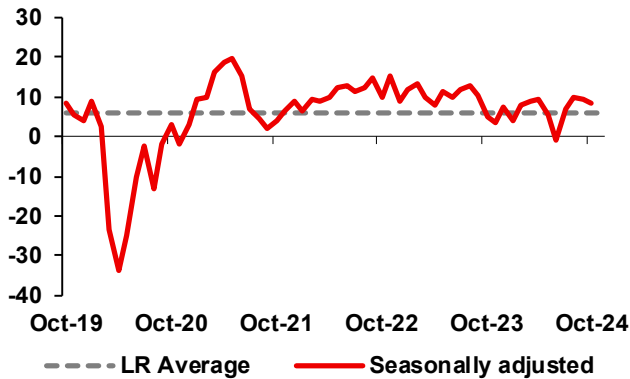


Chart 13: Exports & Stocks, SA (Net Balance)

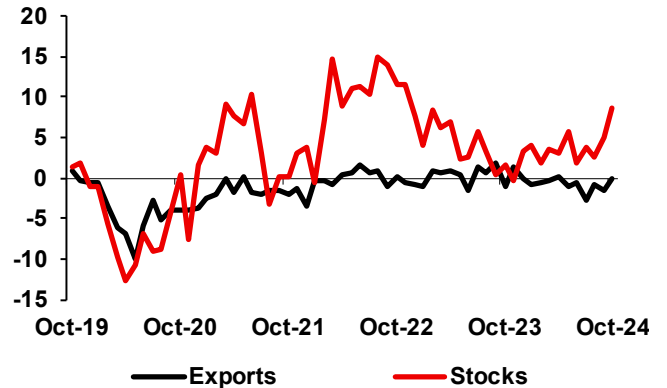


Chart 14: Change in Borrowing Conditions, Trend (% of Firms Requiring Borrowing)

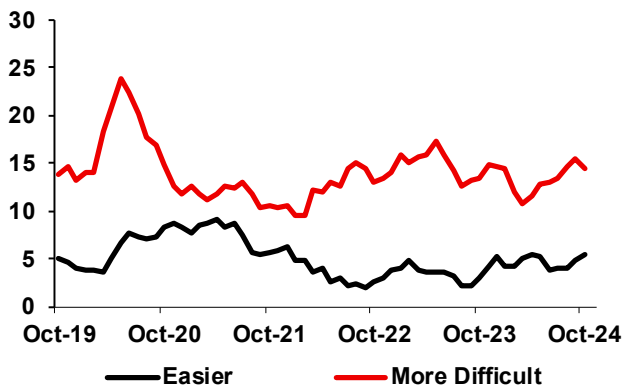
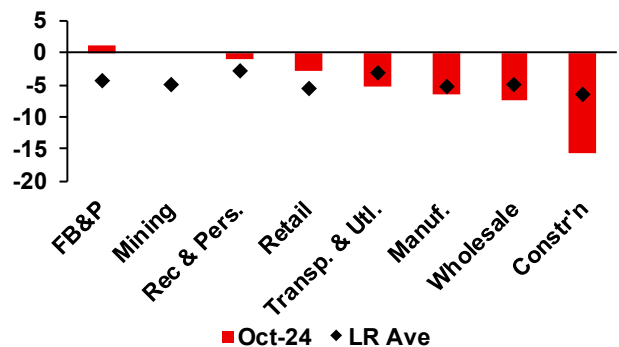


Chart 15: Borrowing Conditions by Industry (Net Balance)



## Employment, Wages and Prices

Chart 16: Employment, SA (Net Balance)

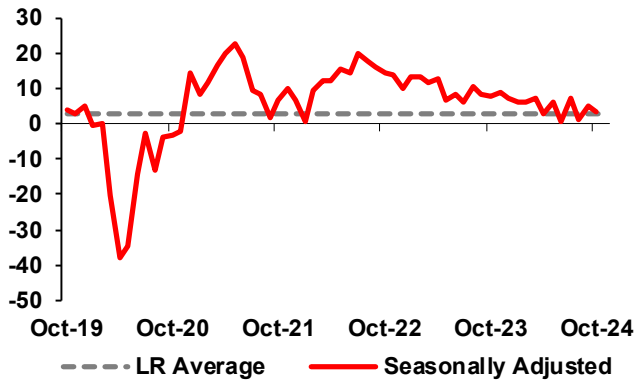


Chart 17: Employment, Selected Industries, Trend

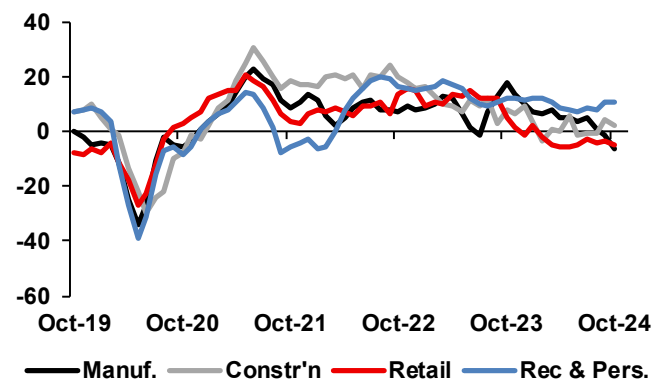


Chart 18: Cost Growth, SA (% Qtly Eq.)

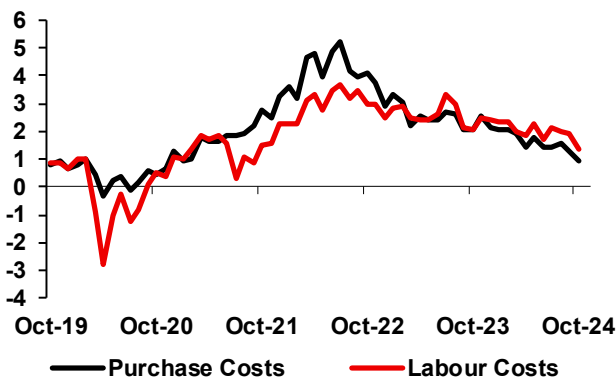


Chart 19: Labour Costs, Selected Industries, Trend (%)

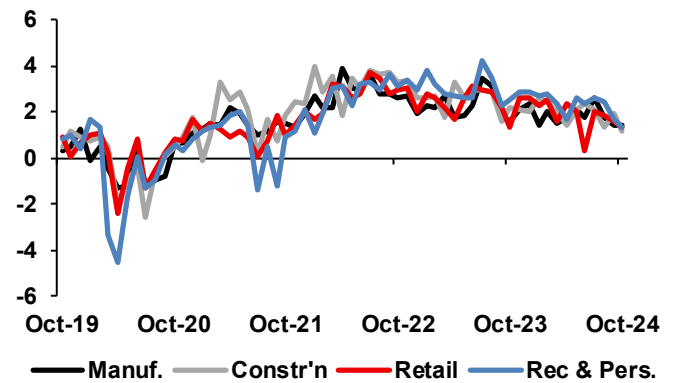


Chart 20: Output Price Growth, SA (% Qtly Eq.)

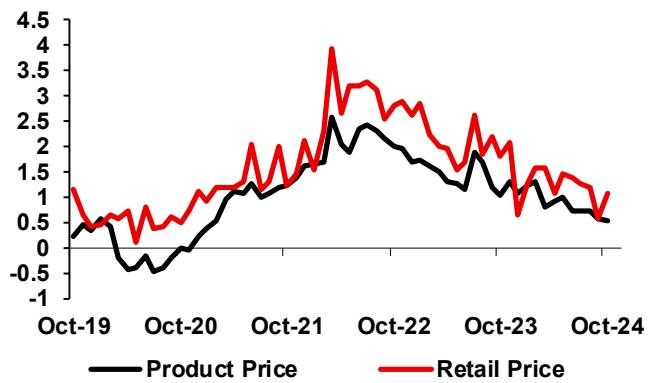
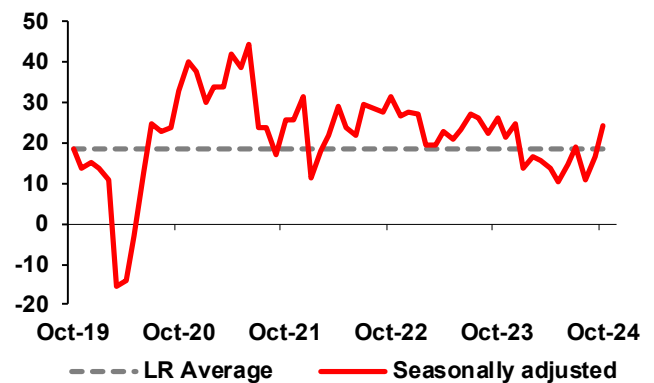


Chart 21: Cash Flow, SA (Net Balance)



## Conditions and Confidence by State and Industry

Chart 22: Conditions by State (Net Balance, Trend)

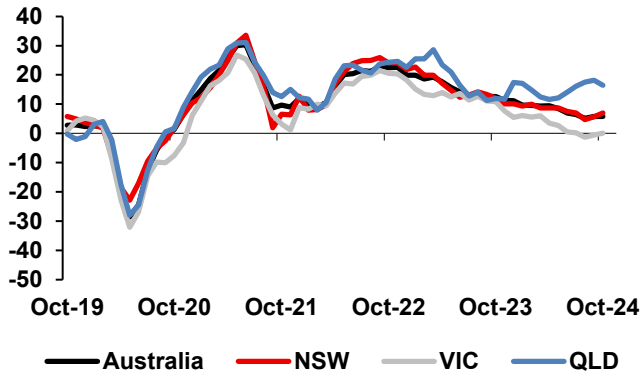


Chart 23: Conditions by State (Net Balance, Trend)

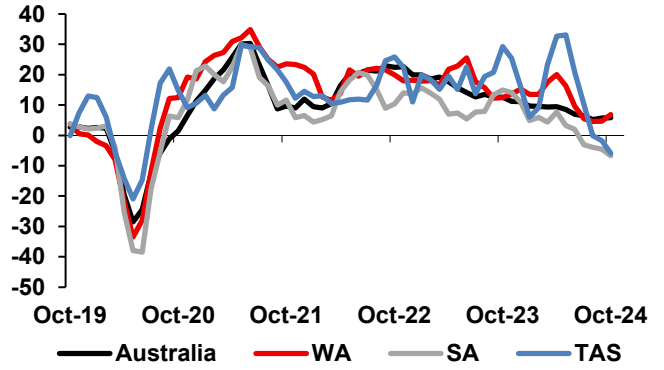


Chart 24: Confidence by State (Net Balance, Trend)

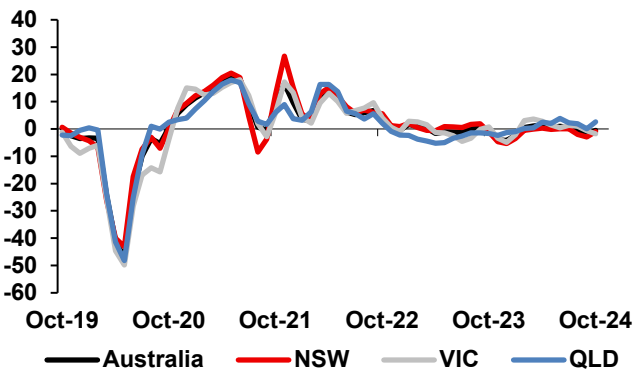


Chart 25: Confidence by State (Net Balance, Trend)

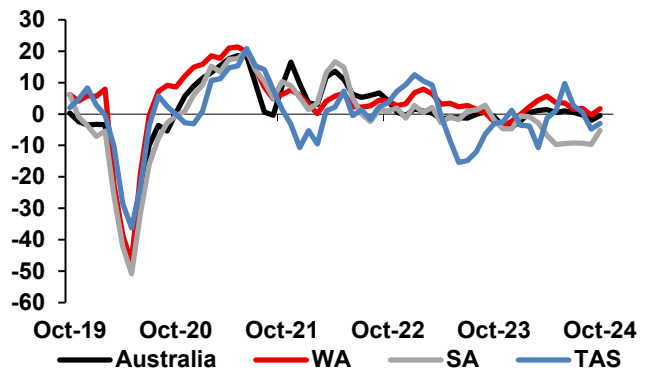


Chart 26: Conditions by Industry (Net Balance, Trend)

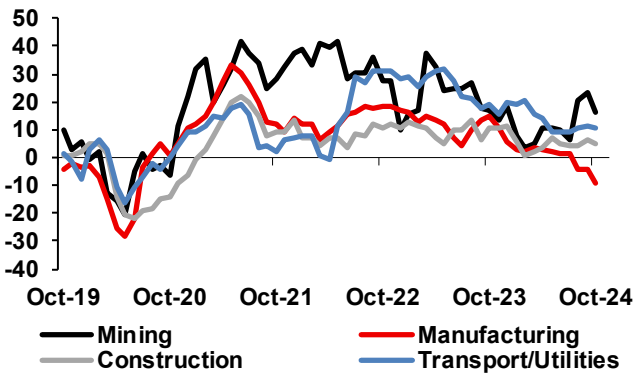


Chart 27: Conditions by Industry (Net Balance, Trend)

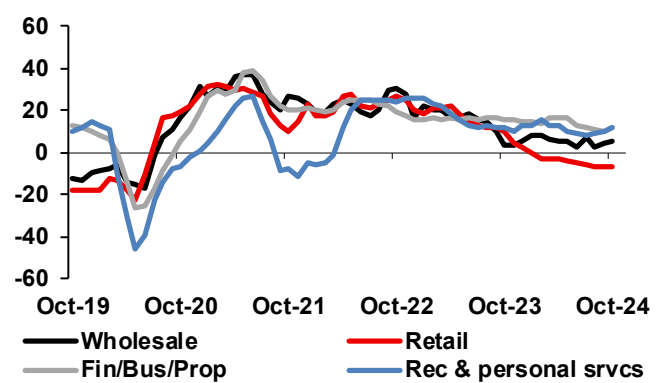


Chart 28: Confidence by Industry (Net Balance, Trend)

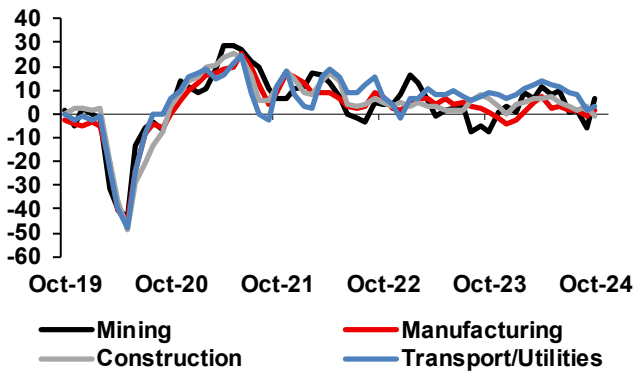
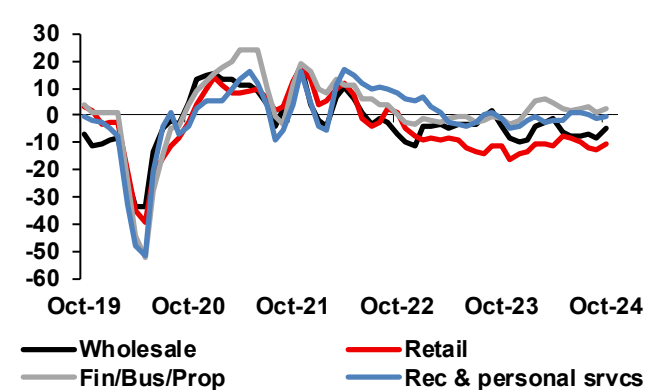


Chart 29: Confidence by Industry (Net Balance, Trend)



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## Important notice

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## Appendix: list of series available to subscribers<sup>^</sup>

### Monthly Business Survey\*

Business Confidence	Net balance
Business Conditions	Net balance
Trading Conditions	Net balance
Profitability	Net balance
Employment	Net balance
Forward Orders	Net balance
Stocks	Net balance
Exports	Net balance
Capital Expenditure (Capex)	Net balance
Cash Flow	Net balance
Labour Costs	% change at quarterly rate
Purchase Costs	% change at quarterly rate
Final Prices	% change at quarterly rate
Capacity Utilisation	Per cent
Borrowing Demand & Conditions	%; net balance

**All series available on an industry basis for:**

Mining  
 Manufacturing  
 Construction  
 Retail trade  
 Wholesale trade  
 Transport / Utilities  
 Finance / Property / Business Services  
 Recreation / Personal Services

**All available on a state basis for:**

New South Wales  
 Victoria  
 Queensland  
 WA  
 SA/NT  
 Tasmania

\*All data available in original, seasonally adjusted and trend terms.

<sup>^</sup>Subscribers also receive a copy of the Subscriber details publication which contains a variety of extra charts and tables.

## Quarterly Business Survey\*

The Quarterly NAB Business Survey provides a more in-depth probe into the conditions facing Australian business than the monthly survey, and also examines additional information about how firms perceive the outlook for their industries.

Business Confidence

Business Conditions (current, next 3 mth, next 12 mth)

Trading conditions (current, next 3 mth, next 12 mth)

Profitability (current, next 3 mth, next 12 mth)

Employment (current, next 3 mth, next 12 mth)

Forward orders (current, next 3 mth)

Stocks (current, next 3 mth)

Export orders (current, next 3 mth)

Capital expenditure (current, next 3 mth, next 12 mth, fiscal year)

Required rate of return on investment

Cash flow

Labour costs (current, next 3 mth)

Purchase costs (current, next 3 mth)

Final prices (current, next 3 mth)

Capacity Utilisation

Borrowing index (current, next 3 mth)

Borrowing demand (current, next 3 mth)

Constraints on output (demand, labour, materials, premises & plant, finance/working capital)

Constraints on profit (capital, demand, high AUD, low AUD, interest rates, labour, tax, wages, energy costs, other)

Constraint on employment (demand, confidence, cashflow, suitable labour, high wages, government policy, labour not at full capacity, other, don't know)

### **All series available on an industry basis for:**

Mining (sub-groups: Mining Extraction, Mining Services)

Manufacturing (sub-groups: food beverage & tobacco, textile clothing footwear & leather, wood & paper product, printing publishing & recorded media, petroleum coal chemical & associated products, non-metallic mineral product, metal product, machinery & equipment, other)

Construction (sub-groups: Residential Building, Non-residential Building, Other Construction, Construction Services)

Retail trade (sub-groups: Food, Personal & Household Goods, Motor Vehicle Retailing & Services, Other Retail)

Wholesale trade

Transport / Utilities

Finance / Property / Business Services (sub-groups: Finance, Insurance, Services to Finance & Insurance, Property Services, Business Services)

Recreation / Personal Services (Sub-groups: Motion picture, Radio & Television Services, Libraries Museums & the Arts), Sports & Recreation, Personal Services, Accommodation Cafes & Restaurants, Health Services, Education, Other Services)

### **All series available on a state basis for:**

New South Wales

Victoria

Queensland,

WA

SA/NT

Tasmania

Margins (current, next 3 mth)

Overheads (current, next 3 mth)

Productivity growth

Number of employees

Hours worked

Gross Sales

Output/sales growth (current fiscal year)

Average earnings (current fiscal year)

Short term interest rate

Exporters hedged FX exposure (%)

Importers hedged FX exposure (%)

Months hedged (exporters)

Months hedged (importers)

Favourable hedge position (% of exporters)

Favourable hedge position (% of importers)

Affected vs not affected by AUD

Response to AUD (downsized, reduced, overheads, hedging, import substitution, focus on domestic market, other, don't know)

Driver of trading conditions (demand, wages/jobs, house prices, rates, exchange rate, tax/govt policy, seasonal, finance/working capital, company specific, other)

What will improve confidence (lower rates, more suitable labour, easier funding, government policy, higher demand, higher AUD, lower AUD, easier compliance, other)

\*Data available in original, seasonally adjusted and trend terms.