

29 March 2022

## Australian retail sales up again April sales: +0.9%<sup>mth</sup> (market +1.0%), +9.6%<sup>yr</sup> Mixed detail suggests variety of forces at work.

- Retail sales increased 0.9% in April, almost matching market expectations (+1%). The April rise represents a slower pace compared to previous gains in March (1.6%), Feb (1.8%) and Jan (1.6%) but nevertheless brings sales up to a whopping 9.6%<sup>yr</sup>.
- Given recent card activity and private sector business surveys, there was potential for retail sales to outperform this month. Westpac card tracker data has remained consistently elevated above its pre-COVID pace.
- Discretionary segments were mixed in April, some showing a continued post-COVID 'reopening' flourish but others softening. April had Aussies dining out and buying outfits, with 'cafes and restaurants' sales up 3.3%<sup>mth</sup> and 'clothing' not far behind at 3.1%<sup>mth</sup>. However, spending on 'household goods' and 'department stores' saw substantial declines of -2.7%<sup>mth</sup> and -2.5%<sup>mth</sup> respectively – unwinding some of the strong gains seen in previous months. Some of this may be 'catch-up' spending running its course and some may be the start of a more general rotation from goods to service. 'Other retailing' posted a modest 0.5%<sup>mth</sup> rise.
- 'Basic food' also posted a relatively strong 1.9%<sup>mth</sup> gain although inflation may be more of a factor here as well as greater household entertaining given both the Easter and ANZAC Day holidays fell within April.
- Retail sales posted positive gains across all states except for NSW, which had a small -0.3%<sup>mth</sup> fall. WA displayed the strongest sales growth with a 2.2%<sup>mth</sup> rise.
- Recent falls in consumer sentiment – in the wake of rising inflation and the prospect of materially higher interest rates – may see retail momentum fade in coming quarters although reopening dynamics will likely dominate for some time yet.

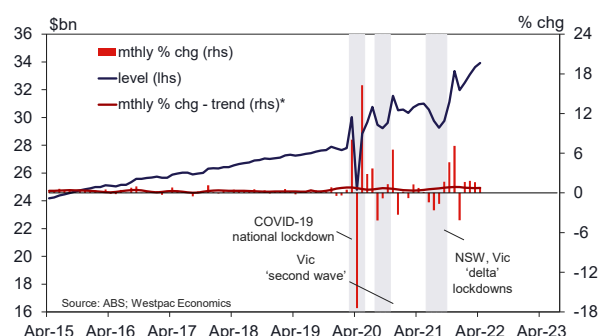
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### Retail sales – April

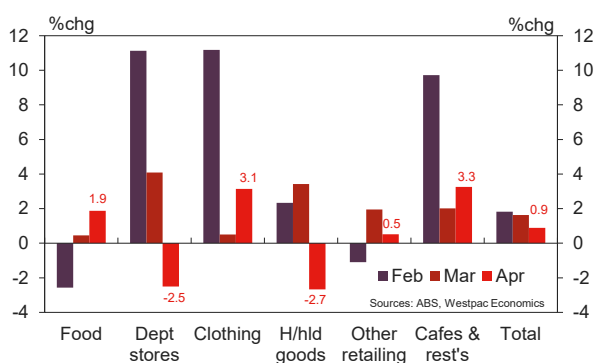
	\$bn	% chg mth		% chg yr	
	Apr-22	Mar-22	Apr-22	Mar-22	Apr-22
sa	33.92	1.6	0.9	9.4	9.6
trend*	33.55	0.7	0.7	8.6	9.0

\*Westpac estimates; official series suspended.  
Source: ABS, Westpac Economics.

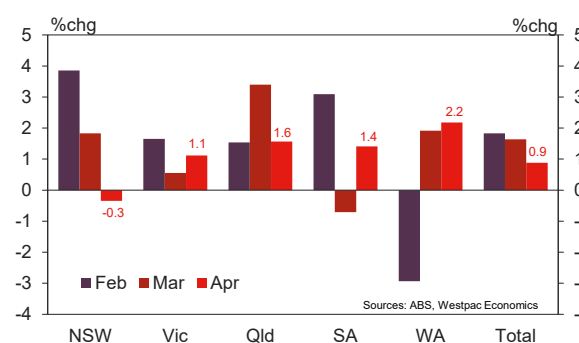
### Monthly retail sales



### Monthly retail sales by store type



### Monthly retail sales by state



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