

11 January 2023

Australian retail sales: pre-Christmas bump Nov sales: +1.4%¹ mth, 7.7%² yr Bumper Black Friday/Cyber-week result & big upward revisions.

- The ABS preliminary retail estimates for November were very strong, sales posting a 1.4% gain in the month and previous estimates revised materially higher. Oct was marked up from -0.2% to +0.4%; and changes to previous months adding a further 0.5ppts to the Oct level. The cumulative result meant sales were up 7.7%² yr compared to what had been shaping as a 5-5.5%² yr annual gain. Revisions followed a review of seasonal adjustment methods that were temporarily suspending during COVID.
- The Nov jump points to a highly successful 'Black Friday' and 'Cyber week' sales period. Indeed, non food retail posted an even bigger 3% gain in the month, with food retail (covering both basic food and cafes & restaurants) about flat. The event also showed through clearly in a massive 13% spike in online sales – the biggest monthly gain outside of the COVID period. In-store sales were about flat.
- By category, clothing and department stores recorded particularly big gains (+6.4% and +5.4% respectively), household goods up 2.1%¹ mth and 'other retail' up 1.1%¹ mth.
- All states recorded strong rises, Vic and WA up 1.7%¹ mth, NSW up 1.5%¹ mth, SA up 1.3%¹ mth and Qld up 1%¹ mth. Note that there may be some quirks here due to the way online sales are attributed to states – for 'pureplay' online retailers this will be on the basis of the where the company's head office is based.
- Small retailers also look to have benefited, sales up 1.7%¹ mth for this segment compared to a 2.1%¹ mth gain for large non-food retailers.
- Other spending indicators and 'partials' have been mixed. Card-related measures were strong through Nov, including our Westpac Card Tracker (an update of which will be out in the next few days) and the ABS [Monthly Household Spending Indicator](#) (a similar system-wide measure, albeit only available in non seasonally adjusted terms). New vehicle sales look to have posted a slight 0.2% for Q4 following a strong 9.5% surge in Q3. Auto fuel sales volumes weakened sharply in the Oct month but have been choppy and are still up 1.6%¹ qtr on a rolling 3mth basis.
- While the back revisions to retail estimates clearly lighten the tone around retail and the wider consumer, a moderation is still apparent prior to the Nov month and much depends to how that most recent month is viewed. The strong Black Friday and Cyber week performance may be partly a pull-forward as consumers concerned about budget pressures have been more active in seeking out bargains. That could in turn see a sharp drop-off, particularly for post-Christmas sales. However, as it stands the moderating effect of interest rate rises on spending now looks to have much milder through the second half of 2022 than previously indicated. Rate rises may be starting to impact but the 'bite' looks to have been very mild so far.

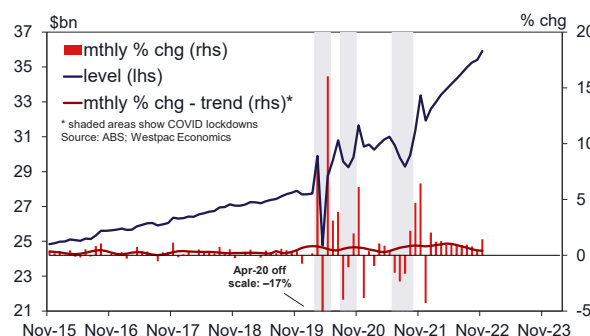
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Retail sales – November 2022

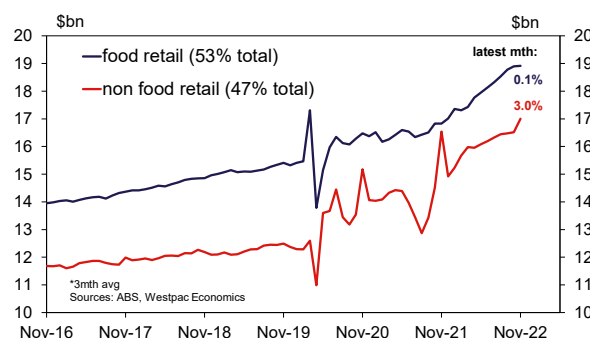
	\$bn	% chg mth		% chg yr	
	Nov-22	Oct-22	Nov-22	Oct-22	Nov-22
sa	35.92	0.4	1.4	13.0	7.7
trend*	35.50	0.4	0.4	10.3	9.8

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

Monthly retail sales

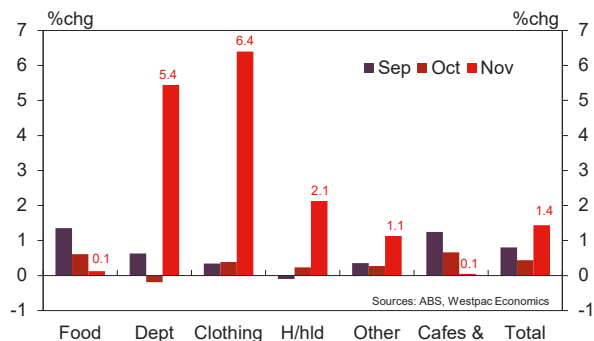


Monthly retail sales: food vs non-food

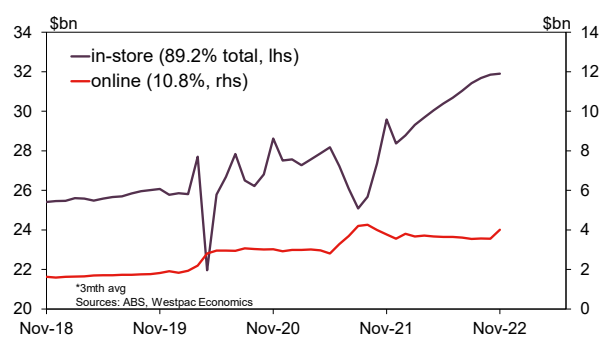


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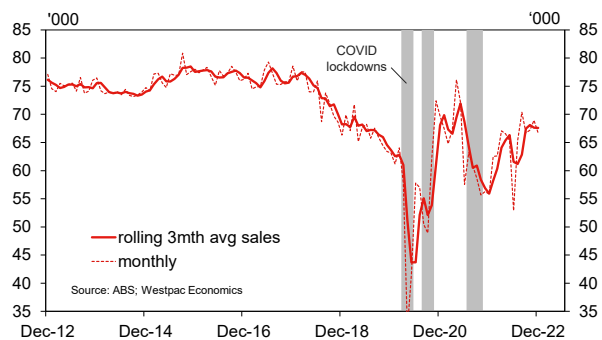
Monthly retail sales by store type



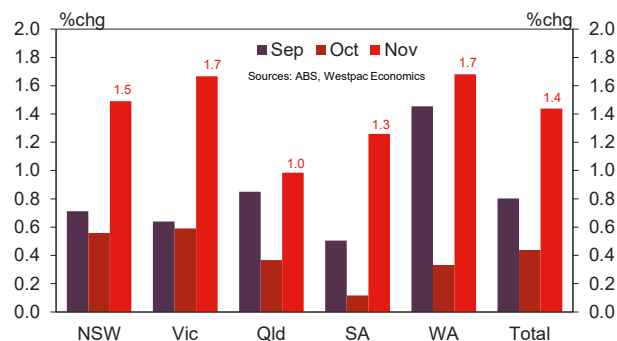
Monthly retail sales by channel



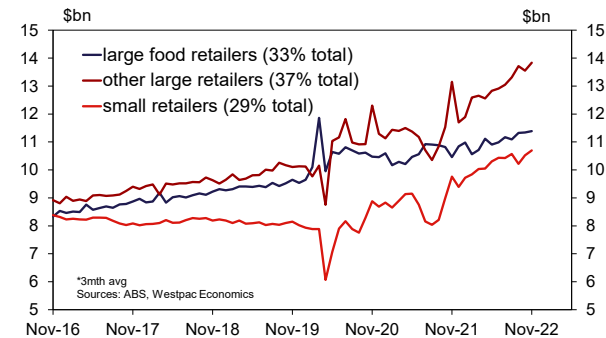
New vehicle sales: passenger & SUVs



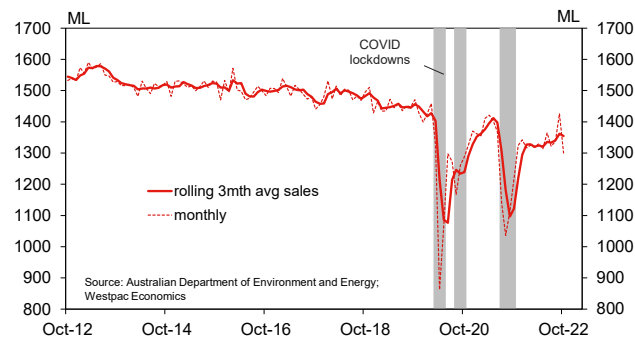
Monthly retail sales by state



Monthly retail sales by size



Auto fuel sales



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