

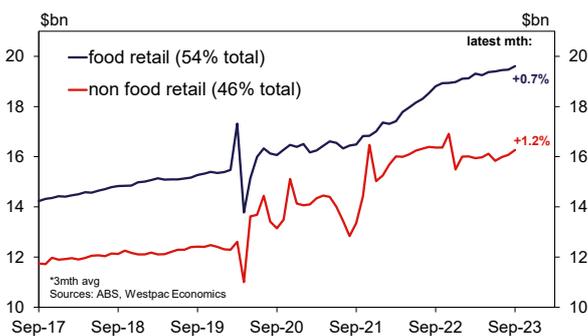
30 October 2023

Australian retail sales jump Sep sales: 0.9% mth, 2.0% yr Lift in nominal sales rounds out a subdued quarter in real terms.

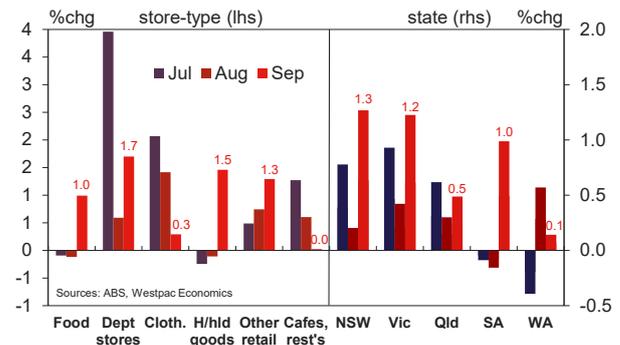
- Retail sales jumped in September, lifting 0.9% to be slightly higher than Westpac's forecast for a 0.7% gain but well above the consensus forecast for a 0.3% increase. This follows gains of 0.3% and 0.6% in August and July respectively, leaving nominal sales up 0.8% on a three-month basis.
- Annual growth in nominal sales growth lifted slightly, from 1.8% yr to 2.0% yr in September, however, this still represents a sizeable decline once the impact of inflation and population growth are accounted for.
- By store-type, September's lift was relatively broad-based. Following two months of modest declines, basic food retailing rose 1.0% in September, although cafes & restaurants held flat in the month. Regarding non-food categories, spending at department stores lifted strongly, up 1.7%, and so too household goods and clothing, up 1.5%, with the ABS noting the release of the latest iPhone model as driving spending in the latter. 'Other' retailing also saw a solid gain of 1.5%, largely as a result of the introduction of 60-day prescriptions and the shift forward of income from PBS medicines.
- By state, NSW (+1.3%) and Vic (+1.2%) outperformed slightly, with SA (+1.0%) not too far behind. The ABS notes that in Qld, Government rebates drove spending in household appliances, although retail turnover was only up +0.5% as a whole in the state. WA meanwhile held nearly flat (+0.1%).
- It looks as though some of September's rise may be transitory, related to policy changes and major product releases. Indeed, our [Westpac Card Tracker](#) (which now has data through to late October) suggests that, while retail card activity is tracking a gradual firming off a weak base, there may be some signs of an underlying softening emerging, as transitory boosts fade.
- The final retail report, due November 3, will also include an estimate of Q3 real retail sales. This looks likely to show a small gain of a 0.2% qtr, but following three consecutive quarters of declines, it will remain negative on an annual basis.

Ryan Wells, Economist

Monthly retail sales: food vs non-food



Monthly retail sales by store type and state

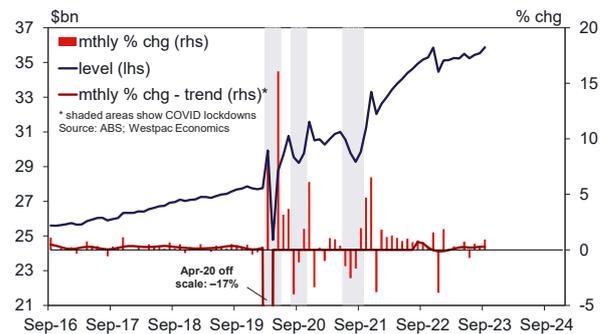


Retail sales – September 2023

	\$bn	% chg mth		% chg yr	
	Sep-23	Aug-23	Sep-23	Aug-23	Sep-23
sa	35.87	0.3	0.9	1.8	2.0
trend	35.68	0.3	0.3	1.8	1.5

Source: ABS, Westpac Economics.

Monthly retail sales



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