

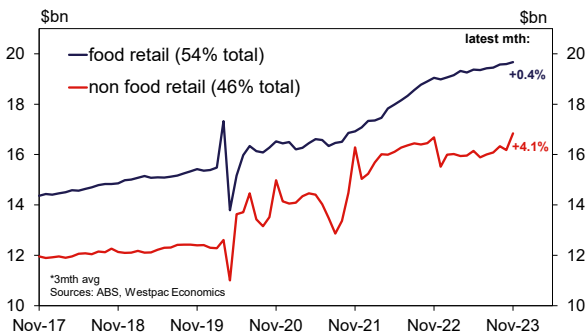
9 January 2024

Australian retail sales bounce Nov sales: 2.0%*mt*, 2.2%*yr* Black Friday sales boost nominal turnover

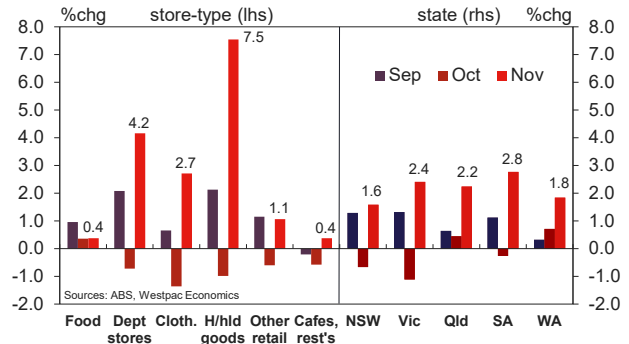
- In November, nominal retail sales lifted 2.0%, above the market's expectation for a 1.2% gain. This result follows a 1.0% increase in September and a -0.4% decline in October, leaving nominal sales up 2.7% over the last three months.
- The outsized November growth implies a strong showing from Black Friday sales. Over recent years, an increasing share of spending in the December quarter has been taking place during these sales. As the resulting shift in spending patterns is captured by seasonal adjustment over time, past November readings have been revised down. While similar revisions can be expected for this month's result in future, the ABS also identified an emerging preference among households to manage cost-of-living pressures by concentrating spending during periods of discounting.
- This year's Black Friday sales were stronger than last year, meaning growth in nominal turnover lifted from 1.2%*yr* to 2.2%*yr*. Despite this, with population growth tracking 2.4%*yr* and retail price inflation running at 3.6%*yr*, that implies severe real per capita declines, in the realm of -3.5% to -4.0%.
- Unsurprisingly, household goods retailing was the front-runner in the month (+7.5%), followed by department stores (+4.2%). This marks a fairly diverse spread of Black Friday performances over the last few years from these store-types - through the pandemic, tightening cycle and cost-of-living crisis. As noted by the ABS, more data will bring greater clarity around how the evolution of households' and retailers' behaviours impact sales during the Black Friday period.
- Growth was broadly based across the states. SA posted the strongest result (+2.8%), with Vic (+2.4%) and Qld (+2.2%) a touch softer, and WA (+1.8%) and NSW (+1.6%) further behind.
- Looking forward, our [Westpac Card Tracker](#) points to a clearer let-down in spending momentum post Black Friday. How far this will translate into softer measured retail turnover is unclear, but it is consistent with a weak consumer sector.

Ryan Wells, Economist

Monthly retail sales: food vs non-food



Monthly retail sales by store type and state

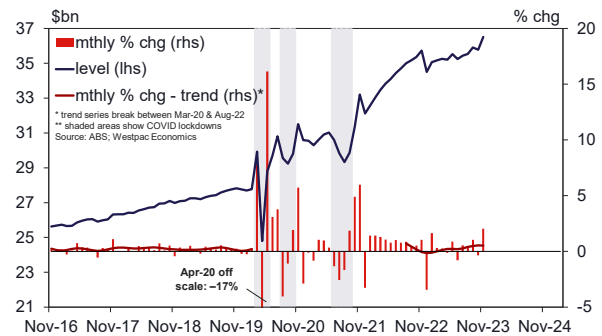


Retail sales - November 2023

	\$bn	% chg mth		% chg yr	
	Nov-23	Oct-23	Nov-23	Oct-23	Nov-23
sa	36.51	-0.4	2.0	1.2	2.2
trend	36.18	0.5	0.5	2.2	2.8

Source: ABS, Westpac Economics.

Monthly retail sales



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