

30 April 2024

Australian retail sales: gloom returns Mar sales: -0.4% mth, +0.8% yr Taylor Swift boost unwinds, revealing continued weakness.

- Retail sales came in weaker than expected for March, recording a 0.4% fall vs consensus expectations of a 0.2% rise and Westpac's forecast of a 0.4% gain.
- The release also saw slight downward revisions to the previous two months. The cumulative effect saw the Q1 nominal gain come in at just 0.2% from what a starting point that was tracking towards something closer to 0.5%. While the full wash-up for the quarter, including Q1 real retail sales, will not be released until May 7, the outcome suggests the quarter will show a similar gain to Q4's 0.3% qtr rise in volumes, perhaps a bit softer.
- Softness was broad-based in the March month, food retailing the only store-type to record a gain (+0.9% mth).
- Clothing recorded a sharp 4.3% mth pull-back, coming off a large 4.9% mth gains in Feb that partly reflected a one-off boost from the Taylor Swift tour. Department stores (-1.6% mth) and household goods retail (-1.4% mth) both recorded sizeable falls as well.
- Some of the softness may be price-related with the Q1 CPI showing clothing and several consumer durables segments recorded outright price declines early in the year.
- By state, NSW (-1.1% mth) and Victoria (-0.8% mth) led the declines, Queensland (+0.4% mth) and WA (+0.6% mth) posting modest rises in the month.
- Overall, this was another soft update indicating the consumer environment remains flat at best. Our recently released [Westpac Card Tracker](#) report suggests April has been on the weak side as well. All of these flat aggregate results imply a continued contraction in per capita terms.

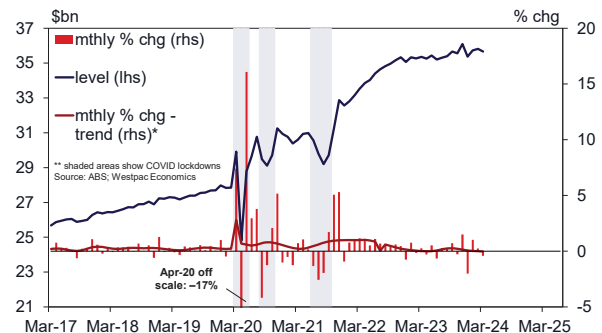
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Retail sales - March 2024

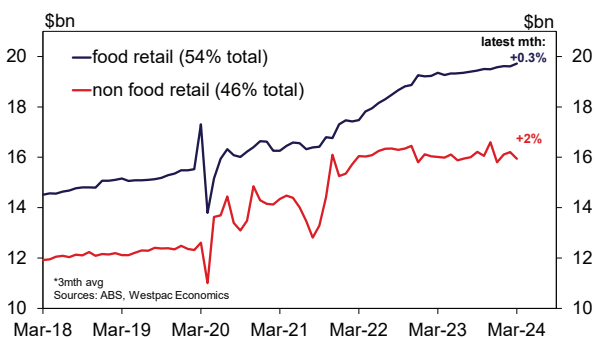
	\$bn		% chg mth		% chg yr
	Mar-24	Feb-24	Mar-24	Feb-24	Mar-24
sa	35.66		0.2	-0.4	1.5
trend	35.71		0.0	0.0	1.1

Source: ABS, Westpac Economics.

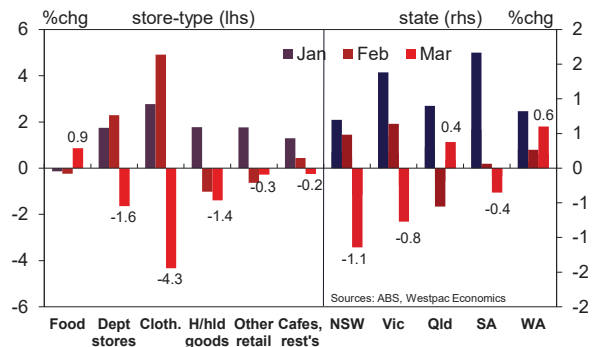
Monthly retail sales



Monthly retail sales: food vs non-food



Monthly retail sales by store type and state



Past performance is not a reliable indicator of future performance. The forecasts given above are predictive in character. Whilst every effort has been taken to ensure that the assumptions on which the forecasts are based are reasonable, the forecasts may be affected by incorrect assumptions or by known or unknown risks and uncertainties. The results ultimately achieved may differ substantially from these forecasts.