

3 July 2024

## Australian retail sales: a slightly better month

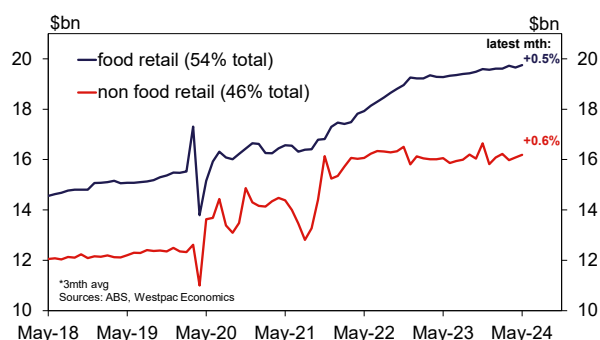
### May sales: 0.6%<sup>mth</sup>, 1.7%<sup>yr</sup>

### Underlying trends still looking weak.

- Retail sales rose 0.6% in May, coming in better than the consensus and Westpac forecast of a 0.3% gain. While that marks the best gain since the start of the year, the picture is still subdued with nominal sales tracking a 0.4% for the June quarter and the underlying trend looking about flat. Annual sales growth lifted to 1.7%<sup>yr</sup>, also the strongest pace for the year but again implying a marked 2.5-3% contraction in real, per capita terms.
- By store-type, the May month saw a robust gain for basic food (+0.7%), and a lift in both clothing (+1.6%) and household goods (+1.1%). This was partially offset by a 0.9%<sup>mth</sup> fall for department stores. Cafes & restaurants continued to see flat sales. Note that some of these monthly shifts may be price-related rather than volume-driven.
- By state, there were relatively strong gains for Vic (+1.2%<sup>mth</sup> after two weak month) and WA (+1.3%<sup>mth</sup> extending a more positive run), with Qld (+0.5%<sup>mth</sup>) more in line with the national result and a softer performance in NSW and SA (both dipping 0.1%<sup>mth</sup>).
- Other monthly data released over the last few weeks also point a soft June quarter for the consumer. Motor vehicle sales fell away quite sharply into year-end, and look to have been about flat for the quarter as a whole. Auto fuel consumption also softened through March-April, tracking about flat for the quarter. This and the retail data are broadly consistent with the picture from our [Westpac Card Tracker](#) which also softened towards the end of the June quarter.
- All up, despite a slightly better tone, the May retail results still point to a consumer under intense pressure, strong population growth doing a lot to cushion the hit to retailers. The July tax cuts should see some reprieve as we move into the second half of the year, although exactly how much rests heavily on how much of this consumers choose to save rather than spend.

**Matthew Hassan, Senior Economist**  
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### Monthly retail sales: food vs non-food

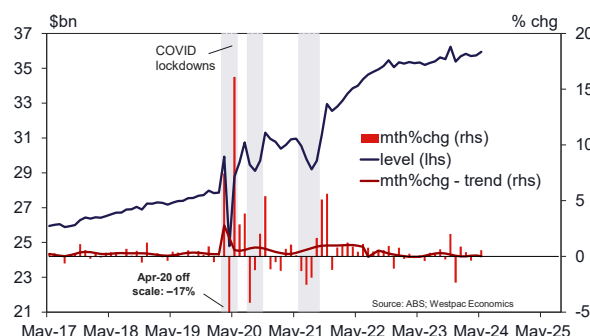


### Retail sales – May 2024

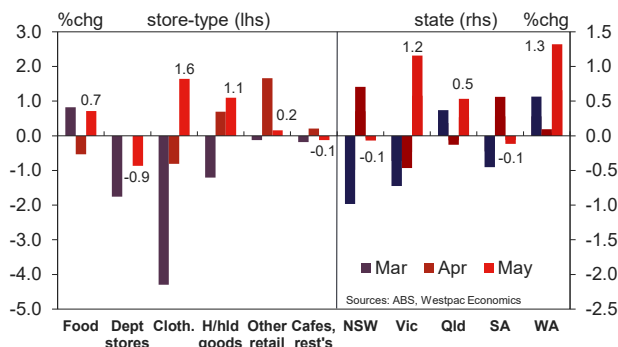
	\$bn	% chg mth		% chg yr	
	May-24	Apr-24	May-24	Apr-24	May-24
sa	35.94	0.1	0.6	1.2	1.7
trend	35.80	0.1	0.0	1.4	1.5

Source: ABS, Westpac Economics

### Monthly retail sales



### Monthly retail sales by store type and state



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