



25 NOVEMBER 2024

WESTPAC-DATAX CARD TRACKER

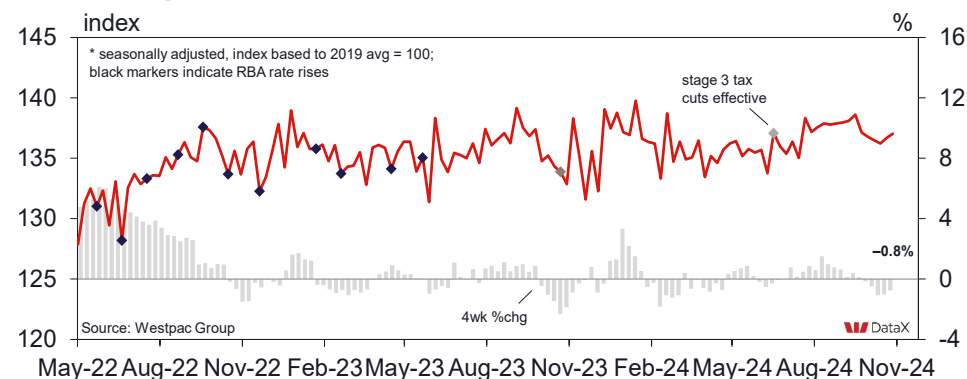
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Card activity lifts slightly but momentum remains unconvincing

- The **Westpac Card Tracker Index*** saw a modest improvement over the last fortnight, rising +0.8pts to 137 for the week ended November 16. This keeps the Index broadly aligned with October levels, but slightly below the Q3 print.
- Despite the modest lift, the quarterly growth pulse has eased back to +0.9%qtr, down from +1.1%qtr recorded two weeks ago, which was tracking in line with the Q3 pace. That reflects a pull-back through most of October, with monthly growth momentum still tracking in the -0.4-0.8% range.
- The category breakdown shows spending on discretionary goods, particularly housing-related goods, gathering momentum over recent months. In contrast, discretionary services has been losing steam; a further moderation expected given the negative monthly growth pulse recorded across all of the detailed sub-categories.
- After leading the states since mid-September, spending has fallen off in NSW and Vic, now growing at the second weakest and weakest quarterly pace respectively. WA now leads the group, with spending-related card activity growing at +1.1%qtr.
- Black Friday sales – traditionally a four day event starting on the final Friday of November – look to have kicked off early this year with a positive impact on card activity already evident. Card activity across retail segments rose +1.9% over the last fortnight, with notable gains across clothing, department and discount stores (all up by over +7%, over and above usual seasonal variations). As the first major sales event post-tax cuts, we will be closely monitoring the extent of this year's rise but also how steeply activity drops off post-sales.
- The coming fortnight will see the release of retail trade (December 2) and the monthly household spending indicator (December 5) for October, our first insights, from the ABS, into how Q4 is tracking. In addition, the Q3 national accounts, due December 4, will shed further light on how consumers are responding post-tax cuts.

**“Black Friday sales ...
look to have kicked off
early this year ...”**

1. Westpac Card Tracker Index*



* see p9 or more details on the Index construction.

The **Westpac Card Tracker** presents indicators based on the millions of credit and debit card transactions processed by Westpac every day. The measures are a timely guide to shifts in spending. See p9 for a detailed explanation.

This report is produced by Westpac Economics.

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This issue was finalised on 25 November 2024.

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Quarterly growth slows again heading into Q4

- Card activity lost further traction through to mid-November. The quarterly pulse eased to +0.9%qtr to 16 November, down from +1.1%qtr recorded two weeks ago.
- The last few years has seen card activity soften in Q4s (over and above usual seasonal patterns). Since 2019, the quarterly pace has moderated in Q4 every year except 2021, which was heavily impacted by COVID (November 2021 saw the return of overseas travel for fully-vaccinated Australians and a surge in travel spending). It is plausible that some of this Q4 softness reflects a changing seasonal pattern, which may see estimates revised if/when this new pattern is confirmed.
- Chart 3 shows the **Westpac Card Tracker's** quarterly growth pace alongside the ABS monthly household spending indicator and monthly business turnover measures. Both indicators showed subdued results for Q3. The upcoming national accounts data, due December 4, will give the definitive official measure and deeper insights into household consumption for Q3.
- Notably, the ABS indicators have shown a similar weakening pattern in Q4 over the last few years (except in 2021). The October print of the household spending indicator is due December 5, with the business turnover indicator following on December 10.

qtrly%ch	Q1	Q2	Q3	latest
Westpac Card Tracker*	1.2	-0.4	1.1	0.9
Other indicators (nominal)				
Household spending*	1.1	0.3	0.2	n.a.
Turnover*	1.1	1.6	-1.1	n.a.
Consumer spending (qtrly)#				
Nominal	1.5	0.1	n.a.	n.a.
Real	0.7	-0.3	n.a.	n.a.

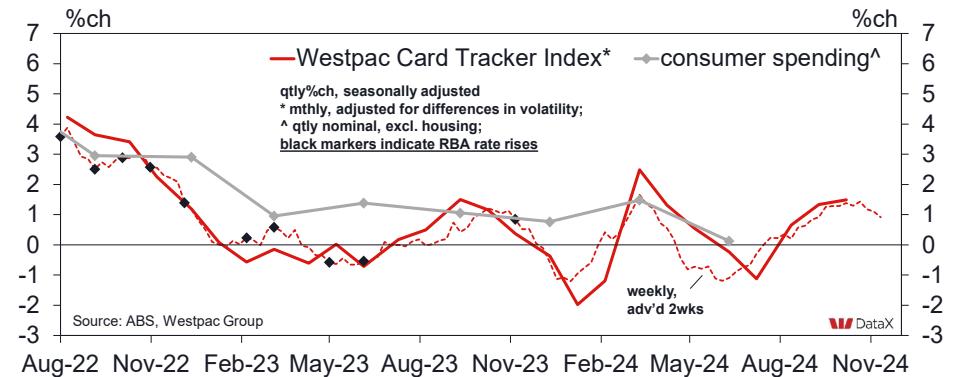
All series are seasonally adjusted, latest is latest weekly obs (12wks %ch on previous 12wks) or latest monthly obs (3mths %ch on previous 3mths). See p9 for more details.

*ABS experimental measures. Household spending indicator based on bank transaction data (seasonally adjusted by Westpac). Turnover based on BAS returns for consumer-sector businesses.

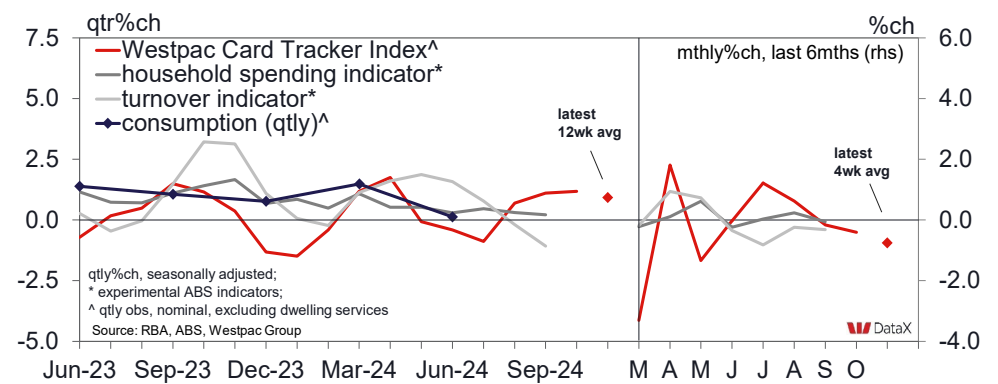
#Consumer spending excludes housing costs.

Sources: ABS, Westpac Group

2. Card activity and spending: growth momentum



3. Consumer spending: selected indicators



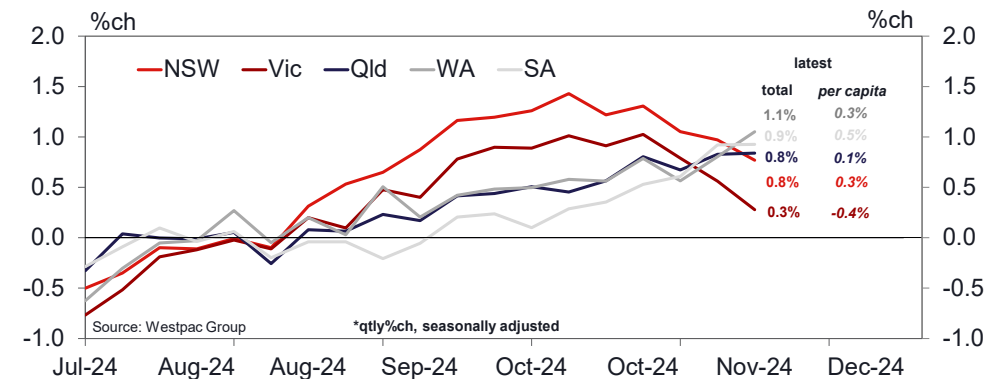
WA and SA outperform the eastern states

- After months of acceleration, card activity in WA and SA is now growing faster than in the big eastern states.
- The latest read shows card activity growing at +1.1%qtr in WA and +0.9%qtr in SA, the strongest respective paces since July.
- In contrast, spending momentum in NSW eased to +0.8%qtr, while Vic saw a sharp slowdown from +0.6%qtr two weeks ago to +0.3%qtr in the most recent read. After accounting for population growth, the per capita growth rate in Vic has dipped into outright negative. Momentum in card activity in Qld has been steadier but still subdued, holding +0.8%qtr.
- By category, the pace of growth continues to slow for discretionary services, most recently printing at +2.0%qtr, down from a peak of +3.5%qtr a month ago. Much of this relates to travel-related spend. Meanwhile, spending on essentials declined further, essential services falling -0.8%qtr, and essential goods down -0.6%qtr (partly on lower fuel prices).
- Spending on discretionary goods has been an exception with card activity in this segment picking up pace in recent months, largely driven by increased spending on housing-related goods.
- The detail shows negative monthly growth pulses for all 12 sub-categories, excluding food and housing-related.

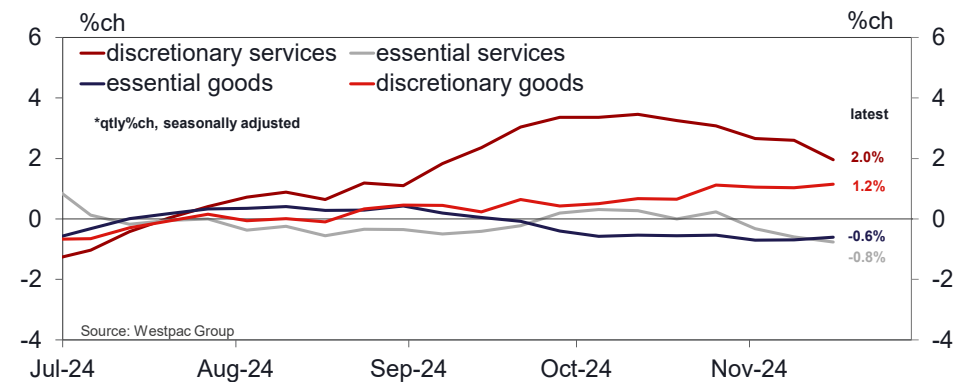
	Aug	Sep	Oct	16/11
Westpac Card Tracker	137.8	137.5	137.0	137.0
By category				
– discretionary	137.4	137.8	137.7	137.4
– essential	135.1	133.8	133.5	133.2
By state				
– NSW	131.7	131.5	131.1	130.5
– Vic	134.0	132.8	132.4	130.8
– Qld	148.7	148.8	148.6	149.3
– WA	147.4	148.3	148.1	148.4
– SA	145.0	145.2	145.6	144.8

All indexes based on the value of spending-related transactions, seasonally adjusted, 2019 avg=100, see p9 for more details including classifications.
Sources: ABS, Westpac Group

4. Card activity: states



5. Card activity: major categories



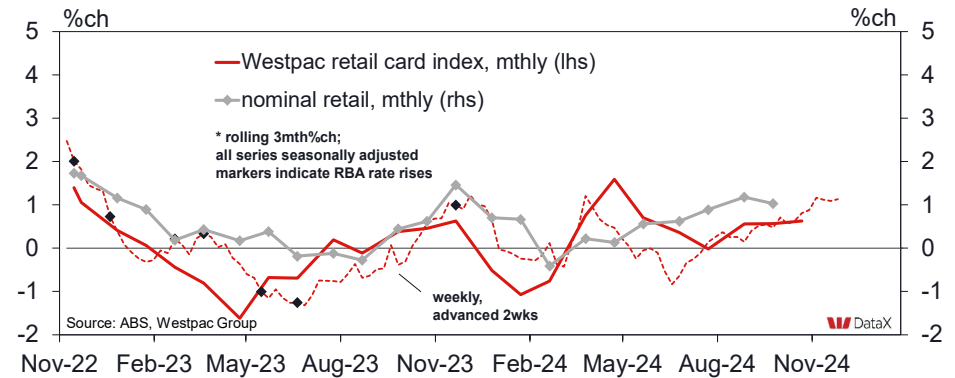
Retail spending surpasses non-retail

- Our 'retail' measure covers a narrower subset of card activity that aligns more closely to the ABS retail survey. After several months of building momentum, retail card activity is now outpacing the non-retail segment. With a quarterly growth pulse of +1.1%qtr, this marks the first time the retail segment has exceeded the non-retail segment since early-August. However, the print remains below its series average of 1.6%qtr.
- The details reveal hospitality retail is growing at an elevated and stable rate of +2.2%qtr. Non-food retail is also holding steady at around +1.2%qtr, while the large basic food retail segment has gathered speed, tracking at 0.3%qtr.
- In our last update, we anticipated that retail card activity would pick-up with the Black Friday sales event from November 29. Much like this year's End of Financial Year Sales, some retailers have launched their Black Friday promotions early. This already looks to be flowing through to increased card activity in 'retail' segments which is up +1.9% over the last fortnight (compared to a 0.6% increase in wider card activity).
- Notably, discount stores, department stores and clothing stores experienced significant growth, rising 11%, 8.2% and 7.2% respectively over the last two weeks. Our next update will cover data up to November 30.

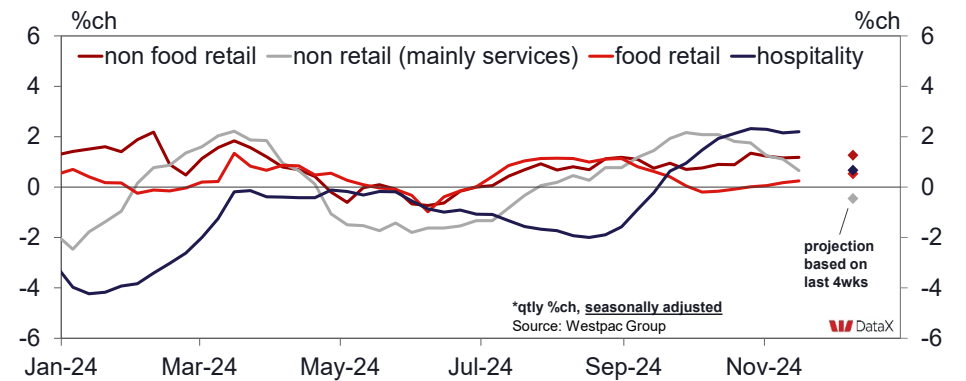
	Aug	Sep	Oct	16/11
By retail/non retail				
Retail card index	142.8	142.9	143.1	144.5
– qtly%ch	0.6	0.6	0.6	1.1
– qtly, ann%ch	1.1	1.2	1.1	1.4
Non-retail card index	132.1	131.6	130.2	129.2
ABS retail sales				
– %ch	0.7	0.1	n.a.	n.a.
– ann%ch	3.1	2.3	n.a.	n.a.
– qtly%ch	1.2	1.0	n.a.	n.a.
– qtly ann%ch	2.8	2.6	n.a.	n.a.

All indexes based on the value of spending-related transactions, seasonally adjusted. 2019 avg=100, see p9 for more details.
Sources: ABS, Westpac Group

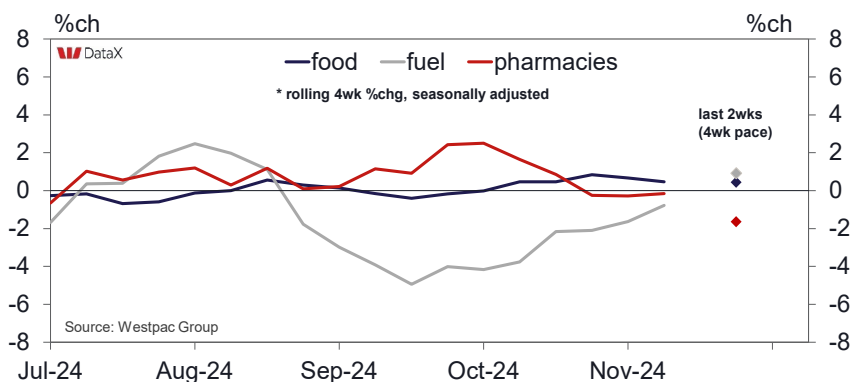
6. Card activity: retail



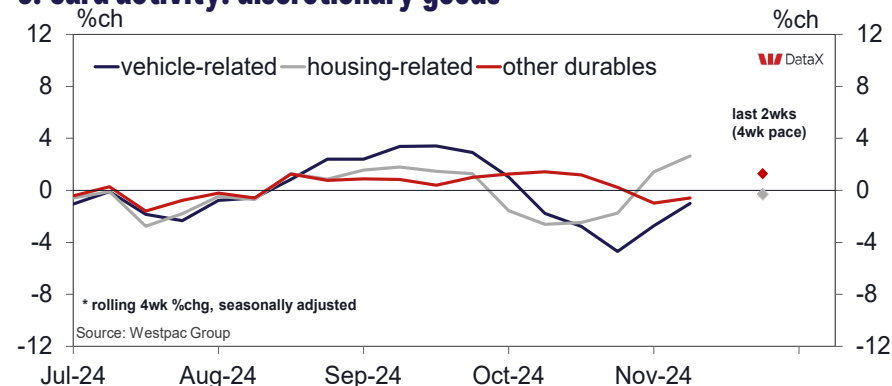
7. Card activity: broad retail and non-retail groups



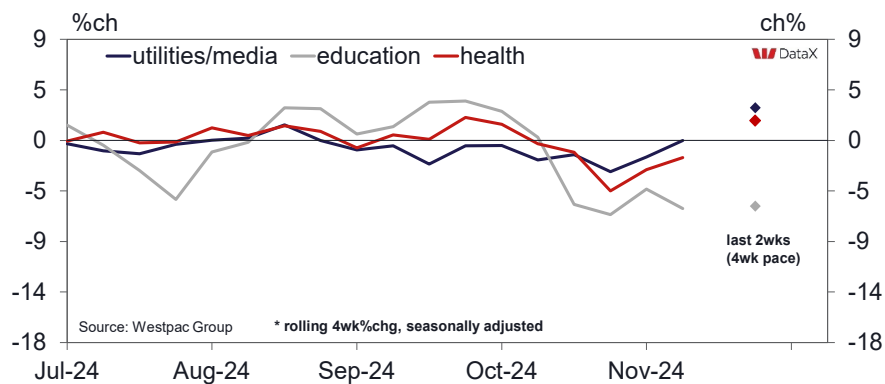
8. Card activity: essential goods



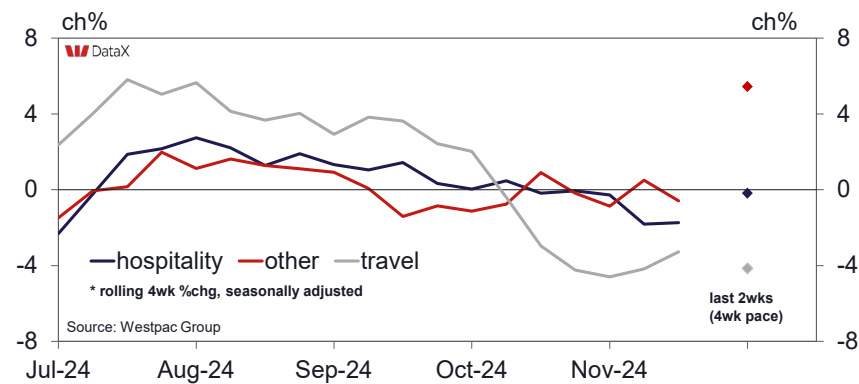
9. Card activity: discretionary goods



10. Card activity: essential services

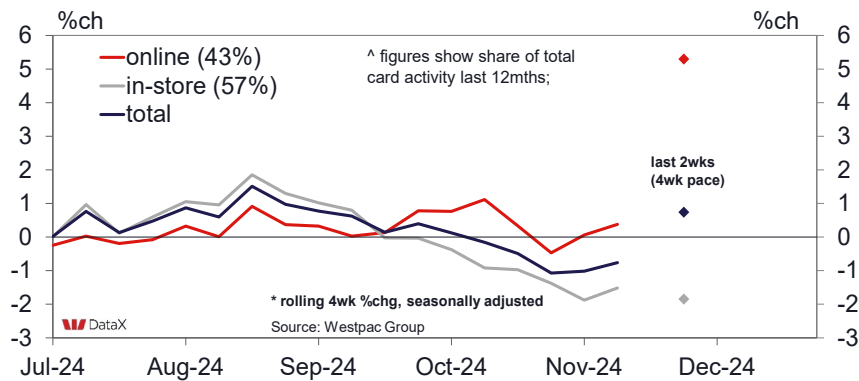


11. Card activity: discretionary services

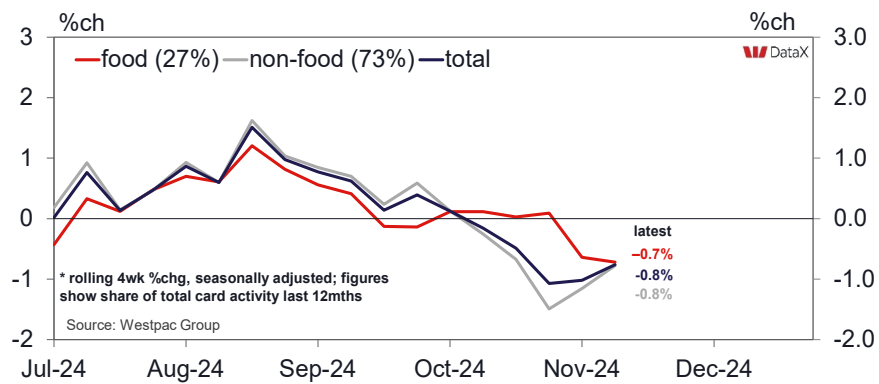


Past performance is not a reliable indicator of future performance. The forecasts given above are predictive in character. Whilst every effort has been taken to ensure that the assumptions on which the forecasts are based are reasonable, the forecasts may be affected by incorrect assumptions or by known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

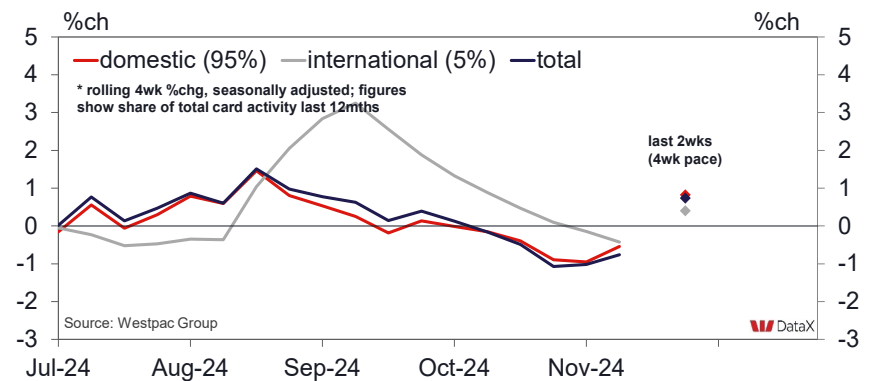
12. Card activity: online and in-store



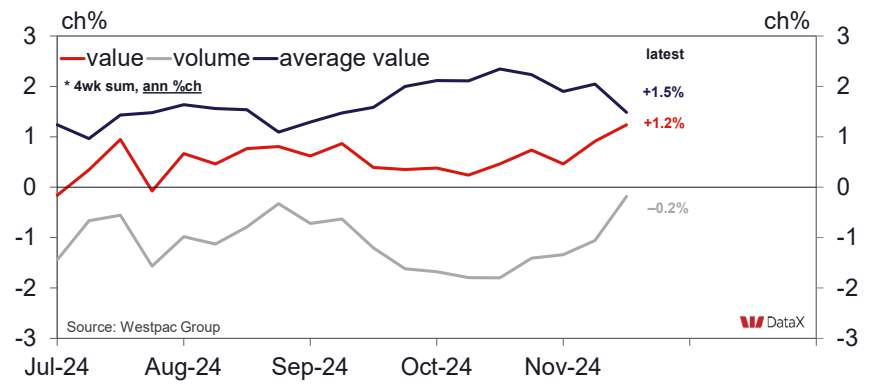
14. Card activity: food and non-food



13. Card activity: domestic and international



15. Card activity: value and volume



	2022	2023	2024				week ending:								
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Aug	Sep	Oct	26/10	2/11	9/11	16/11
Westpac Card Tracker Index	135.8	135.6	134.7	136.7	134.9	136.5	135.9	137.4	137.8	137.5	137.0	136.5	136.2	136.7	137.0
qtly%ch	1.2	-0.1	-0.7	1.5	-1.3	1.2	-0.4	1.1	0.7	1.1	1.2	1.4	1.2	1.1	0.9
qtly, ann%ch	14.0	10.6	4.0	1.8	-0.7	0.6	0.9	0.5	0.6	0.5	0.5	0.8	0.7	0.9	1.0
By category															
– discretionary	137.1	136.5	135.2	136.8	134.6	136.0	135.1	137.2	137.4	137.8	137.7	136.9	136.3	136.9	137.4
– essential	132.2	132.5	132.2	133.3	133.1	135.4	135.6	134.4	135.1	133.8	133.5	133.0	133.2	133.9	133.2
services	128.4	130.6	132.6	134.1	129.6	133.0	131.8	134.8	132.7	134.7	133.7	133.1	132.1	134.8	131.6
– discretionary services	133.1	131.7	132.4	135.0	130.9	132.9	131.0	134.3	134.8	134.8	134.6	133.4	133.0	135.4	132.2
– essential services	123.7	126.0	127.3	129.8	129.0	131.7	134.8	134.6	135.2	134.5	130.9	132.0	129.4	133.0	129.9
goods	139.7	138.0	137.1	137.2	137.2	137.8	138.3	137.9	138.0	137.9	137.6	137.6	137.9	136.7	139.6
– discretionary goods	142.4	139.9	139.0	138.6	138.7	138.5	140.0	140.5	140.1	141.0	140.9	140.8	140.1	138.7	143.4
– essential goods	136.7	135.1	134.9	135.1	135.2	136.8	136.2	134.4	135.2	133.7	133.9	133.5	135.1	134.3	134.7
retail*	142.7	141.5	140.5	141.1	140.4	141.4	141.9	142.7	142.8	142.9	143.1	142.6	143.2	141.7	144.5
qtly%ch	0.4	-0.8	-0.7	0.4	-0.5	0.8	0.4	0.6	0.6	0.6	0.6	1.2	1.1	1.1	1.1
qtly, ann%ch	9.0	6.2	2.0	-0.7	-1.6	-0.1	1.0	1.2	1.1	1.2	1.1	1.3	1.2	1.2	1.4
By state															
– NSW	132.0	131.5	130.0	130.5	129.7	131.5	130.7	131.4	131.7	131.5	131.1	129.6	129.5	130.2	130.5
– Vic	136.1	135.4	133.9	135.1	133.0	134.1	132.7	133.3	134.0	132.8	132.4	132.5	131.3	130.7	130.8
– Qld	143.7	144.4	144.5	145.9	145.3	147.3	147.4	148.4	148.7	148.8	148.6	146.7	146.8	147.9	149.3
– WA	140.5	141.8	141.6	142.8	144.7	146.2	146.2	147.5	147.4	148.3	148.1	144.7	148.1	148.1	148.4
– SA	142.5	142.1	141.3	143.0	143.5	144.0	144.6	144.8	145.0	145.2	145.6	142.7	145.0	144.4	144.8

All indexes based on the value of spending-related transactions, seasonally adjusted by Westpac, 2019 avg=100. See p9 for more details.

*composite based on transactions in retail categories; seasonal adjustment and rounding may result in small revisions to previously published estimates.

Sources: ABS, Westpac Group

About the Westpac card data indicators

The indicators presented in this report are based on the millions of credit and debit card transactions processed by Westpac every day. Transactions covering over ten million merchants are classified into over 700 categories. These are in turn grouped into higher level aggregates that provide a timely guide to wider economic trends.

The main focus of these indicators is consumer spending. Where possible, we have sought to exclude 'non spending' transactions such as: money transfers; tax payments; loan repayments; charitable donations; and superannuation contributions.

It should also be noted that these indicators will also be affected by shifts between card and non card transactions. This may be a significant factor during the COVID-19 pandemic – health concerns about the use of physical cash are likely seeing higher use of cards, particularly where contact-less transactions are available. Transaction flows also include reversals/refunds which have been a significant phenomenon in areas such as travel.

All transaction data is compiled at a highly aggregated level so that individual customer or merchant data is never revealed.

Index construction

The key metrics used in this report are indexes of spending-related card activity where the base of 100 is average activity in 2019. As an example, if transaction flows are 5% above their average level in 2019, the index read for the period is 105. If flows in a subsequent period are 8% above the average level in 2019, the index read for this period is 108. Growth between the two periods can be calculated simply as the change between the two index reads, i.e. 2.9%.

All measures are adjusted for regular seasonality. Weekly estimates are generated using the US Bureau of Labor's MoveReg weekly seasonal adjustment program. Note that in some cases, high levels of volatility during the COVID period mean it is not possible to produce seasonally adjusted estimates for some historical periods.

Also, note that previous versions of this report used different approaches to seasonal adjustment and measurement more generally. This means Index reads will not be comparable. See the 'About the Westpac card data indicators' sections from earlier reports to view detail.

Classifications

Note that the measures and classifications used for card data and this report do not align completely with those used in official ABS statistics on retail sales and consumer spending. There are a range of differences including around both coverage and classification. As such, the card data should be treated as broadly indicative.

The transaction data is grouped into 29 categories that are then combined into four main as follows:

Discretionary goods: durable goods, clothing and vehicle-related.

Discretionary services: recreation, gambling, professional services, hotels, restaurants and cafes, airlines, car rental, travel agencies and transport.

Essential goods: food, fuel and pharmacies.

Essential services: utilities, education and healthcare.

The report also uses two additional classifications:

Retail/non retail: based on the extent to which categories cover sales that are in scope for the ABS retail survey.

COVID group: based on a classification Westpac developed to assess the impact of the Coronavirus (see here for more). 'Most exposed' is travel, tourism, hospitality and recreational services; 'big ticket' is vehicles and major household items; 'stock-piling' is food, pharmaceuticals and healthcare; 'residual' is all other categories combined.



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