



5 DECEMBER 2024

WESTPAC-DATAx CARD TRACKER

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Card activity growth still subdued despite strong Black Friday turnout

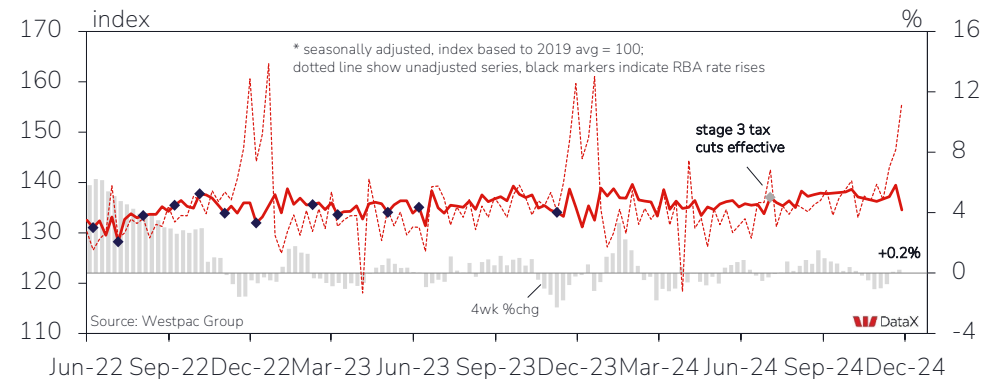
- The **Westpac Card Tracker Index*** saw a sharp fall over the two weeks to November 30, declining -2.6pts to 134.6. This is despite what looks to have been a relatively strong initial turnout for Black Friday sales this year. High seasonal volatility and changing spending patterns mean the latest weekly reads should be treated with more caution than usual. That said, even if the latest weekly fall is overstated, the underlying quarterly and monthly growth pulses remain relatively subdued.
- The quarterly growth pulse eased further to +0.6%qtr, down from +1.2%qtr recorded four weeks ago. Momentum has slowed back to the sluggish pace seen in late-August.
- It should be noted that this year's Black Friday events occurred a little later in the month, falling in the last week of November. Many retailers also launched their sales pushes quite early, reflecting the increasing popularity of Black Friday events in Australia.
- These shifts are altering seasonal patterns and complicating seasonal adjustments, making it harder to interpret underlying trends. We will need additional weeks of data to get a proper

read, but so far there is little evidence that Black Friday is boosting quarterly or monthly card momentum.

- Looking at non-seasonally adjusted results, discretionary goods card activity during Black Friday week was up solidly, 10.5% vs last year compared to a 0.6% rise last year. This result is even more encouraging when adjusted for inflation and population growth, indicating positive real and real per capita growth - the first such outcome in three years.
- Other details provide further colour on the underlying quarterly pulse. Recent spending growth appears largely driven by durables, which includes clothing, housing-related goods and department stores. By state, NSW and Vic have shown weaker contributions to overall growth, with Vic even detracting from the latest result. In contrast, Qld and the rest of Australia, led by WA, have seen their share grow.

“... strong initial turnout for Black Friday sales ... [but] underlying ... growth pulses remain relatively subdued.”

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.

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 This issue was finalised on 5 December 2024.

If you would like more insights into your sector or your own business from this and other Westpac data please visit [Westpac DataX](https://www.westpac.com.au/datax) or contact datax@westpac.com.au.

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Quarterly growth remains subdued

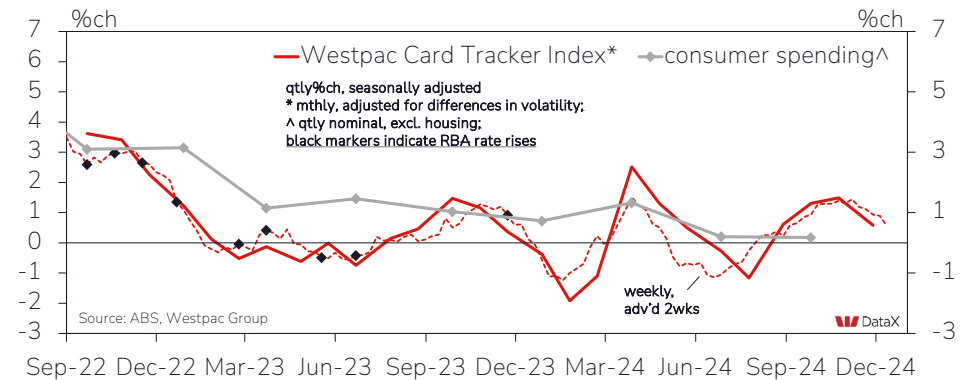
- Card activity (seasonally adjusted) lost further ground through to end-November. The quarterly pulse eased to +0.6%qtr by end-November, down from +0.9%qtr two weeks ago and +1.2%qtr four weeks ago.
- As noted above this slowdown may partly reflect shifting seasonal patterns of sales events. To gauge the underlying quarterly momentum we will need to see how much activity falls back after Black Friday, and potentially wait until Boxing Day sales have passed.
- Chart 3 shows the **Westpac Card Tracker's** quarterly growth pace alongside consumption data from the ABS.
- Household consumption (excluding dwelling services) was weak in Q3, with nominal growth of 0.2%qtr in Q3 - the same as Q2 - and -0.1%qtr in real, inflation adjusted terms. The latter was a slight improvement on Q2 but still disappointing given the stage 3 tax cuts. The national accounts show the boost to income was largely saved in the quarter, reflected in the rise of the household savings ratio to 3.2% in Q3 (see [here](#) for more).
- The October print of the household spending indicator is due as we go to press - we are expecting a -0.1% mth decline. The business turnover indicator will follow on December 10.

qtrly%ch	Q1	Q2	Q3	latest
Westpac Card Tracker*	1.2	-0.5	1.1	0.6
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	1.3	0.2	0.2	n.a.
Real	0.7	-0.5	-0.1	n.a.

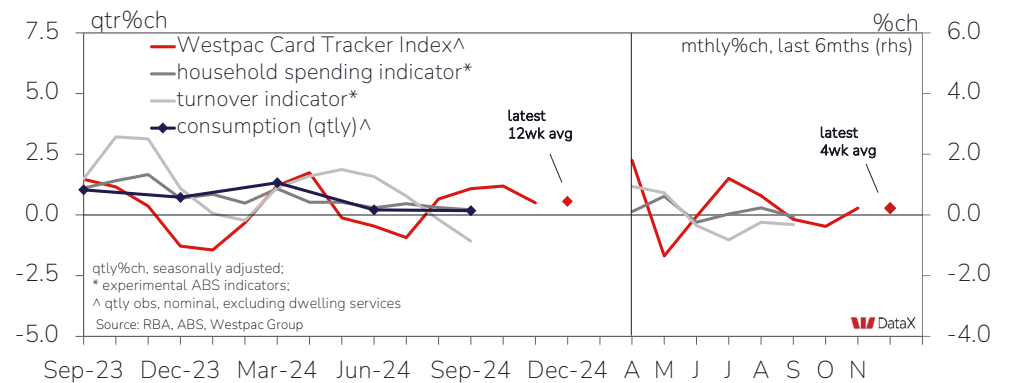
All series are seasonally adjusted, latest is latest weekly obs (12wks %ch on previous 12wks) or latest monthly obs (3mths %ch on previous 3mths). See p9 for more details.
 *ABS experimental measures. Household spending indicator based on bank transaction data (seasonally adjusted by Westpac). Turnover 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



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Durables and Qld support quarterly pulse

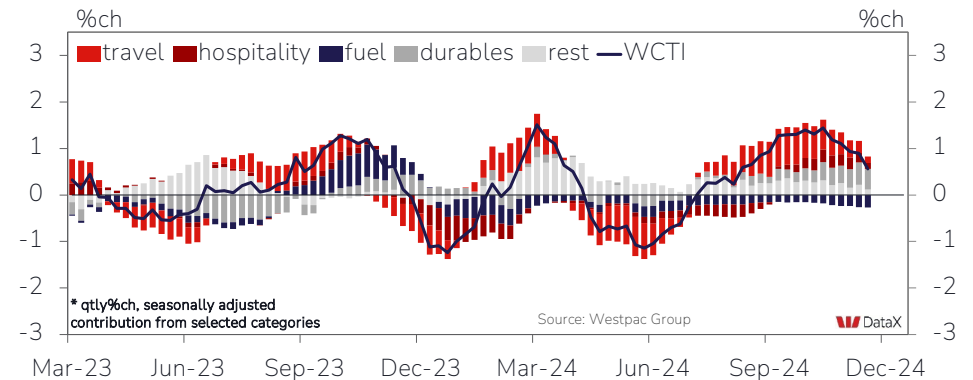
- Charts 4 and 5 respectively illustrate the category and state contributions the quarterly pulse.
- By category, much of the slowdown in momentum is attributed to weaker spending on travel, which contributed just +0.14ppt.
- The contribution from durables has seen a substantial rise. The positive contribution from durables appears to have began when stage 3 tax cuts were introduced, but has only picked-up significantly over the last 1.5 months. Most recently durables contributed +0.44ppt, or around 80% to the overall growth pulse.
- Hospitality and rest are contributing

- around 20% to overall growth, while fuel has continued to detract since last December.
- By state, NSW contributed just +0.13ppt, while Vic detracted -0.06ppt, marking their smallest contributions since late-July/early-August. Both states have seen their share decline since mid-October.
- In contrast, Qld (+0.13ppt) and rest of Australia (0.36ppt), especially WA, are contributing a larger share to overall growth. Qld, in particular, has seen its contribution nearly triple over the past month.

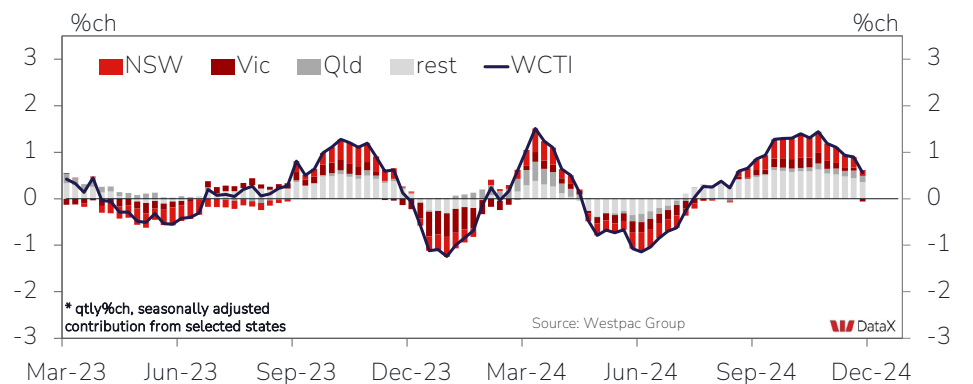
	Sep	Oct	Nov	30/11
Westpac Card Tracker	137.5	137.0	137.3	134.6
By category				
– discretionary	137.8	137.7	137.8	133.8
– essential	133.7	133.4	133.5	133.0
By state				
– NSW	131.5	131.1	131.6	128.2
– Vic	132.9	132.5	132.8	127.5
– Qld	149.0	148.8	150.2	145.2
– WA	148.5	148.3	149.2	145.0
– SA	145.3	145.7	147.0	144.3

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: major categories



5. Card activity: states



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Retail spending boosted by non-food segments

- Our 'retail' measure covers a narrower subset of card activity that aligns more closely to the ABS retail survey.
- After gaining momentum through mid-November, retail card activity ended the month where it started. Growth momentum presents mixed signals: it slowed on a quarterly basis in the November month but surged in the final weeks, partly from Black Friday.
- The details reveal a slowdown in hospitality retail, now growing at +1.0%qtr, down from 2.0%qtr two weeks ago.
- Meanwhile non-food retail grew at a solid 1.5%qtr pace, broadly holding this

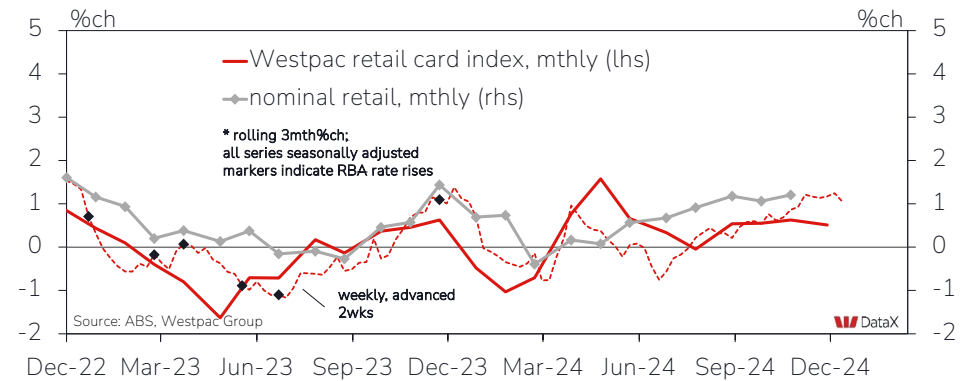
pace over the past 5 weeks and well-above its post-pandemic average. This result may partly be explained by a shift in consumer spending by from hospitality services to non-food retail segments which are typically geared for Black Friday discounting. The large basic food retail segment also gained momentum, tracking at 0.5%qtr.

- The ABS October retail trade figure came in slightly stronger than expected, at 0.6%*mth*, confirming a solid start to Q4 (see [here](#) for more). Growth was observed across most industries with the ABS noting that some retailers began early discounting. However, clothing and department stores recorded declines.

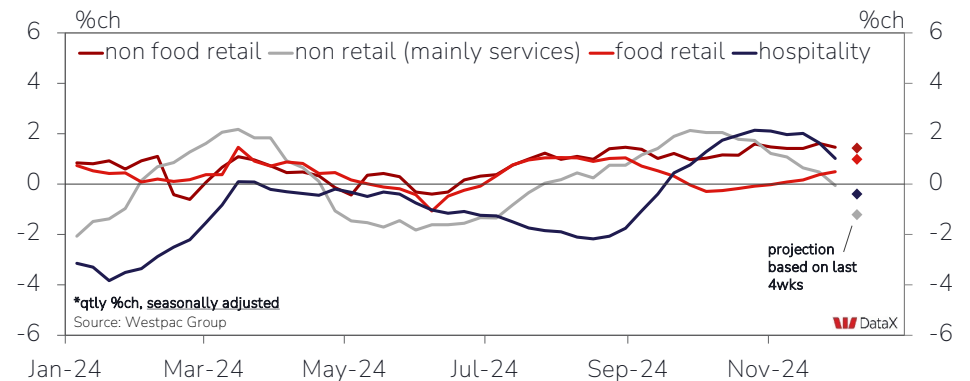
	Sep	Oct	Nov	30/11
By retail/non retail				
Retail card index	142.9	143.1	143.1	141.0
- q ^{tly} %ch	0.6	0.6	0.5	1.1
- q ^{tly} , ann%ch	1.2	1.1	1.0	1.0
Non-retail card index	131.6	130.2	130.9	127.9
ABS retail sales				
- %ch	0.1	0.6	n.a.	n.a.
- ann%ch	2.4	3.4	n.a.	n.a.
- q ^{tly} %ch	1.1	1.2	n.a.	n.a.
- q ^{tly} ann%ch	2.6	3.0	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



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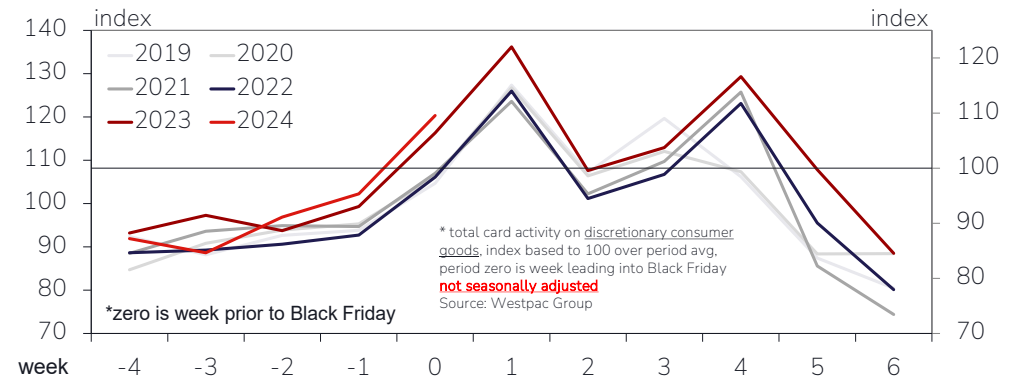
Strong Black Friday showing

- Last week's 'Black Friday' sales marked the unofficial start of the pre-Christmas sales period, which typically peaks in the weeks that follow and concludes with the Boxing Day. This period is very lucrative for retailers, accounting for around 20-25% of annual non-food retail sales. Profit-wise, the December quarter usually accounts for over 35% of the retail industry's yearly earning.
- Chart 8 shows how 'discretionary goods' card activity has tracked compared to previous years (in non-seasonally adjusted terms). Activity posted a strong 17.7% increase during the Black Friday week this year, which is broadly in line with last year's result of 17.1% and a touch stronger than the 11.3% to 14.5% range seen from 2019 to 2022.
- Historical trends suggest a slight dip in activity over the coming weeks, before a rebound heading into Christmas week and Boxing Day. However given the strong start to Black Friday sales this year, and their increasing prominence among both Australian consumers and retailers, the Boxing Day spike could be less pronounced this year.
- Chart 9 compares Black Friday discretionary goods card activity with

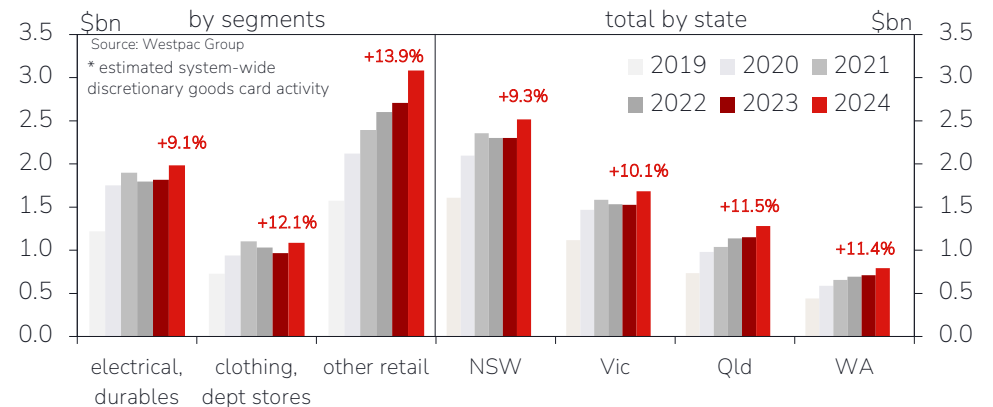
previous years for selected segments and by state (again, in non-seasonally adjusted terms). Nationally, activity is up 10.5%yr in 2024, a strong improvement from the 0.6%yr lift in 2023. With inflation tracking slightly under 3%yr, this suggests a sizeable increase in real, inflation adjusted terms. It also points to strong gains in per capita terms, given that population growth is running at 2.3%yr. Real per capita activity looks to be up over 5% compared to last year.

- The details show solid rises across all segments, but most notably 'other retail' (+13.9%yr). By state, results in Qld and WA were slightly firmer than NSW and Vic. Nevertheless, all states strong posted gains even when adjusted for inflation and population growth - a result not seen since 2021.
- Households are clearly still very price-sensitive and are continuing to focus their spending during sales periods. As such, it will be very important to monitor how steeply activity falls off outside of these sales windows. History suggests the second week after Black Friday is the one to watch near term.

8. Black Friday: lead-in and drop-off

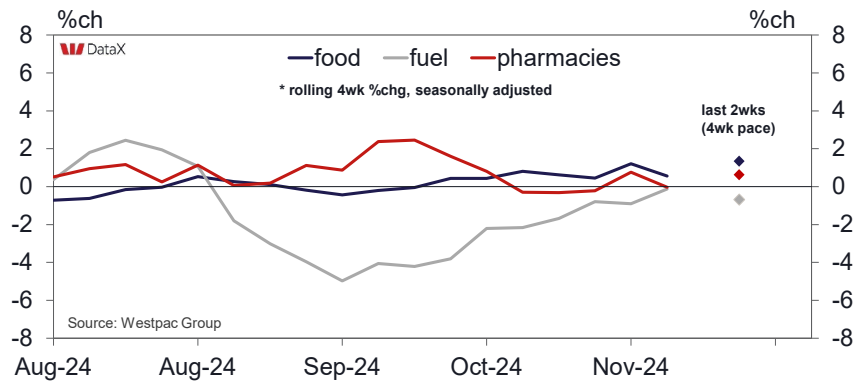


9. Black Friday: discretionary goods segment

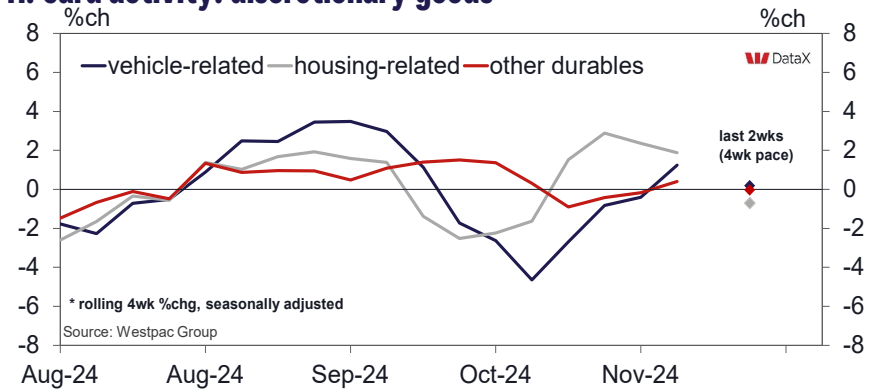


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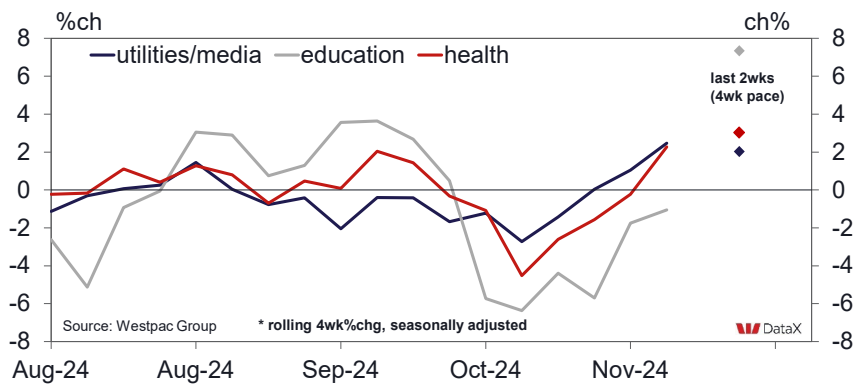
10. Card activity: essential goods



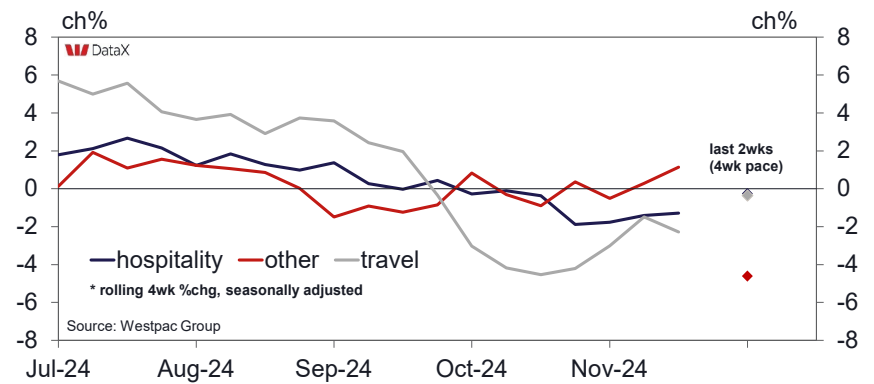
11. Card activity: discretionary goods



12. Card activity: essential services

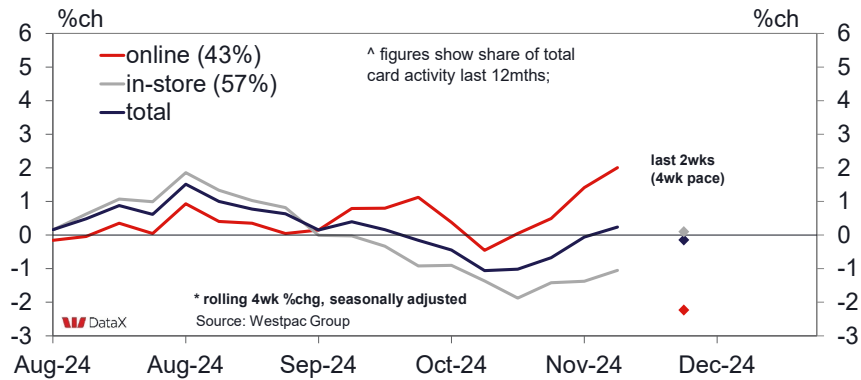


13. Card activity: discretionary services

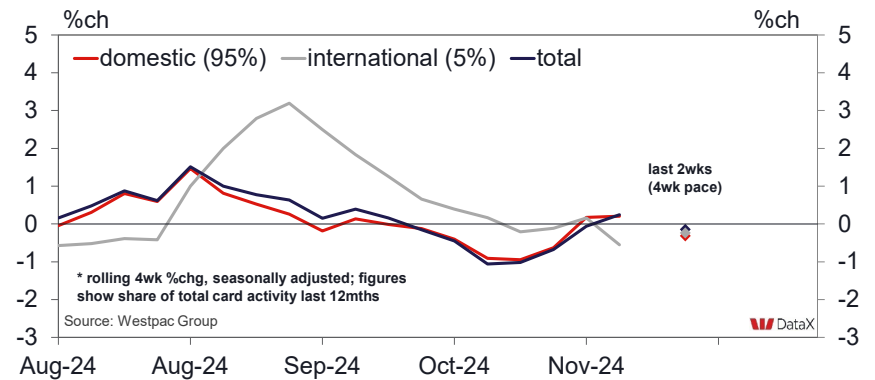


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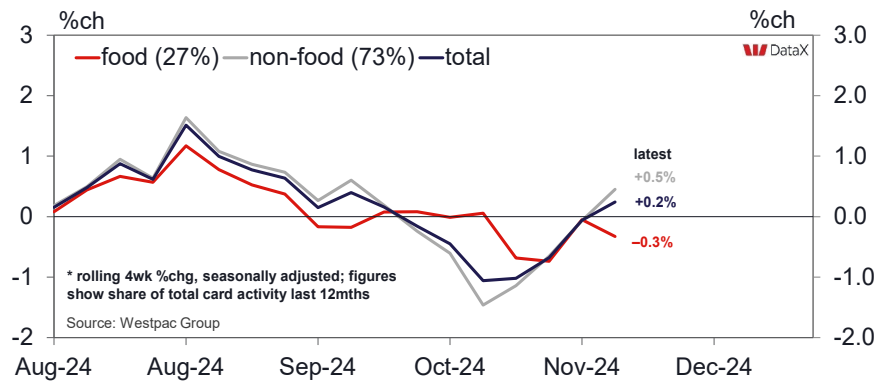
14. Card activity: online and in-store



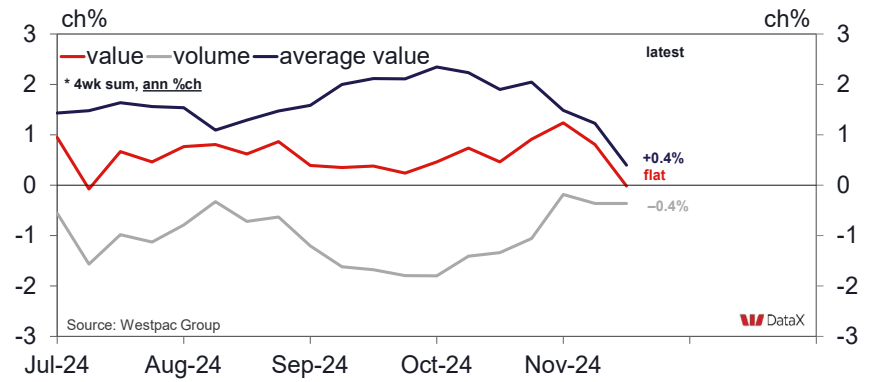
15. Card activity: domestic and international



16. Card activity: food and non-food



17. Card activity: value and volume



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	2022	2023			2024				week ending:						
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Sep	Oct	Nov	9/11	16/11	23/11	30/11
Westpac Card Tracker Index	135.8	135.7	134.7	136.6	134.9	136.5	135.9	137.4	137.5	137.0	137.3	136.7	137.2	139.4	134.6
qtly%ch	1.2	-0.1	-0.7	1.5	-1.3	1.2	-0.5	1.1	1.1	1.2	0.5	1.1	0.9	0.9	0.6
qtly, ann%ch	14.0	10.6	4.0	1.8	-0.7	0.6	0.9	0.5	0.5	0.5	0.7	0.8	0.9	0.9	0.8
By category															
– discretionary	137.1	136.5	135.2	136.8	134.6	136.1	135.1	137.1	137.8	137.7	137.8	137.0	137.6	139.7	133.8
– essential	132.3	132.5	132.2	133.2	133.2	135.4	135.6	134.4	133.7	133.4	133.5	133.7	133.3	136.1	133.0
services	128.4	130.5	132.6	134.1	129.5	133.0	131.8	134.8	134.9	134.0	132.1	134.3	131.8	134.7	130.6
– discretionary services	132.2	132.3	133.1	136.3	131.1	132.5	131.4	135.6	136.1	135.8	134.4	134.8	132.3	134.3	130.2
– essential services	123.9	125.9	127.2	129.7	129.3	131.6	134.8	134.5	134.4	131.8	132.9	133.0	130.6	136.0	131.7
goods	139.8	138.0	137.1	137.2	137.2	137.8	138.3	137.9	137.8	137.6	137.7	137.0	139.7	141.7	136.1
– discretionary goods	142.5	139.8	139.0	138.6	138.7	138.5	140.0	140.5	141.0	140.9	141.2	139.5	143.7	146.1	138.0
– essential goods	136.7	135.2	134.9	135.1	135.2	136.8	136.2	134.4	133.7	134.0	134.7	134.0	134.6	136.2	133.6
retail*	142.7	141.5	140.5	141.1	140.4	141.5	141.9	142.7	142.9	143.1	143.1	141.9	144.5	146.3	141.0
qtly%ch	0.4	-0.8	-0.7	0.4	-0.5	0.8	0.3	0.6	0.6	0.6	0.5	1.1	1.2	1.2	1.1
qtly, ann%ch	9.0	6.2	2.0	-0.7	-1.6	-0.1	1.0	1.2	1.2	1.1	1.0	1.1	1.3	1.1	1.0
By state															
– NSW	132.0	131.5	130.0	130.5	129.7	131.6	130.7	131.4	131.5	131.1	131.6	130.2	130.7	132.1	128.2
– Vic	135.9	135.4	133.9	135.2	132.9	134.1	132.8	133.4	132.9	132.5	132.8	130.5	131.1	133.9	127.5
– Qld	143.6	144.3	144.6	146.0	145.2	147.2	147.5	148.6	149.0	148.8	150.2	147.9	149.2	151.1	145.2
– WA	140.5	141.7	141.7	142.9	144.6	146.1	146.3	147.6	148.5	148.3	149.2	147.9	148.5	149.1	145.0
– SA	142.4	142.1	141.3	143.1	143.4	144.0	144.6	144.9	145.3	145.7	147.0	145.0	145.2	148.4	144.3

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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