



**13 DECEMBER 2024**

# **WESTPAC-DATAx CARD TRACKER**

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# Black Friday spending propels card activity

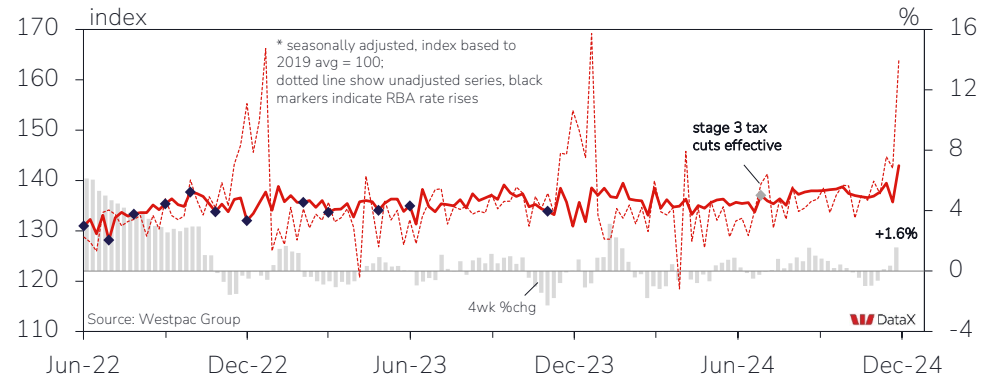
- The **Westpac Card Tracker Index\*** saw a strong lift over the past week (w/e 7 December), rising 7.2pts to 142.9. This takes the index to a new record high and is the strongest weekly lift since May 2020.
- The quarterly growth pulse lifted to +0.9%qtr, up from +0.8%qtr recorded last week. However, momentum still remains sluggish, moving along at the same pace seen in late-August.
- Other details provide further colour on what is driving the underlying quarterly pulse. The lift in momentum continues to be driven by durables, while by state Qld and the rest of Australia, led by WA, continue to punch above their weight.
- As we speculated in our last update, Black Friday being held late in November and changing spending patterns among Australian consumers are causing high seasonal volatility. This suggests that the prior week's fall in our seasonally adjusted measure was overstated.
- Looking at the non-seasonally adjusted data, trends this year are broadly consistent with previous years. However, there appears to have been a clear pull-forward of spending. Around a 9% lift in spending was recorded in the week following Black Friday, this compares to

16-22% in the years prior. This concurs with reports that retailers began early discounting to entice shoppers.

- Looking at non-seasonally adjusted results, discretionary goods card activity during Black Friday week and the week after was up 7.1%yr in 2024 compared to a 0.5%yr lift in 2023.
- Our next update will cover the important post-Black Friday sales drop-off. In previous years this has been steep, at around -16-21%, and has grown larger every year. Furthermore, by the end of the holiday season card activity typically returns to the levels it was at before the season began. However, the introduction of tax cuts and the consumer mood being in a relatively more optimistic position than recent years could make this year's results different from recent history. Next week's Westpac-MI Consumer Sentiment for December will also provide a further update on the consumer mood.

**Black Friday pushes card activity to a record high, but underlying growth momentum remains lacklustre.**

## 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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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](mailto:datax@westpac.com.au).

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# Momentum starts to move higher after five weeks of falls

- Card activity (seasonally adjusted) increased for the first time in five weeks, with the quarterly pulse rising to 0.9%qtr for the week ending December 7. This marks an improvement from the previous week's revised rate of 0.8%qtr (+0.6%qtr unrevised). However, this remains below the September-October range of 1.1-1.2%qtr.
- Chart 3 shows the **Westpac Card Tracker's** quarterly growth pace alongside the monthly household spending indicator and business turnover indicator for consumer-based sectors from the ABS.
- The household spending indicator for October showed a surprisingly strong

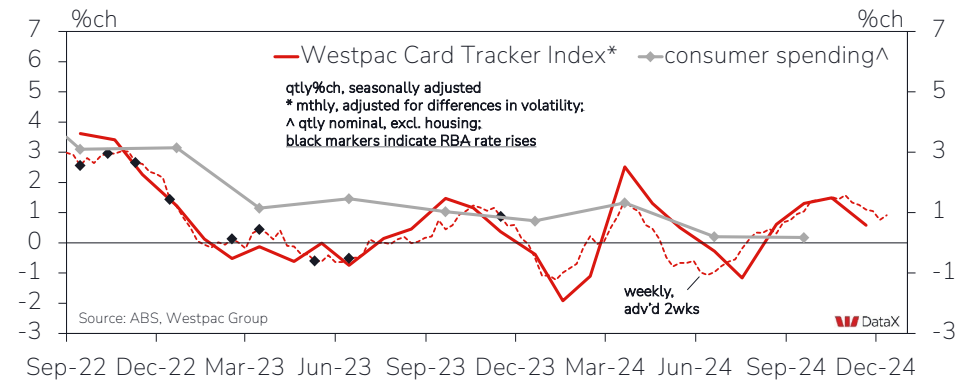
0.8%*mth* lift, the largest rise in the post stage 3 tax cuts period. The gains were broad-based across categories but centred on recreation and culture (+1.5%*mth*) and clothing and footwear (+1.1%*mth*) – see [here](#) for further detail. Though the bumper month failed to lift the quarterly pace which has broadly remained steady over the past few months.

- Meanwhile, the ABS's monthly business turnover indicator for October revealed a 0.7%*mth* increase in consumer-based sectors, marking the firstly monthly rise in four months. However, on a quarterly basis the sector was still in a downturn (-0.9%*qtr*).

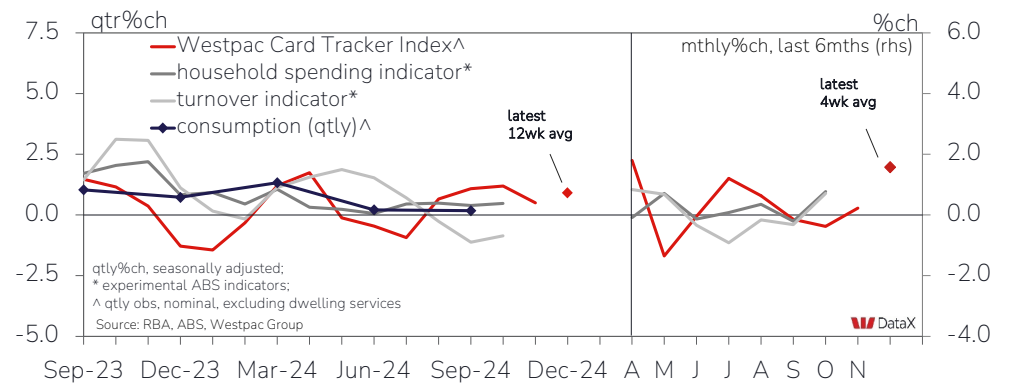
qtrly%ch	Q1	Q2	Q3	latest
<b>Westpac Card Tracker*</b>	<b>1.2</b>	<b>-0.5</b>	<b>1.1</b>	<b>0.9</b>
<b>Other indicators (nominal)</b>				
Household spending*	1.1	0.3	0.2	n.a.
Turnover*	1.1	1.6	-1.1	n.a.
<b>Consumer spending (qtrly)#</b>				
Nominal	1.3	0.2	0.2	n.a.
Real	0.7	-0.5	-0.1	n.a.

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 spending drives growth

- **Charts 4 and 5** respectively illustrate the category and state contributions to the quarterly pulse.
- By category, this week reinforced trends we have observed recently. Support from hospitality and travel continued to wane, while fuel was a significant drag, subtracting -0.3ppts - the largest deduction since March.
- Durables almost single-handedly supported the growth momentum, contributing 0.83ppts to overall growth. Spending on durables had a notable showing in the week as well, up 12.1% from the week prior.
- Spending in the week was focused on

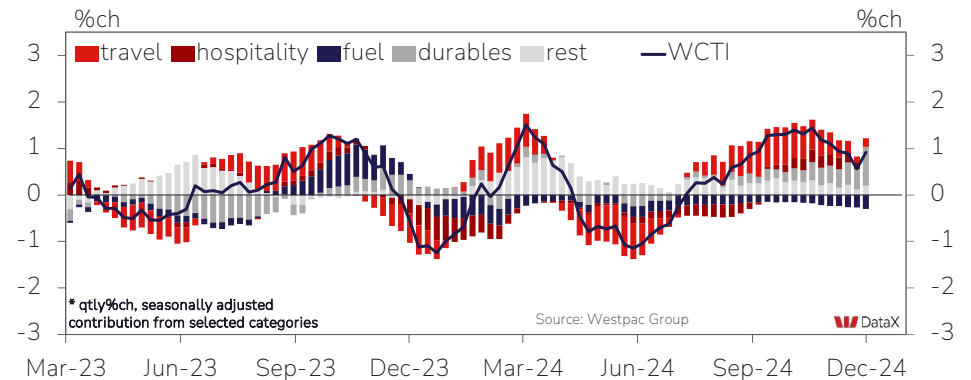
discretionary categories, as expected, lifting 7.6% from the week prior. Meanwhile spending on essentials weakened further, falling -0.5%.

- By state, all states recorded a lift in spending over the past week, contributing positively to the quarterly growth rate. NSW added +0.13ppts, matching its contributions from the previous week, while Vic bounced back to contribute a minuscule +0.03ppts.
- The other states and territories accounted for roughly two-thirds of the quarterly momentum (+0.58ppts), with WA continuing to be the key supporter in this group.

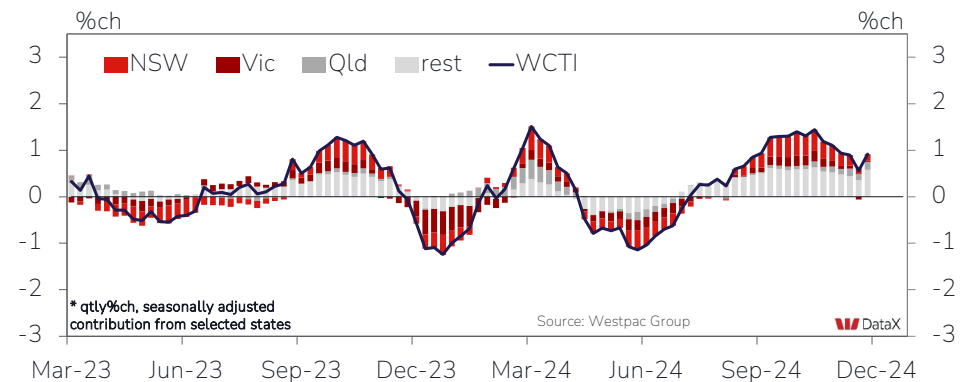
	Sep	Oct	Nov	7/12
<b>Westpac Card Tracker</b>	<b>137.5</b>	<b>137.0</b>	<b>137.3</b>	<b>142.9</b>
<b>By category</b>				
– discretionary	137.8	137.7	137.8	146.0
– essential	133.7	133.4	133.5	132.0
<b>By state</b>				
– NSW	131.5	131.1	131.6	135.3
– Vic	132.9	132.5	132.8	137.1
– Qld	149.0	148.8	150.2	152.4
– WA	148.5	148.3	149.2	151.6
– SA	145.3	145.7	147.0	149.7

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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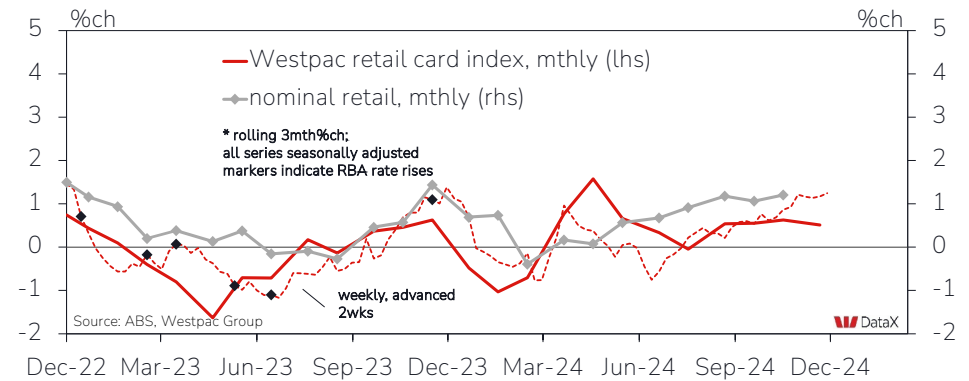
# Retail card index surges to record high

- Our 'retail' measure covers a narrower subset of card activity that aligns more closely to the ABS retail survey. Retail card activity surged in the first week of December, up 5.5% from the week prior and pushing the retail card index to a record high. This one print alone took the quarterly pace to 1.5%qtr from 1.2%qtr last week, marking the strongest pace since November 2022.
- The details reveal this growth was largely attributed to growth in non-food retail spending, which is expanding at a robust 3.0%qtr. This mirrors last year's Black Friday sales which saw a similar pace (+2.7%qtr). However, this pace had halved by late-December.
- Meanwhile food retail segments lost some ground. Basic food retail spending slowed to 0.3%qtr, while hospitality was essentially flat (0.04%qtr). Both segments have experienced declining card activity on a weekly basis since late-November, reinforcing the idea that consumers have shifted their spending from food and hospitality services to non-food retail sectors amid these sales events.
- The non retail segment, which had been slowing recently, also saw a weekly lift in activity (+5.1%). But this was not enough to boost the quarterly pace, which slowed to 0.2%qtr from 0.3%qtr the week prior.

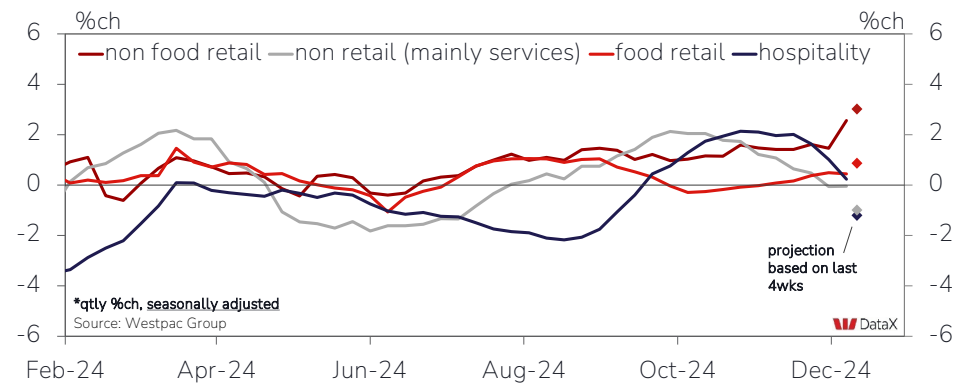
	Sep	Oct	Nov	7/12
<b>By retail/non retail</b>				
<b>Retail card index</b>	142.9	143.1	143.1	149.8
- qtly%ch	0.6	0.6	0.5	1.5
- qtly, ann%ch	1.2	1.1	1.0	1.9
<b>Non-retail card index</b>	131.6	130.2	130.9	136.0
<b>ABS retail sales</b>				
- %ch	0.1	0.6	n.a.	n.a.
- ann%ch	2.4	3.4	n.a.	n.a.
- qtly%ch	1.1	1.2	n.a.	n.a.
- qtly 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

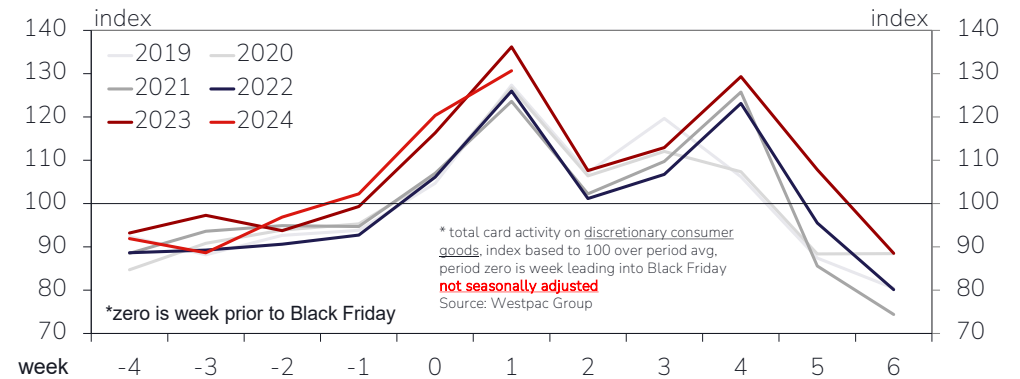


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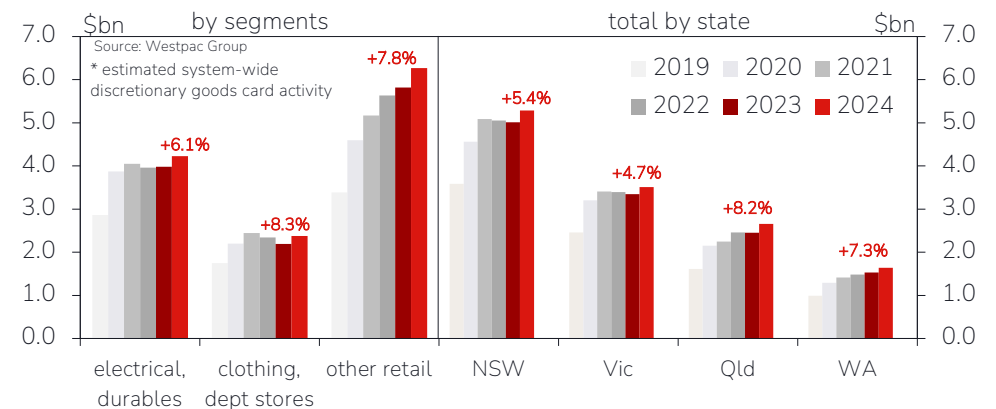
# Black Friday Frenzy: adjusted for reality not seasonality

- **Chart 8** shows how 'discretionary goods' card activity has tracked compared to previous years (in non-seasonally adjusted terms).
- Card activity showed strong growth leading up to Black Friday, tracking well-ahead of prior years. However, the week following Black Friday, typically the peak of spending activity, saw a weaker increase than in past years. Between 2019 and 2023, card activity rose by 15.5-21.6% in the week after Black Friday. This year, the increase was only 8.6%, suggesting a pull-forward in spending, likely influenced by earlier discounting by retailers.
- **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 over the past two weeks was up 7.1%yr in 2024, this compares to the weak 0.5%yr result in 2023. While this week's rise was not as strong as previous years, spending is still tracking above inflation and population growth, indicating modest gains in real per capita terms.
- The details reveal strong growth across key categories, most notably clothing and department stores which was up 8.3%yr in 2024. Other retail, which amongst others includes pet, jewellery and bookstores, posted a solid 7.8%yr, while electrical and durable goods rose by 6.1%yr.
- By state, Black Friday spending in Qld and WA were once again firmer than NSW and Vic.
- Households remain price-sensitive and are focusing their spending during sales periods. As such, it will be crucial to monitor how steeply activity falls off outside of these sales windows. Our next update will cover the post-Black Friday sales drop-off. In previous years, this decline has ranged between 15.9-21.0%, with each year recording a larger drop.
- What will be even more important is seeing where card activity settles after the holiday season. In previous years, card activity has typically returned to pre-holiday levels within about two weeks following Boxing Day.

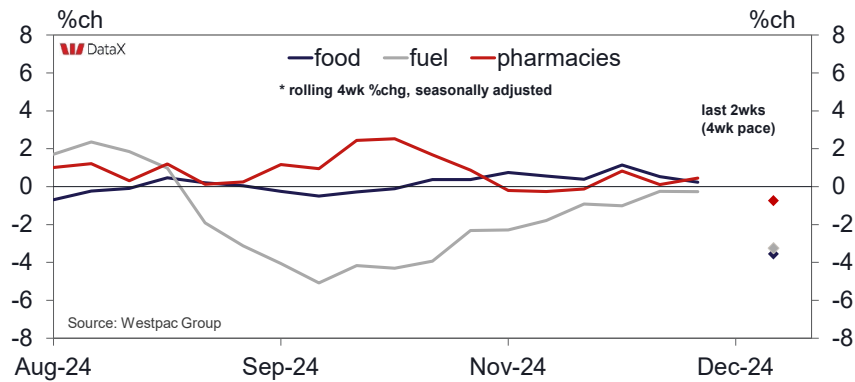
## 8. Black Friday: lead-in and drop-off



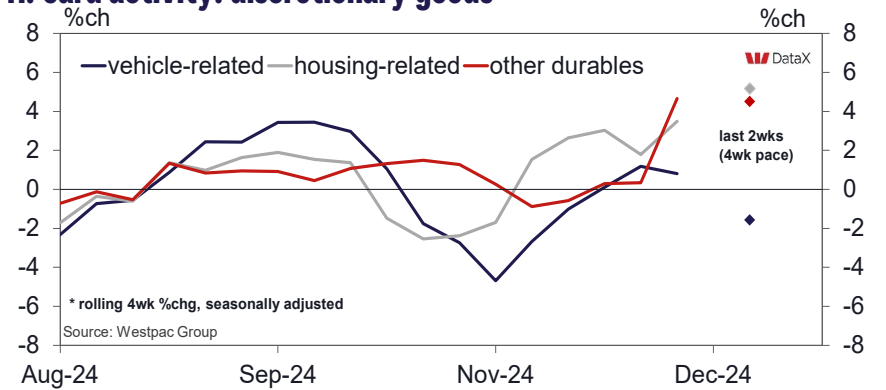
## 9. Black Friday: discretionary goods segment



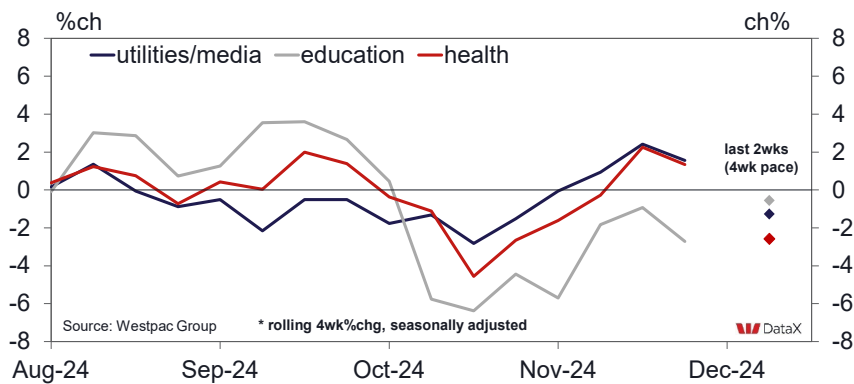
### 10. Card activity: essential goods



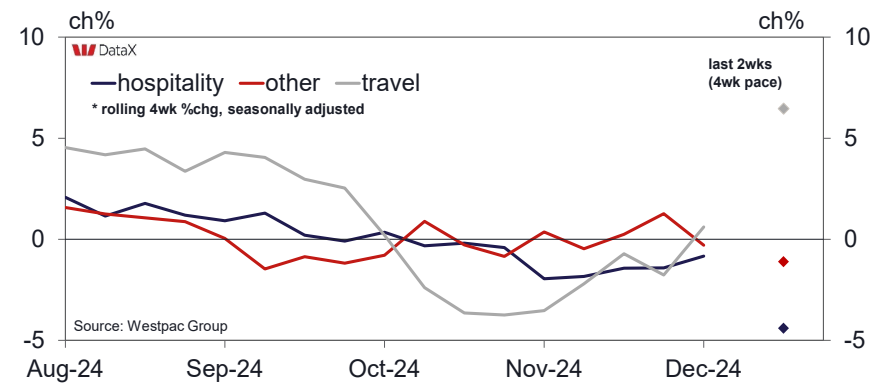
### 11. Card activity: discretionary goods



### 12. Card activity: essential services

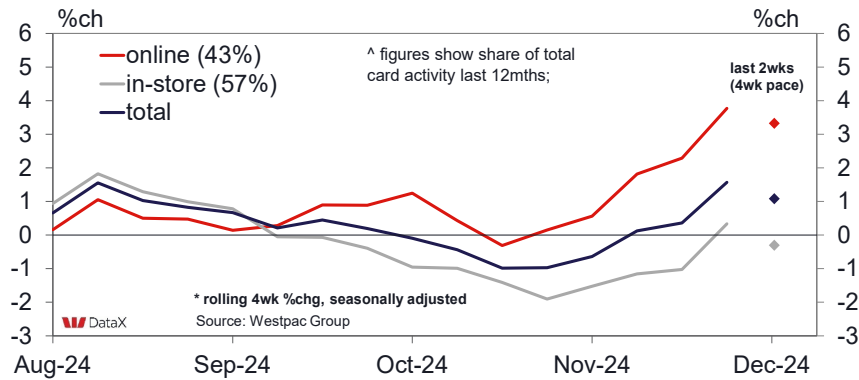


### 13. Card activity: discretionary services

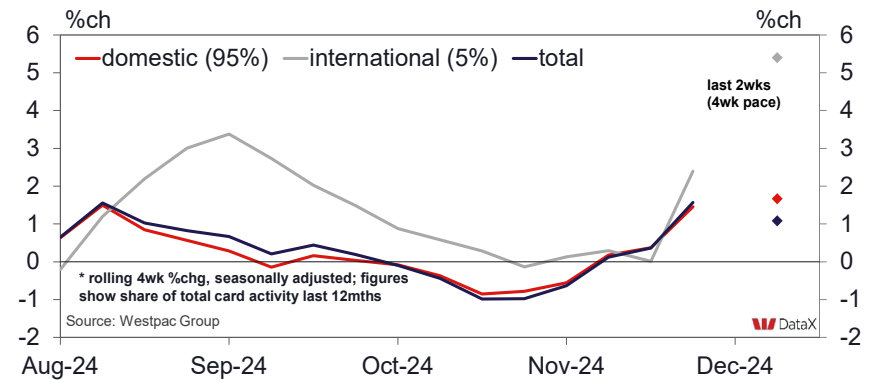


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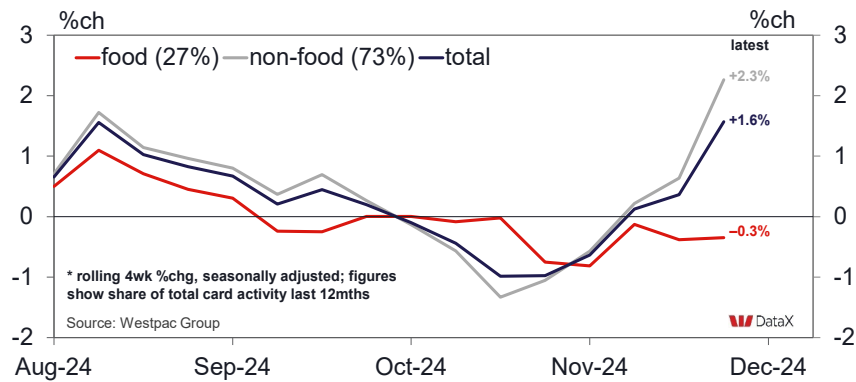
### 14. Card activity: online and in-store



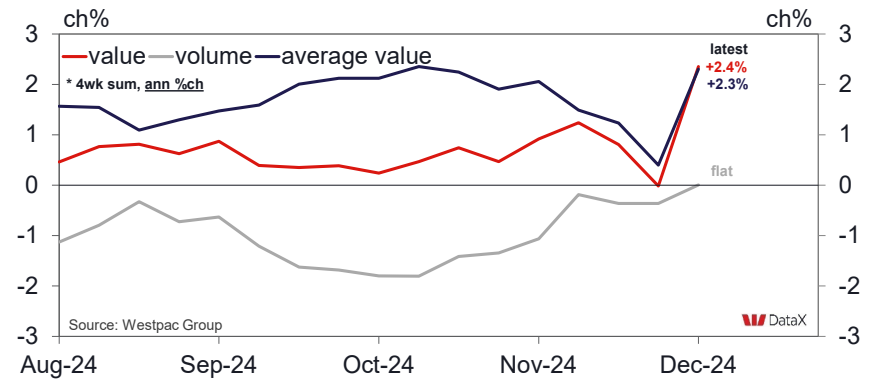
### 15. Card activity: domestic and international



### 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	16/11	23/11	30/11	7/12
<b>Westpac Card Tracker Index</b>	<b>135.8</b>	<b>135.7</b>	<b>134.7</b>	<b>136.6</b>	<b>134.9</b>	<b>136.5</b>	<b>135.9</b>	<b>137.4</b>	<b>137.5</b>	<b>137.0</b>	<b>137.3</b>	<b>137.7</b>	<b>139.5</b>	<b>135.7</b>	<b>142.9</b>
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	1.0	0.8	0.9
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	1.2	1.2	1.1	1.7
<b>By category</b>															
– discretionary	137.1	136.5	135.2	136.8	134.6	136.1	135.1	137.1	137.8	137.7	137.8	138.6	140.0	135.7	146.0
– essential	132.3	132.5	132.2	133.2	133.2	135.4	135.6	134.4	133.7	133.4	133.5	132.8	135.6	132.6	132.0
services	128.4	130.5	132.6	134.1	129.5	133.0	131.8	134.8	134.9	134.0	132.1	132.6	135.0	131.5	134.9
– discretionary services	132.2	132.3	133.1	136.3	131.1	132.5	131.4	135.6	136.1	135.8	134.4	133.4	134.9	131.5	136.0
– essential services	123.9	125.9	127.2	129.7	129.3	131.6	134.8	134.5	134.4	131.8	132.9	130.1	135.4	131.5	131.6
goods	139.8	138.0	137.1	137.2	137.2	137.8	138.3	137.9	137.8	137.6	137.7	139.9	141.4	137.2	146.2
– discretionary goods	142.5	139.8	139.0	138.6	138.7	138.5	140.0	140.5	141.0	140.9	141.2	144.5	146.0	140.5	157.5
– essential goods	136.7	135.2	134.9	135.1	135.2	136.8	136.2	134.4	133.7	134.0	134.7	134.1	135.7	133.2	132.1
retail*	142.7	141.5	140.5	141.1	140.4	141.5	141.9	142.7	142.9	143.1	143.1	144.6	146.0	142.0	149.8
qtly%ch	0.4	-0.8	-0.7	0.4	-0.5	0.8	0.3	0.6	0.6	0.6	0.5	1.2	1.3	1.2	1.5
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	1.5	1.4	1.2	1.9
<b>By state</b>															
– NSW	132.0	131.5	130.0	130.5	129.7	131.6	130.7	131.4	131.5	131.1	131.6	131.3	132.3	129.5	135.3
– Vic	135.9	135.4	133.9	135.2	132.9	134.1	132.8	133.4	132.9	132.5	132.8	132.0	134.2	129.1	137.1
– Qld	143.6	144.3	144.6	146.0	145.2	147.2	147.5	148.6	149.0	148.8	150.2	149.5	151.0	146.2	152.4
– WA	140.5	141.7	141.7	142.9	144.6	146.1	146.3	147.6	148.5	148.3	149.2	148.9	149.2	145.8	151.6
– SA	142.4	142.1	141.3	143.1	143.4	144.0	144.6	144.9	145.3	145.7	147.0	145.5	148.2	145.1	149.7

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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