



20 DECEMBER 2024

# WESTPAC-DATAx CARD TRACKER

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# Short-lived surge with card activity still running ‘hot and cold’

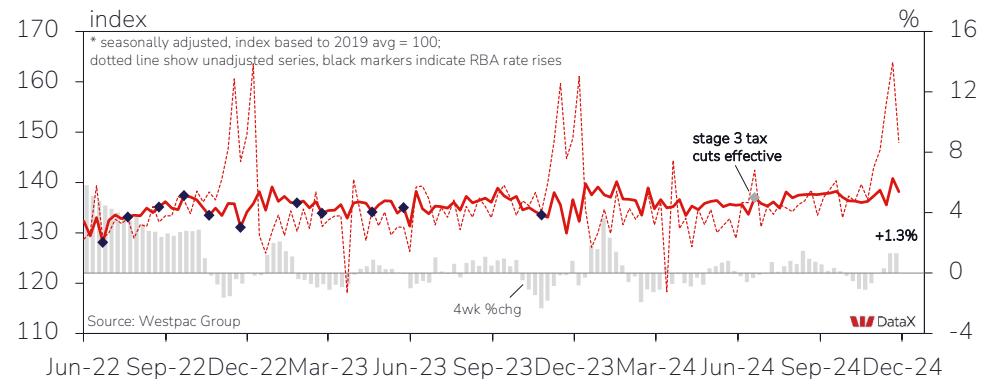
- The **Westpac Card Tracker Index\*** dropped -2.6pts over the past week (w/e 14 December), settling at 138.2. This follows a strong 5.3pts lift the week prior leaving the index 2.6pts (2.0%) higher over the past fortnight.
- Quarterly growth slowed to 0.4%qtr, down from 0.6%qtr and 0.5%qtr over the prior two weeks respectively. Annually, the pace remains solid at 1.7%yr, its highest rate since September 2023. Overall, nominal card activity has risen 2.0% in H2 2024 and 1.8% in 2024 so far. This pick-up in spending is restrained, given recent gains in real disposable incomes and household wealth.
- Other details reveal the key supporters of quarterly growth. Unsurprisingly, discretionary goods spending continues to drive overall growth, up 1.8%qtr. In contrast, services spending has declined (-0.4%qtr), due to falls in both essential and discretionary services. By state, the smaller mainland states (SA, WA and Qld) continue to drive the national result.
- Moving our attention to the holiday season spend. As we anticipated in our last update, Black Friday-related card activity troughed this week. Non-seasonally adjusted discretionary goods

spend was down -19.8% from the week prior. This decline is also at the steeper end of falls. Taking account of the strong lead-up to the sales period this year, overall activity is 14.0% higher than six weeks ago (a month before Black Friday), marking a softer performance compared to previous years. That said, activity is still up solidly on last year (+6.5%).

- The results so far, coupled with the [recent dip in the consumer mood](#), suggest spending patterns may not differ that significantly from recent history despite boosts from the stage 3 tax cuts. While some segments are performing well, this has been largely offset by softening activity elsewhere. We are still navigating the spending high season with ‘Super Saturday’ set to another surge in the week ahead then a sharp drop as we enter the post-Christmas lull. How this tracks and where card activity lands four weeks from now will be a critical gauge of momentum heading into 2025.

**“ ... some segments are performing well ... but largely offset by softening spend elsewhere”**

## 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.  
**Matthew Hassan**, Head of Australian Macro-Forecasting  
**Neha Sharma**, Economist  
 Email: [economics@westpac.com.au](mailto:economics@westpac.com.au)  
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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://westpac.com.au) or contact [datax@westpac.com.au](mailto:datax@westpac.com.au).

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.



# Pick-up in momentum muted despite real income and wealth gains

- The weekly decline in the card activity index (seasonally adjusted) was enough to lower the quarterly pulse to 0.4%qtr for the week ending 14 December. This marks a slowdown from the previous week's rate of 0.6%qtr, the slowest pace since August this year. In contrast, the annual pace remains more solid at 1.7%yr, the highest level since September 2023.
- Disregarding the recent volatility in card activity, the pick-up in household spending remains subdued. Easing inflation and tax cuts have contributed to a recovery in real household disposable income. Meanwhile, the ABS's finance and wealth data for Q3 revealed an above-average lift in household wealth

of 2.4%qtr (9.9%yr), driven by gains in equity and housing markets. These improvements in income and wealth have had a more modest impact on card activity, which has risen 1.8% in 2024 so far but 2.0% in H2 2024.

- The ABS's Monthly Household Spending Indicator (MHSI) and Monthly Business Turnover Indicator (MBTI) point to softer results, though the data only extends to October. Since the tax cuts, the MHSI has risen 1.0%, while the MBTI for consumer sector businesses has fallen -0.7%. For 2024 so far, the indicators are up 2.5% and 2.7% respectively. The November results are due 10 and 24 January for the MHSI and MBTI respectively.

qtrly%ch	Q1	Q2	Q3	latest
<b>Westpac Card Tracker*</b>	<b>0.4</b>	<b>-0.4</b>	<b>0.8</b>	<b>0.4</b>
<b>Other indicators (nominal)</b>				
Household spending*	1.1	0.1	0.4	n.a.
Turnover*	1.1	1.5	-1.1	n.a.
<b>Consumer spending (qtrly)#</b>				
Nominal	1.3	0.2	0.2	n.a.
Real	10.2	-0.5	-0.1	n.a.

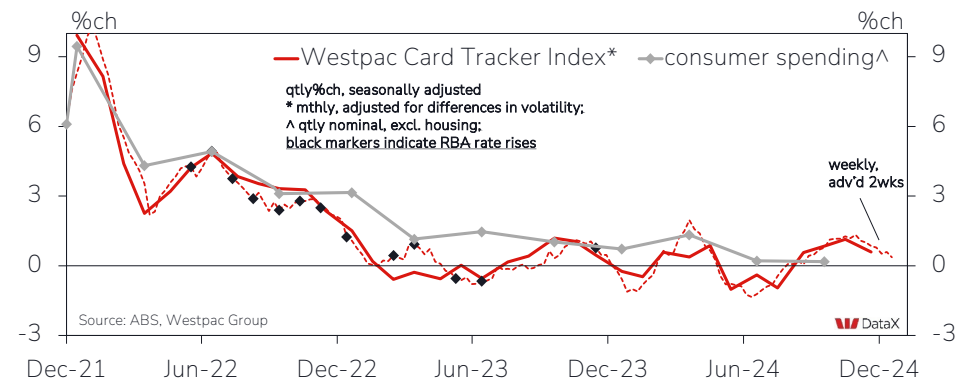
All series are seasonally adjusted, latest is latest weekly obs (12wks %ch on previous 12wks) or latest monthly obs (3mths %ch on previous 3mths). See p9 for more details.

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

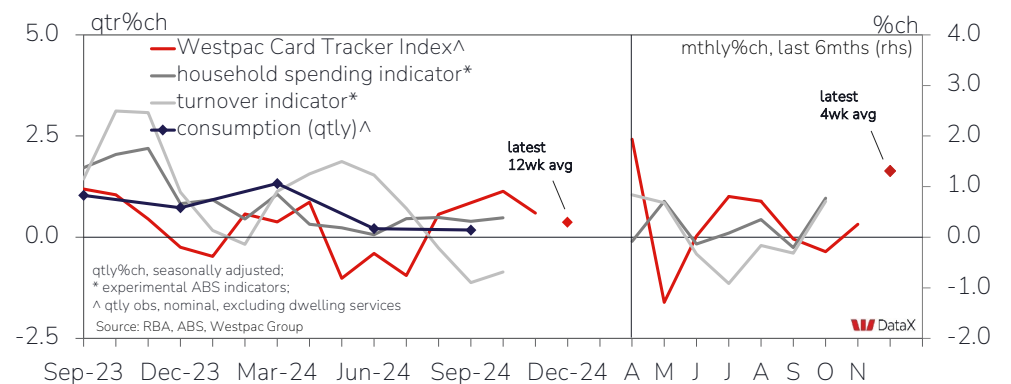
#Consumer spending excludes housing costs.

Sources: ABS, Westpac Group

## 2. Card activity and spending: growth momentum



## 3. Consumer spending: selected indicators



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# Discretionary goods spending strong

- **Charts 4 and 5** respectively illustrate the category and state contributions to the quarterly pulse.
- By category, the slowdown in quarterly growth was primarily driven by ongoing declines in fuel spending (-0.3ppts), and a fall in hospitality spending (-0.1ppts). Travel's contribution also weakened while spending on durables has lifted, becoming the main contributor to growth.
- More broadly, growth momentum in goods spending (0.7%qtr), led by discretionary goods (1.8%qtr, series average 1.3%qtr) supported overall growth. Services spending turned negative (-0.4%qtr) for the first time since mid-July, owing to falls in both

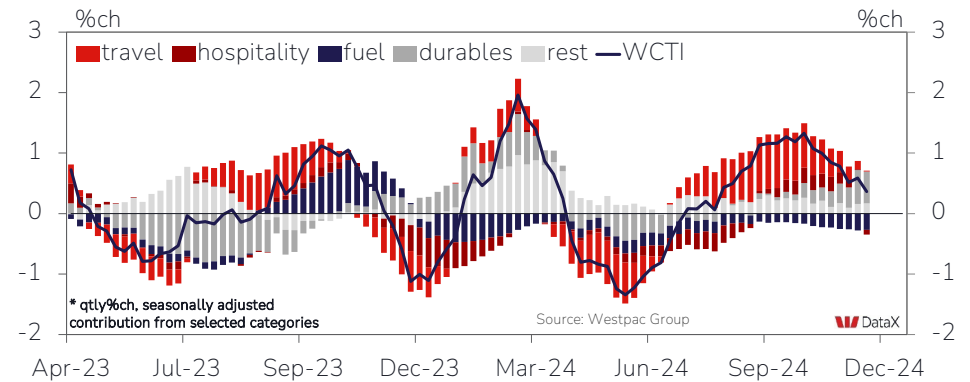
essential (-1.0%qtr) and discretionary services (-0.2%qtr).

- Worker strike action at Woolworths seems to have had an impact, with basic food spending tumbling over recent weeks (4-week pace at -3.1%).
- By state, growth momentum slowed in most states over the past week. Vic saw a sharp drop in spending, down to -0.2%qtr from 0.1%qtr a week ago. SA is now doing the heavy lifting, being the only state to record a lift in its quarterly growth rate, from 1.6%qtr to 1.8%qtr, and is now outperforming every other region in Australia, with WA nearby (1.2%qtr) (see [here](#) for a comprehensive overview of the states).

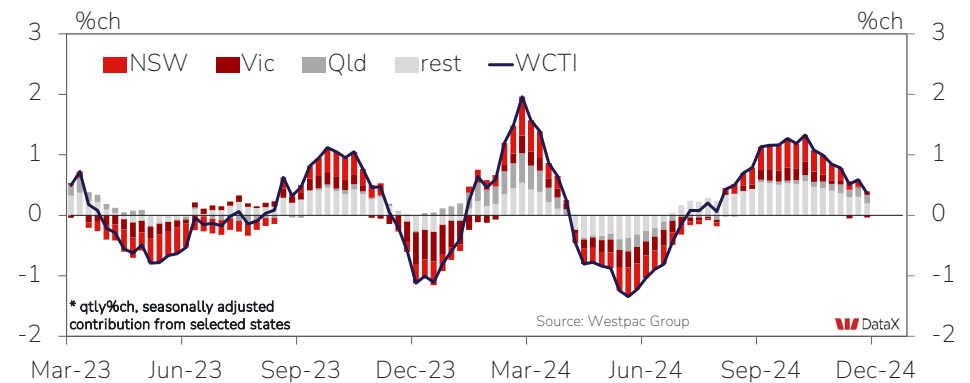
	Sep	Oct	Nov	14/12
<b>Westpac Card Tracker</b>	<b>137.5</b>	<b>137.1</b>	<b>137.4</b>	<b>138.2</b>
<b>By category</b>				
– discretionary	137.9	137.9	137.9	138.3
– essential	133.7	133.0	133.5	134.7
<b>By state</b>				
– NSW	131.6	131.6	131.9	132.4
– Vic	132.9	132.5	132.7	132.1
– Qld	149.0	148.9	150.3	149.0
– WA	148.7	148.5	149.6	148.2
– SA	145.3	145.9	146.9	149.8

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: major categories



## 5. Card activity: states



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# Retail card index back to pre-Black Friday levels

- After a 3.9% weekly increase in the retail card index to 7 December, the index fell -2.6% in the week to 14 December. This brings the retail card index to 143.2, broadly consistent with average levels seen in October and November.
- This drop was sufficient to dampen the quarterly momentum, which eased to 0.9%qtr from 1.1%qtr the week prior. Except for last week, the quarterly pace has ranged between 0.8-0.9%qtr since late-October. The annual pace remains more solid at 1.7%yr, but below the series average (7.5%yr).
- Hospitality (-0.6%qtr) eased further on a quarterly basis, marking the first negative

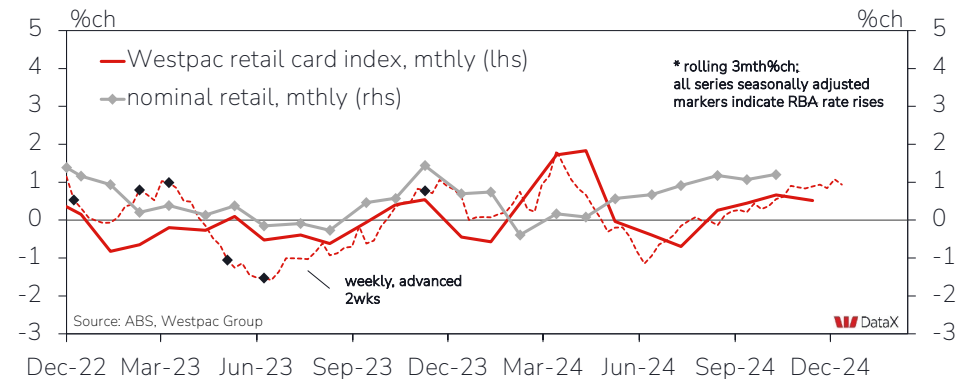
read since September. Non-food retail remained solid (2.0%qtr) while food retail has been more stable (on a quarterly basis). Activity also softened across non-retail segments (-0.3%qtr)

- While the details above highlight broader trends across various segments, this week's decline can largely be attributed to the post-Black Friday sales drop off. Leading up to the sales consumers appeared to have shifted spending away from hospitality to non-food retail. However, this week marks the end of that shift, with hospitality recording a 1.1% weekly increase, while non-food retail fell -6.3% between 7 and 14 December.

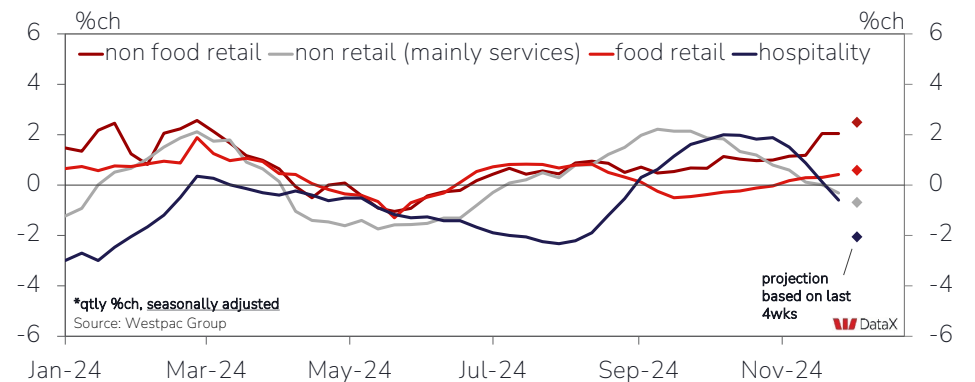
	Sep	Oct	Nov	14/12
<b>By retail/non retail</b>				
<b>Retail card index</b>	142.9	143.2	143.3	143.2
- qtly%ch	0.6	0.7	0.6	0.9
- qtly, ann%ch	1.2	1.1	1.0	1.7
<b>Non-retail card index</b>	131.5	130.3	130.9	133.1
<b>ABS retail sales</b>				
- %ch	0.1	0.6	n.a.	n.a.
- ann%ch	2.4	3.4	n.a.	n.a.
- qtly%ch	1.1	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

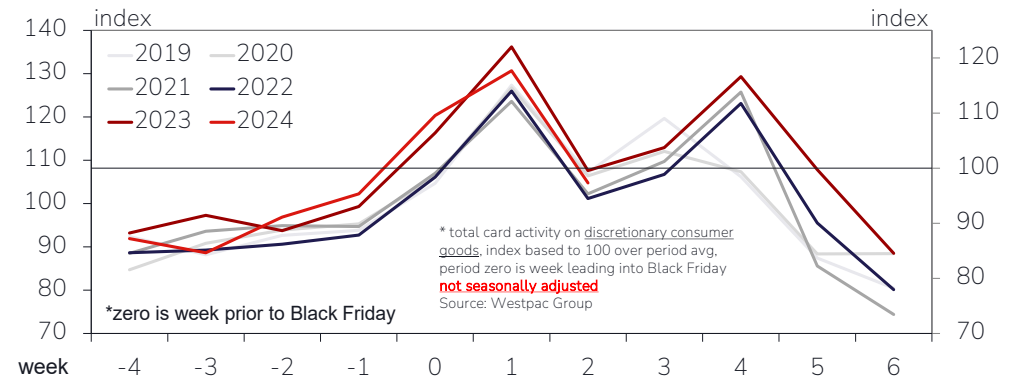


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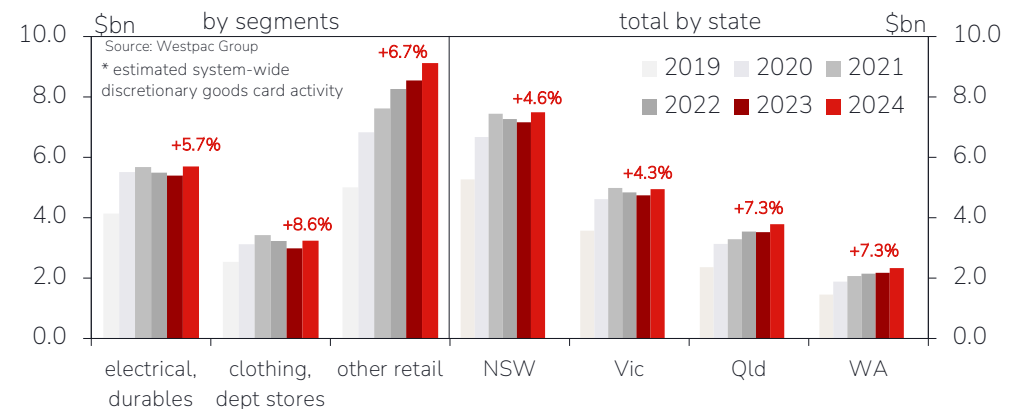
# A slightly weaker showing

- **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, outperforming previous years. However, it peaked at a lower level, indicating a pull-forward in spending, likely due to earlier discounting by retailers.
- As anticipated in our previous updates, spending activity was expected to decline this week, and the outcome aligned with those expectations. Card activity dropped -19.8% , broadly in-line with trends observed over the past two years (falls of -19.7% to -21.0%). However, the decline is slightly more pronounced than those seen between 2019 and 2021 (-15.9% to -17.3%). That is consistent with Black Friday and Cyber-week becoming a more important sales window over the last five years.
- Overall, discretionary goods card activity is up 14.0% compared to six weeks ago (a month prior to Black Friday). Despite a strong lead-in, the current performance is slightly weaker than prior years which saw gains between 14.2% and 25.6% gains at this point in time.
- **Chart 9** compares Black Friday card activity for discretionary goods with previous years for selected segments and by state (again, in non-seasonally adjusted terms).
- The additional week's data reflects similar trends to previous weeks. In aggregate, activity over the past three weeks increased by 6.5% over the same period in 2023, this compares to -0.3% for the prior year. Clothing and department stores posted the strongest gain by segment (+8.6%yr). However, by dollar value, the 2024 spend remains below the peak in 2021. Other segments are tracking above previous peaks.
- By state, Black Friday spend over the three weeks was once again stronger in Qld and WA compared to NSW and Vic, relative to 2023. However NSW was the only state to record a higher dollar value spend of relative to prior years.
- Over the next two weeks we can expect another rise in discretionary goods spending. Historical trends indicate a rise of between 5-23%, typically peaking in the week of Boxing Day. Two weeks following this peak, spending tends to return to, or in most cases settle below pre-holiday levels.

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

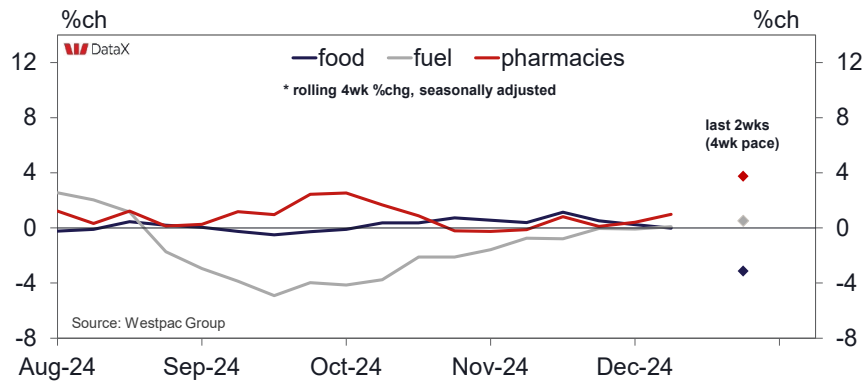


## 9. Black Friday: discretionary goods segment

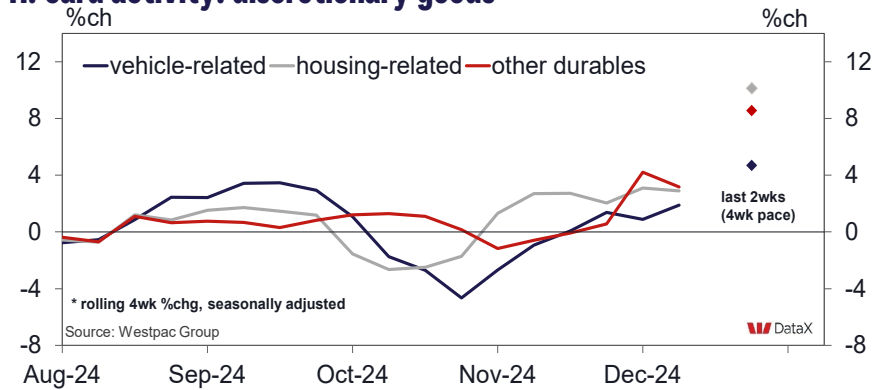


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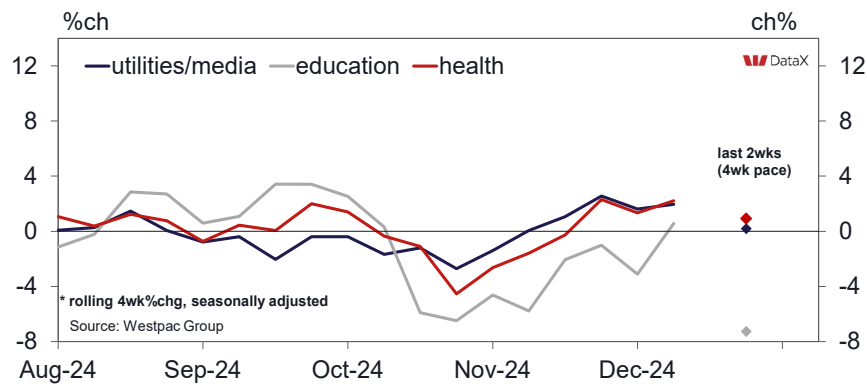
### 10. Card activity: essential goods



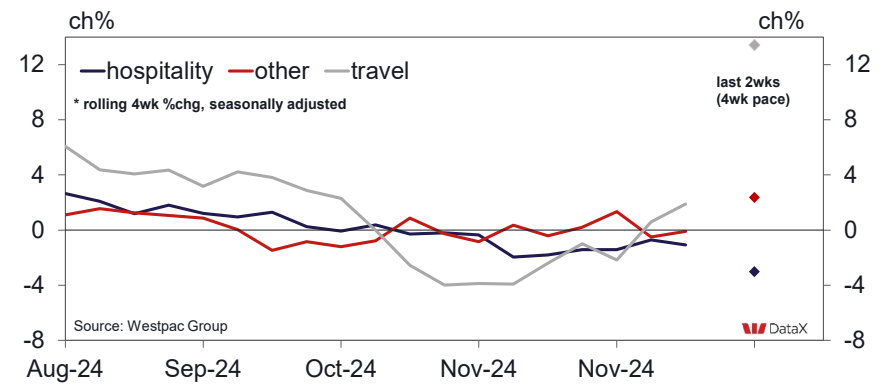
### 11. Card activity: discretionary goods



### 12. Card activity: essential services

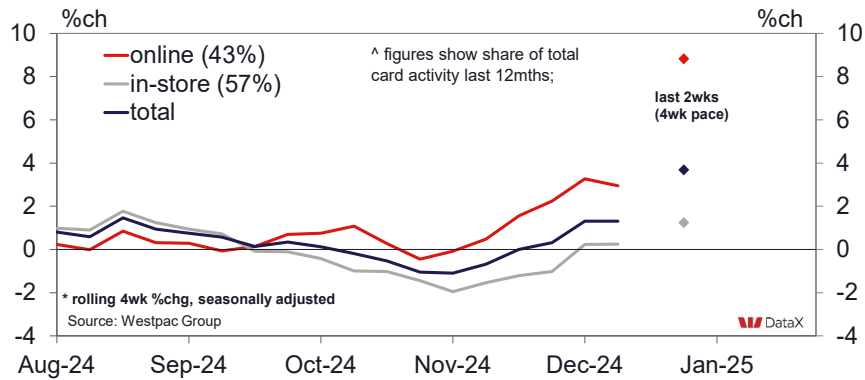


### 13. Card activity: discretionary services

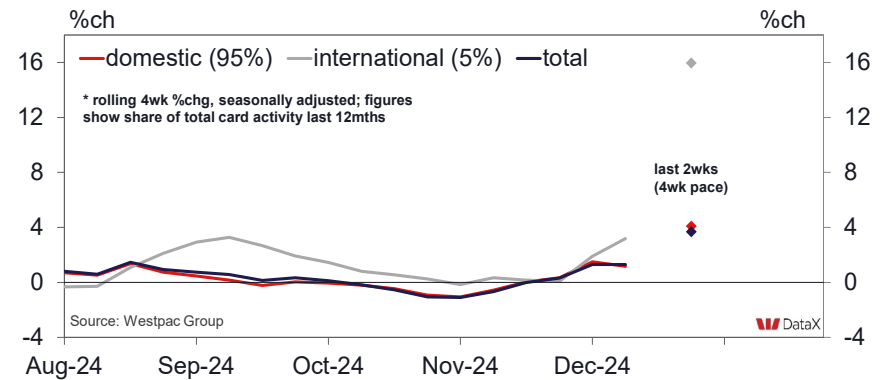


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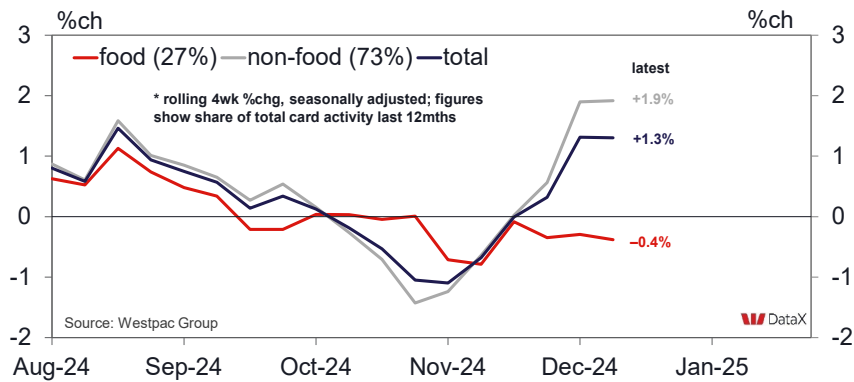
### 14. Card activity: online and in-store



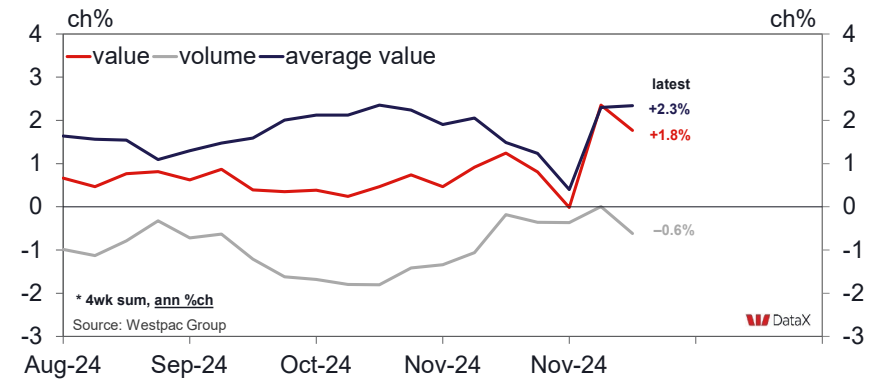
### 15. Card activity: domestic and international



### 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	23/11	30/11	7/12	14/12
<b>Westpac Card Tracker Index</b>	<b>135.9</b>	<b>135.5</b>	<b>134.8</b>	<b>136.4</b>	<b>136.1</b>	<b>136.6</b>	<b>136.0</b>	<b>137.2</b>	<b>137.5</b>	<b>137.1</b>	<b>137.4</b>	<b>138.5</b>	<b>135.5</b>	<b>140.8</b>	<b>138.2</b>
qtly%ch	1.5	-0.3	-0.6	1.2	-0.2	0.4	-0.4	0.8	0.8	1.1	0.6	0.8	0.5	0.6	0.4
qtly, ann%ch	13.9	10.6	4.0	1.9	0.1	0.8	0.9	0.6	0.6	0.6	0.7	0.9	0.9	1.5	1.7
<b>By category</b>															
– discretionary	137.0	136.2	135.3	136.8	135.6	136.0	135.2	137.3	137.9	137.9	137.9	138.5	135.3	142.9	138.3
– essential	132.2	132.5	132.3	133.3	134.3	135.4	135.6	134.4	133.7	133.0	133.5	135.9	132.9	132.1	134.7
services	128.9	130.6	131.8	133.7	131.2	132.9	131.9	134.4	134.4	132.9	131.6	134.6	131.7	134.4	134.6
– discretionary services	131.1	131.7	133.1	135.9	130.7	133.0	131.7	134.8	135.3	134.6	134.3	134.3	131.6	135.4	134.4
– essential services	124.0	125.7	127.2	129.7	130.3	131.5	134.8	134.5	134.5	131.7	133.1	135.5	131.9	131.3	135.4
goods	139.7	137.9	137.1	137.2	138.2	137.9	138.3	137.9	137.8	137.6	137.7	140.0	136.8	143.2	139.0
– discretionary goods	142.2	139.7	139.1	138.7	139.5	138.7	140.1	140.6	141.1	141.0	140.9	143.2	139.5	151.7	142.8
– essential goods	136.7	135.6	134.8	135.0	136.6	137.3	136.1	134.3	133.6	134.6	134.0	136.0	133.4	132.5	134.3
retail*	142.7	141.4	140.5	141.0	141.6	141.6	141.9	142.7	142.9	143.2	143.3	144.8	141.6	147.1	143.2
qtly%ch	0.4	-0.9	-0.6	0.4	0.4	0.0	0.2	0.6	0.6	0.7	0.6	0.9	0.8	1.1	0.9
qtly, ann%ch	8.9	6.2	2.0	-0.7	-0.7	0.1	1.0	1.2	1.2	1.1	1.0	1.2	1.0	1.6	1.7
<b>By state</b>															
– NSW	132.7	130.3	129.8	130.6	131.0	130.9	130.6	131.5	131.6	131.6	131.9	131.4	129.2	133.7	132.4
– Vic	135.9	134.4	133.9	135.2	133.2	134.2	132.7	133.4	132.9	132.5	132.7	133.0	128.8	135.0	132.1
– Qld	143.5	144.1	144.6	146.1	146.3	147.3	147.5	148.6	149.0	148.9	150.3	150.2	146.1	150.7	149.0
– WA	140.2	141.4	141.8	143.2	145.5	146.1	146.4	147.9	148.7	148.5	149.6	148.4	145.8	150.3	148.2
– SA	142.2	141.9	141.4	143.1	144.5	144.0	144.6	144.9	145.3	145.9	146.9	147.8	145.4	148.7	149.8

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.



# Corporate directory

## Westpac Economics / Australia

Sydney  
Level 19, 275 Kent Street  
Sydney NSW 2000  
Australia

E: [economics@westpac.com.au](mailto:economics@westpac.com.au)

**Luci Ellis**  
Chief Economist Westpac Group  
E: [luci.ellis@westpac.com.au](mailto:luci.ellis@westpac.com.au)

**Matthew Hassan**  
Head of Australian Macro-Forecasting  
E: [mhassan@westpac.com.au](mailto:mhassan@westpac.com.au)

**Elliot Clarke**  
Head of International Economics  
E: [eclarke@westpac.com.au](mailto:eclarke@westpac.com.au)

Justin Smirk  
Senior Economist  
E: [jsmirk@westpac.com.au](mailto:jsmirk@westpac.com.au)

**Pat Bustamante**  
Senior Economist  
E: [pat.bustamante@westpac.com.au](mailto:pat.bustamante@westpac.com.au)

**Mantas Vanagas**  
Senior Economist  
E: [mantas.vanagas@westpac.com.au](mailto:mantas.vanagas@westpac.com.au)

**Ryan Wells**  
Economist  
E: [ryan.wells@westpac.com.au](mailto:ryan.wells@westpac.com.au)

**Illiana Jain**  
Economist  
E: [illiana.jain@westpac.com.au](mailto:illiana.jain@westpac.com.au)

**Jameson Coombs**  
Economist  
E: [jameson.coombs@westpac.com.au](mailto:jameson.coombs@westpac.com.au)

**Neha Sharma**  
Economist  
E: [neha.sharma1@westpac.com.au](mailto:neha.sharma1@westpac.com.au)

## Westpac Economics / Fiji

**Suva**  
1 Thomson Street  
Suva, Fiji

**Shamal Chand**  
Senior Economist  
E: [shamal.chand@westpac.com.au](mailto:shamal.chand@westpac.com.au)

## Westpac Economics / New Zealand

**Auckland**  
Takutai on the Square  
Level 8, 16 Takutai Square  
Auckland, New Zealand

E: [economics@westpac.co.nz](mailto:economics@westpac.co.nz)

**Kelly Eckhold**  
Chief Economist NZ  
E: [kelly.eckhold@westpac.co.nz](mailto:kelly.eckhold@westpac.co.nz)

**Michael Gordon**  
Senior Economist  
E: [michael.gordon@westpac.co.nz](mailto:michael.gordon@westpac.co.nz)

**Darren Gibbs**  
Senior Economist  
E: [darren.gibbs@westpac.co.nz](mailto:darren.gibbs@westpac.co.nz)

**Satish Ranchhod**  
Senior Economist  
E: [satish.ranchhod@westpac.co.nz](mailto:satish.ranchhod@westpac.co.nz)

**Paul Clark**  
Industry Economist  
E: [paul.clark@westpac.co.nz](mailto:paul.clark@westpac.co.nz)

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