

2 December 2024

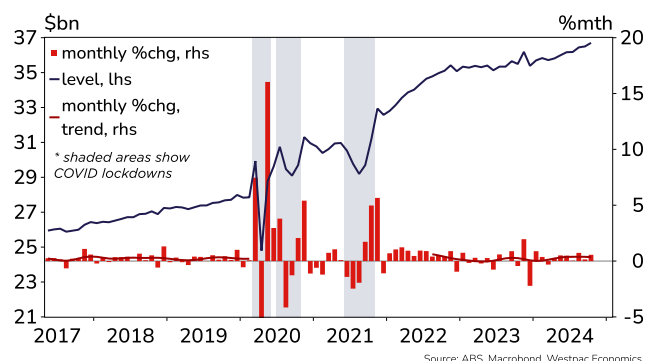
AUSTRALIAN RETAIL SALES BULLETIN

Q4 off to a solid start

Key points

- Retail sales were stronger-than-expected in October, starting Q4 on strong footing.
- Growth was seen across most industries as some retailers began early discounting. Clothing and footwear, and department stores recorded declines.
- All states posted gains, with firmer trends in SA and Vic, while results in NSW and WA were more subdued.
- While today's result is encouraging, the full picture will emerge only after we see the complete Q4 data. The post-sales slowdown could be just as significant as any boost seen during the sales period.

Nominal Retail Trade



**October
retail sales:
0.6%^{mth},
3.4%^{yr}**

Early discounting enticing buyers ahead of Black Friday



Neha Sharma
Economist

Retail sales had a solid start to Q4, up 0.6%*mt* in October, following lifts of 0.1%*mt* in September and 0.7%*mt* in August. The result was a touch higher than Westpac's expectation of 0.5%*mt* and above market expectations of 0.4%*mt*. Annual sales growth jumped to 3.4%*yr*, its highest level since May 2023. With population growth running around 2.3%*yr*, the result implies a steady recovery in nominal per capita spending trends.

Results by industry were mixed, other retailing and household goods saw strong increases, up 1.6%*mt* and 1.4%*mt* respectively. Meanwhile, cafes and restaurants, and basic food retailing grew by a more modest 0.3%*mt*. The ABS noted that some retailers began early discounting to attract buyers, however it seems some consumers may still have been holding off until November, when the full range of deals became available. This likely contributed to the decline in clothing and footwear (-0.6%*mt*), and department stores (-0.3%*mt*). Despite these falls, it was the non-food industries that spearheaded the gain in October, up 0.9%*mt* on a combined basis, with food retailing rising 0.3%*mt*.

Gains were broad based across the states, with SA and Vic out in front, increasing 1.3%*mt* and 0.9%*mt* respectively. Results were slightly more subdued in Qld (0.5%*mt*), NSW (0.3%*mt*) and WA (0.3%*mt*).

The other detail showed a rebound in online retailing (0.8%*mt*), which marked its first rise after three consecutive months of decline. This lift was driven by food retailing (2.7%*mt*), with non-food retailing flat in the month.

By firm size, sales at large retailers were up 6.2%*mt*, with large non-food retailers (8.3%*mt*) outpacing their food (4.6%*mt*) counterparts. Sales at small retailers were up 4.4%*mt*. Both segments recorded their largest gains since March 2024.

Conclusion

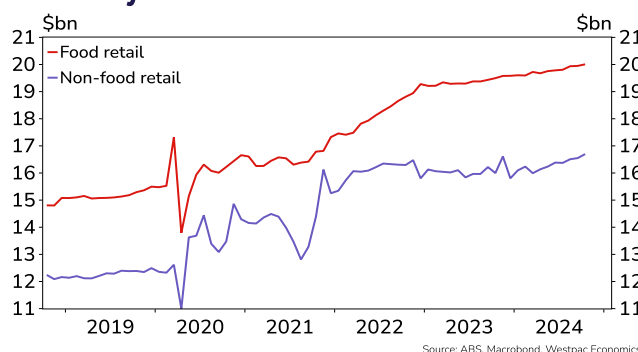
Our [Westpac Card Tracker Index](#) has been telling a similar story. Retail activity was up in the month of October and has gained further momentum into mid-November. As the first major sales event post-tax cuts, and ahead of the [all-important Christmas season](#), we will be keeping a close eye on the period ahead, including the post-sales drop off. Our next Card Tracker update, due later this week, will cover data up to 30 November offering a fuller picture on how this year's sales are unfolding.

Retail sales – October 2024

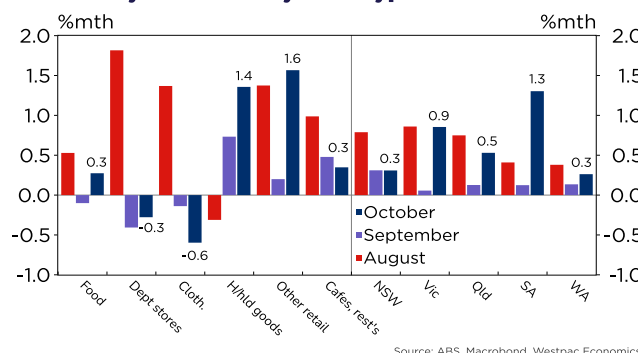
	\$bn	% chg <i>mt</i>		% chg <i>yr</i>	
	Oct-24	Sep-24	Oct-24	Sep-24	Oct-24
sa	36.70	0.1	0.6	2.4	3.4
trend*	36.66	0.4	0.3	2.8	2.9

*Westpac estimates; official series suspended; ^Q1 is latest 3*mt* sum.
Source: ABS, Macrobond, Westpac Economics.

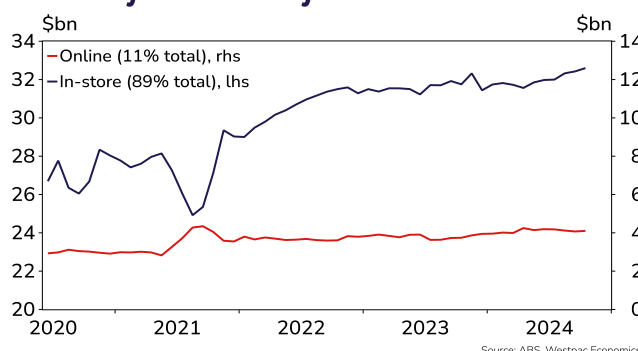
Monthly retail sales: food vs non-food



Monthly retail sales by store type and state



Monthly retail sales by channel





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