



**21 FEBRUARY 2025**

# **WESTPAC-DATAX CARD TRACKER**

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# The fortnight before the rate cut

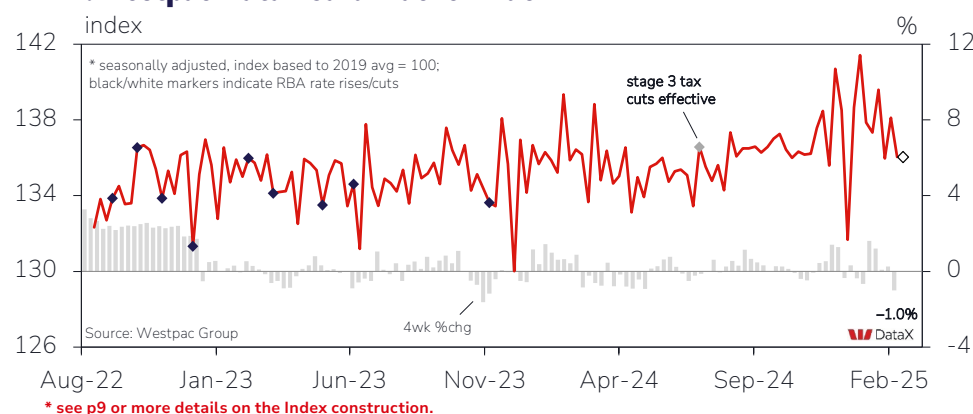
- The **Westpac-DataX Card Tracker Index\*** barely budged over the past fortnight, with the latest print coming in at 136.6, up a mere 0.1pts. After a rollercoaster few months, spending patterns appear to be normalising somewhat. So far, February's reads have been on par with the 2024 average.
- The quarterly pulse eased further, slowing to 0.6%qtr from 1.0%qtr in our previous update. We did anticipate some slowing, noting that the monthly pulse was weaker in our last update. The monthly pulse has fallen further, to -1.0%mt from 0.1%mt. That said, monthly measures are still coming through a bit of Christmas-New Year choppiness. Notably, the quarterly pace is still running slightly ahead of Q4's 0.5%.
- The details show that while discretionary goods are powering the overall quarterly growth pulse, its impact has waned substantially since mid-Dec. Hospitality spend has also started to dip again after being in the green since early-Oct.
- In-line with national trends, growth across all major states cooled in recent weeks. Spending in Qld, SA and WA is now growing at 0.8-1.2%qtr compared to 1.3-1.8%qtr previously. Despite this

slowdown, per capita trends remain positive. NSW has recently emerged as the key driver of national growth, while Vic is failing to hold up its end, with its recent slowdown more pronounced than other states.

- Our retail card index has eased notably, to 0.7%qtr, with broad-based slowing in food and non-food retail.
- Our next update will feature several key elements. Firstly, we will get the Q4 national accounts, with both Westpac and the RBA expecting a 0.7%qtr rise in household consumption. We will also see the ABS's insights into spending in 2025 with Jan updates of Retail Trade and the Household Spending Indicator due. Finally, and perhaps of most interest, our next update will also capture any initial spending responses to the 25bp rate cut. History suggests we will need to wait a bit longer for effects to show as it takes time for mortgage payments to adjust. However, there may be some sentiment and expectations-driven effects.

**Spending trends appear to be normalising...raft of inclusions in next update.**

## 1. Westpac-DataX Card Tracker Index\*



The **Westpac-DataX 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 21 February 2025.

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# Spending activity normalising

- The quarterly growth pulse eased to 0.6%qtr in the latest week, down from 1.0%qtr a fortnight ago. The quarterly pace is now aligning more closely with what we saw in Q4. As noted in our last update, shifting seasonality in recent years has tended to see momentum strengthen at the turn of the year before settling back to more normal levels.
- Chart 3 compares growth in the **Westpac-DataX Card Tracker** with the ABS monthly household spending indicator (MHSI) and consumer-related sectors from the ABS monthly business turnover indicator (MBTI).
- The latest MBTI update highlighted a solid improvement in business turnover

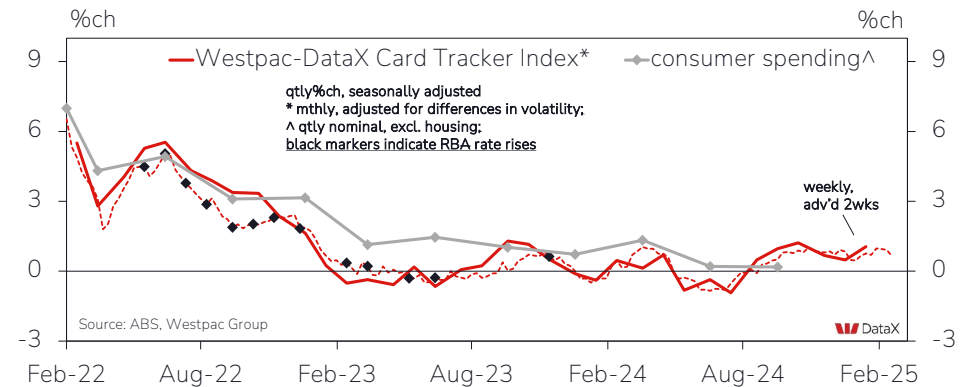
- for consumer-related sectors. The quarterly pulse increased to 0.8%qtr in Dec, marking its first positive read since Jul 2024. As mentioned in our last update, the MHSI showed nominal spending up 1.7%qtr in Dec.
- This wraps up the consumer-related data releases from the ABS, setting the stage for the Q4 national accounts release on March 5.
- Westpac is expecting a 0.7%qtr lift in household consumption for the Dec quarter. The RBA is also expecting a 0.7%qtr rise, as outlined in their Feb 2025 Statement on Monetary Policy. This marks a downward revision from the 1.0%qtr expected in Nov 2024.

qtrly%ch	Q2	Q3	Q4	latest
<b>Westpac-DataX Card Tracker</b>	-0.4	1.0	0.5	0.6
<b>Other indicators (nominal)</b>				
ABS monthly household spending indicator*	0.2	0.5	1.7	n.a.
ABS monthly business turnover indicator^	1.6	-1.1	0.8	n.a.
<b>Consumer spending (qtrly)#</b>				
Nominal	0.2	0.2	n.a.	n.a.
Real	-0.5	-0.1	n.a.	n.a.

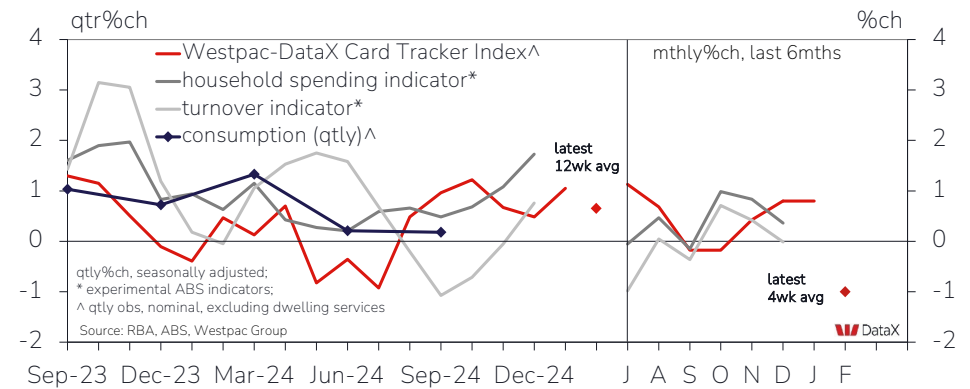
All series seasonally adjusted. Latest is either the latest weekly obs (12wks %ch on previous 12wks) or latest monthly obs (3mths %ch on previous 3mths). See p9 for more details.  
 \* ABS monthly household spending indicator based on card transaction, supermarket transaction and new vehicle sales data.  
 ^ ABS monthly business turnover indicator based on BAS returns - figures show weighted estimate for consumer-sector businesses only.  
 # Consumer spending excludes housing costs.

Sources: ABS, Westpac Group

## 2. Card activity and spending: growth momentum



## 3. Consumer spending: selected indicators



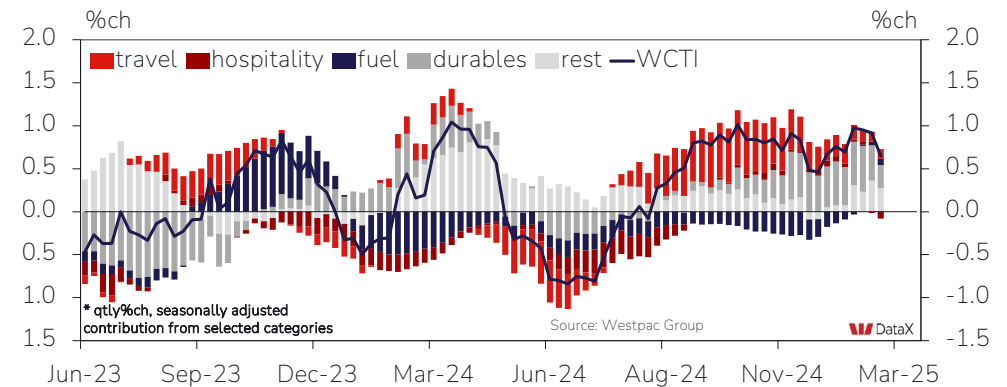
# National growth now run by NSW

- Charts 4 and 5 respectively illustrate the category and state contributions to the quarterly growth pulse of card activity.
- By category, growth continues to be led by discretionary goods, in particular the durable goods segment which accounted for around 40% of headline growth. However, its contribution has come-off substantially since mid-Dec.
- Hospitality spending took -12% off the headline growth figure offsetting the positive 11% contribution from fuel spending.
- State trends have undergone a clear shift in recent weeks, with NSW now driving national growth trends, contributing just under 50% to the overall increase. Per capita growth is a tad more subdued compared to other states, sitting at 0.4%qtr.
- Meanwhile, after a brief period that seemed to signal a promising turnaround, quarterly spending growth slowed to near flat (0.1%qtr) in Vic, with per capita spend at -0.7%qtr.
- Qld and other regions saw a slowing in line with national trends, but their contributions to growth held steady. Per capita spending trends continue to be the strongest in these regions, respectively at 1.4%qtr and 1.5%qtr.

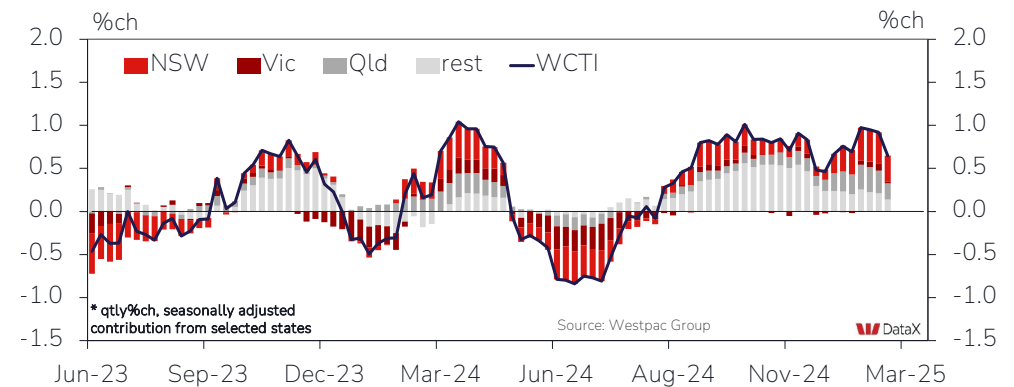
	Nov	Dec	Jan	15/2
<b>Westpac-DataX Card Tracker</b>	<b>137.7</b>	<b>138.8</b>	<b>139.9</b>	<b>136.1</b>
<b>By category</b>				
– discretionary	138.4	139.2	139.8	134.3
– essential	133.4	133.6	135.0	134.2
<b>By state</b>				
– NSW	132.0	134.2	133.0	147.2
– Vic	133.0	134.5	133.7	146.6
– Qld	150.5	151.6	153.8	164.2
– WA	149.6	150.4	151.3	165.0
– SA	146.5	147.8	148.2	162.1

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



# Retail spending easing; non-retail making up lost ground

- Our 'retail' measure covers a narrower subset of card activity that aligns more closely to the ABS retail survey.
- The growth pulse eased markedly over the past fortnight, dropping from 1.3%qtr to 0.7%qtr, the weakest pace since mid-Nov.
- The details show a slip in both food and non-food retail segments. Food retail eased to 0.2%qtr from 0.6%qtr, while the quarterly pace of non-food retail dropped 0.7ppts to 1.5%qtr. This is the largest pull-back over a two-week period in over six months.
- After four months of positive growth, hospitality spending took a hit, falling

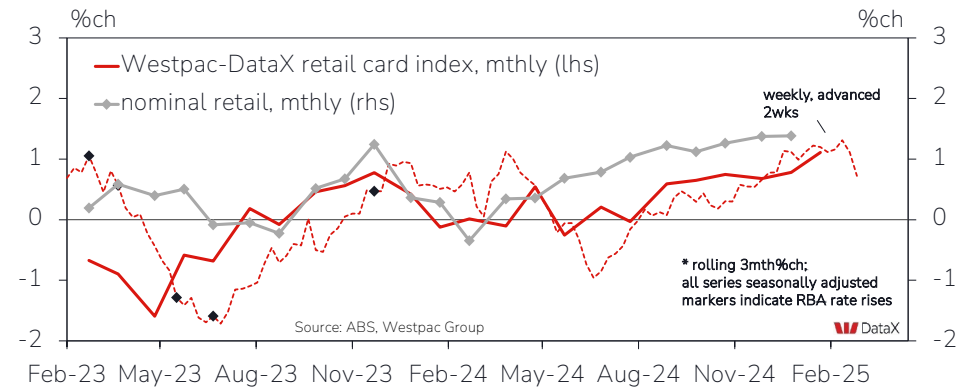
-3.7% over the last fortnight. This brought the quarterly pace down to -0.6%qtr. Spending at restaurants and bars is declining at -1.7%qtr. Based on the last four-week pace, some further weakening can be expected.

- Non-retail spending continues to lag retail, at 0.4%qtr, though it has made up some ground in recent weeks.
- We will receive the January Retail Trade report from the ABS on March 4. Our retail index suggests there was a further lift in retail spending at the start of 2025 although shifting seasonality remains a source of uncertainty for official measures.

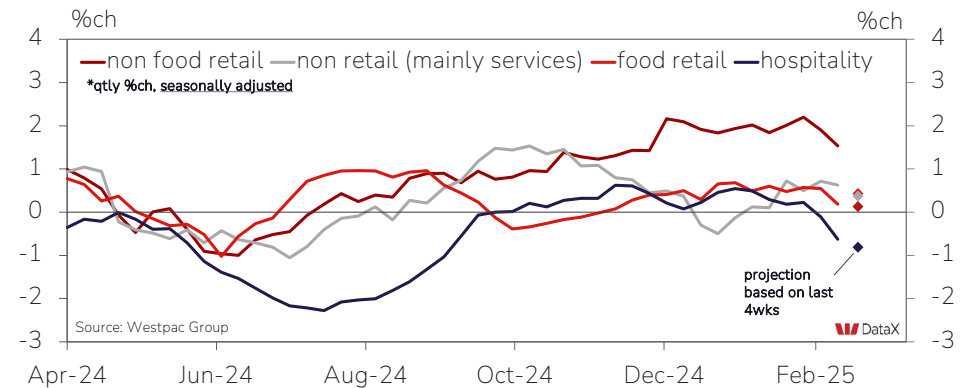
	Nov	Dec	Jan	15/2
<b>By retail/non retail</b>				
<b>Retail card index</b>	143.5	144.8	145.7	140.6
– qtly%ch	0.7	0.8	1.1	0.7
– qtly, ann%ch	1.0	1.5	2.4	1.7
<b>Non-retail card index</b>	131.3	132.3	133.6	133.7
<b>ABS retail sales</b>				
– %ch	0.7	-0.1	n.a.	n.a.
– ann%ch	3.1	4.6	n.a.	n.a.
– qtly%ch	1.4	1.4	n.a.	n.a.
– qtly ann%ch	3.0	3.7	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

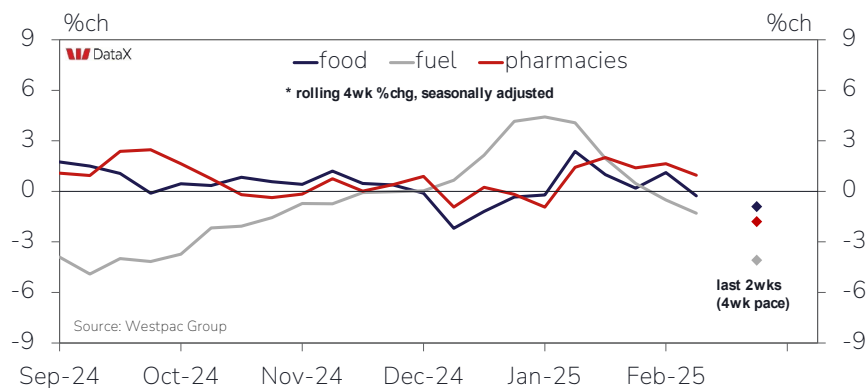
## 6. Card activity: retail



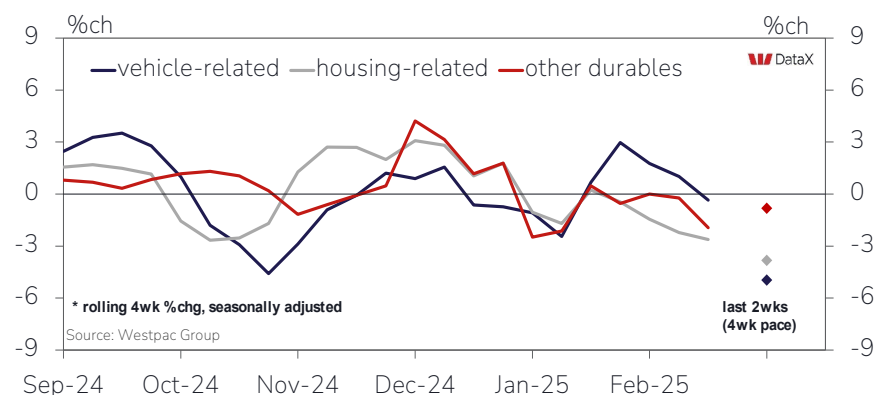
## 7. Card activity: broad retail and non-retail groups



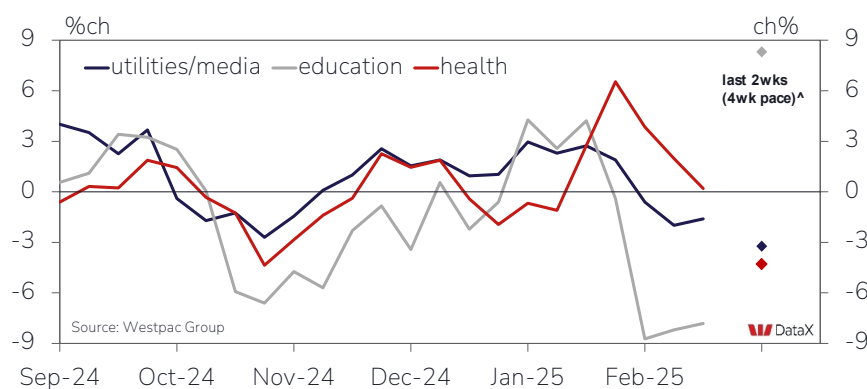
## 8. Card activity: essential goods



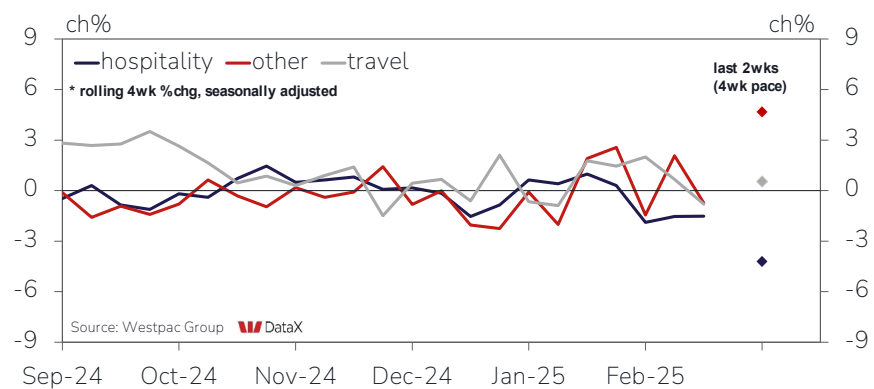
## 9. Card activity: discretionary goods



## 10. Card activity: essential services

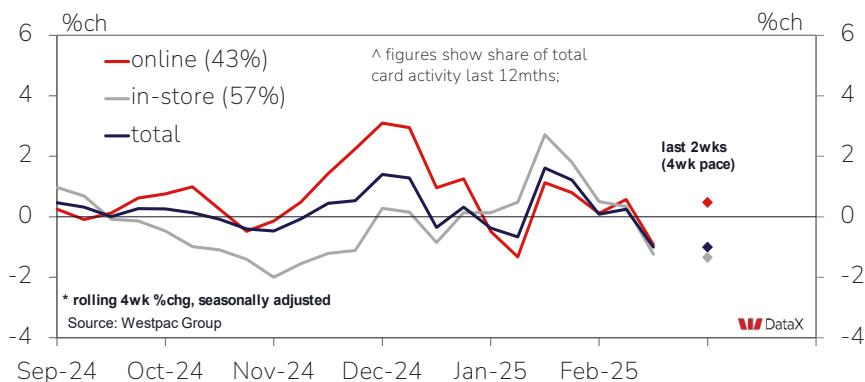


## 11. Card activity: discretionary services

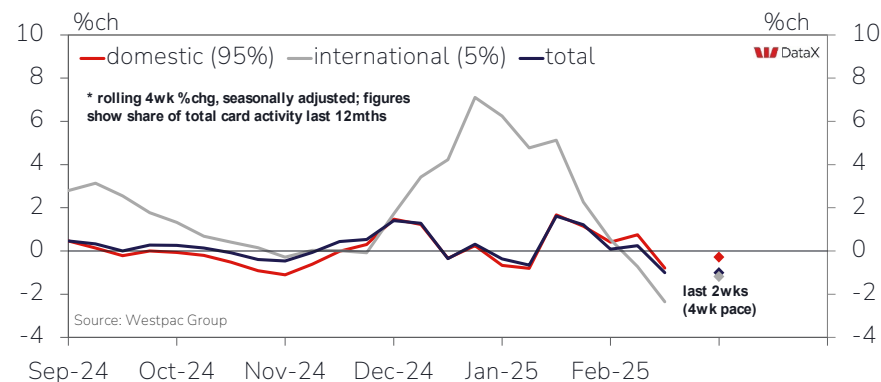


Past performance is not a reliable indicator of future performance. The forecasts given above are predictive in character. Whilst every effort has been taken to ensure that the assumptions on which the forecasts are based are reasonable, the forecasts may be affected by incorrect assumptions or by known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

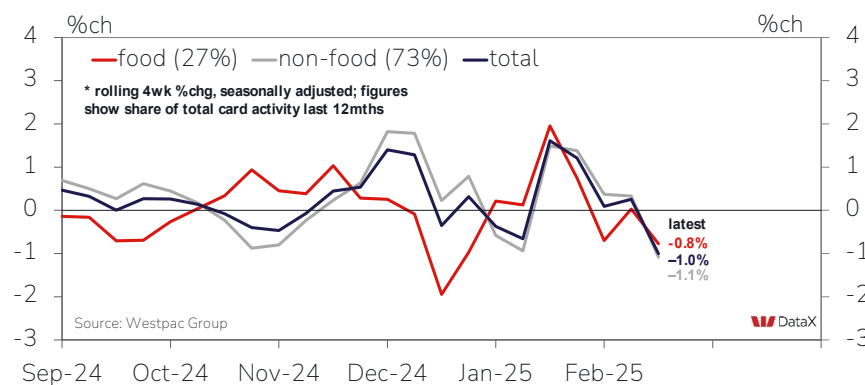
## 12. Card activity: online and in-store



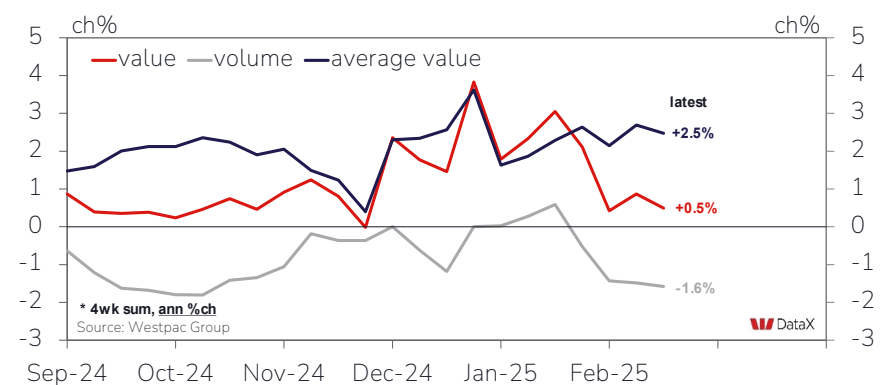
## 13. Card activity: domestic and international



## 14. Card activity: food and non-food



## 15. Card activity: value and volume



	2023				2024				week ending:						
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Nov	Dec	Jan	25/1	1/2	8/2	15/2
<b>Westpac–DataX Card Tracker Index</b>	<b>135.6</b>	<b>134.7</b>	<b>136.4</b>	<b>136.3</b>	<b>136.4</b>	<b>135.9</b>	<b>137.2</b>	<b>137.9</b>	<b>137.7</b>	<b>138.8</b>	<b>139.9</b>	<b>139.6</b>	<b>136.0</b>	<b>138.1</b>	<b>136.1</b>
qtly%ch	-0.4	-0.7	1.3	-0.1	0.1	-0.4	1.0	0.5	0.7	0.5	1.0	1.0	1.0	0.9	0.6
qtly, ann%ch	10.5	4.0	1.9	0.2	0.6	1.0	0.6	1.2	0.8	1.2	2.0	2.0	1.6	1.5	1.4
<b>By category</b>															
– discretionary	135.8	134.9	137.3	135.8	135.7	134.9	137.6	138.6	138.4	139.2	139.8	138.7	134.0	137.3	134.3
– essential	132.5	132.3	133.2	134.4	135.4	135.6	134.3	133.3	133.4	133.6	135.0	136.9	134.6	134.8	134.2
services	130.1	132.2	134.2	131.0	132.5	131.6	135.2	132.7	131.8	132.8	136.9	136.4	130.2	134.6	131.4
– discretionary services	131.8	132.1	135.6	131.9	133.2	130.8	134.7	135.3	135.0	135.6	135.6	135.5	130.1	135.3	130.5
– essential services	125.9	127.1	129.6	130.5	131.6	134.7	134.4	132.4	132.9	132.5	133.8	139.3	130.4	132.4	134.2
goods	137.8	137.1	137.3	138.4	137.8	138.3	138.0	138.5	138.1	139.7	140.1	139.5	137.7	138.0	136.8
– discretionary goods	139.7	139.1	138.8	139.7	138.5	140.1	140.8	142.3	141.5	143.9	144.1	142.5	138.6	139.7	138.9
– essential goods	135.4	134.6	135.0	136.8	136.9	136.0	134.3	134.2	134.3	134.3	134.8	135.7	136.7	135.9	134.2
retail*	141.4	140.4	141.1	141.7	141.5	141.8	142.7	143.9	143.5	144.8	145.7	143.2	142.6	142.7	140.6
qtly%ch	-0.9	-0.7	0.5	0.4	-0.1	0.2	0.6	0.8	0.7	0.8	1.1	1.2	1.3	1.1	0.7
qtly, ann%ch	6.2	2.0	-0.7	-0.7	0.1	1.0	1.2	1.5	1.0	1.5	2.4	1.9	1.9	1.7	1.7
<b>By state</b>															
– NSW	131.1	129.6	130.2	130.7	131.9	130.4	131.2	132.6	132.0	134.2	133.0	149.6	146.2	148.7	147.2
– Vic	134.4	133.9	135.2	133.2	134.1	132.7	133.4	133.4	133.0	134.5	133.7	151.4	145.5	149.3	146.6
– Qld	143.9	144.6	146.1	146.4	147.1	147.5	148.7	150.4	150.5	151.6	153.8	170.3	166.5	166.5	164.2
– WA	141.5	141.8	143.2	145.5	146.1	146.4	147.9	149.5	149.6	150.4	151.3	167.4	164.5	168.6	165.0
– SA	140.6	141.8	143.9	144.3	142.9	145.0	145.6	146.9	146.5	147.8	148.2	165.5	162.1	162.2	162.1

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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