

ANZ-ROY MORGAN AUSTRALIAN CONSUMER CONFIDENCE MEDIA RELEASE

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CONTACT

research@anz.com

Warren Hogan Chief Economist

+61 2 8037 0063
Warren.Hogan@anz.com

Katie Hill Economist

+61 2 8037 0062
Katie.Hill@anz.com

HOUSEHOLD FINANCES BOOST CONFIDENCE

- Consumer confidence rose 1.1% to 113.8 in the week ending 12 October and continues to sit around its long run average.
- The improvement last week was driven by perceptions of households' financial situation compared to a year ago (+3.8%) and expectations over the next year (+3.3%). The level of the former subindex, which is the most correlated with consumer demand, continues to point to a modest pick-up in household spending (see Figure 4).
- While perceptions of household finances improved, views around the medium-term economic outlook deteriorated. Expectations of economic conditions over the next five years (-3.7%) was the only sub-index to decline last week and remains around 8% below its average since 2001.

ANZ CHIEF ECONOMIST WARREN HOGAN COMMENTED:

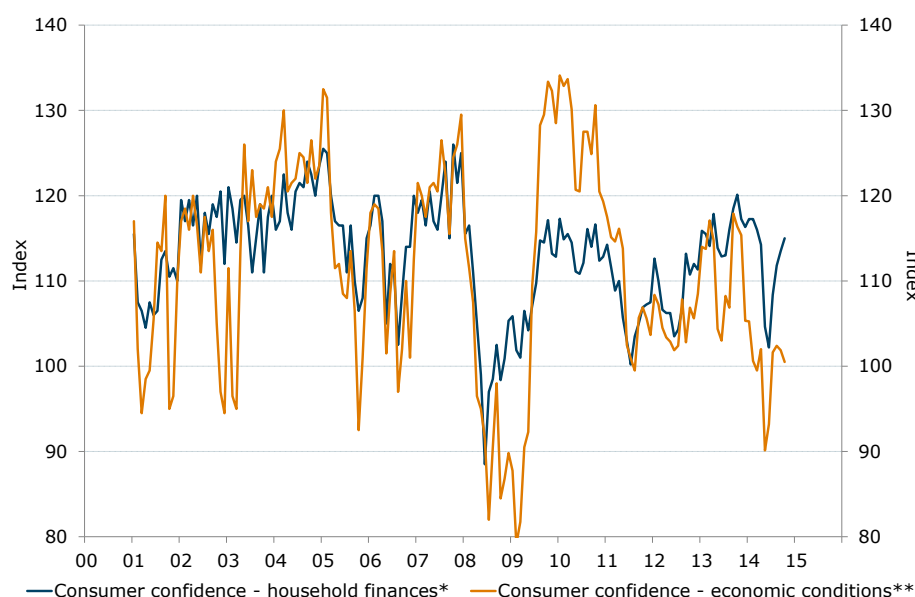
"Concerns about the economic outlook continue to weigh on consumer confidence and are likely contributing to cautious consumer behaviour and the elevated household saving rate. Nonetheless, we expect that the 'wealth effect' from higher house prices still has further to run and will allow households to reduce their savings modestly. This will provide some offset to soft household income growth over coming quarters."

FIGURE 1. WEEKLY ANZ-ROY MORGAN CONSUMER CONFIDENCE

Last week (11 th /12 th October)	Weekly change, %	4-week avg	Monthly avg since 1990
113.8	+1.1	113.3	112.8

Data collected last weekend (Saturday and Sunday), based on around 1,000 face-to-face interviews. Not seasonally adjusted. Further data history on page 4.

FIGURE 2. HOUSEHOLD FINANCES AND ECONOMIC CONDITIONS DIVERGE



*Average of 'household finances vs one year ago' and 'household finances next year'.
**Average of 'economic conditions next year' and 'economic conditions next five years'.

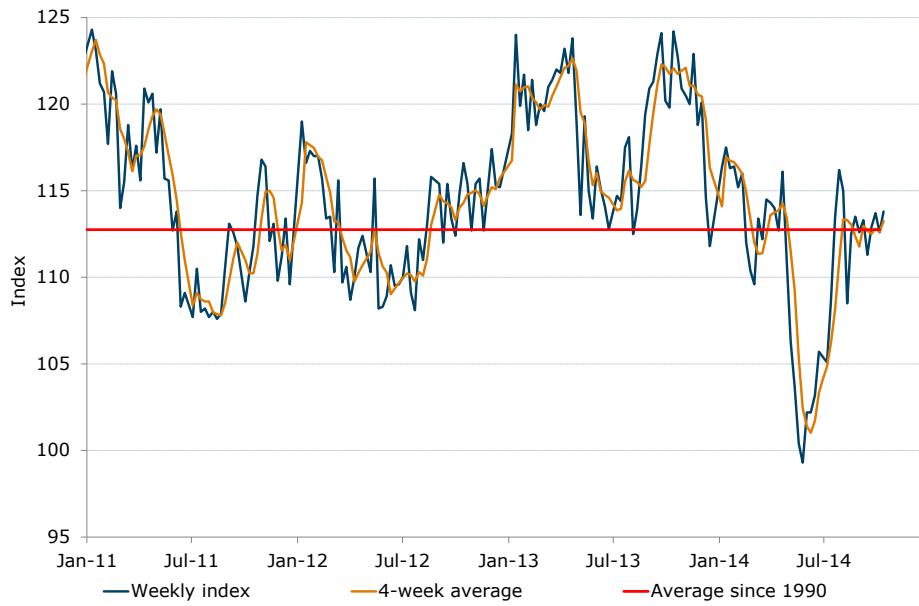
Source: ANZ-Roy Morgan

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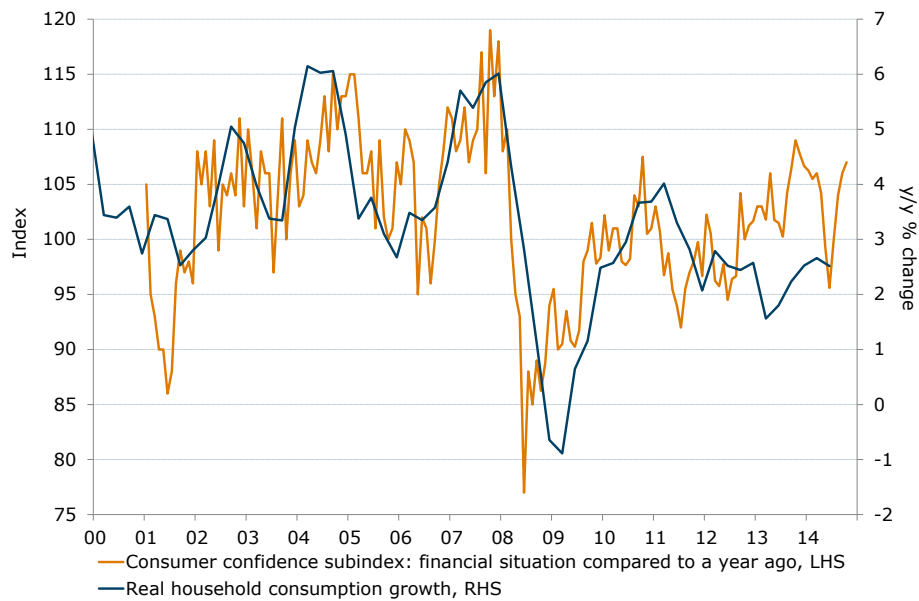
Previous ANZ-Roy Morgan Consumer Confidence reports for Australia and other countries can be accessed on [ANZ Live](#).

FIGURE 3. CONSUMER CONFIDENCE AROUND AVERAGE LEVELS



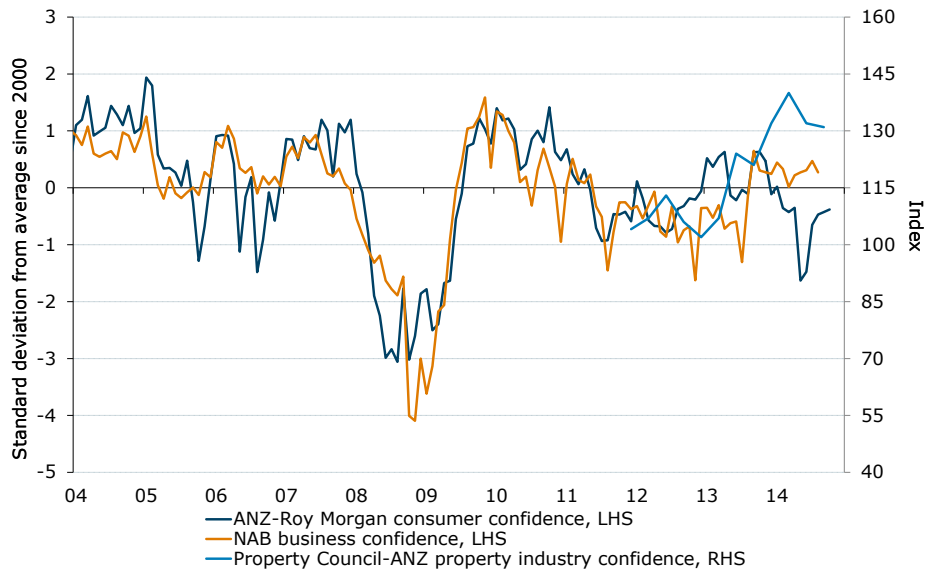
Source: ANZ-Roy Morgan

FIGURE 4. CONSUMER CONFIDENCE POINTS TO A PICK-UP IN CONSUMPTION



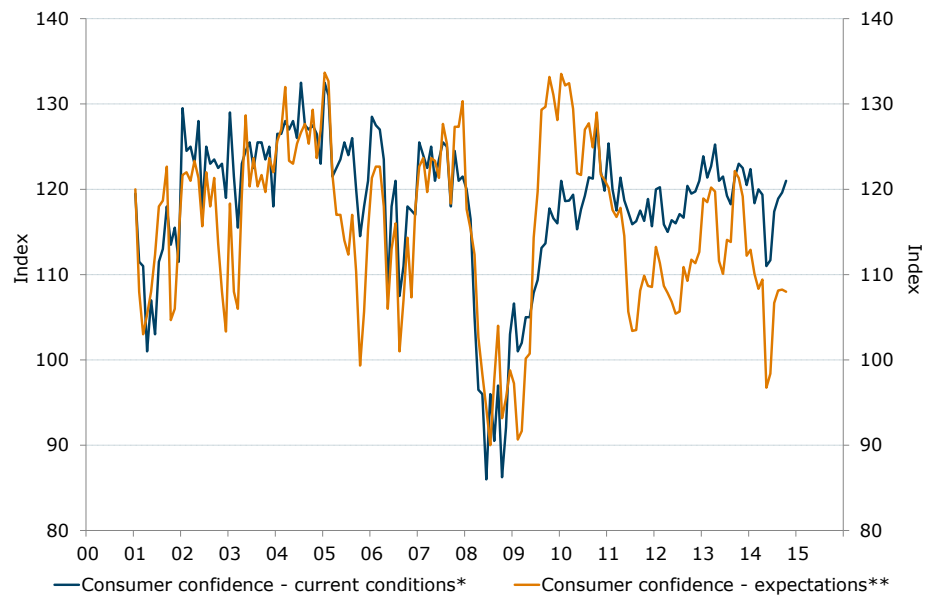
Source: ABS, ANZ-Roy Morgan

FIGURE 5. PROPERTY SECTOR REMAINS THE MOST 'CONFIDENT'



Source: NAB, PCA, ANZ-Roy Morgan

FIGURE 6. CURRENT CONDITIONS AND EXPECTATIONS DIVERGE



*Average of 'time to buy a major household item' and 'household finances vs one year ago'.

**Average of 'household finances next year', 'economic conditions next year' and 'economic conditions next five years'.

Source: ANZ-Roy Morgan

TABLE 1. CONSUMER CONFIDENCE

	Headline index			Subindices			
	Level	4-week moving average	1. Financial situation compared to a year ago	2. Financial situation next year	3. Economic conditions next year	4. Economic conditions next 5 years	5. Time to buy a major household item
Avg since 2001	117	-	102	124	107	116	134
2009 avg	112	-	95	123	92	125	124
2010 avg	124	-	101	127	124	130	139
2011 avg	114	-	97	117	101	116	140
2012 avg	113	-	99	118	97	113	137
2013 avg	119	-	104	128	106	118	139
05-Jan-14	116.4	114.1	103	129	100	109	141
12-Jan-14	117.5	117.0	109	129	101	109	140
19-Jan-14	116.3	116.7	106	127	100	113	136
26-Jan-14	116.4	116.7	107	128	100	110	137
02-Feb-14	115.2	116.4	107	127	99	108	135
09-Feb-14	116.0	116.0	105	131	102	111	131
16-Feb-14	112.0	114.9	106	131	91	104	128
23-Feb-14	110.4	113.4	104	127	86	104	131
02-Mar-14	109.6	112.0	108	124	86	103	127
09-Mar-14	113.4	111.4	110	126	91	107	137
16-Mar-14	112.2	111.4	100	128	91	109	133
23-Mar-14	114.5	112.4	103	127	95	111	137
30-Mar-14	114.3	113.6	109	125	95	107	136
06-Apr-14	114.0	113.8	105	129	94	107	135
13-Apr-14	112.7	113.9	102	123	96	108	134
20-Apr-14	116.1	114.3	107	124	105	109	135
27-Apr-14	111.0	113.5	103	121	93	104	134
04-May-14	106.3	111.5	105	117	83	100	127
11-May-14	103.7	109.3	99	112	83	99	125
18-May-14	100.4	105.4	96	106	81	100	119
25-May-14	99.3	102.4	97	105	76	99	120
01-Jun-14	102.2	101.4	94	105	87	103	122
08-Jun-14	102.2	101.0	95	107	84	99	126
15-Jun-14	103.2	101.7	96	111	84	101	124
22-Jun-14	105.7	103.3	97	110	85	103	133
29-Jun-14	105.4	104.1	96	111	84	102	134
06-Jul-14	105.1	104.9	94	111	87	103	131
13-Jul-14	108.7	106.2	98	113	93	107	133
20-Jul-14	113.5	108.2	103	121	99	110	135
27-Jul-14	116.2	110.9	105	122	102	112	140
03-Aug-14	115.0	113.4	103	120	99	112	141
10-Aug-14	108.5	113.3	104	117	90	102	130
17-Aug-14	112.5	113.1	99	123	97	110	133
24-Aug-14	113.5	112.4	110	119	99	110	130
31-Aug-14	112.6	111.8	104	119	96	109	135
07-Sep-14	113.3	113.0	107	118	95	109	138
14-Sep-14	111.3	112.7	103	119	96	107	131
21-Sep-14	112.9	112.5	105	123	97	111	129
28-Sep-14	113.7	112.8	109	124	96	104	135
05-Oct-14	112.6	112.6	105	121	94	108	135
12-Oct-14	113.8	113.3	109	125	96	104	135

Source: ANZ- Roy Morgan

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