

## ANZ-ROY MORGAN AUSTRALIAN CONSUMER CONFIDENCE MEDIA RELEASE

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### DANGER ZONE: CONFIDENCE FADING AHEAD OF THE BUDGET

- Consumer confidence was broadly unchanged last week, rising just 0.1%. This follows a 2.3% decline in the previous week which left confidence at eight month lows.
- The small rise last week was driven by a modest gain in households' view of their own finances and a bounce in the 'time to buy a household item' index.
- This was offset by deteriorating confidence around the economic outlook with the economic conditions index falling for the second consecutive week. The subindex on economic conditions in the year ahead fell 4.0%, and in the next five years fell 3.4%. These indices remain well below their long run averages.

### ANZ CHIEF ECONOMIST WARREN HOGAN COMMENTED:

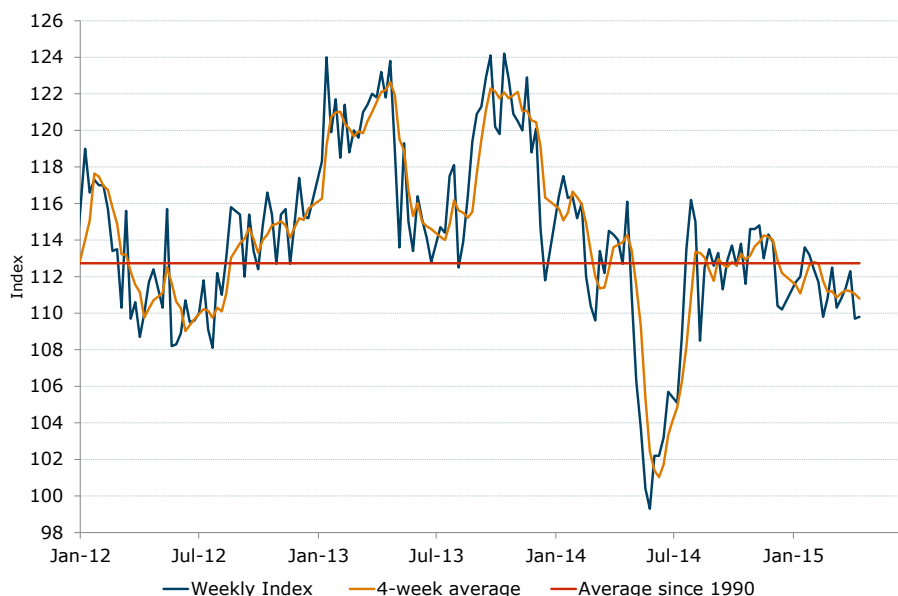
"Rising house prices and strong auction clearance rates are keeping consumers' view of their own finances relatively optimistic. In comparison, views of economic conditions remain well below average. This is not surprising given the ramp-up of discussion of Australia's fiscal challenges in the lead-up to the Commonwealth Budget next month. Given the apparent sensitivity of the Australian consumer to budget issues, it will be important to monitor consumer confidence closely over the weeks ahead. Our main concern for the economy would be another strongly adverse response to the budget as seen last year. This not only risks undermining retail spending but also business confidence more widely."

**FIGURE 1. WEEKLY ANZ-ROY MORGAN CONSUMER CONFIDENCE**

Last week (11/12 Apr)	Weekly change, %	4-week avg	Monthly avg since 1990
109.8	0.1%	110.8	112.7

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. CONFIDENCE REMAINS BELOW LONG-RUN AVERAGE**



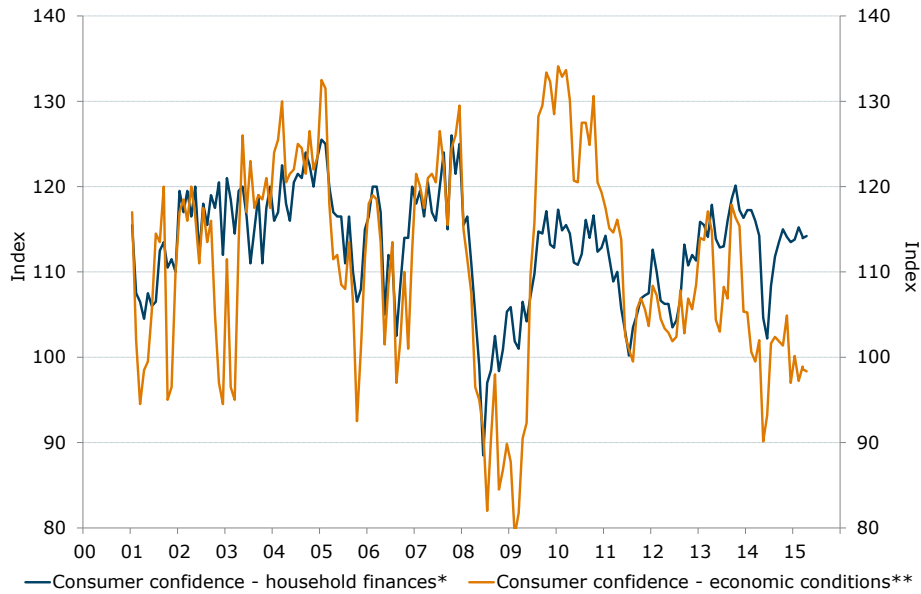
Source: ANZ-Roy Morgan

You can find the ANZ-Roy Morgan Consumer Confidence series on Bloomberg:

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

**FIGURE 3. CONFIDENCE IN THE ECONOMIC OUTLOOK REMAINS LOW**

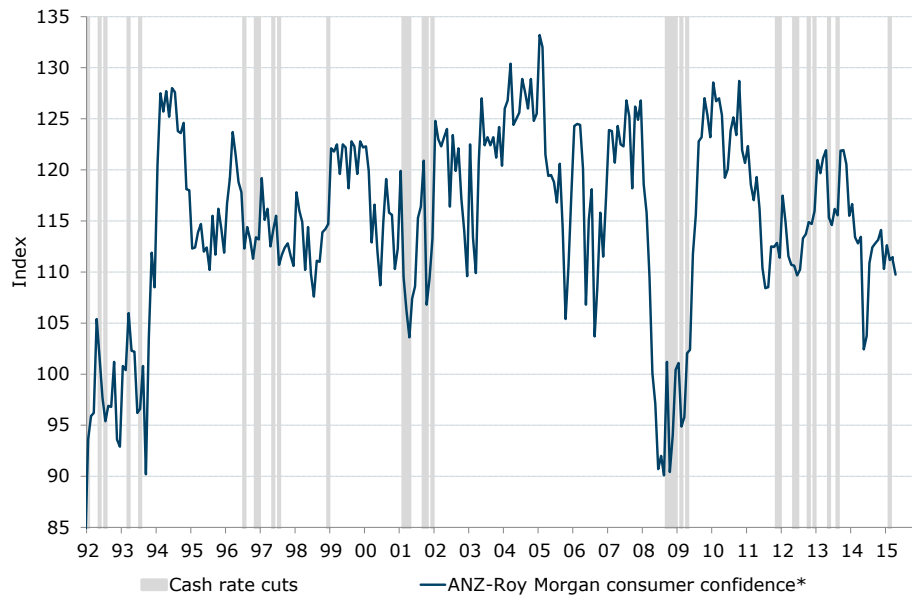


\* Financial situation compared to a year ago and next year

\*\* Economic conditions next year and next 5 years

Source: ANZ-Roy Morgan

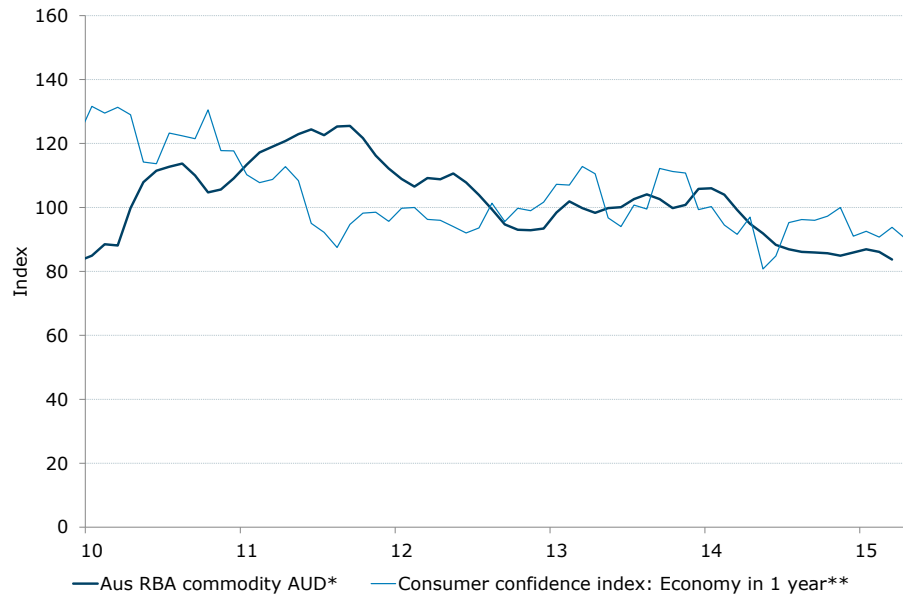
**FIGURE 4. SUCCESSIVE RATE CUTS TEND TO BOOST CONFIDENCE**



\*Latest data point is an average of the weekly data points for the month to date.

Source: ANZ-Roy Morgan

**FIGURE 5. COMMODITY PRICE DECLINES MAY WEIGH ON HOUSEHOLDS' VIEW OF THE OUTLOOK**



\*Latest data point is for March 2015

\*\*Latest data point (April 2015) is an average of the weekly data points for the month to date.

Source: ANZ-Roy Morgan, Bloomberg

TABLE 1. CONSUMER CONFIDENCE

	Headline index		Subindices				
	Last week	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
<b>Avg since 2001</b>	116	-	102	124	107	115	134
<b>2010 avg</b>	124	-	101	127	124	130	139
<b>2011 avg</b>	114	-	97	117	101	116	140
<b>2012 avg</b>	113	-	99	118	97	113	137
<b>2013 avg</b>	119	-	104	128	106	118	139
<b>2014 avg</b>	111	-	104	121	94	106	132
<b>5-Jan-14</b>	116.4	115.7	103	129	100	109	141
<b>12-Jan-14</b>	117.5	115.1	109	129	101	109	140
<b>19-Jan-14</b>	116.3	115.5	106	127	100	113	136
<b>26-Jan-14</b>	116.4	116.7	107	128	100	110	137
<b>2-Feb-14</b>	115.2	116.4	107	127	99	108	135
<b>9-Feb-14</b>	116	116.0	105	131	102	111	131
<b>16-Feb-14</b>	112	114.9	106	131	91	104	128
<b>23-Feb-14</b>	110.4	113.4	104	127	86	104	131
<b>2-Mar-14</b>	109.6	112.0	108	124	86	103	127
<b>9-Mar-14</b>	113.4	111.4	110	126	91	107	137
<b>16-Mar-14</b>	112.2	111.4	100	128	91	109	133
<b>23-Mar-14</b>	114.5	112.4	103	127	95	111	137
<b>30-Mar-14</b>	114.3	113.6	109	125	95	107	136
<b>6-Apr-14</b>	114	113.8	105	129	94	107	135
<b>13-Apr-14</b>	112.7	113.9	102	123	96	108	134
<b>20-Apr-14</b>	116.1	114.3	107	124	105	109	135
<b>27-Apr-14</b>	111	113.5	103	121	93	104	134
<b>4-May-14</b>	106.3	111.5	105	117	83	100	127
<b>11-May-14</b>	103.7	109.3	99	112	83	99	125
<b>18-May-14</b>	100.4	105.4	96	106	81	100	119
<b>25-May-14</b>	99.3	102.4	97	105	76	99	120
<b>1-Jun-14</b>	102.2	101.4	94	105	87	103	122
<b>8-Jun-14</b>	102.2	101.0	95	107	84	99	126
<b>15-Jun-14</b>	103.2	101.7	96	111	84	101	124
<b>22-Jun-14</b>	105.7	103.3	97	110	85	103	133
<b>29-Jun-14</b>	105.4	104.1	96	111	84	102	134
<b>6-Jul-14</b>	105.1	104.9	94	111	87	103	131
<b>13-Jul-14</b>	108.7	106.2	98	113	93	107	133
<b>20-Jul-14</b>	113.5	108.2	103	121	99	110	135
<b>27-Jul-14</b>	116.2	110.9	105	122	102	112	140
<b>3-Aug-14</b>	115	113.4	103	120	99	112	141
<b>10-Aug-14</b>	108.5	113.3	104	117	90	102	130
<b>17-Aug-14</b>	112.5	113.1	99	123	97	110	133
<b>24-Aug-14</b>	113.5	112.4	110	119	99	110	130
<b>31-Aug-14</b>	112.6	111.8	104	119	96	109	135
<b>7-Sep-14</b>	113.3	113.0	107	118	95	109	138
<b>14-Sep-14</b>	111.3	112.7	103	119	96	107	131
<b>21-Sep-14</b>	112.9	112.5	105	123	97	111	129
<b>28-Sep-14</b>	113.7	112.8	109	124	96	104	135
<b>5-Oct-14</b>	112.6	112.6	105	121	94	108	135
<b>12-Oct-14</b>	113.8	113.3	109	125	96	104	135
<b>19-Oct-14</b>	111.6	112.9	104	125	95	103	131
<b>26-Oct-14</b>	114.6	113.2	106	125	104	107	131
<b>2-Nov-14</b>	114.6	113.7	107	127	98	107	134
<b>9-Nov-14</b>	114.8	113.9	106	125	100	112	131
<b>16-Nov-14</b>	113	114.3	106	117	100	107	135
<b>23-Nov-14</b>	114.3	114.2	106	121	100	111	133
<b>30-Nov-14</b>	113.9	114.0	104	122	102	112	130
<b>7-Dec-14</b>	110.4	112.9	104	120	94	103	131
<b>14-Dec-14</b>	110.2	112.2	105	125	88	103	130
<b>4-Jan-15</b>	111.7	111.6	108	119	89	108	135
<b>11-Jan-15</b>	112	111.1	105	120	90	106	139
<b>18-Jan-15</b>	113.6	111.9	103	126	97	108	134
<b>25-Jan-15</b>	113.2	112.6	108	121	94	109	134
<b>1-Feb-15</b>	112.4	112.8	104	124	94	106	135
<b>8-Feb-15</b>	111.7	112.7	105	127	91	103	132
<b>15-Feb-15</b>	109.8	111.8	104	128	87	100	131
<b>22-Feb-15</b>	110.8	111.2	108	123	91	106	127
<b>1-Mar-15</b>	112.5	111.2	104	124	95	107	133
<b>8-Mar-15</b>	110.3	110.9	104	122	93	100	132
<b>15-Mar-15</b>	110.8	111.1	106	125	91	101	131
<b>22-Mar-15</b>	111.4	111.3	102	124	94	105	132
<b>29-Mar-15</b>	112.3	111.2	104	125	95	108	129
<b>5-Apr-15</b>	109.7	111.1	105	122	92	106	123
<b>12-Apr-15</b>	109.8	110.8	106	123	89	103	129

Source: ANZ-Roy Morgan

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