

## ANZ-ROY MORGAN AUSTRALIAN CONSUMER CONFIDENCE MEDIA RELEASE

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### CONFIDENCE REMAINS SOFT

- Consumer confidence edged 0.5% higher in the week ending 15 March, following a fall of 2.0% in the previous week. The index remains below the level of six months ago and 1.4% below the level of a year ago. A tick down in the unemployment rate and reduced news flow around the budget may have led to the modest rise last week. This rise leaves the index still below long run average levels (Figure 2).
- The rise last week was driven by households' perceptions of their finances, with the sub-index 'financial situation compared to a year ago' up 2.0% and 'financial situation next year' up 2.3%.
- This strength was partly offset by consumers' view on the economic outlook, which remains dreary. The sub-index 'economic conditions for the next twelve months' fell last week and remains well below households' view of the own finances over the coming year.

### ANZ CHIEF ECONOMIST WARREN HOGAN COMMENTED:

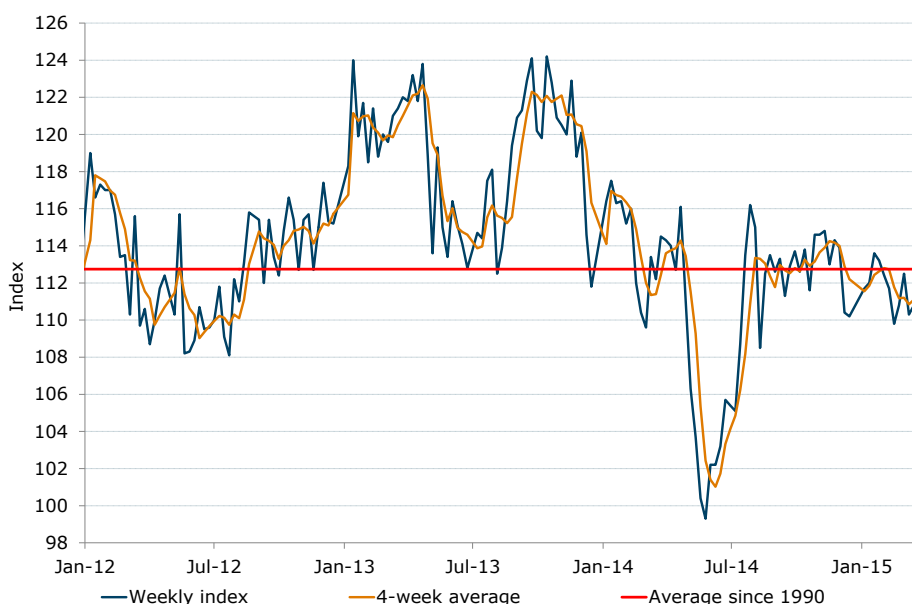
"Consumer confidence remains soft amidst ongoing concerns over the economic outlook. While rising house prices, relative low petrol prices and low interest rates may be helping consumers feel more positive about their own finances, households remain concerned with the economic outlook in an environment of low wage growth, government budgetary strains and a soft labour market. Last week's news of a slight dip in the unemployment rate appears to have had only a minor impact on confidence. The recent weakness in the Australian dollar also appears to have had little impact on confidence, one way or the other. We expect the RBA to lower interest rates at their next board meeting in April and keep rates at record lows until 2017 to support domestic economic growth."

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

Last week (14/15 Mar)	Weekly change, %	4-week avg	Monthly avg since 1990
110.8	0.5%	111.1	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 BELOW LONG-RUN AVERAGE**



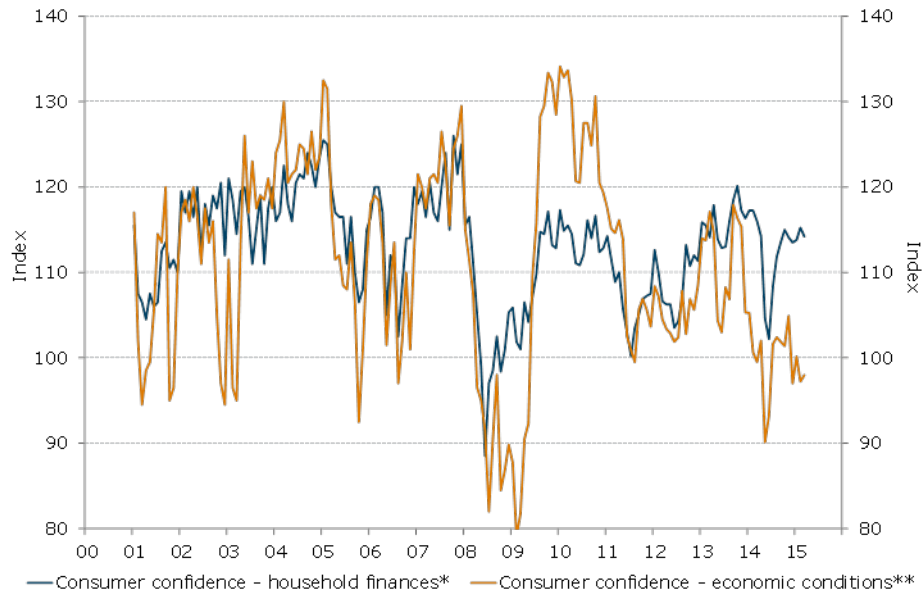
Source: ANZ-Roy Morgan

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

**FIGURE 3. HOUSEHOLDS REMAIN CONCERNED ABOUT ECONOMIC CONDITIONS**

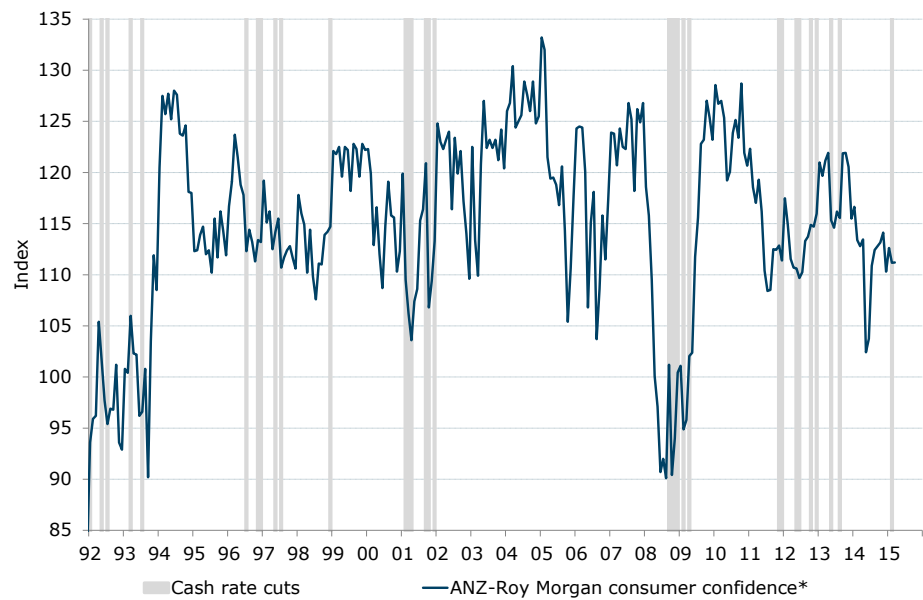


\*Average of 'household finances vs one year ago' and 'household finances next year'. Latest data point is an average of the weekly data points in the month to date.

\*\*Average of 'economic conditions next year' and 'economic conditions next five years'. Latest data point is an average of the weekly data points in the month to date.

Source: ANZ-Roy Morgan

**FIGURE 4. MORE RATE CUTS NEEDED TO BOOST CONFIDENCE**



\*Latest data point is an average of the weekly data points in the months to date.

Source: ANZ-Roy Morgan, RBA

TABLE 1. CONSUMER CONFIDENCE

	Headline index		Subindicies				
	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	116	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>05-Jan-14</b>	116.4	114.1	103	129	100	109	141
<b>12-Jan-14</b>	117.5	117.0	109	129	101	109	140
<b>19-Jan-14</b>	116.3	116.7	106	127	100	113	136
<b>26-Jan-14</b>	116.4	116.7	107	128	100	110	137
<b>02-Feb-14</b>	115.2	116.4	107	127	99	108	135
<b>09-Feb-14</b>	116.0	116.0	105	131	102	111	131
<b>16-Feb-14</b>	112.0	114.9	106	131	91	104	128
<b>23-Feb-14</b>	110.4	113.4	104	127	86	104	131
<b>02-Mar-14</b>	109.6	112.0	108	124	86	103	127
<b>09-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>06-Apr-14</b>	114.0	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>	111.0	113.5	103	121	93	104	134
<b>04-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>01-Jun-14</b>	102.2	101.4	94	105	87	103	122
<b>08-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>06-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>03-Aug-14</b>	115.0	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>07-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>05-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>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>02-Nov-14</b>	114.6	113.7	107	127	98	107	134
<b>09-Nov-14</b>	114.8	113.9	106	125	100	112	131
<b>16-Nov-14</b>	113.0	114.3	106	117	100	107	135
<b>23-Nov-14</b>	114.3	114.2	106	121	100	111	133
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<b>07-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>04-Jan-15</b>	111.7	111.6	108	119	89	108	135
<b>11-Jan-15</b>	112.0	111.9	105	120	90	106	139
<b>18-Jan-15</b>	113.6	112.4	103	126	97	108	134
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<b>01-Feb-15</b>	112.4	112.8	104	124	94	106	135
<b>08-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>01-Mar-15</b>	112.5	111.2	104	124	95	107	133
<b>08-Mar-15</b>	110.3	110.9	104	122	93	100	132
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Source: ANZ-Roy Morgan

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