

## ANZ-ROY MORGAN AUSTRALIAN CONSUMER CONFIDENCE MEDIA RELEASE

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### NEXT RELEASE

Wednesday 14 June, due  
to the Queen's Birthday  
public holiday in NSW

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### CONFIDENCE STILL RISING

- Consumer confidence increased for the third straight week – up 0.6% to 112.9, bringing the weekly index back to its long term average. This is the longest sustained rise in confidence this year.
- Households' expectations of current economic conditions improved 1.4% last week, following a solid 3.5% rise the previous week. Meanwhile, views of future economic conditions declined 3.2% last week, partially offsetting the 4.6% rise in the previous week.
- Households' views around current financial conditions edged down (-0.4%). Encouragingly, views towards future conditions bounced 2.7%, more than offsetting the 1.7% fall the previous week.
- The 'time to buy a major household item' sub-index rose 1.7% last week making this the fourth consecutive rise and bringing the sub-index to its highest value since mid-January.
- The weekly inflation expectations series ticked up to 4.3% last week. The four week moving average remains unchanged at 4.3%.

### ANZ'S HEAD OF AUSTRALIAN ECONOMICS, DAVID PLANK, COMMENTED:

"The sustained rise in confidence over the last few weeks is quite encouraging and likely reflects the improvement in labour market conditions in recent months. We have argued in recent research that consumer sentiment is more likely to rise toward robust business sentiment than the other way around, and this seems to be playing out. It still has some way to go before the gap is closed, however. As well, the headline number masks the weakness in sentiment around financial conditions. Households' views about financial conditions have been falling since late January (barring the bounce in April) and are at their lowest since August 2014. In our view, sentiment has fallen prey to a series of weak wage growth numbers amidst an environment of rising household debt.

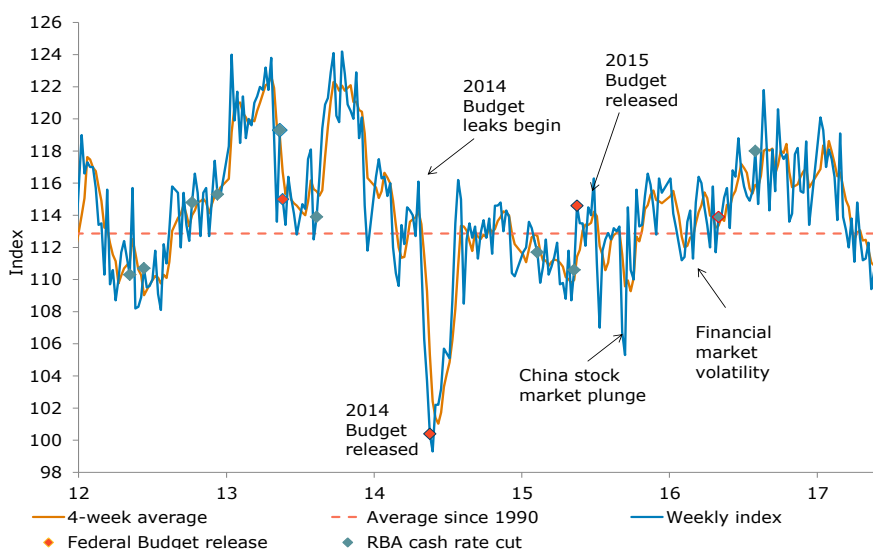
We expect confidence will improve further over the medium term if the labour market follows the encouraging signal from strong business conditions and ANZ Job Ads."

### FIGURE 1. WEEKLY ANZ-ROY MORGAN CONSUMER CONFIDENCE AND INFLATION EXPECTATIONS

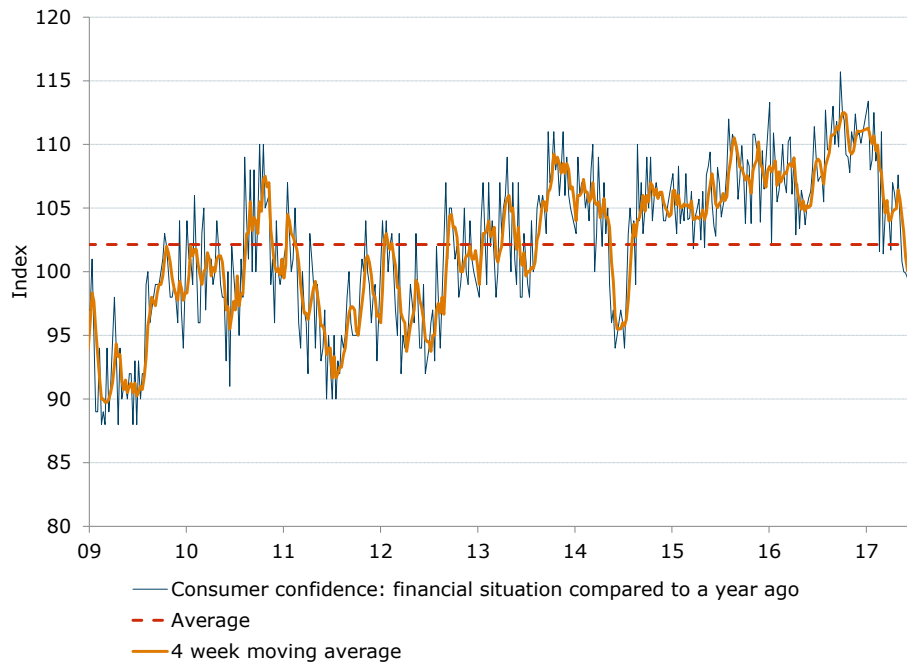
Last week (3–4 June)	Weekly change, %	4-week average	Monthly average since 1990	Inflation expectations (4-week ma)
112.9	+0.6%	111.3	112.9	4.3%

Data collected last weekend (Saturday and Sunday), based on around 1,000 face-to-face interviews. Not seasonally adjusted. Further data history on page 5.

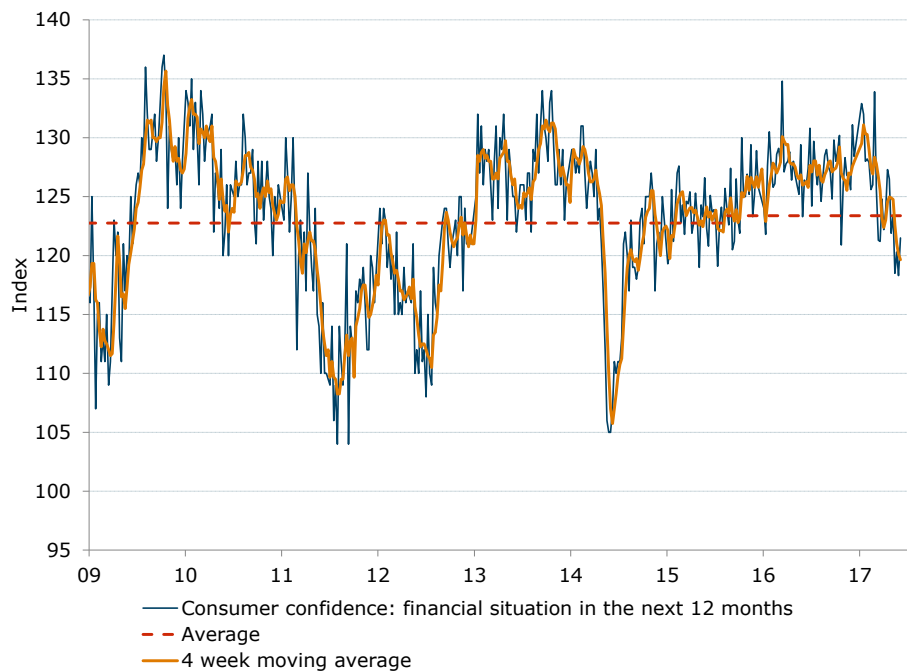
### FIGURE 2. CONFIDENCE ROSE 0.6% LAST WEEK



Source: ANZ-Roy Morgan

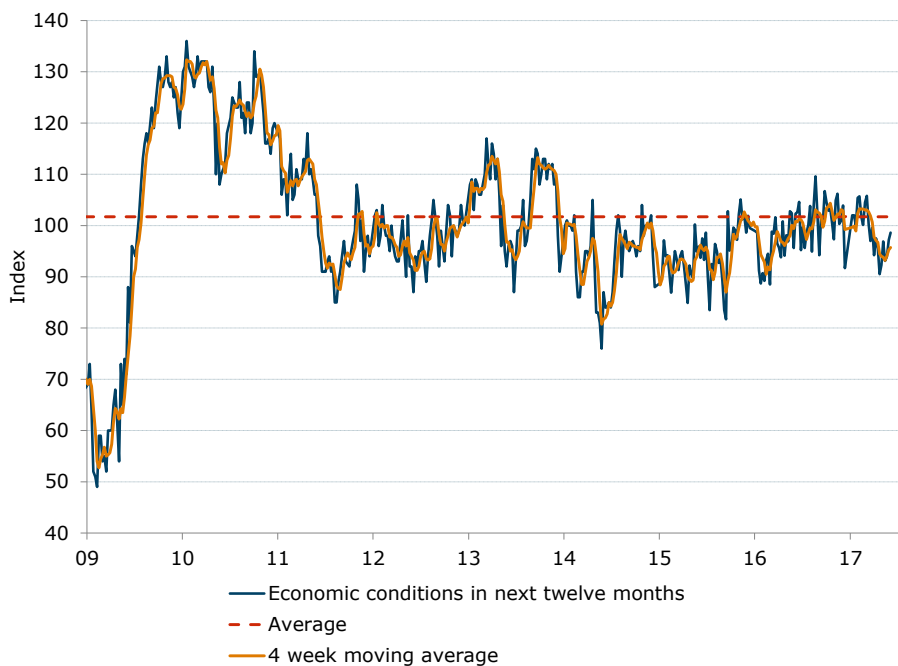
**FIGURE 3. CONFIDENCE IN CURRENT FINANCIAL CONDITIONS FELL FURTHER...**

Source: ANZ-Roy Morgan

**FIGURE 4. THOUGH CONFIDENCE IN FUTURE FINANCIAL CONDITIONS IMPROVED**

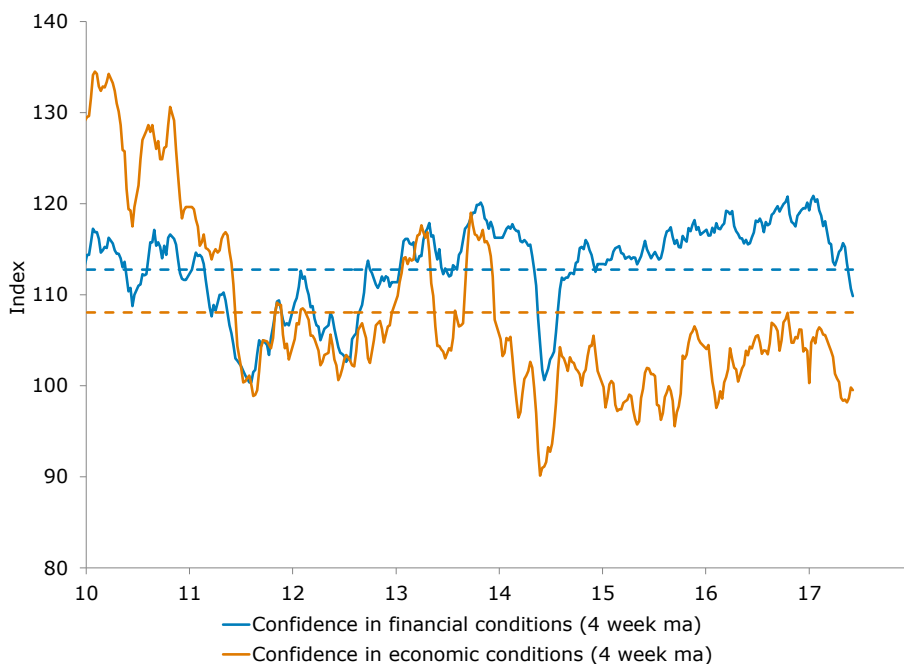
Source: ANZ-Roy Morgan

**FIGURE 5. CONFIDENCE IN CURRENT ECONOMIC CONDITIONS ROSE LAST MONTH**



Source: ANZ-Roy Morgan

**FIGURE 6. CONFIDENCE IN BOTH FINANCIAL AND ECONOMIC CONDITIONS REMAIN BELOW THEIR LONG TERM AVERAGES**

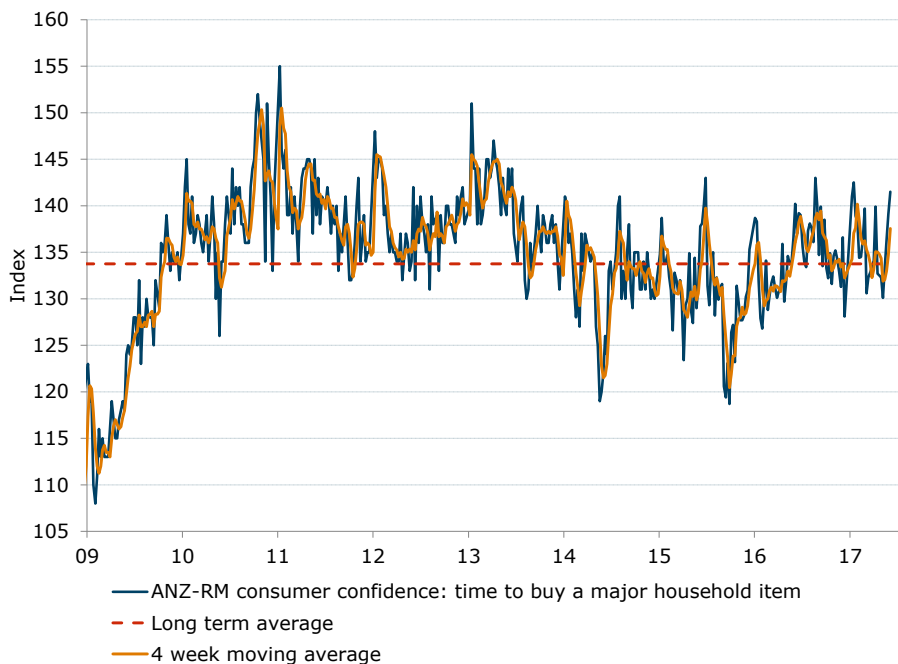


\*Average of 'financial situation compared to a year ago' and 'financial situation next year'.

\*\*Average of 'economic conditions next year' and 'economic conditions next five years'.

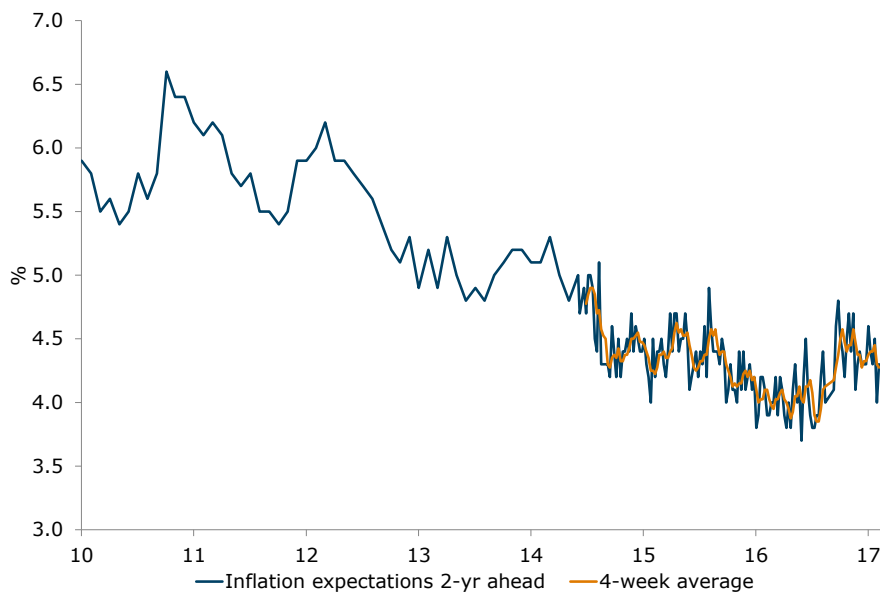
Source: ANZ-Roy Morgan

**FIGURE 7. THE 'TIME TO BUY A HOUSEHOLD ITEM' SUBINDEX ROSE SHARPLY LAST MONTH**



Source: ANZ-Roy Morgan

**FIGURE 8. 4-WEEK MOVING AVERAGE FOR INFLATION EXPECTATIONS REMAINED UNCHANGED AT 4.3%**



\* Data from Oct-2014 is weekly.  
Data prior to that is monthly.

Source: ANZ-Roy Morgan



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