

ANZ-ROY MORGAN AUSTRALIAN CONSUMER CONFIDENCE MEDIA RELEASE

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LACKLUSTRE CONFIDENCE

- Consumer confidence rose 0.9% in the week ending 22 February following four weeks of decline. The index is below the level of six months ago and 2.0% below the level of a year ago. Despite the fall in interest rates and petrol prices in recent times, confidence remains soft. The rise this week leaves the index still below long run average levels (Figure 4).
- Economic conditions bounced last week as political instability headlines faded from the news. The sub-index on economic conditions next year (+4.7%) and the next five years (+6.4%) both rose solidly, however they remain at below-average levels.
- The sub-index 'financial situation compared to a year ago' rose 3.6%, possibly in delayed response to the interest rate cut. However, the sub-index 'financial situation next year' fell 3.8%, suggesting that households remain unconvinced that the improvement will last.

ANZ CHIEF ECONOMIST WARREN HOGAN COMMENTED:

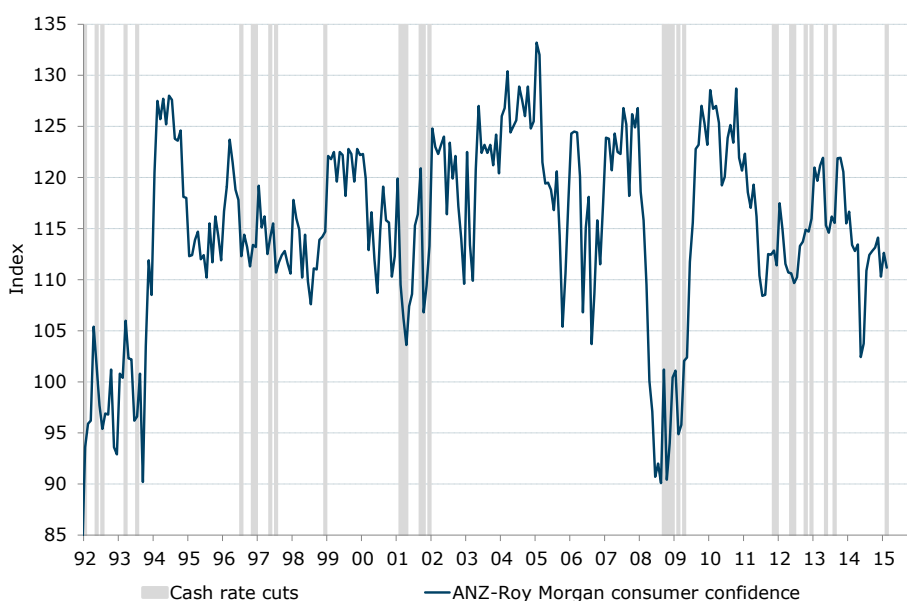
"Consumer confidence remains lacklustre despite the interest rate reduction from the RBA earlier in the month and lower petrol prices over the summer. Rising house prices and new cyclical highs for the equity market do not appear to be having much of an impact on confidence at the moment either. Households remain concerned with the economic outlook in an environment of soft wage growth and ongoing job losses in the resources and manufacturing sectors. While the lack of upward momentum in confidence is disappointing, we expect a turnaround in the labour market is the key to a sustained improvement."

FIGURE 1. WEEKLY ANZ-ROY MORGAN CONSUMER CONFIDENCE

Last week (21/22 February)	Weekly change, %	4-week avg	Monthly avg since 1990
110.8	0.9%	111.2	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. INTEREST RATE CUTS HAVE NOT BOOSTED CONFIDENCE YET



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

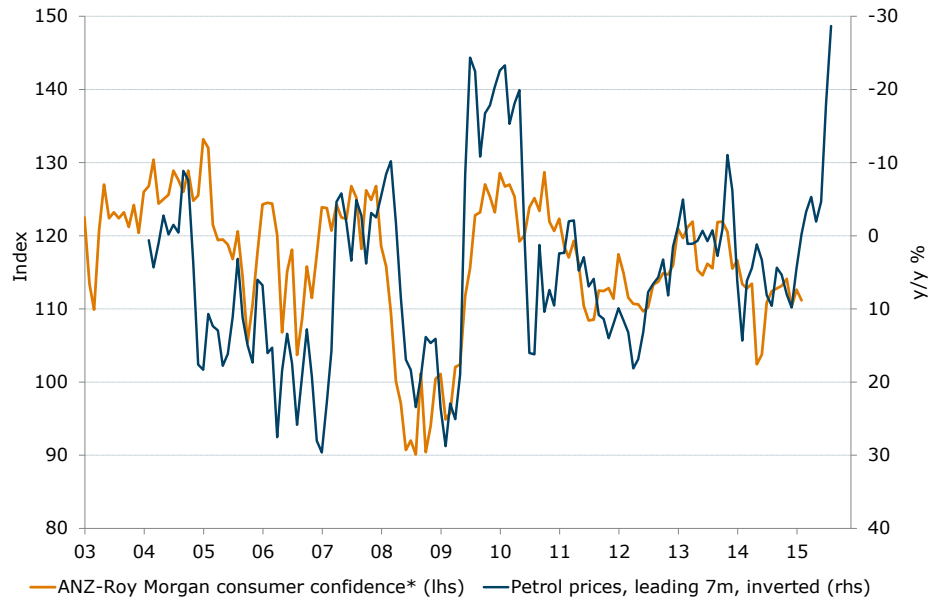
Source: ANZ-Roy Morgan, RBA

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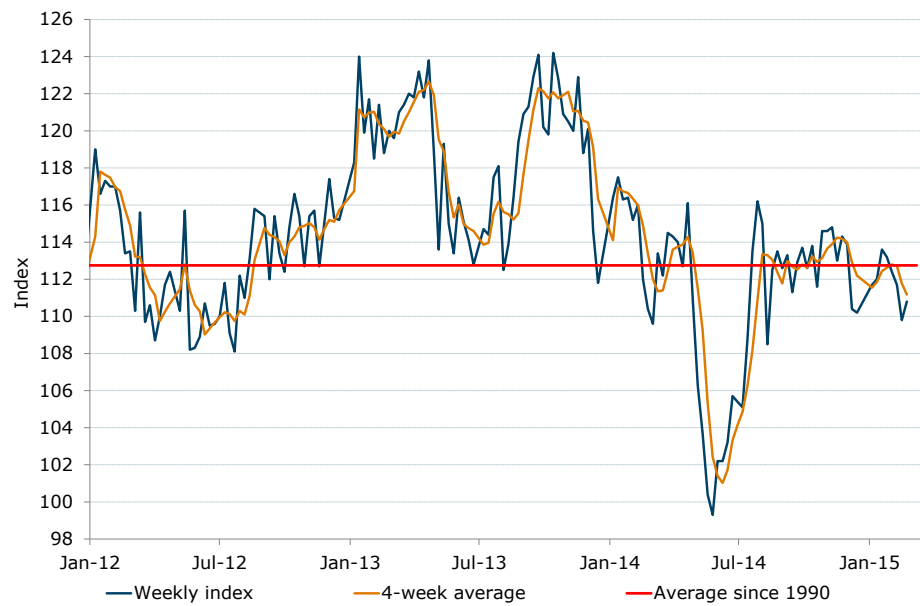
FIGURE 3. PETROL PRICE FALLS HAVE NOT BOOSTED CONFIDENCE



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

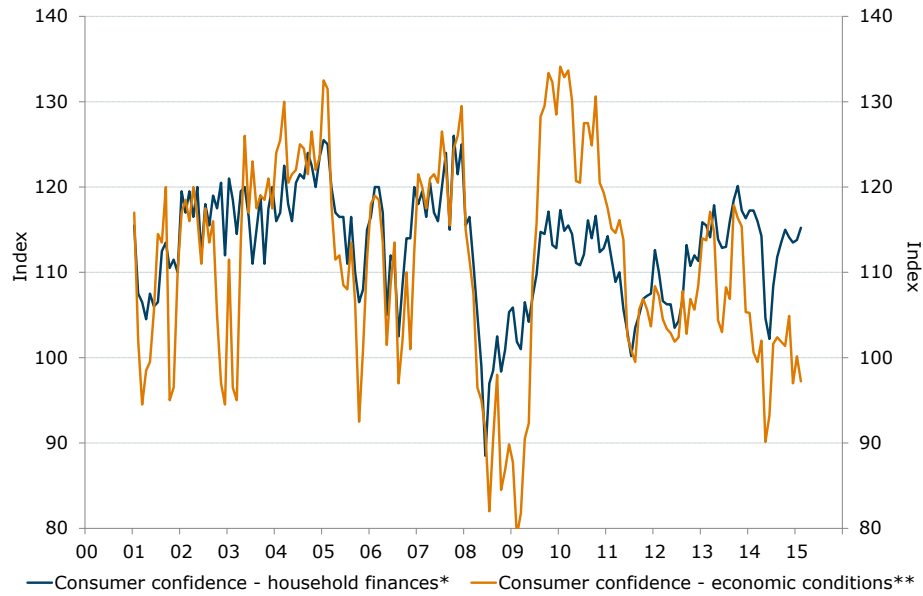
Source: ANZ-Roy Morgan, RBA

FIGURE 4. CONFIDENCE REMAINS BELOW ITS LONG RUN AVERAGE



Source: ANZ-Roy Morgan, RBA

FIGURE 5. CONSUMERS 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

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	116	-	102	124	107	116	134
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
2014 avg	111	-	103	121	94	106	132
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		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
19-Oct-14	111.6	112.9	104	125	95	103	131
19-Oct-14	111.6	112.9	104	125	95	103	131
26-Oct-14	114.6	113.2	106	125	104	107	131
02-Nov-14	114.6	113.7	107	127	98	107	134
09-Nov-14	114.8	113.9	106	125	100	112	131
16-Nov-14	113.0	114.3	106	117	100	107	135
23-Nov-14	114.3	114.2	106	121	100	111	133
30-Nov-14	113.9	114.0	104	122	102	112	130
07-Dec-14	110.4	112.9	104	120	94	103	131
14-Dec-14	110.2	112.2	105	125	88	103	130
04-Jan-15	111.7	111.6	108	119	89	108	135
11-Jan-15	112.0	111.9	105	120	90	106	139
18-Jan-15	113.6	112.4	103	126	97	108	134
25-Jan-15	113.2	112.6	108	121	94	109	134
01-Feb-15	112.4	112.8	104	124	94	106	135
08-Feb-15	111.7	112.7	105	127	91	103	132
15-Feb-15	109.8	111.8	104	128	87	100	131
22-Feb-15	110.8	111.2	108	123	91	106	127

Source: ANZ-Roy Morgan

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