

ANZ-ROY MORGAN AUSTRALIAN CONSUMER CONFIDENCE MEDIA RELEASE

29 MAY 2018

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CONSUMER CONFIDENCE: ENDS ITS STREAK

- ANZ-Roy Morgan Australian Consumer Confidence dropped 3.2% last week to 117.7, after six straight weekly gains. The details were also negative with confidence falling across all subindices, led by a sharp fall in views towards future financial conditions.
- Households' views towards current financial conditions fell 2.7% last week entirely reversing gains over the previous two weeks. Views towards future financial conditions fell 4.1% to 122.5, the lowest since November last year.
- Sentiment around current economic conditions eased 2.4% last week following no change previously. Views towards future economic conditions fell 2.5% last week, adding to the 1.9% loss in the previous week.
- The 'time to buy a household item' subindex dropped 3.9% last week, more than reversing the previous week's rise (2.6%). The weekly inflation expectations climbed sharply to 4.7%.

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

"Confidence fell substantially last week – down 3.2% and unwinding over half of the cumulative gains (5.6%) over the past six weeks. Some payback, particularly in views towards economic conditions, is unsurprising given their sharp improvement since early April. Importantly, confidence is still well above its long-run average.

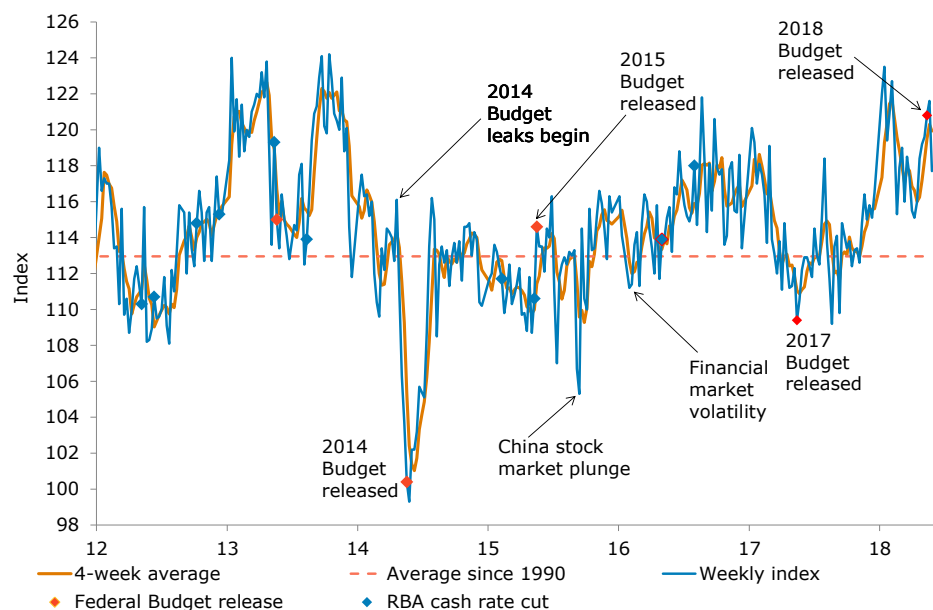
The fall in views towards financial conditions is a little worrying, however. This could reflect homeowners' concerns about falling house prices, particularly in Sydney and Melbourne. Moreover, these concerns are likely exacerbated by the high existing household debt level and expectations of lacklustre wage growth in the near future. That said, despite the recent decline, views towards both current and future financial conditions remain above their long term averages."

Figure 1. ANZ-Roy Morgan Australian Consumer Confidence and inflation expectations

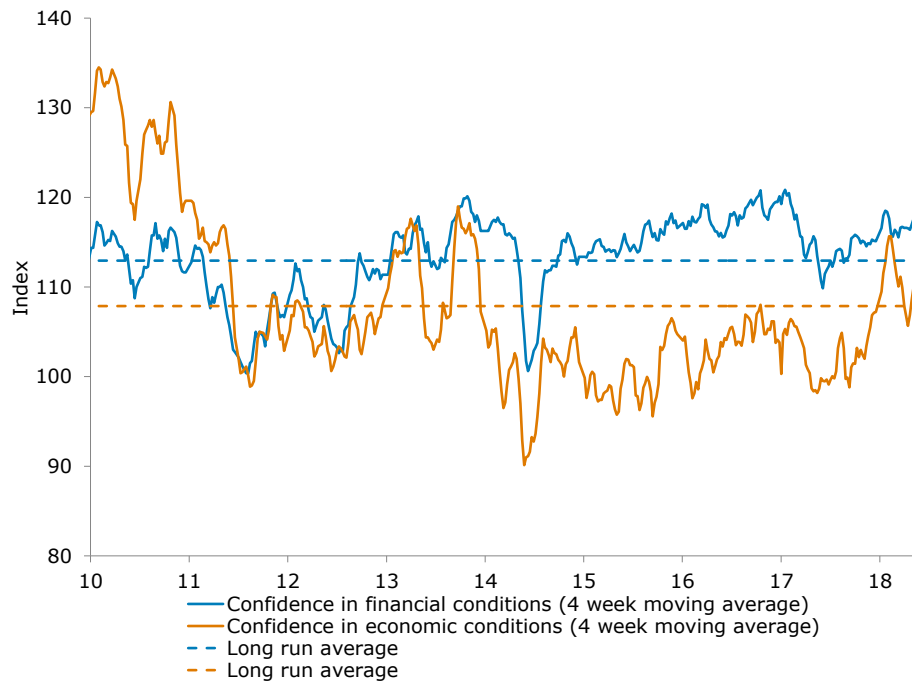
Last week (26–27 May)	Weekly change, %	Four-week average	Monthly average since 1990	Inflation expectations (four-week ma)
117.7	-3.2%	119.9	113.0	4.4%

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 fell a solid 3.2%

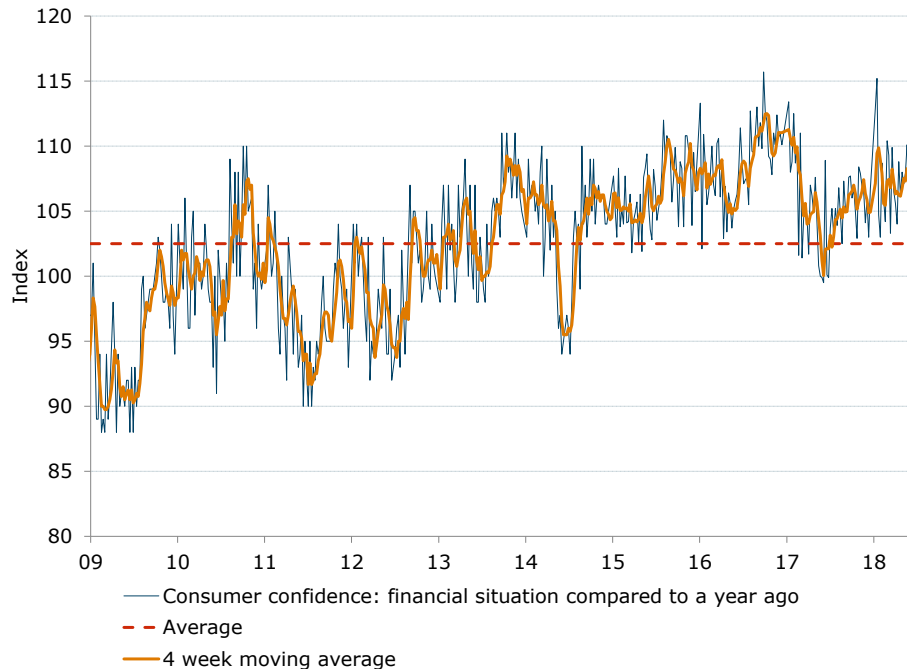


Source: ANZ-Roy Morgan

Figure 3. Confidence in aggregate conditions remain quite strong

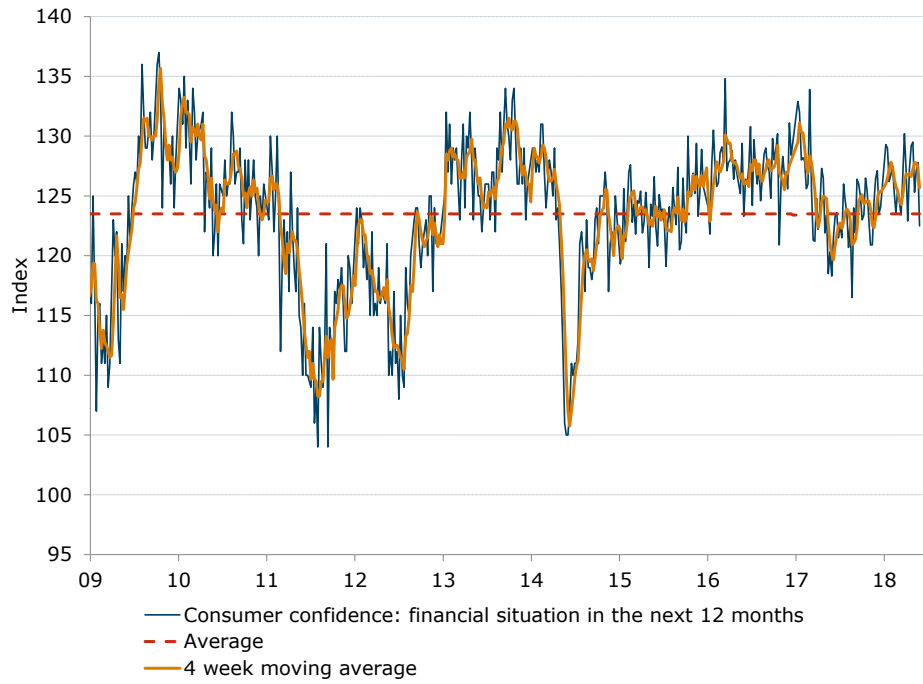
Source: ANZ-Roy Morgan

Note: Financial conditions index is an average of 'financial situation compared to a year ago' and 'financial situation next year' sub-indices. Economic conditions index is an average of 'economic conditions in 12 months' and 'economic conditions in five years' sub-indices.

Figure 4. Views towards current finances fell 2.7%

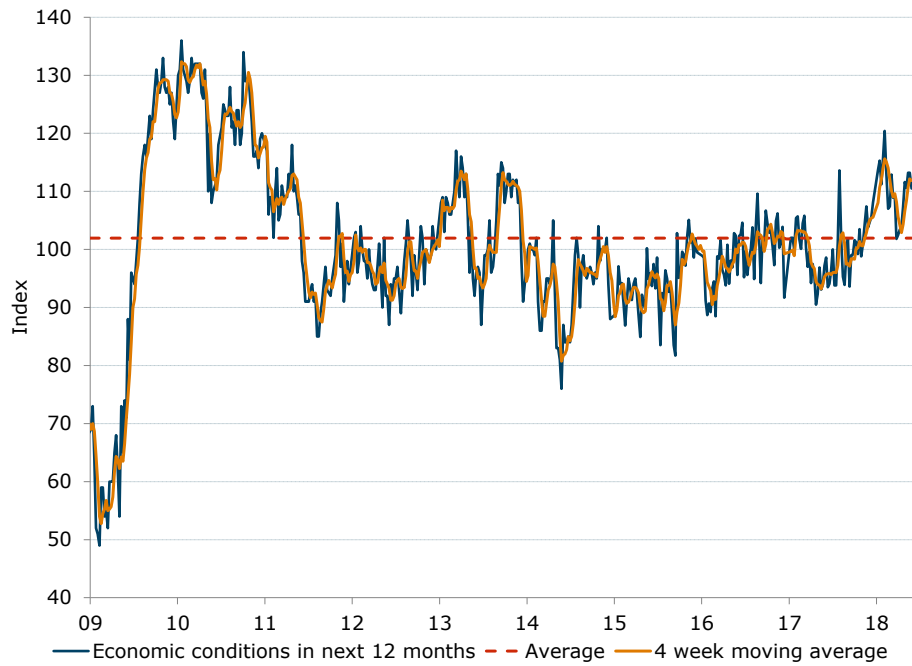
Source: ANZ-Roy Morgan

Figure 5. Views towards future financial conditions are trending down



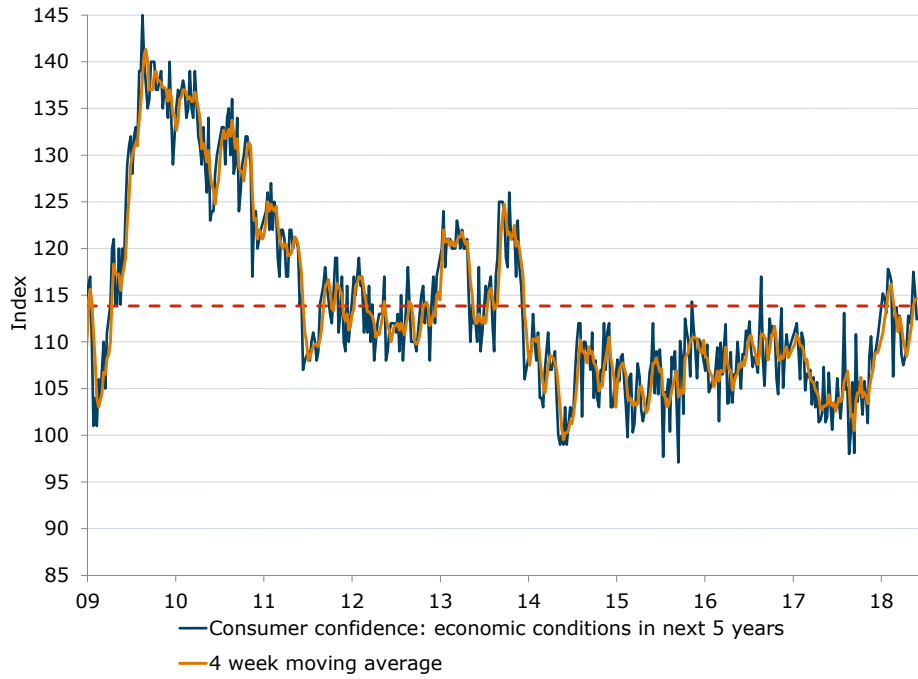
Source: ANZ-Roy Morgan

Figure 6. Sentiment towards current economic conditions remains above its long term average



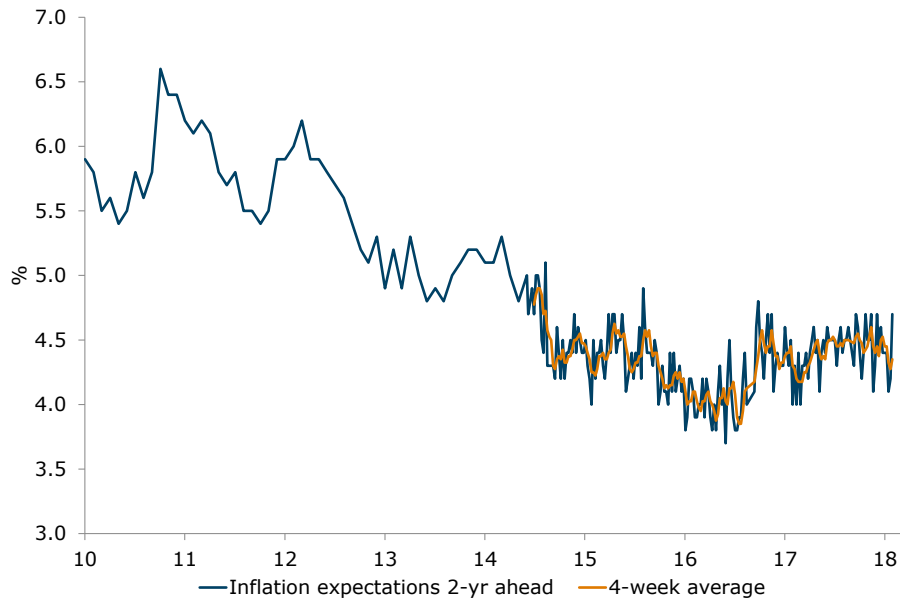
Source: ANZ-Roy Morgan

Figure 7. ...while confidence in future economic conditions hovers near its average



Source: ANZ-Roy Morgan

Figure 8. Four-week moving average inflation expectations edged up to 4.4%



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

Source: ANZ-Roy Morgan

Table 1. ANZ-Roy Morgan Australian Consumer Confidence

	Headline index		Subindices				Inflation Expectations	
	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	6. Inflation expectations 2-year ahead (%)
Avg since 2001	116	-	102	124	105	114	135	-
2010 avg	124	-	101	127	124	130	139	5.7
2011 avg	114	-	97	117	101	116	140	6.0
2012 avg	113	-	99	118	97	113	138	5.8
2013 avg	119	-	104	128	106	118	139	5.0
2014 avg	111	-	104	121	94	106	132	4.9
2015 avg	112	-	107	124	94	106	131	4.4
2016 avg	115	-	109	127	99	108	134	4.1
8-Jan-17	120.1	116.9	113.4	132.9	102.0	111.3	141.0	4.1
15-Jan-17	119.3	117.9	108.0	132.0	102.0	112.0	142.5	4.6
22-Jan-17	117.0	117.5	108.8	128.0	100.0	109.3	138.9	4.8
29-Jan-17	118.1	118.6	112.5	128.2	105.4	106.0	138.3	4.5
5-Feb-17	117.5	118.0	108.7	127.9	105.7	111.0	134.4	4.4
12-Feb-17	116.4	117.3	109.8	125.6	101.7	110.2	134.5	4.2
19-Feb-17	113.7	116.4	101.6	126.0	100.1	104.8	136.3	4.5
26-Feb-17	119.1	116.7	111.0	133.9	104.5	106.6	139.7	4.7
5-Mar-17	113.9	115.8	101.4	125.6	105.8	106.2	130.6	4.4
12-Mar-17	113.1	115.0	104.5	121.3	100.3	107.0	132.3	4.7
19-Mar-17	112.0	114.5	105.5	121.2	97.0	103.3	132.8	4.1
26-Mar-17	113.8	113.2	104.6	124.8	99.6	106.2	133.4	4.3
2-Apr-17	111.1	112.5	101.7	122.2	94.2	103.0	134.1	4.4
9-Apr-17	114.8	112.9	107.0	123.9	97.5	105.7	139.9	4.3
16-Apr-17	112.6	113.1	106.2	127.3	95.6	101.4	132.7	4.3
23-Apr-17	111.2	112.4	104.9	126.5	90.5	101.6	132.5	4.3
30-Apr-17	111.3	112.5	107.6	121.9	92.3	102.3	132.3	4.6
7-May-17	112.3	111.9	104.1	123.4	96.9	107.3	130.1	4.4
14-May-17	109.4	111.1	100.8	118.5	93.1	101.4	133.3	4.3
21-May-17	110.5	110.9	100.0	120.3	93.9	102.0	136.3	4.5
28-May-17	112.2	111.1	99.9	118.3	97.2	106.7	139.1	4.0
4-Jun-17	112.9	111.3	99.5	121.5	98.6	103.3	141.5	4.3
11-Jun-17	112.9	112.1	108.9	123.3	93.5	100.6	138.0	4.0
18-Jun-17	112.4	112.6	100.1	123.6	94.1	103.4	140.7	4.4
25-Jun-17	111.8	112.5	99.9	121.5	96.4	103.0	138.2	4.0
2-Jul-17	114.5	112.9	103.7	122.5	100.0	106.1	140.0	4.3
9-Jul-17	113.0	112.9	105.2	121.5	93.8	103.5	140.7	4.3
16-Jul-17	112.5	113.0	103.3	126.0	93.8	101.8	137.5	4.4
23-Jul-17	115.1	113.8	105.2	124.6	101.2	104.5	140.0	4.2
30-Jul-17	118.4	114.8	103.9	123.5	113.6	113.1	141.2	4.4
6-Aug-17	113.7	114.9	106.8	120.7	101.4	104.9	134.7	4.5
13-Aug-17	111.7	114.7	104.7	123.0	95.3	105.1	130.6	4.6
20-Aug-17	109.2	113.3	102.5	116.5	93.9	98.0	135.1	4.4
27-Aug-17	113.5	112.0	107.3	124.0	99.2	100.2	137.1	4.5
3-Sep-17	114.1	112.1	105.2	121.9	101.8	105.7	136.2	4.1
10-Sep-17	109.8	111.7	104.9	126.4	93.6	98.1	125.9	4.4
17-Sep-17	114.8	113.1	107.6	126.0	99.0	110.8	130.9	4.5
24-Sep-17	114.1	113.2	107.7	125.0	99.1	103.6	135.2	4.4
1-Oct-17	113.4	113.0	106.0	123.0	101.6	105.7	130.7	4.6
8-Oct-17	113.8	114.0	106.7	123.4	101.2	104.7	133.1	4.5
15-Oct-17	112.4	113.4	105.0	126.5	99.2	102.2	129.1	4.5
22-Oct-17	113.3	113.2	102.9	125.4	103.5	105.8	129.0	4.5
29-Oct-17	113.4	113.2	108.4	123.0	98.8	104.2	132.8	4.5
5-Nov-17	112.6	112.9	107.9	120.9	100.9	101.3	132.1	4.3
12-Nov-17	114.8	113.5	106.9	120.9	104.4	108.4	133.4	4.5
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26-Nov-17	115.0	114.7	104.1	126.5	103.8	107.0	133.8	4.4
3-Dec-17	115.8	115.5	105.9	127.1	104.7	108.5	132.9	4.5
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Source: ANZ-Roy Morgan

[v.28.09.2017]

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