

*Australia*

Seasonally adjusted retail sales jumped 1.4% in November, which was much better than the market expectation for a 0.6% rise. The result was made even better by a big upward revision to October sales growth from a small fall of 0.2% originally reported to a rise of 0.4%.

The annual pace of sales growth slowed to 7.7% from 13.0% in the year to October.

*Industry Groups*

Retail trade turnover rose across all industry groups, though the food-related groups in food retailing, and cafés restaurants and takeaway foods category saw the smallest monthly rises.

Black Friday sales drove sharp increases in categories such as clothing, footwear and personal accessories, as well as department stores, and household goods.

Almost all categories have seen solid growth through the year, with the rise in spending in cafes, restaurants and takeaway foods somewhat distorted by the weak base due to the lockdowns in Sydney and Melbourne last year.

The annual fall in household goods retailing is the result of record sales in November 2021.

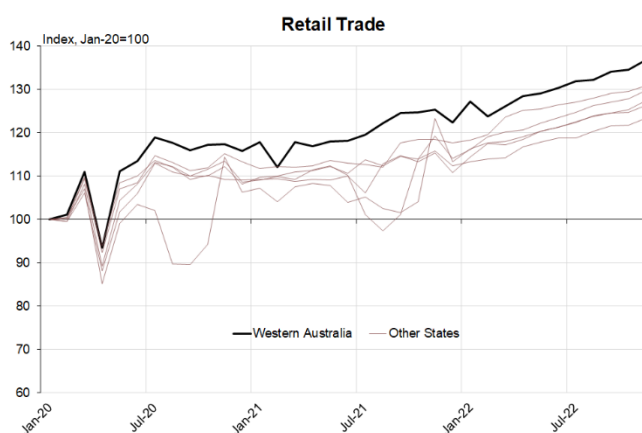
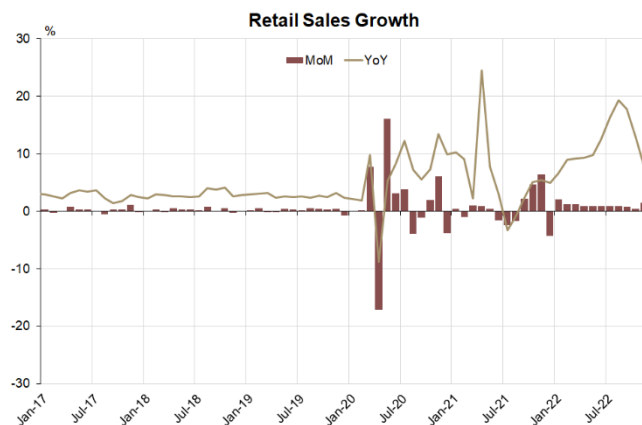
Seasonally Adjusted, %	MoM	YoY
Food	0.1	8.4
Household Goods	2.1	-2.1
Clothing, Footwear and Personal Accessories	6.4	7.1
Cafes, Restaurants and Takeaway Food	0.1	24.8
Department Stores	5.4	7.6
Other Retailing	1.1	4.6
Total	1.4	7.7

*States*

Retail sales were up strongly in all states in November, with both Western Australia and New South Wales leading the way with 1.7% increases.

All states also saw increases in annual terms, with sales up 10.4% in Queensland.

Seasonally Adjusted, %	MoM	YoY
Western Australia	1.7	9.1
New South Wales	1.5	8.9
Victoria	1.7	3.4
Queensland	1.0	10.4
South Australia	1.3	9.5
Tasmania	1.4	6.5



*Comment*

The sharp jump in retail sales in November was largely driven by the Black Friday sales. It was also a likely factor in the relatively soft sales growth in October as people held off spending ahead of time. A 13% jump in online sales in November following a 0.5% fall in October is further evidence of the influence of not only Black Friday but also Cyber Monday sales. It is clearly taking some time for this relatively recent phenomenon to be fully incorporated into the seasonal adjustment process.

Along with the Christmas period sales and the January hangover, it is going to be difficult to get any sort of clear read on consumer spending until the release of the February data at the earliest. Looking ahead, the shock of high prices and rising mortgage rates is likely to be an increasing drag on household spending as we move through 2023, particularly as the heat comes out of the labour market.

In other news today, the ABS quarterly job vacancies report saw a 4.9% fall in the number of job vacancies in the three months to November. This follows a 2.8% fall in the August report. However, the number of job vacancies at 444k, was double that of February 2020.

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