

## ANZ-ROY MORGAN AUSTRALIAN CONSUMER CONFIDENCE MEDIA RELEASE

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**CONTACT**  
research@anz.com

**CONTRIBUTORS**  
**Mustafa Arif**  
**Economist**  
+91 80 6795 3801  
mustafa.arif@anz.com

**David Plank**  
**Head of Australian**  
**Economics**  
+61 2 8037 0029  
david.plank@anz.com

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### CONSUMER CONFIDENCE: ALL SUB-INDICES ABOVE LONG TERM AVERAGES

- ANZ-Roy Morgan Australian Consumer Confidence rose 1.5% last week bringing the headline index to 122.7. The improvement in confidence was driven by increased optimism around current financial and economic conditions.
- Households' sentiment towards current economic conditions rose 4.2% to 120.4, the highest weekly value since November 2010. Confidence in future economic conditions slipped 0.4% last week, after a solid 4.2% rise previously. In four week moving average terms, this series has risen past its long term average for the first time since December 2013.
- Views towards current financial conditions bounced a solid 5.5%, partially recovering from the 10.6% cumulative fall over the previous two weeks. Meanwhile, future finances edged up 0.6% last week after a similar rise previously.
- Sentiment around the 'time to buy a household item' saw its third consecutive weekly fall, slipping 1.3% to 139.5. The weekly inflation expectations value slipped to 4.2%.

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

"Consumer confidence has risen considerably in recent months to close much of the gap with levels of business conditions and confidence. The uptrend in consumer confidence, while broad based, has primarily been driven by a sustained improvement in views towards the economic outlook. This likely reflects strength in the domestic labour market as well as a global synchronised pickup in activity.

It is particularly encouraging to see the pickup in future economic conditions – so that all sub-indices are now above their long term averages, a feat not seen since 2013.

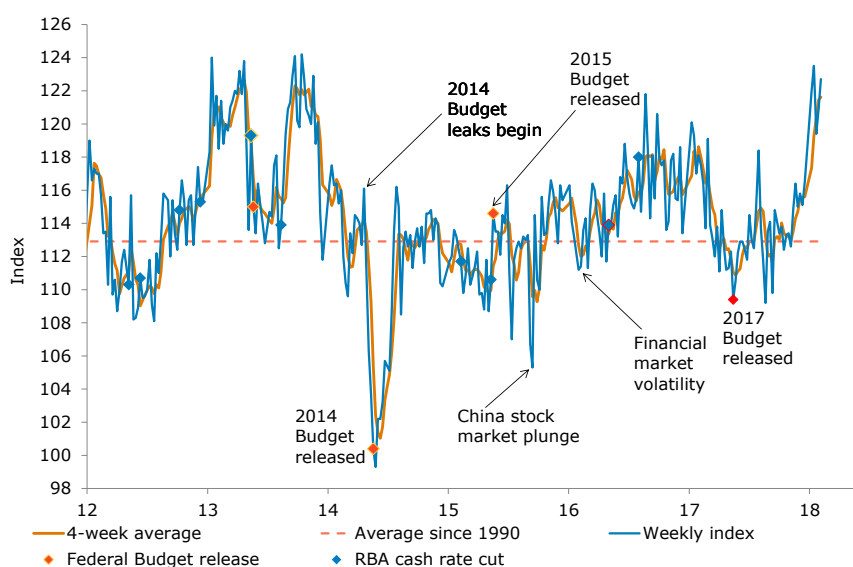
The RBA in its last meeting flagged household consumption as a "continuing source of uncertainty". The elevated level of consumer confidence along with the rebound in retail sales in the fourth quarter should assuage some of the RBA's concern about the outlook for the first half of 2018 at least."

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

Last week (3-4 Feb)	Weekly change, %	Four-week average	Monthly average since 1990	Inflation expectations (four-week ma)
122.7	1.5%	121.6	112.9	4.5%

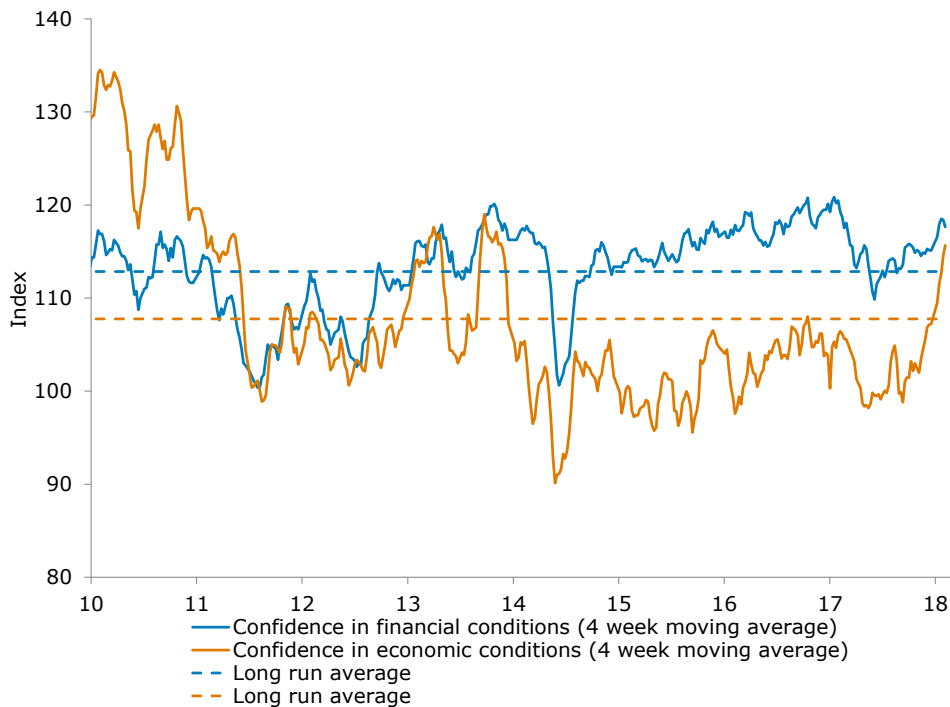
Data collected last weekend (Saturday and Sunday), based on around 1,000 face-to-face interviews. Not seasonally adjusted. Further data history on page 5.

**Figure 2. Confidence still trending higher**



Source: ANZ-Roy Morgan

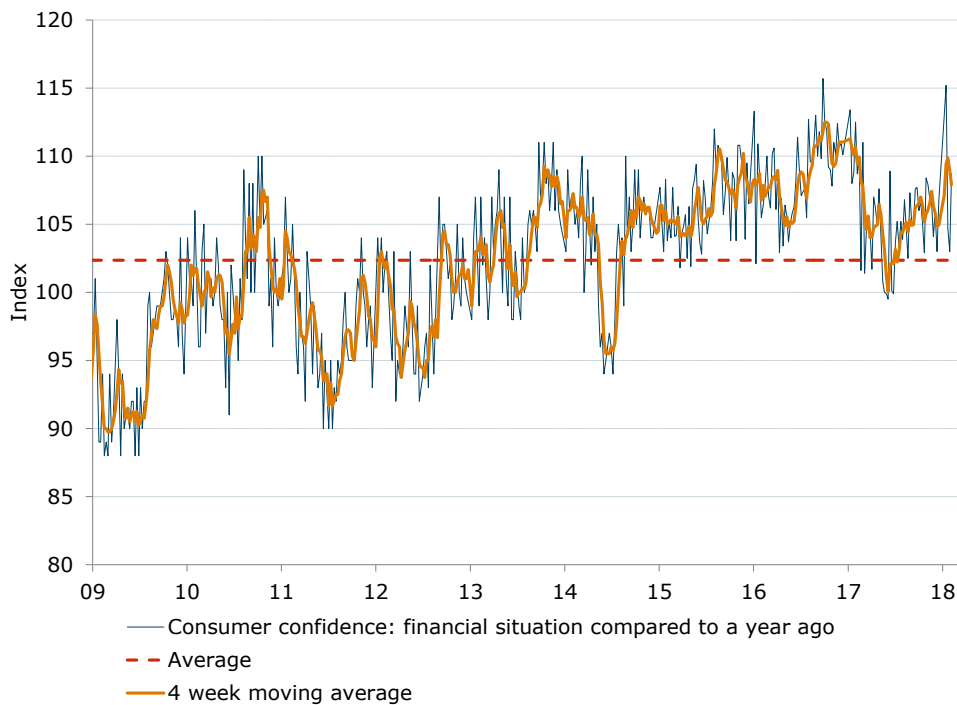
**Figure 3. Improving economic conditions are driving headline confidence**



Source: ANZ-Roy Morgan

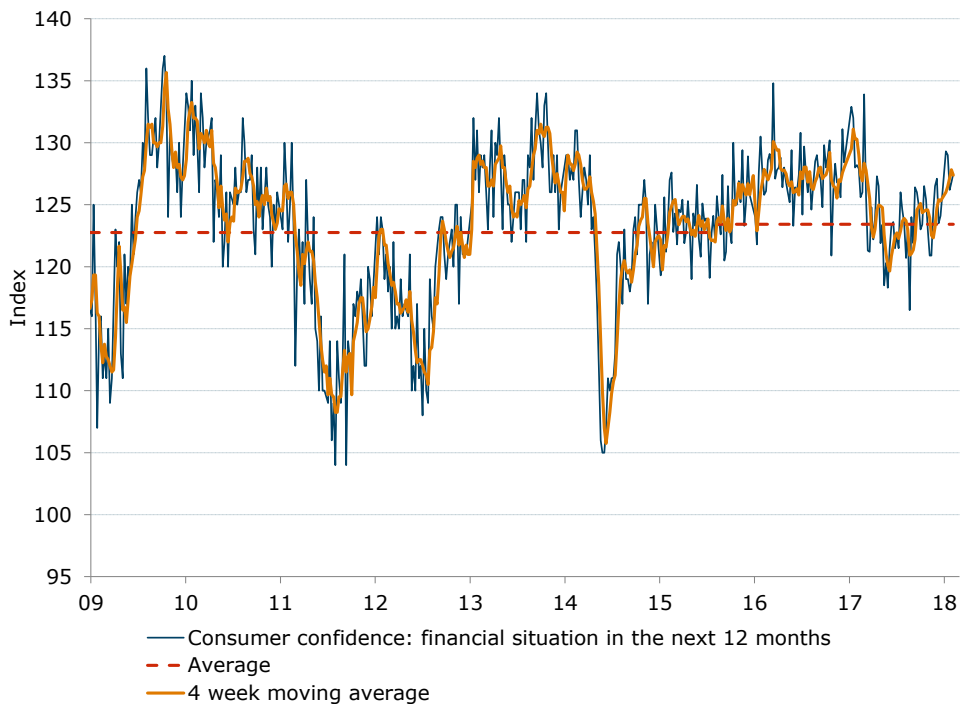
Note: Financial conditions index is an average of 'financial situation compared to a year ago' and 'financial situation next year' sub-indices. Economic conditions index is an average of 'economic conditions in 12 months' and 'economic conditions in five years' sub-indices.

**Figure 4. Views towards current finances recovered 5.5% after two consecutive falls**



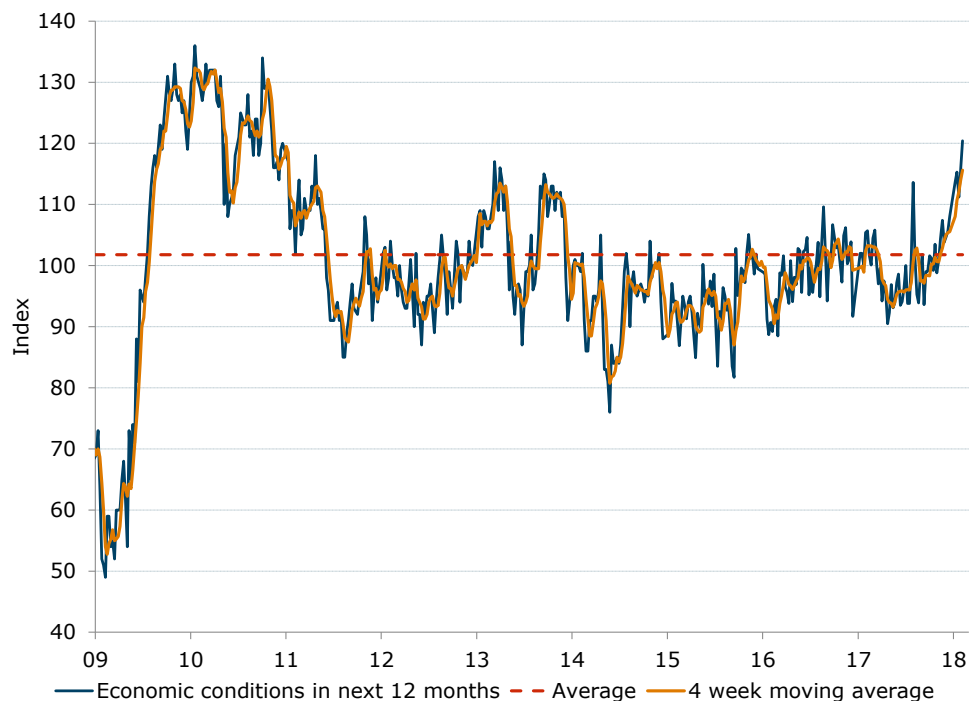
Source: ANZ-Roy Morgan

**Figure 5. Views towards future finances rose 0.6% last week**



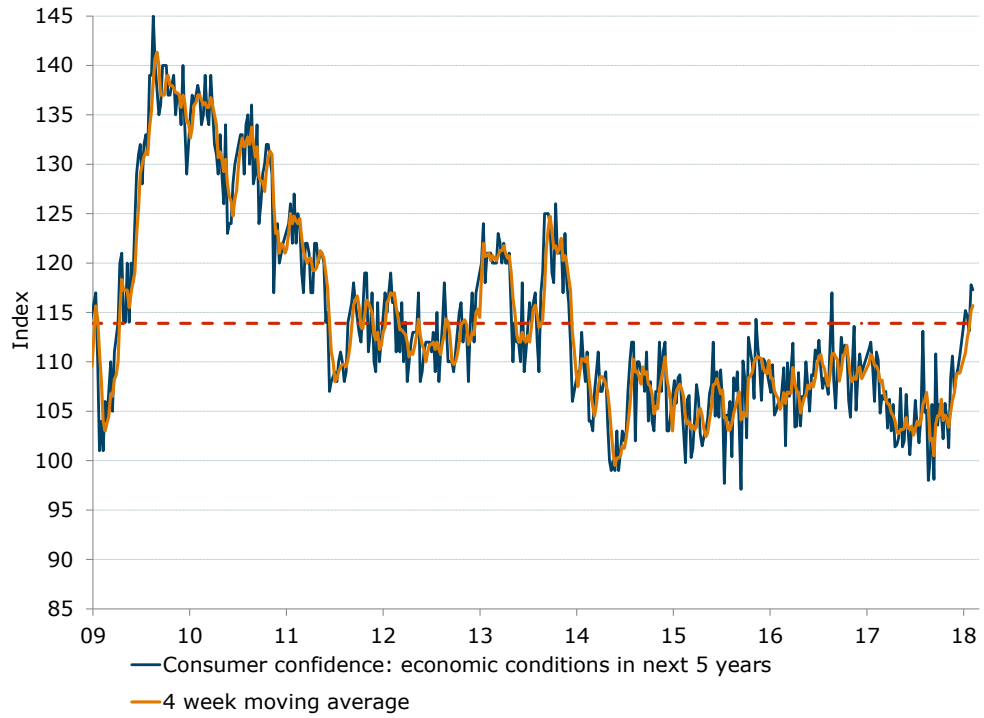
Source: ANZ-Roy Morgan

**Figure 6. Sentiment around current economic conditions is at a multi-year high**



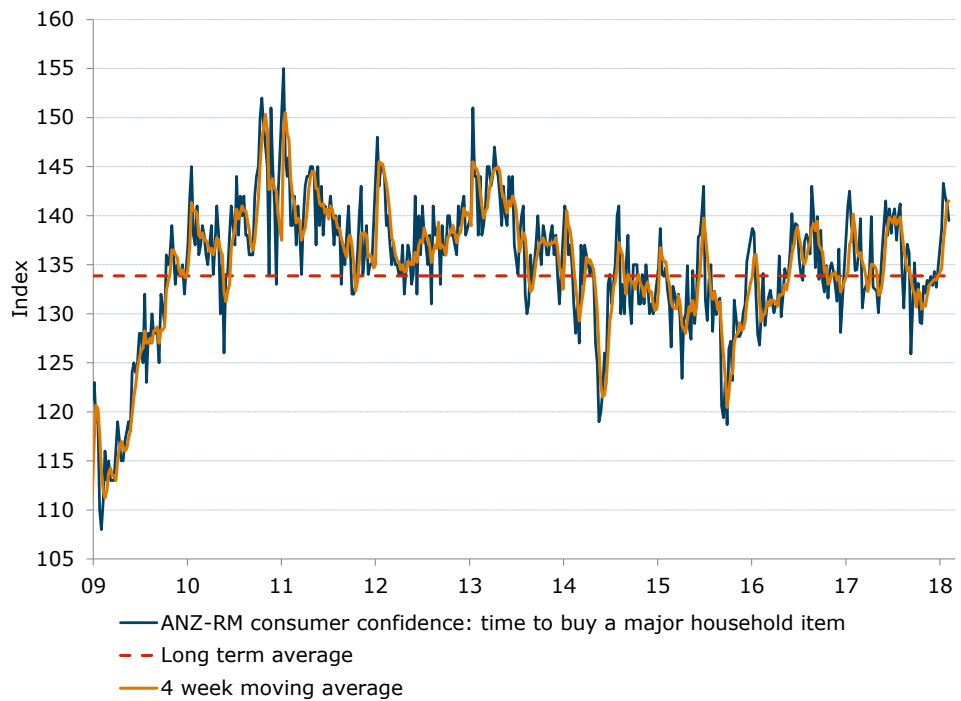
Source: ANZ-Roy Morgan

**Figure 7. Sentiment toward future economic conditions has risen above its long term average**

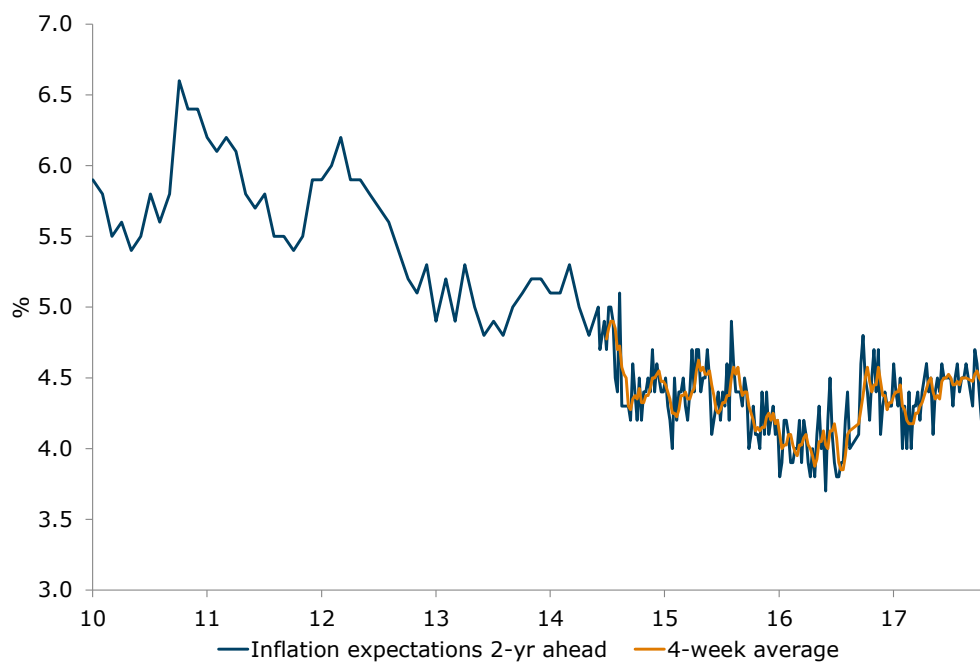


Source: ANZ-Roy Morgan

**Figure 8. 'Time to buy a household item' remains high**



Source: ANZ-Roy Morgan

**Figure 9. Four week moving average inflation expectations steady at 4.5%**

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

Source: ANZ-Roy Morgan



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