

ANZ-ROY MORGAN AUSTRALIAN CONSUMER CONFIDENCE MEDIA RELEASE

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CONSUMER CONFIDENCE: LOSES SOME SHEEN

- ANZ-Roy Morgan Australian Consumer Confidence slipped 1.0% last week to 116.5, following a 3.2% decline in the previous week. The details were subdued, with three out of five subindices posting declines.
- Consumers' views towards current financial conditions fell 2.0% to 105.0, the lowest in eight weeks. However, consumers were more optimistic about future financial conditions, which were up 3.3% last week following a 4.1% decline previously.
- Views towards both current economic conditions fell a sharp 4.2% to 105.9 last week, though this subindex remains above its long-term average of 102.0. Similarly, sentiment around future conditions fell for the third straight week, down 3.4% to 108.6 and the lowest in eight weeks.
- The 'time to buy a household item' showed no change last week following a 3.9% decline in the previous week. Weekly inflation expectations came in at 4.5%, leaving the four-week average unchanged at 4.4%.

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

"Confidence was down again last week due to increased pessimism around Australian economic conditions and households' current finances. The former may stem from renewed fears of a trade war as the US ended exemptions for the EU, Canada and Mexico on steel and aluminium tariffs. Meanwhile, the latter is likely weighed down by high petrol prices and concerns about falling capital city house prices.

One bright spot was a rise in views towards future finances, perhaps impacted by the Fair Work Commission's announcement of a 3.5% (vs 3.3% last year) minimum wage hike.

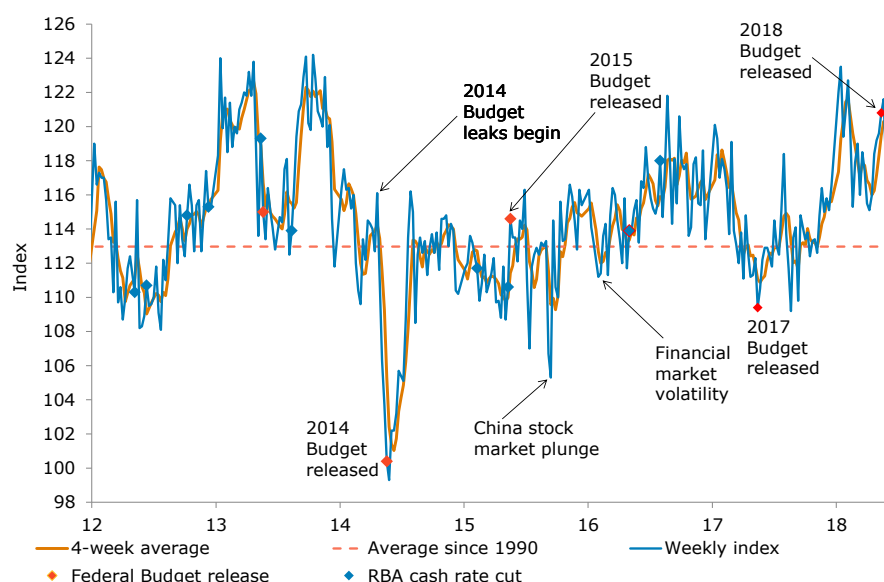
Though confidence has deteriorated recently, views towards both financial and economic conditions remain above their long-term averages. Looking forward, the GDP release later this week is likely to influence confidence in the near term though global political concerns could also play a role."

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

Last week (2-3 June)	Weekly change, %	Four-week average	Monthly average since 1990	Inflation expectations (four-week ma)
116.5	-1.0%	119.2	113.0	4.4%

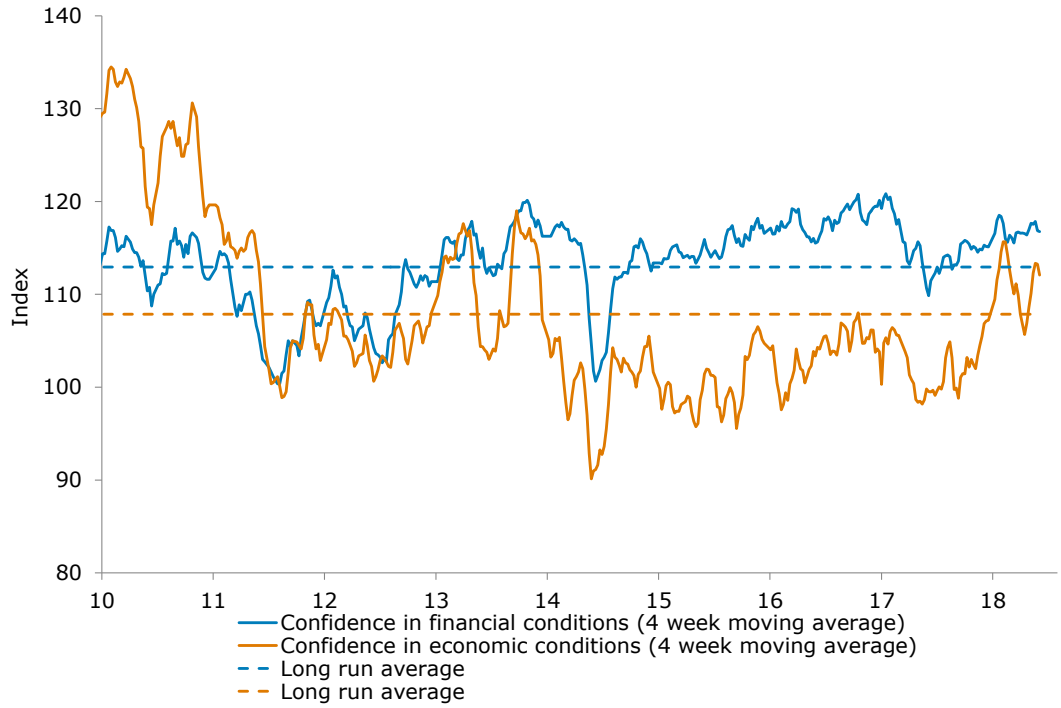
Data collected last weekend (Saturday and Sunday), based on around 1,000 face-to-face interviews. Not seasonally adjusted. Further data history on page 5.

Figure 2. Confidence eases another 1.0%



Source: ANZ-Roy Morgan

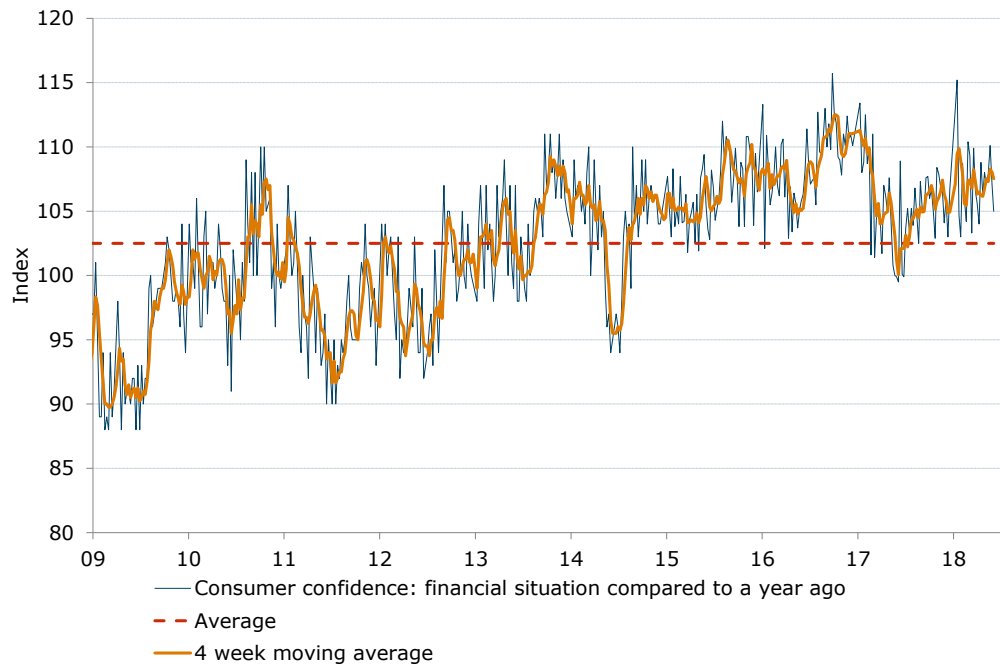
Figure 3. Aggregate conditions declined slightly, but are above long-term averages



Source: ANZ-Roy Morgan

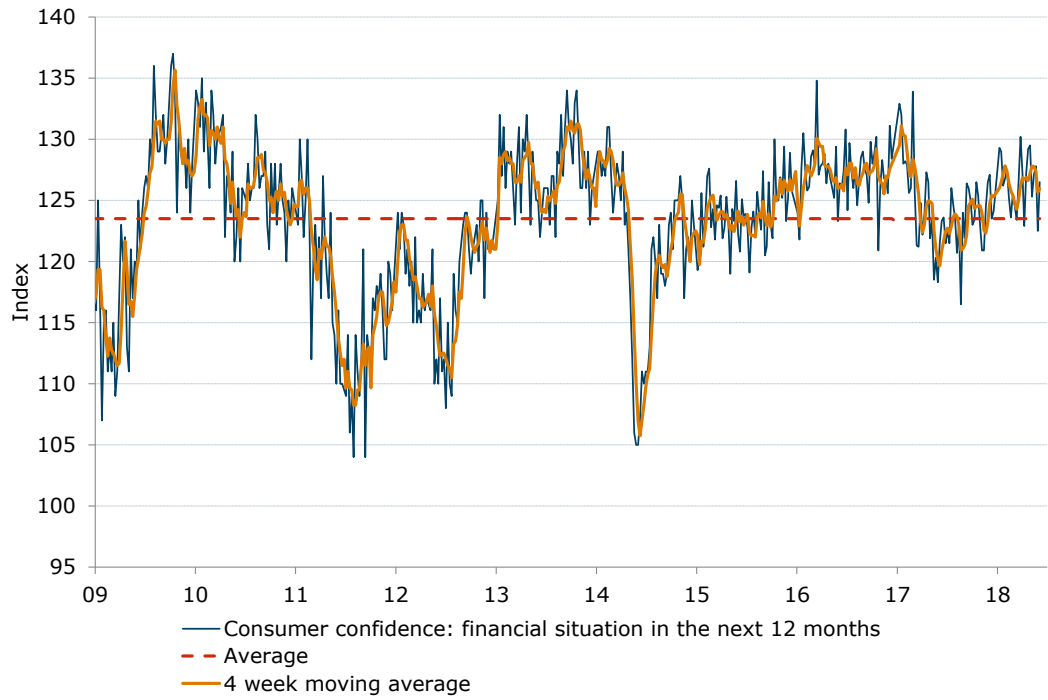
Note: Financial conditions index is an average of 'financial situation compared to a year ago' and 'financial situation next year' sub-indices. Economic conditions index is an average of 'economic conditions in 12 months' and 'economic conditions in five years' sub-indices.

Figure 4. Views towards current finances fell 2.0%



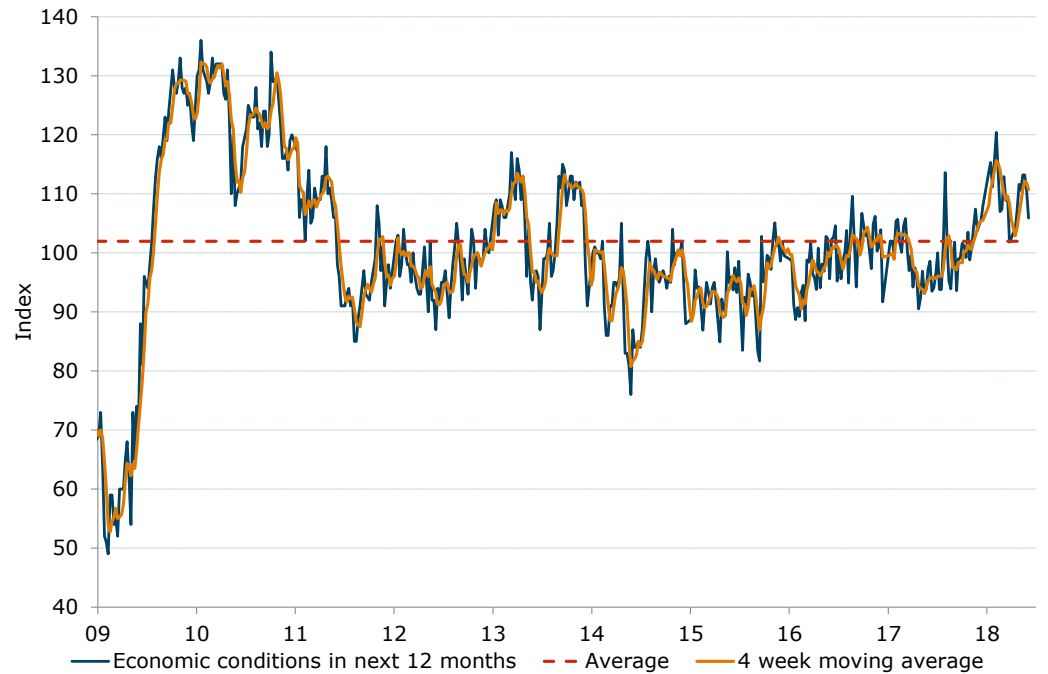
Source: ANZ-Roy Morgan

Figure 5. Views towards future financial conditions bounced 3.3%



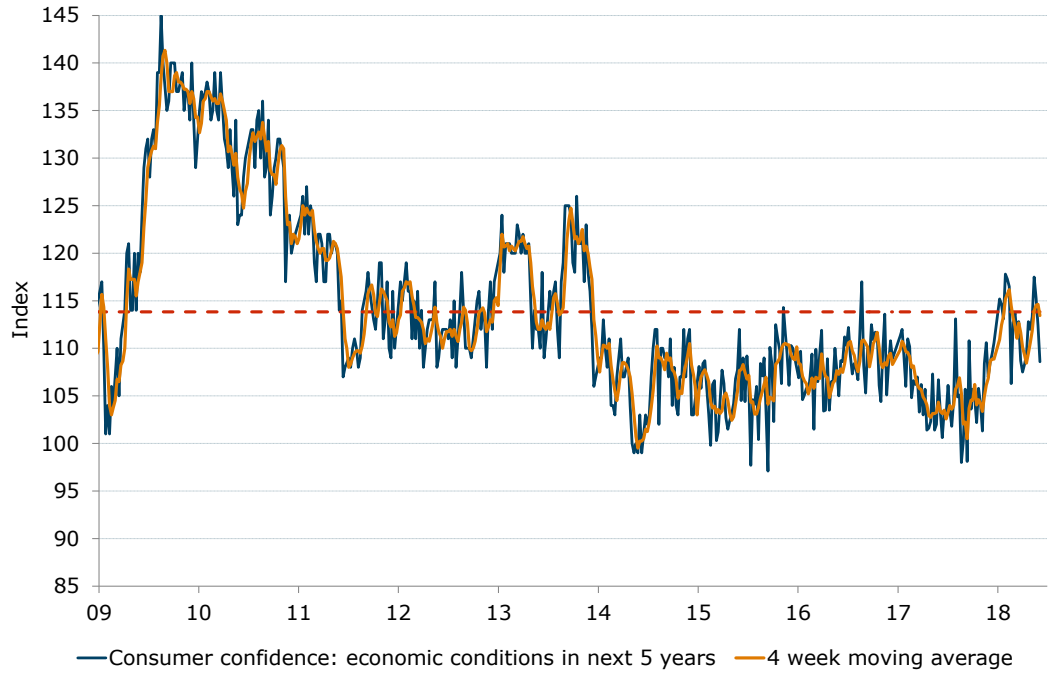
Source: ANZ-Roy Morgan

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



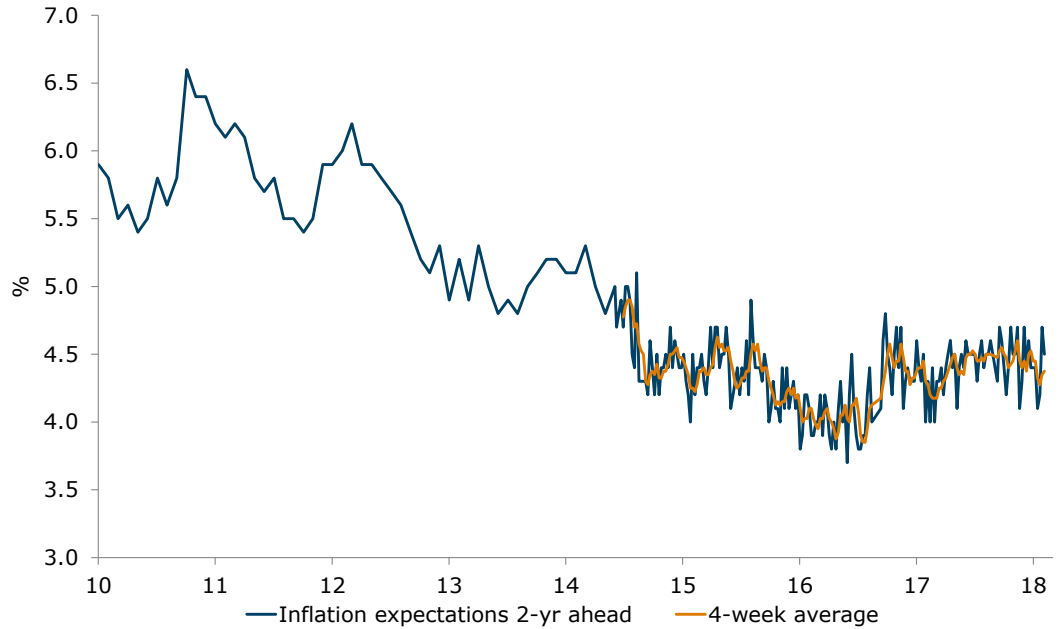
Source: ANZ-Roy Morgan

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



Source: ANZ-Roy Morgan

Figure 8. Four-week moving average inflation expectations are unchanged at 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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3-Jun-18	116.5	119.2	105.0	126.5	105.9	108.6	136.2	4.5

Source: ANZ-Roy Morgan

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