

ANZ-ROY MORGAN AUSTRALIAN CONSUMER CONFIDENCE MEDIA RELEASE

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CONSUMER CONFIDENCE: CONSOLIDATES AFTER A RISE

- ANZ-Roy Morgan Australian Consumer Confidence fell by 0.7% last week, partially reversing the rise of 1.5% in the previous week. The fall was due to the declines in sentiment regarding economic conditions and buying a major household item.
- Households' perception of current financial conditions registered growth of 3.5%, building on the gain of 3.7% the previous week. Sentiment regarding the future financial situation rose by 2.4%, more than reversing last week's modest 0.4% fall.
- Offsetting these gains, sentiment towards current (-1.9%) as well as future economic conditions (-3.0%) fell.
- The 'time to buy a household item' sub-index declined by 4% compared to a rise of 2.3% last week. Four-week moving average inflation expectations were stable at 4.3%.

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

"Confidence fell slightly last week, partially retracing the previous week's gain. Overall confidence remains above the long-run average. Importantly, consumers' perception of the current financial situation rose a strong 3.5%. This builds on last week's gain and takes confidence in the current financial situation to its highest level since early 2018. The continued strength of the labour market is most likely driving this improvement and appears to be more than offsetting the news of modest increases in floating mortgage rates.

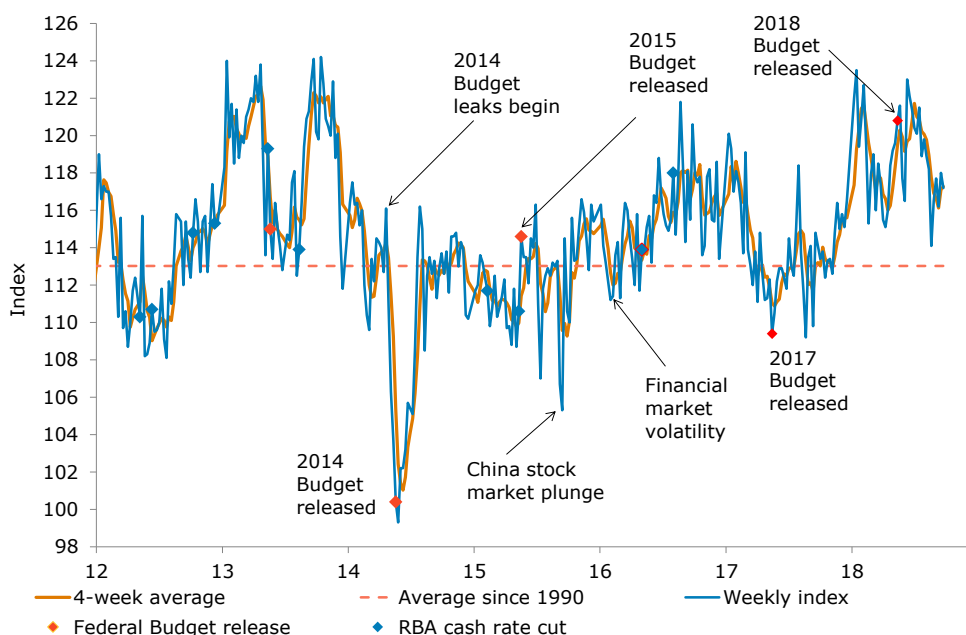
On the weak side, the 'time to buy a household item' subindex fell a sharp 4.0% last week to 127.8. This subindex has fallen quite sharply since late June and likely reflects an adjustment process by households in an environment of falling house prices and low wage growth."

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

Last week (22-23 Sep)	Weekly change, %	Four-week average	Monthly average since 1990	Inflation expectations (four-week ma)
117.2	-0.7%	117.3	113.0	4.3%

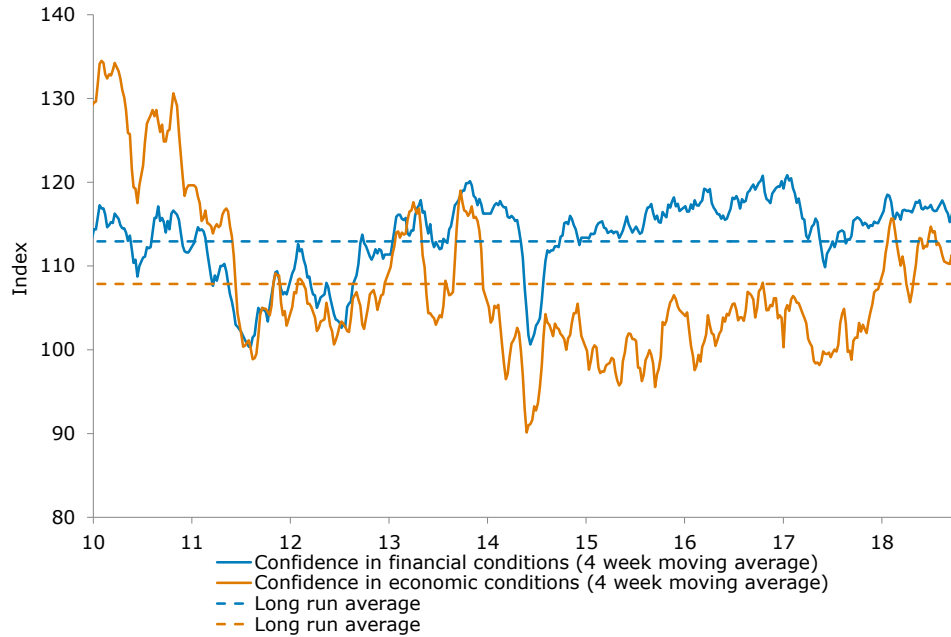
Data collected last weekend (Saturday and Sunday), based on around 1,000 face-to-face interviews. Not seasonally adjusted. Further data history on page 5.

Figure 2. Confidence fell by 0.7%



Source: ANZ-Roy Morgan

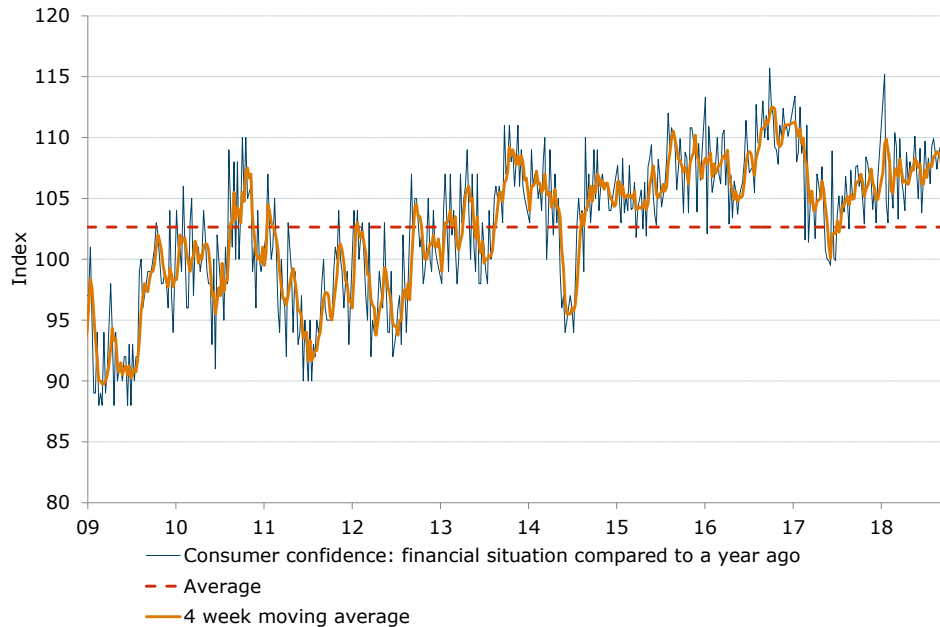
Figure 3. Confidence in financial and economic conditions have fallen from mid-June highs, but remains above average



Source: ANZ-Roy Morgan

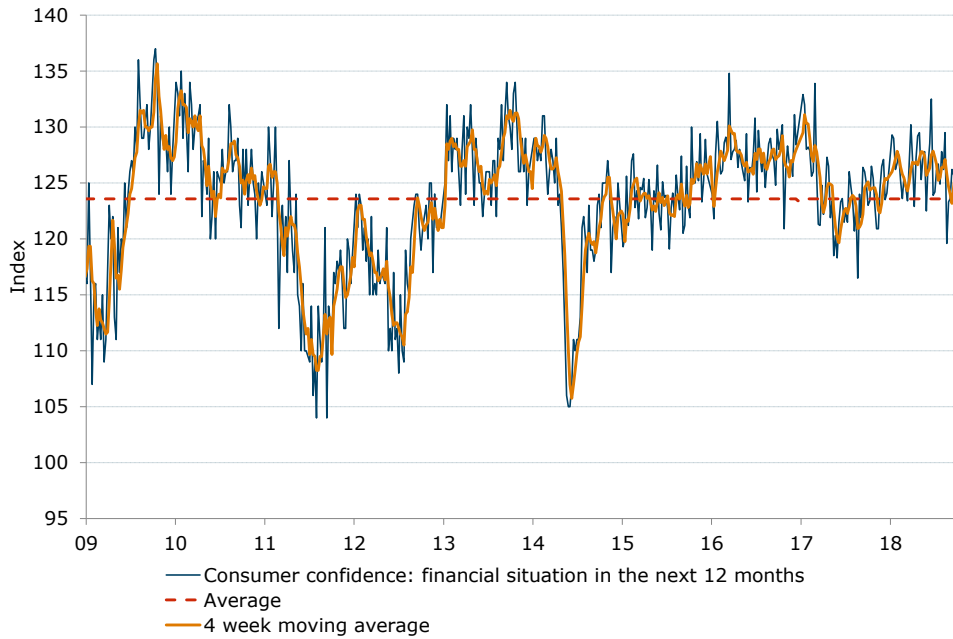
Note: Financial conditions index is an average of 'financial situation compared to a year ago' and 'financial situation next year' sub-indices. Economic conditions index is an average of 'economic conditions in 12 months' and 'economic conditions in five years' sub-indices.

Figure 4. Views towards current finances are at the highest point since mid-January



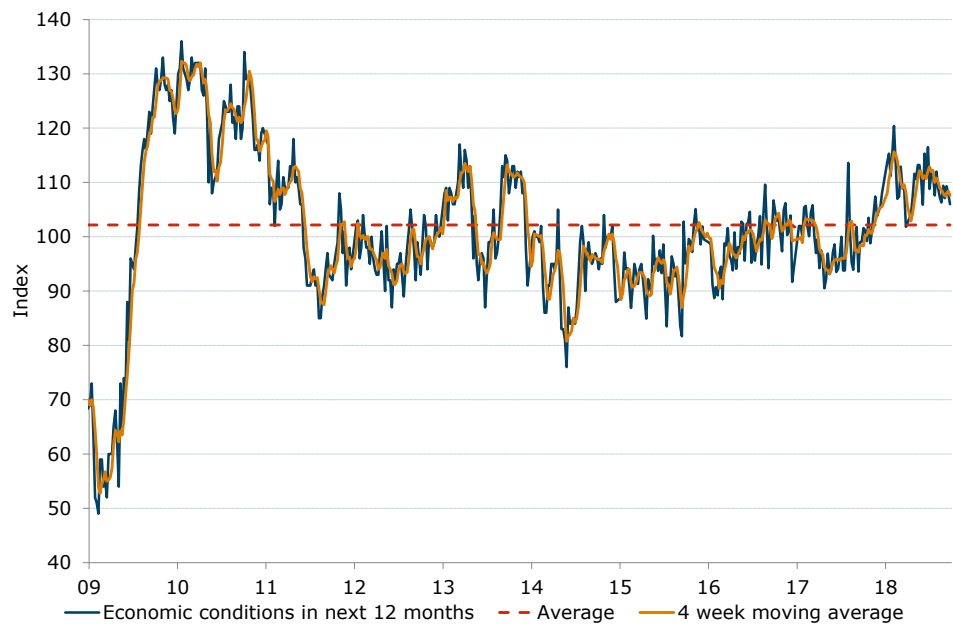
Source: ANZ-Roy Morgan

Figure 5. Future financial condition have recently improved



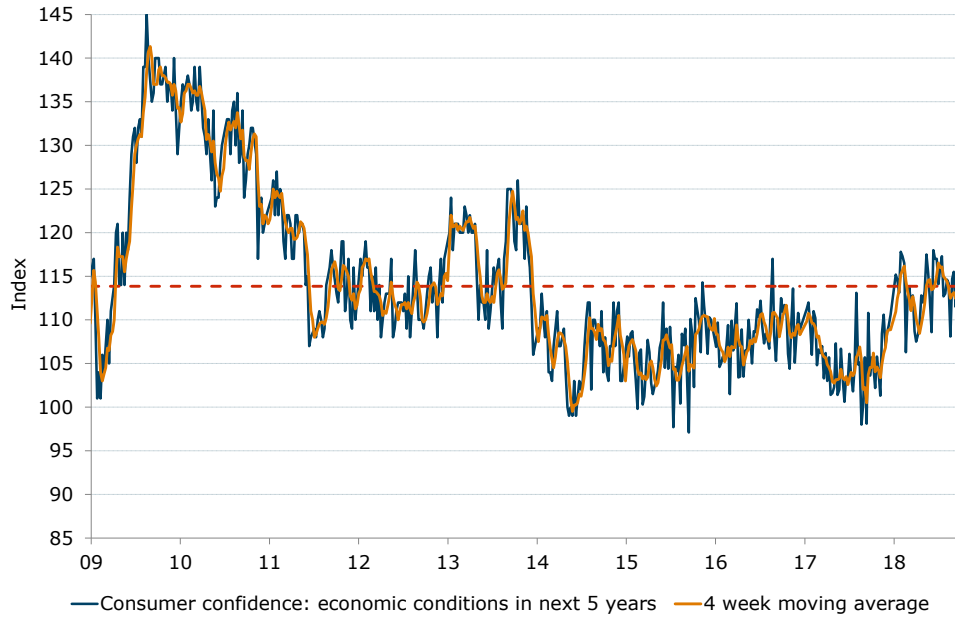
Source: ANZ-Roy Morgan

Figure 6. Sentiment towards current economic conditions fell for the second straight week



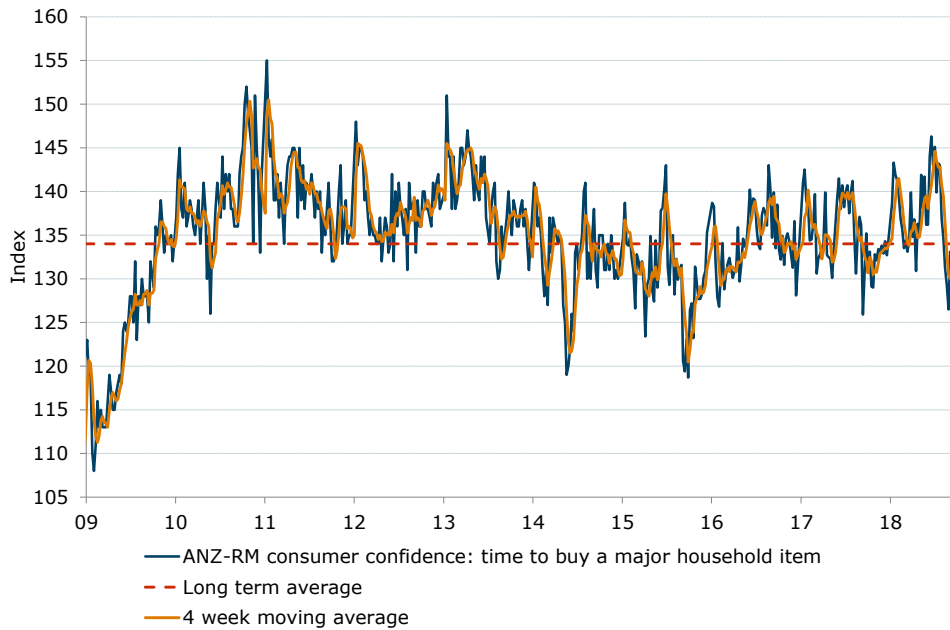
Source: ANZ-Roy Morgan

Figure 7. ...and views towards future economic conditions fell by 3.0%

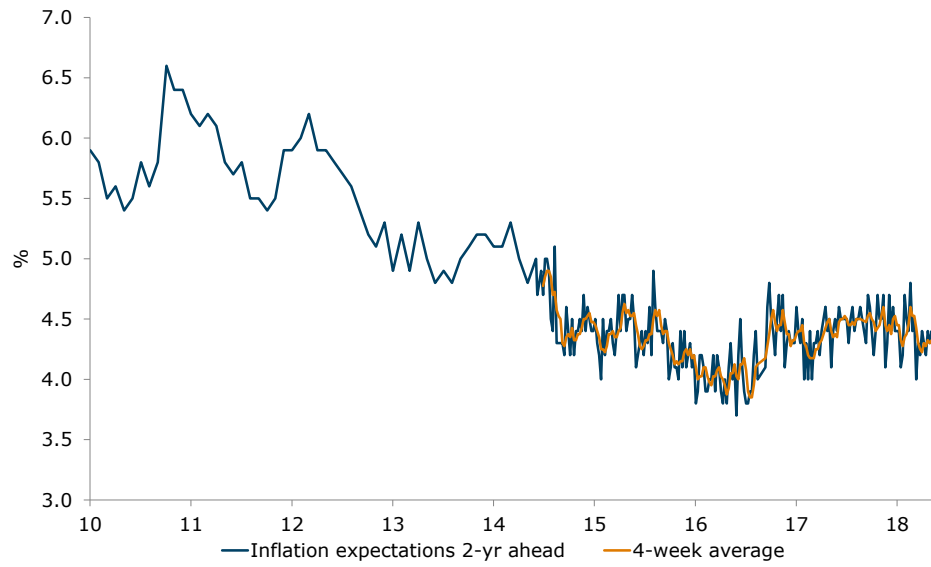


Source: ANZ-Roy Morgan

Figure 8. The 'time to buy a household item' registered a 4.0% fall



Source: ANZ-Roy Morgan

Figure 9. Four-week moving average inflation expectations are unchanged at 4.3%

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

Source: ANZ-Roy Morgan

[25.07.2018]

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