ANZ-Roy Morgan Australian Consumer Confidence Media Release

17 September 2019

ANZ

This is not personal advice. It does not consider your objectives or circumstances. Please refer to the Important Notice.

Contributors
Felicity Emmett
Senior Economist
+61 2 8037 0571
Felicity.Emmett@anz.com

Shaurya Mishra Junior Economist +91 80 6795 0463 Shaurya.Mishra@anz.com

Follow us on Twitter @ANZ_Research

Contact research@anz.com

Series available at **Bloomberg**AU: ALLX AUANZ <GO > NZ: ALLX NZANZ <GO >

Previous reports available to subscribers on ANZ Live

Confidence tumbles

- Confidence plunged 3.5% last week to its lowest level in over two years. 'Time to buy a household item' was the only subindex in the positive, eking out a 0.2% gain.
- The financial conditions subcomponents dropped sharply. Current finances were down 4.6%, the third consecutive weekly decline, while future finances were down 4.8%.
- The economic conditions subindices were also down, with current economic conditions losing 0.6% and future economic conditions falling by a sharp 7.6%, bringing it to a two-year low.
- The four-week moving average for inflation expectations increased by 0.1ppt to 4.1%, despite a small decline in the weekly reading.

ANZ-Roy Morgan Consumer Confidence and inflation expectations

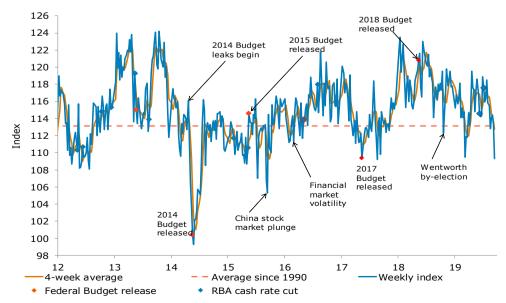
Last week (14-15 Sep)	Weekly change, %	Four-week average	Monthly average since 1990	Inflation expectations (4-week ma)
109.3	-3.5%	112.8	113.1	4.0%

Data collected last weekend (Saturday and Sunday), based on around 1,000 face-to-face interviews. Not seasonally adjusted. Further data history on page 6.

ANZ Senior Economist, Felicity Emmett, commented:

"ANZ-Roy Morgan consumer confidence fell to two year low last week. While households feel okay about their current financial situation, they are clearly quite worried about the outlook, for both their own finances and the economy. Last week's reported fall in business conditions to a five-year low, the weekend attack on Saudi Arabia's oil and ongoing broader concerns about both the domestic and global economic outlook are now clearly weighing on consumer sentiment. This is a disappointing development and suggests that expectations for tax and interest rate cuts to spur the consumer to lift the economy may be misplaced."

Confidence down to a two-year low



140 130 120 Index 110 100 90 80 10 12 13 14 15 16
-Consumer confidence in financial conditions*
-4 week moving average 19 11 18 Consumer confidence in economic conditions** 4 week moving average

Figure 1. Financial and economic conditions both fell

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.

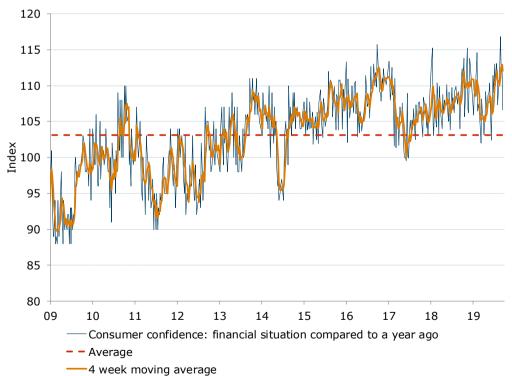


Figure 2. 'Current finances' declined by 4.6%, but are still above long-term average



Figure 3. 'Future financial conditions' lost 4.8%

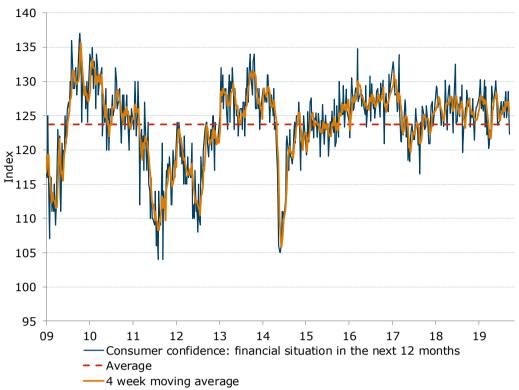


Figure 4. 'Current economic conditions' declined by 0.6%

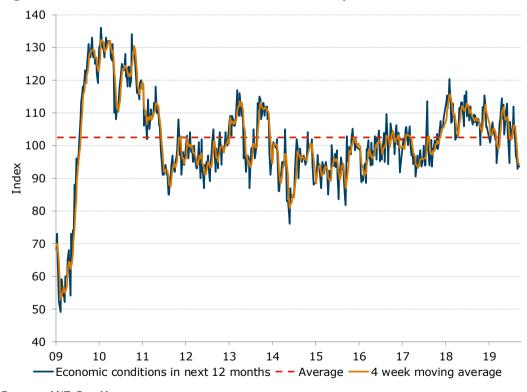




Figure 5. 'Future economic conditions' declined by a sharp 7.6% ğ 115 -Consumer confidence: economic conditions in next 5 years

—4 week moving average

Figure 6. 'Time to buy a household item' increased by 0.2% after falling 7.1% last week

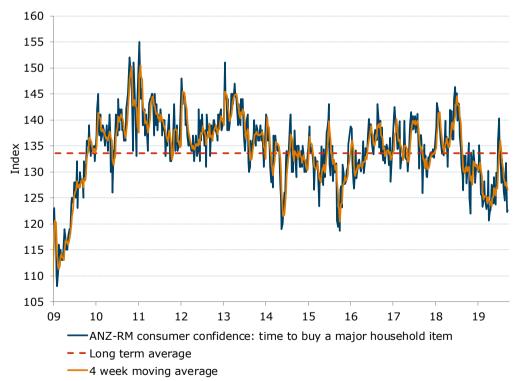
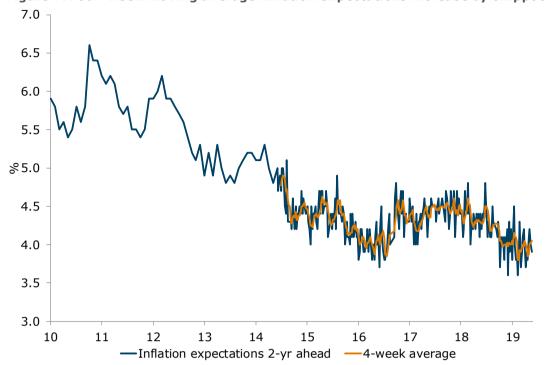




Figure 7. Four-week moving average inflation expectations increase by 0.1ppt to 4.1%



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



Table 1. ANZ-Roy Morgan Australian Consumer Confidence

	Headlin	e index		Subindicies				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	116	_	102	124	105	114	135	_
2001 2010 avg	116 124	-	102	124	105	130	135	- 5.7
2010 avg 2011 avg	114	_	97	117	101	116	140	6.0
2011 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
2017 avg	114	_	105	124	100	105	135	4.4
2018 avg	119	-	108	126	109	113	135	4.4
7-Oct-18	117.3	117.7	110	126	108	111	131	4.3
14-Oct-18	119.5	118.0	114	128	106	115	136	4.5
21-Oct-18	112.3	116.8	106	123	100	107	125	4.8
28-Oct-18	114.6	115.9	109	125	106	111	122	4.4
4-Nov-18	116.8	115.8	111	125	104	110	134	4.1
11-Nov-18	119.8	115.9	115	128	112	115	130	4.3
18-Nov-18	117.8	117.3	107	125	110	117	131	4.2
25-Nov-18	118.6	118.3	106	121	115	116	134	4.1
2-Dec-18	119.5	118.9	114	124	113	115	132	4.1
9-Dec-18	117.7	118.4	113	126	106	116	128	4.5
16-Dec-18	117.8	118.4	111	126	106	115	131	4.3
6-Jan-19	115.2	117.6	106	128	102	111	130	4.2
13-Jan-19	116.8	116.9	109	130	101	108	135	4.1
20-Jan-19	115.7	116.4	109	127	104	108	131	4.3
27-Jan-19	116.5	116.1	111	126	106	114	126	4.1
3-Feb-19	118.1	116.8	115	128	107	116	125	3.7
10-Feb-19 17-Feb-19	114.1 115.2	116.1 116.0	107 107	126 130	104 104	111 110	123 125	4.1 4.0
24-Feb-19	114.1	115.4	107	123	104	111	123	4.1
3-Mar-19	114.1	114.6	105	129	102	111	126	3.8
10-Mar-19	109.5	113.4	102	122	95	105	123	4.1
17-Mar-19	111.9	112.6	108	124	99	106	123	4.0
24-Mar-19	111.8	112.0	107	120	99	109	124	4.2
31-Mar-19	114.7	112.0	105	121	107	111	130	3.6
7-Apr-19	113.2	112.9	103	123	108	112	121	4.3
14-Apr-19	115.3	113.8	105	123	112	113	123	3.9
21-Apr-19	119.5	115.7	109	129	114	122	123	4.2
28-Apr-19	117.6	116.4	106	127	108	119	128	3.8
5-May-19	117.3	117.4	107	126	113	115	127	4.1
12-May-19	114.8	117.3	109	128	103	111	124	4.5
19-May-19	117.2	116.7	109	129	107	112	129	4.0
26-May-19	118.6	117.0	110	130	111	117	125	3.8
2-Jun-19	116.9	116.9	105	126	113	116	124	3.8
9-Jun-19	114.6	116.8	102	124	104	113	130	3.6
16-Jun-19	114.2	116.1	106	124	102	111	128	4.0
23-Jun-19	114.3	115.0	111	124	95	105	136	4.3
30-Jun-19	118.9	115.5	109	126 127	107	113	140 134	3.7 3.9
7-Jul-19 14-Jul-19	117.6 115.9	116.3 116.7	113 110	127 125	103 102	111 108	134 134	3.9 4.1
21-Jul-19	116.3	117.2	113	126	102	100	128	4.2
21-Jul-19 28-Jul-19	118.5	117.2	112	127	112	109	132	4.0
4-Aug-19	115.8	116.6	107	125	105	113	129	3.7
11-Aug-19	115.5	116.5	110	128	101	113	126	3.9
18-Aug-19	112.8	115.7	110	129	97	104	125	3.8
25-Aug-19	114.1	114.6	117	125	95	104	130	4.1
1-Sep-19	114.4	114.2	113	126	93	108	132	4.2
8-Sep-19	113.3	113.7	112	129	94	110	122	4.0
15-Sep-19	109.3	112.8	107	122	94	102	123	3.9



Important notice

[4 April 2019]

This publication is published by Australia and New Zealand Banking Group Limited ABN 11 005 357 522 ("ANZBGL") in Australia. This publication is intended as thought-leadership material. It is not published with the intention of providing any direct or indirect recommendations relating to any financial product, asset class or trading strategy.

The information in this publication is not intended to influence any person to make a decision in relation to a financial product or class of financial products. It is general in nature and does not take account of the circumstances of any individual or class of individuals. Nothing in this publication constitutes a recommendation, solicitation or offer by ANZBGL or its branches or subsidiaries (collectively "ANZ") to you to acquire a product or service, or an offer by ANZ to provide you with other products or services. All information contained in this publication is based on information available at the time of publication. While this publication has been prepared in good faith, no representation, warranty, assurance or undertaking is or will be made, and no responsibility or liability is or will be accepted by ANZ in relation to the accuracy or completeness of this publication or the use of information contained in this publication. ANZ does not provide any financial, investment, legal or taxation advice in connection with this publication.