

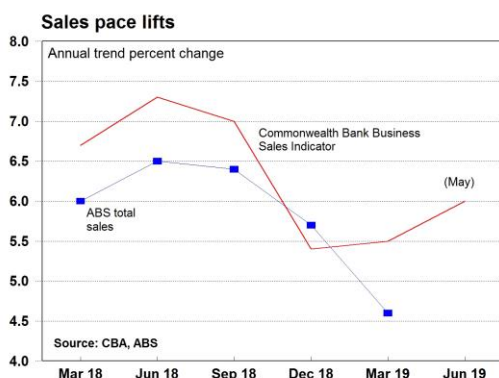
Solid growth of economy-wide spending

- Economy-wide spending continued to record above-average growth in May. The Commonwealth Bank Business Sales Indicator (BSI), rose by 0.7 per cent in trend terms, matching the growth of spending in March and April. Spending growth remains above the 0.4 per cent long-term average monthly growth pace.
- The annual trend sales growth lifted from 5.7 per cent to 6.0 per cent – the fastest rate in seven months and above the 5.5 per cent long-term average growth pace. The measure of sales recorded by the Australian Bureau of Statistics lifted by 4.6 per cent in the March quarter (latest).
- The more volatile seasonally-adjusted measure of the BSI rose by 0.7 per cent in May, the 12th gain in the past 14 months.
- At a sectoral level, 14 of 19 industry sectors rose in trend terms in May, with three sectors broadly flat. In April, 12 of the 19 sectors posted gains in sales with three sectors flat.
- Spending rose across all states and territories in May except Northern Territory.
- The Commonwealth Bank BSI is obtained by tracking the value of credit and debit card transactions processed through Commonwealth Bank merchant facilities. The BSI covers spending broadly across the economy rather than just retail sales, including spending on automobiles, personal services and airlines.

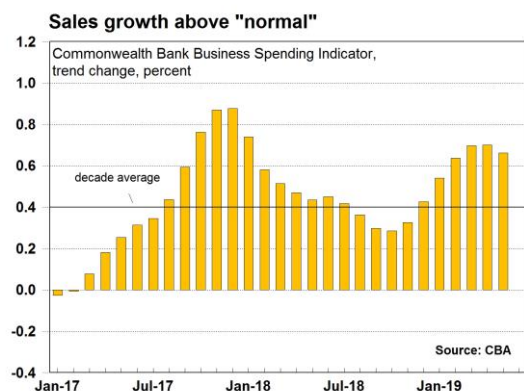
Business Sales Indicator May 2019

- The Commonwealth Bank Business Sales Indicator (BSI) – a measure of economy-wide spending – rose by 0.7 per cent in trend terms in May, matching gains in March and April. There hasn't been stronger spending growth for almost 18 months.
- Over the period from October 2017 to January 2018 the BSI consistently recorded monthly gains of between 0.7-0.9 per cent a month. Growth in sales trended down over 2018, reaching 0.3 per cent a month from September-November 2018. Monthly growth rates lifted from December and gains held between 0.6-0.7 per cent per month since February, above the long-term average pace of 0.4 per cent.
- The annual trend sales growth rose from 5.7 per cent to 6.0 per cent in May, above the 5.5 per cent long-term average growth pace.
- The more volatile seasonally-adjusted measure of the BSI rose by 0.7 per cent in May, the 12th gain in the past 14 months.
- The Commonwealth Bank BSI is obtained by tracking the value of credit and debit card transactions processed through the Commonwealth Bank merchant facilities. And in line with the practice of the Bureau of Statistics with retail trade data, seasonally adjusted and trend estimates of the BSI are obtained by applying statistical software. The seasonally adjusted and trend BSI results permit analysis of the broader underlying trends that may be hidden in the raw data.
- Across sectors, 14 of the 19 industry sectors rose in trend terms in May. Amongst the biggest gains in sales were Utilities (up 1.5 per cent); Transportation and Retail Stores (both up 1.0 per cent); Airlines (up 0.8 per cent) and Service Providers (up 0.7 per cent).

ABS Sales & CBA Business Sales Indicator

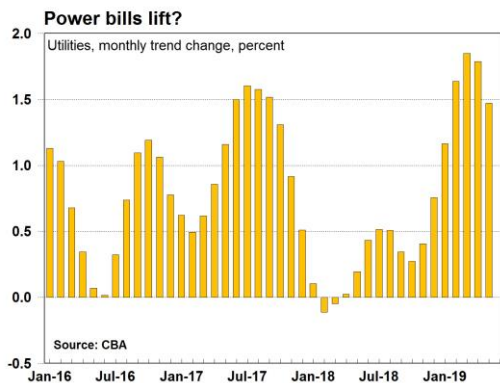


Australia, BSI, monthly trend %

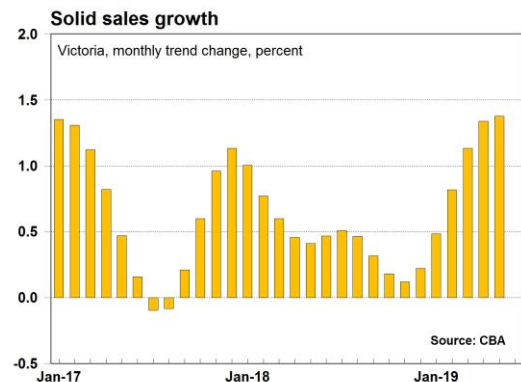


- Sales fell most in Amusement & Entertainment (down 1.2 per cent) and Clothing stores (down by 0.3 per cent).
- Sales at Automobiles & Vehicles; Government Services and Mail Order/Telephone Order Providers were all broadly flat in May.
- In annual terms in May, all but six of the 19 industry sectors recorded gains. Spending fell by 7.1 per cent over the past year in Mail Order/Telephone Order Providers, followed by Government Services (down by 3.8 per cent); Automobiles & Vehicles (down 3.4 per cent); and Clothing Stores (down by 2.4 per cent).
- At the other end of the scale, sectors with strongest annual growth in May included Retail Stores, Transportation, Airlines, Amusement & Entertainment and Hotels & Motels.
- Sales were stronger across all states and territories in May except Northern Territory (down 0.2 per cent). The strongest growth occurred in Victoria (up 1.4 per cent); Tasmania (up 0.7 per cent); Queensland (up 0.6 per cent); NSW and South Australia (both up 0.5 per cent); ACT (up 0.4 per cent) and Western Australia (up 0.2 per cent).
- In annual terms all states and territories had sales above a year ago except Northern Territory (down 5.5 per cent). The strongest growth was in Victoria (up 7.7 per cent) from Tasmania (up 7.1 per cent). Slowest growth was in South Australia (up 3.3 per cent).

Utilities, monthly trend (%)



Victoria, monthly trend (%)



About the Commonwealth Bank Business Sales Indicator

- The Commonwealth Bank Business Sales Indicator is obtained by tracking the value of credit and debit card transactions processed through Commonwealth Bank merchant facilities throughout Australia.
- The Business Sales Indicator is compiled monthly and covers 19 industry sectors and all Australian states and territories.
- Credit and debit card transactions can be volatile on a month-to-month basis, affected by seasonal and irregular factors. To better gauge the direction and changes of spending across the economy, the Business Sales Indicator is tracked in trend terms.
- The monthly Business Sales Indicator has been devised to provide a more timely assessment of spending trends in the economy. The main monthly indicator of spending in the economy is the Australian Bureau of Statistics' (ABS) Retail Trade release. However these statistics cover just spending at retail establishments, and exclude spending at a raft of other businesses.
- The Business Sales Indicator includes transactions made at traditional retail establishments such as supermarkets, clothing stores and cafes & restaurants and as such is more comparable to the ABS Household Final Consumption Expenditure released on a quarterly basis. The Business Sales Indicator also covers businesses such as airlines, car dealers and utilities such as water and electricity companies as well as motels, business, professional and government services and wholesalers.
- The Business Sales Indicator includes industry sectors based on the International Merchant Category Code (MCC) categories. MCC is a four-digit number assigned to a business when the business first starts accepting cards as a form of payment. Refer to Table 1 for the MCC listing.

Table 1: Merchant Types

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| 1. Airlines | 11. Miscellaneous Stores |
| 2. Amusement & Entertainment | 12. Personal Service Providers |
| 3. Automobile/Vehicle Rentals | 13. Professional Services & Membership Organisations |
| 4. Automobiles & Vehicles | 14. Repair Services |
| 5. Business Services | 15. Retail Stores |
| 6. Clothing Stores | 16. Service Providers |
| 7. Contracted Services | 17. Transportation |
| 8. Government Services | 18. Utilities |
| 9. Hotels & Motels | 19. Wholesale Distributors & Manufacturers |
| 10. Mail Order/Telephone Order Providers | |

DISCLOSURE AND DISCLAIMER APPENDIX

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