

Modest spending growth in April

- The Commonwealth Bank Business Sales Indicator (BSI) – a measure of economy-wide spending – rose for the 15th straight month in April. The extra trading day in February and early timing of Easter have distorted results in recent months so the results should be interpreted with care.
- The Business Sales Indicator rose by 0.2 per cent in April, after gains of 0.1 per cent in the three previous months. Annual growth slowed from 5.2 per cent to 4.6 per cent. The more volatile seasonally adjusted BSI rose by 3.4 per cent in April after rising by 6.2 per cent in March and falling by 9.0 per cent in February.
- At a sectoral level, 14 of the 19 industry sectors expanded in trend terms in April, a similar result to March. And sales rose in six of the eight states and territories in April.
- The seasonally adjusted and trend estimates of the BSI results are derived via the SEASABS statistical program from the Australian Bureau of Statistics.
- 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 April 2016

- The Commonwealth Bank Business Sales Indicator (BSI) – a measure of economy-wide spending – rose by 0.2 per cent in April after rising by 0.1 per cent in each of January, February and March. While the figures suggest modest sales growth in recent months, the extra day in February (leap year) and early timing of Easter have complicated analysis. Easter Sunday occurred on March 27 – the earliest occurrence in eight years.
- On average the BSI shows average sales growth of just 0.2 per cent a month over the past five months. Previously growth had lifted on average by 0.5 per cent a month over the previous five months.
- The annual growth of spending eased from 5.2 per cent to 4.6 per cent in April. The annual growth rate had held at healthy levels of between 7.2-7.6 per cent between April and November 2015.
- The seasonally-adjusted measure of sales rose by 3.4 per cent in April after lifting by 6.2 per cent and falling by 9.0 per cent in February.
- The Commonwealth Bank BSI is obtained by tracking the value of credit and debit card transactions processed through Commonwealth Bank merchant facilities. And in line with the practice of the Bureau of Statistics with its retail trade data, seasonally adjusted and trend estimates of the BSI are obtained by applying statistical software. The seasonally adjusted and trend BSI results are derived from the same SEASABS statistical software allowing analysis of the broader underlying trends that may be hidden in the raw data.
- Across sectors, only five of the 19 industry sectors fell in trend terms in April: Automobiles & Vehicles; Business Services; Clothing Stores; Retail Stores and Government Services.

Figure 1: Australian sales, monthly %

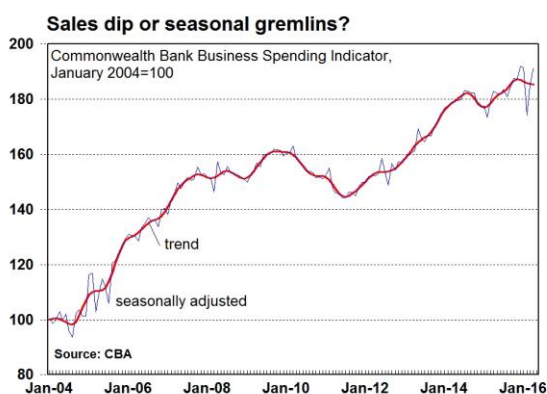
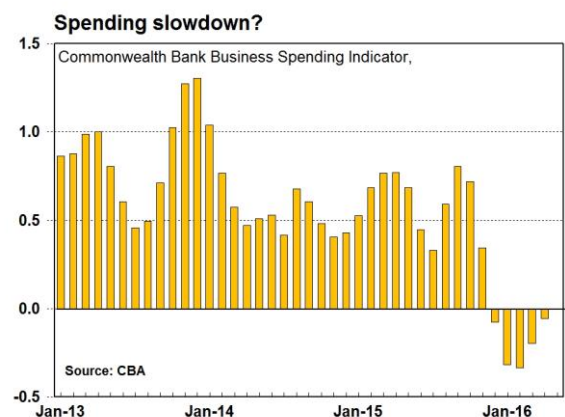


Figure 2: Australian sales,



- Encouragingly, spending continued to lift at Hotels & Motels in April – up by 0.4 per cent and the 40th consecutive month of gains.
- And spending at Miscellaneous Stores continued to lift, up by 0.9 per cent in April and the 57th month that spending lifted in the sector.
- In annual terms in April, just four of the 19 industry sectors contracted: Mail Order/Telephone Order Providers, Airlines, Automobiles & Vehicles and Amusement & Entertainment.
- At the other end of the scale, sectors with strongest annual growth in April included: Hotels & Motels (up 16.2 per cent); Miscellaneous Stores (up 12.6 per cent); and Government Services (up 10.9 per cent).
- Sales fell just in Victoria (-0.9 per cent) and Northern Territory (-0.2 per cent) in April. Of the other states and territories, strongest was NSW (up 0.8 per cent) followed by South Australia (up 0.7 per cent) followed ACT and Queensland (both up by 0.3 per cent), Tasmania (up 0.1 per cent) and Western Australia (up by less than 0.1 per cent).
- In annual terms only Victoria had sales below a year ago (down 1.7 per cent). Strongest growth was in Tasmania (up 9.8 per cent), from ACT and NSW (both up 8.1 per cent), Western Australia (up 6.6 per cent), Northern Territory and South Australia (both up 5.2 per cent) and Queensland (up 4.3 per cent).

Figure 3: Hotels & motels, monthly

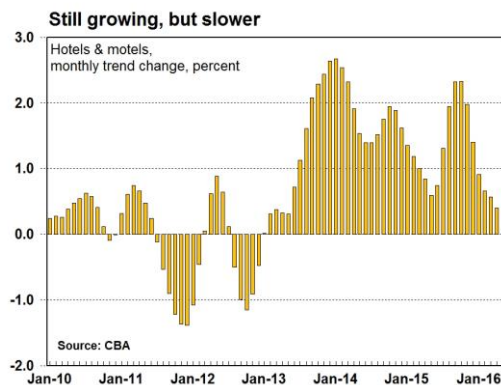
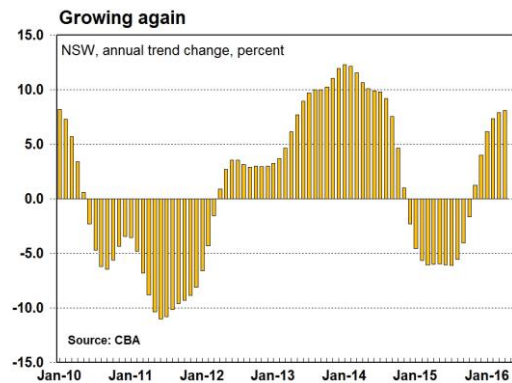


Figure 4: NSW, annual trend (%)



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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