Data for July 2023

ANZ NZ Merchant and Card Spending Chartpack

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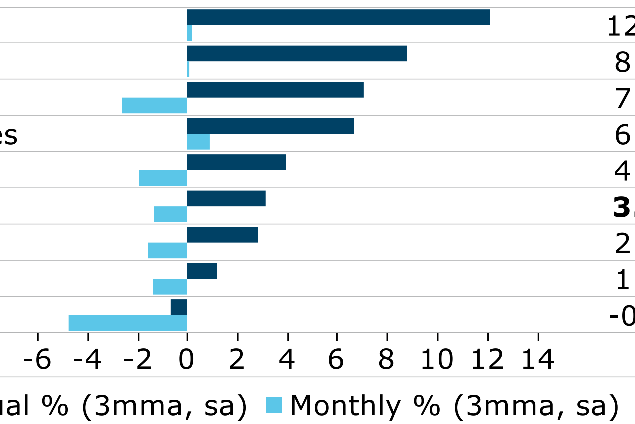
Notes

- This data includes both EFTPOS and credit card spending that is either on an ANZ card, or with a merchant who banks with ANZ (or both).
- Spending is nominal, meaning observed moves are a mix of price and volume changes. Goods or services with more volatile prices will also have more volatile spending, all else equal (eg fuel, fresh food).
- Categories where individual merchants might be identifiable have been aggregated or removed.
- Many data series are volatile month-to-month at this very disaggregated level. We therefore present the data in rolling 3-month average terms to make trends clearer, meaning the numbers are not comparable to last month’s pack. The data is also now seasonally adjusted where the diagnostics supported this.

Overall categories

- Most categories of spending saw slowing momentum in July, indicating the pressure retail is under currently.
- Tourism-related spending remains top of the pops, though July was flat (seasonally adjusted).
- Clothing, as a relatively discretionary spending item, is relatively weak, as is spending on items related to housing.
- In the following sections we delve into each category in

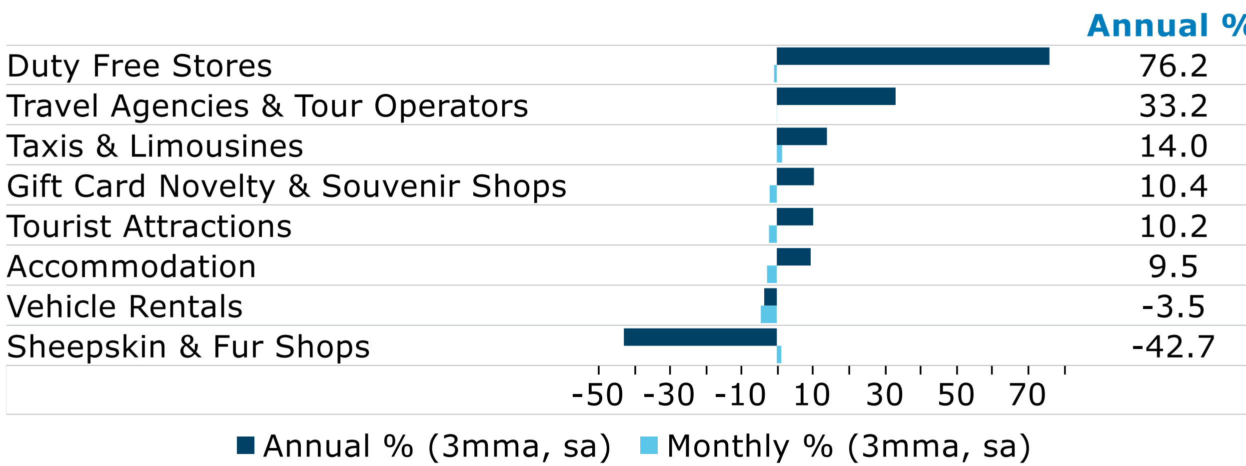
	Annual %	Monthly %
Tourism	12.1	0.2
Misc Services	8.8	0.1
Discretionary	7.1	-2.6
Business Goods & Services	6.7	0.9
Durables	4.0	-1.9
Total, All Industries	**3.1**	**-1.3**
Clothing	2.8	-1.6
Housing	1.2	-1.4
Misc Goods Retail	-0.7	-4.7



Macrobond, ANZ Research

Tourism related

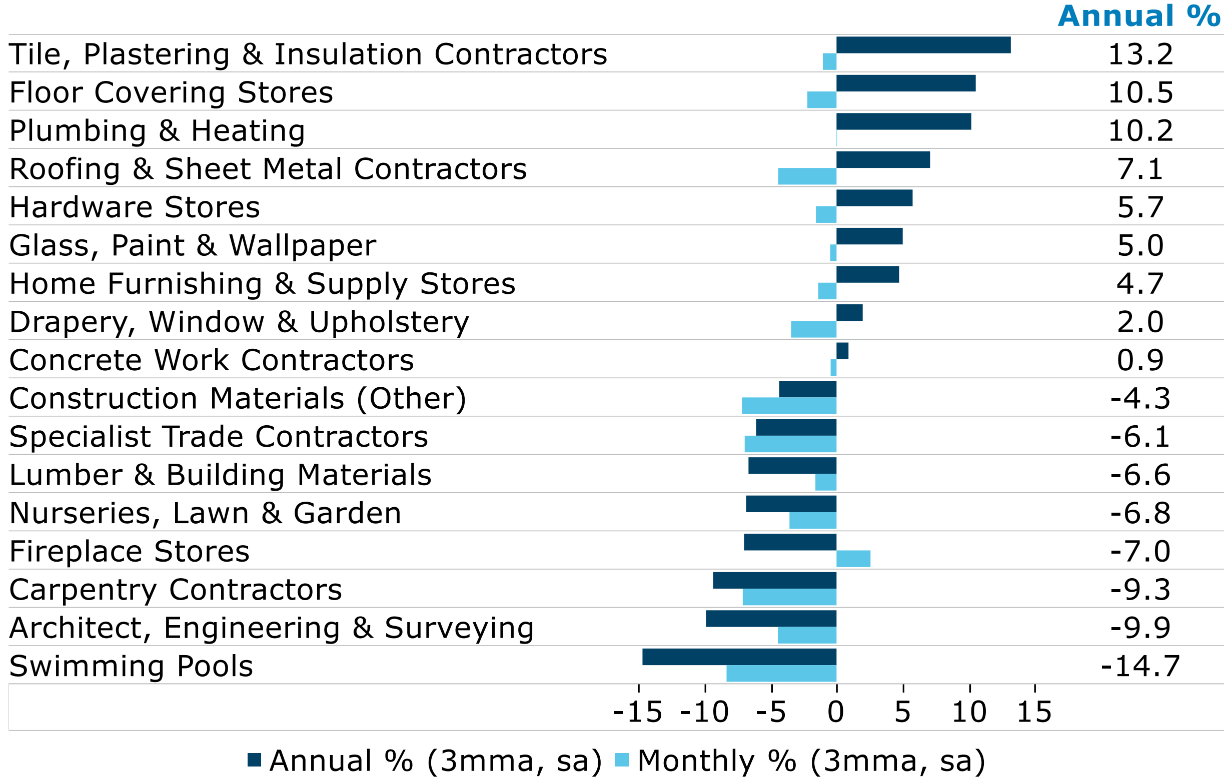
- Tourism-related spending continues to be, for the most part, significantly stronger than a year ago.
- The slow return of tourists from China may be a contributor to low sales of sheepskin and fur products.



Source: Macrobond, ANZ Research

Housing related

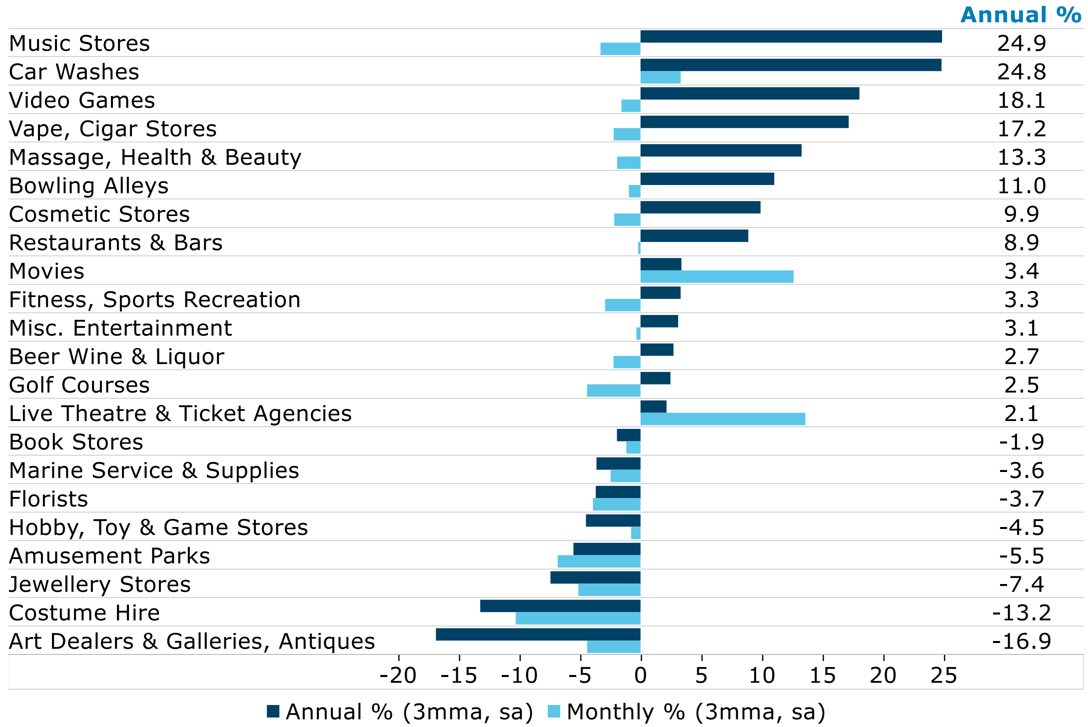
- Housing-related spending continues to be under pressure given the tepid housing market. Most are currently losing momentum.
- A large number of house builds are still undergoing completion, but more forward-looking industries such as architectural services are weak.



Source: Macrobond, ANZ Research

Discretionary

- One person's luxury is another's necessity, but overall, there's a mixed picture in annual growth across a range of spending categories that could reasonably be considered as "discretionary" spending.
- However, most categories are losing momentum, with the 3-month average spend declining in July.
- Movies and event tickets were exceptions, thanks to Barbieheimer and Taylor Swift respectively.

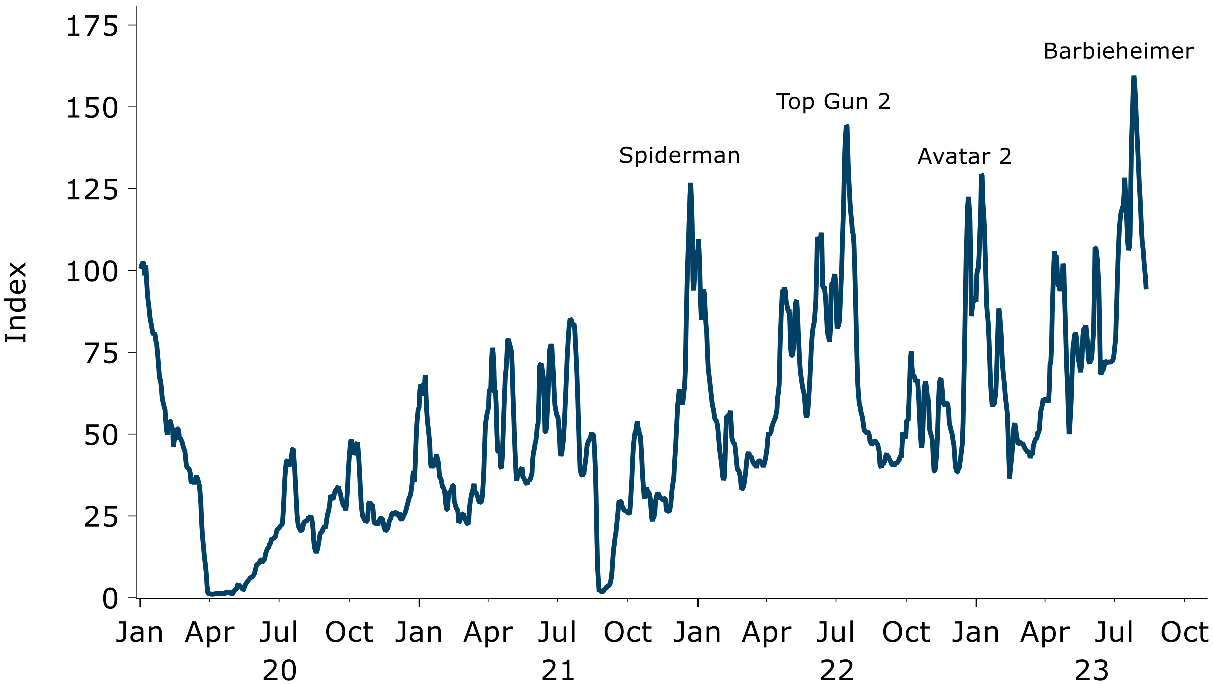


Source: Macrobond, ANZ Research

Maverick versus Barbie

- Oppenheimer and Barbie were released on 21 July, seeing a spike in spending at movie theatres.

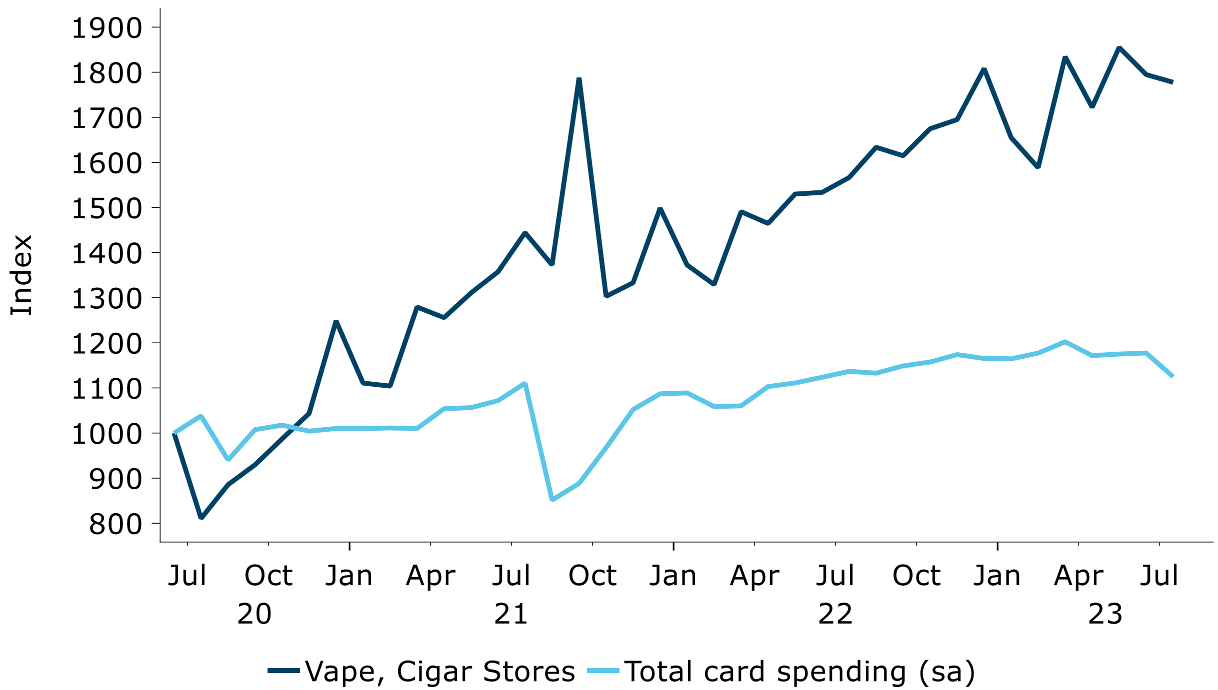
ANZ weekly card spending at movie theatres



Source: Macrobond, ANZ Research

Spending at cigar and vape stores

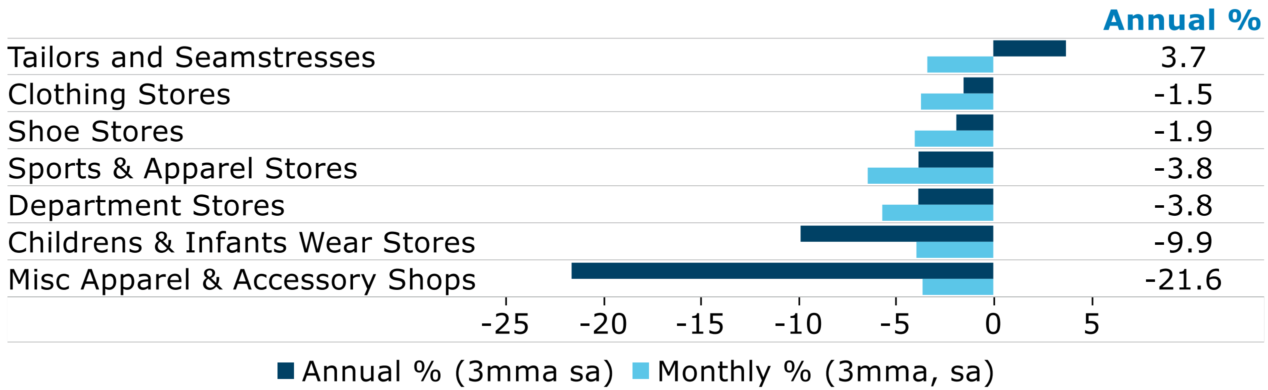
- Spending at stores selling nicotine products has grown far faster than general card spending in the past three years.



Source: Macrobond, ANZ Research

Clothing

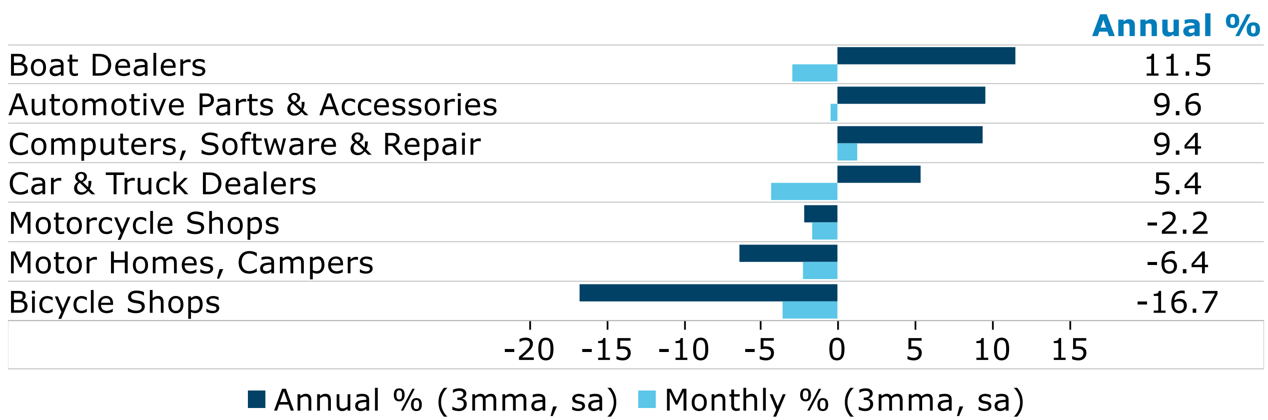
- Clothing retail is under pressure, with overall nominal spending declining on both a seasonally adjusted monthly and annual basis (3-month average).
- Within the category, only clothing repairs are in the black versus a year ago (though tailored suits are in this category as well), while the more discretionary end is weaker.



Source: Macrobond, ANZ Research

Durables

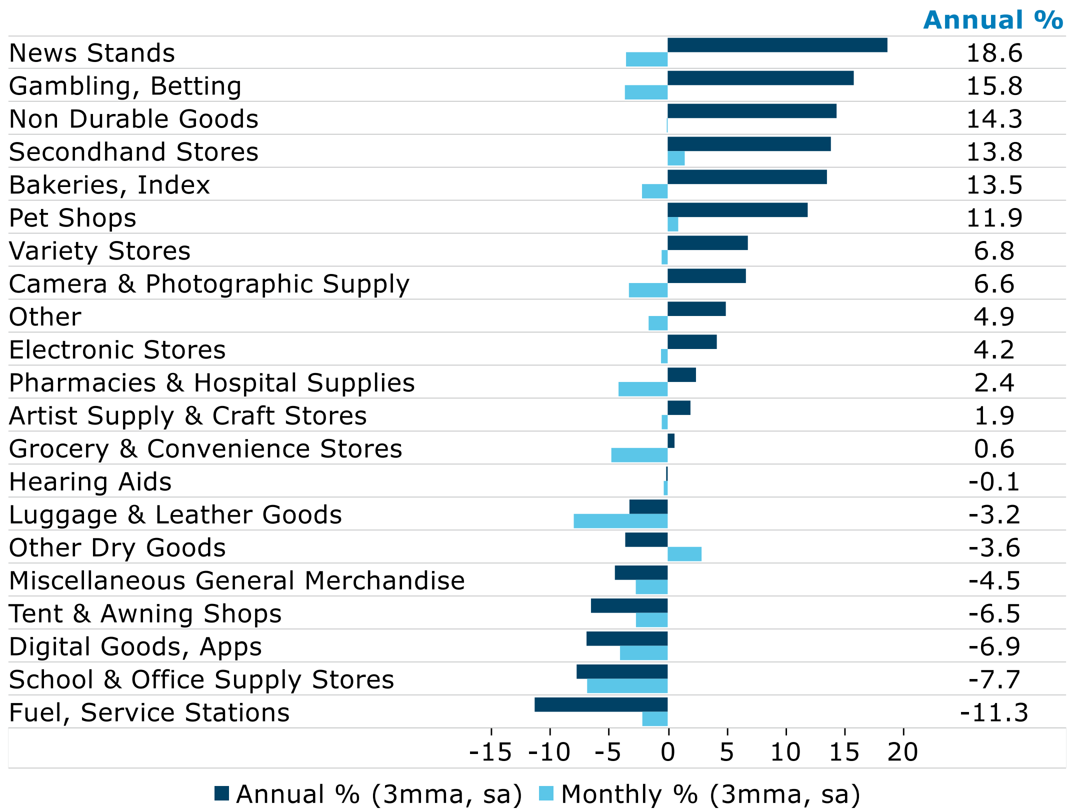
- Durables spending tends to be more cyclical than other types of retail. Most of these categories are losing momentum.
- Vehicle sales are broadly weakening, particularly bicycles. However, spending at boat dealers remains well up versus a year ago.



Source: Macrobond, ANZ Research

Misc goods retail

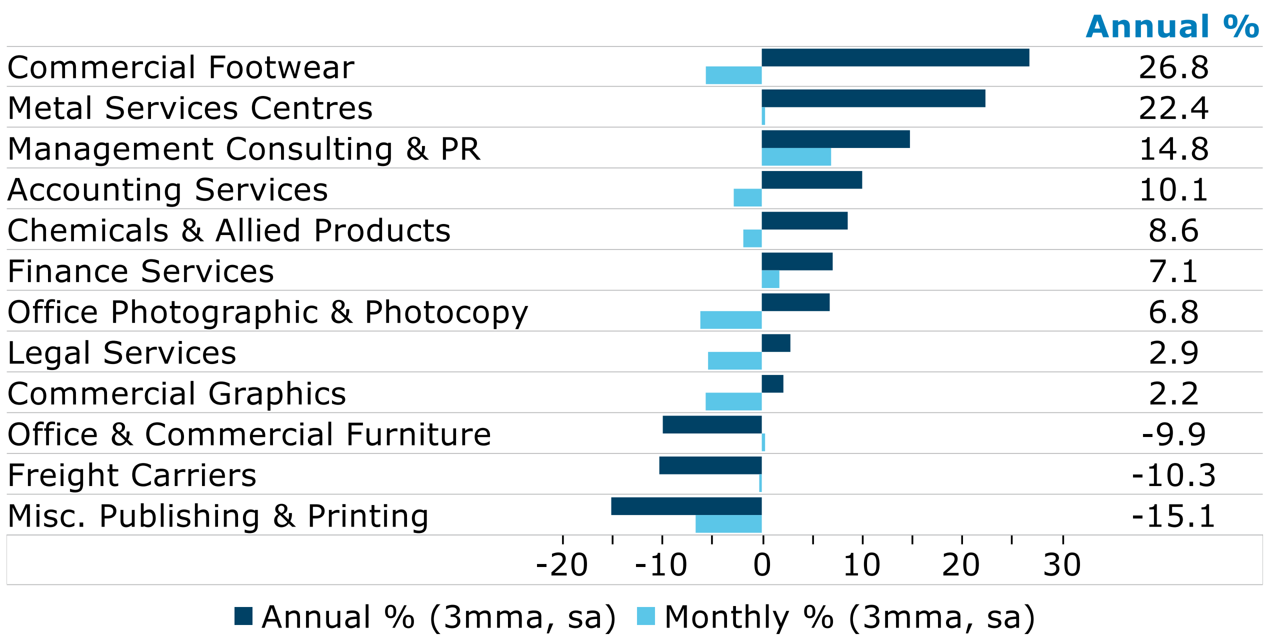
- Goods retail is a mixed bag. But most categories are losing momentum, with the three month average spend declining despite still-strong inflation.
- Weak fuel sales despite prices rising in July may be due to the stocking up that occurred the previous month.



Source: Macrobond, ANZ Research

Business goods & services

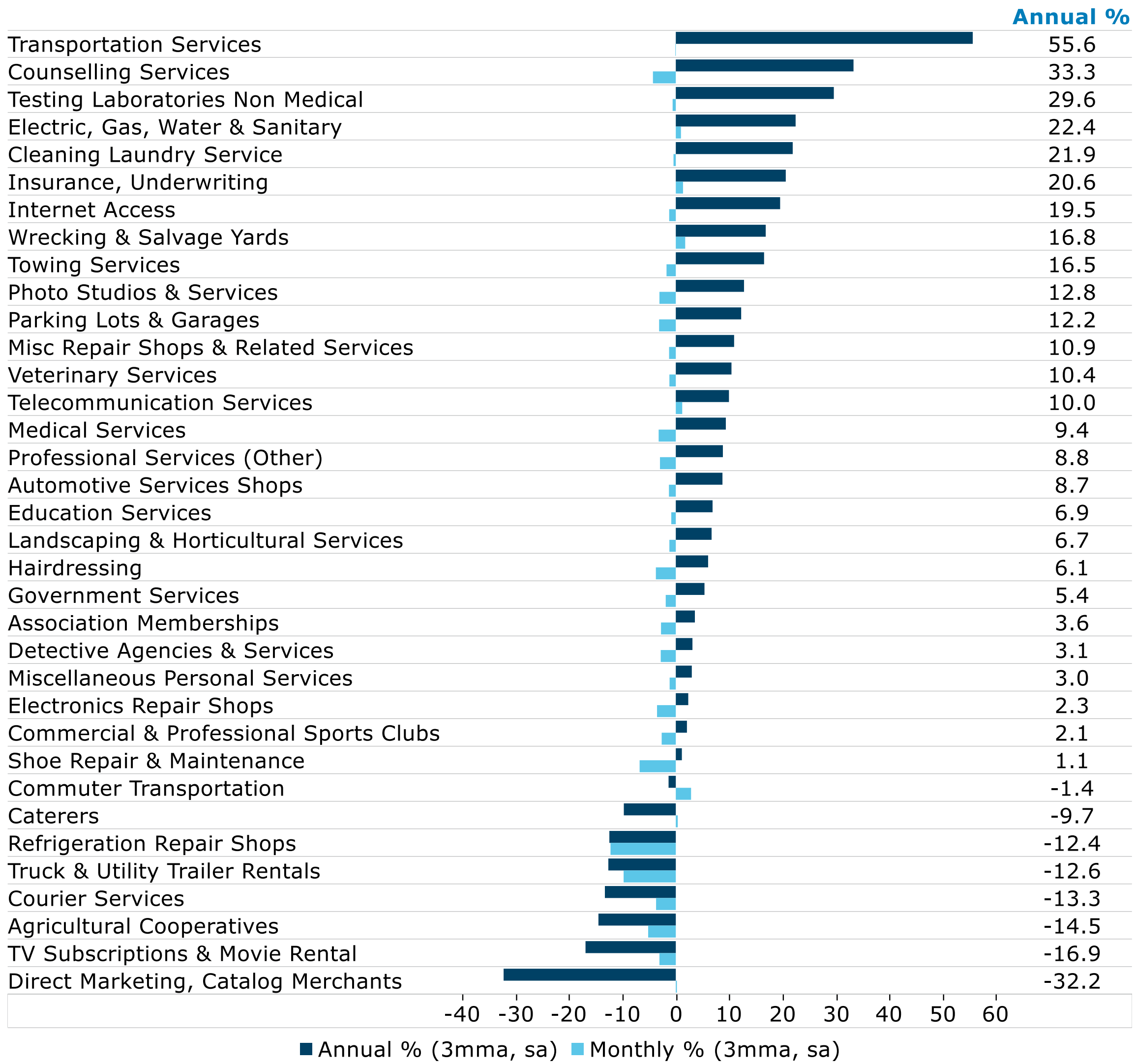
- Goods and services that are predominantly to businesses are mixed bag, but again, most fell in July (seasonally adjusted, 3-month average).
- Like last month, the printing industry is under pressure.
- Spending at freight carriers is also weakening, consistent with weakening demand for goods both now and anticipated.



Source: Macrobond, ANZ Research

Misc services retail

- While most are up versus a year ago, they're losing steam.



Source: Macrobond, ANZ Research

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