# ANZ-Roy Morgan Australian Consumer Confidence Media Release

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# Confidence drops on RBA and trade

- Confidence fell by 2.1% last week, closing below its four-week moving average but remaining above the long-term average.
- Financial conditions were not the cause of the fall, with current finances up 2%, while future finances rose 1.4%.
- Economic conditions dropped sharply, however, with current economic conditions down a massive 8.1%, continuing their recent volatile pattern, and future economic conditions falling 3.3%.
- The 'time to buy a household item' also did not help, falling 2.5%. The four-week moving average for inflation expectations rose by 0.2ppt to 4.2%.

### **ANZ-Roy Morgan Consumer Confidence and inflation expectations**

Last week (11–12 May)	Weekly change, %	Four-week average	Monthly average since 1990	Inflation expectations (four-week ma)
114.8	-2.1%	117.3	113.1	4.2%

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 Head of Australian Economics, David Plank, commented:

"The fall in consumer sentiment follows a couple of important developments. Domestically the RBA decided to leave interest rates unchanged after considerable speculation that a rate cut might occur. Globally, the US-China trade dispute resumed with the US increasing tariffs on a wide range of goods. At this stage, consumers see these events as more damaging for overall economic prospects than their own finances. After a period of weakness, inflation expectations jumped to 4.5% for the week, pushing the four week moving average to 4.2% – its highest level since the end of January. The uptrend in petrol prices over the last few weeks may have supported inflation expectations."

#### Confidence dropped by 2.1%

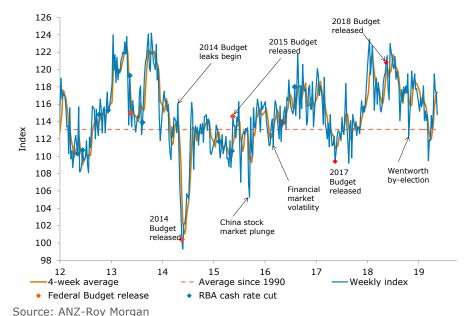
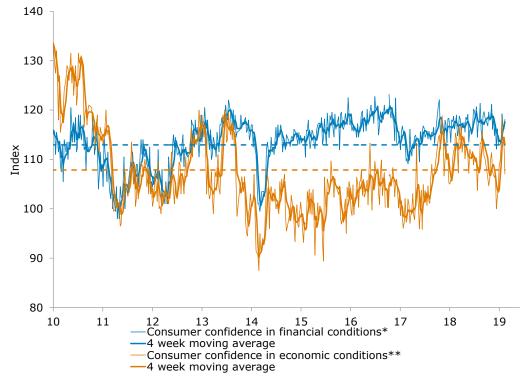




Figure 1. Financial conditions up but consumers less certain about economic conditions



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' above short term moving average

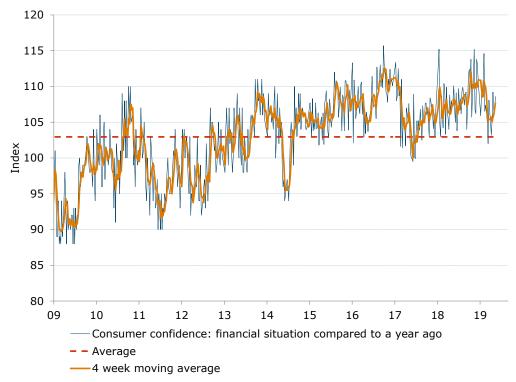




Figure 3. 'Future financial conditions' above average

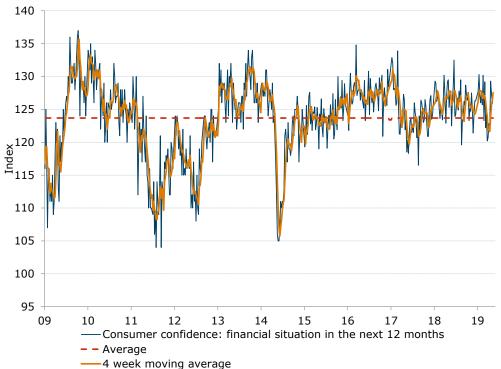
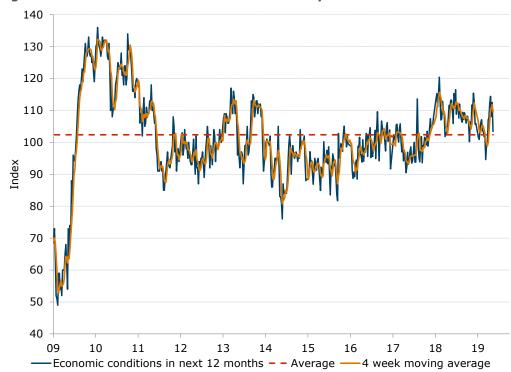


Figure 4. 'Current economic conditions' down by 8.1%





Tuge 115 ·Consumer confidence: economic conditions in next 5 years -4 week moving average

Figure 5. 'Future economic conditions' fell 3.3%: its third consecutive fall

Figure 6. 'Time to buy a household item' struggling well below the long term average

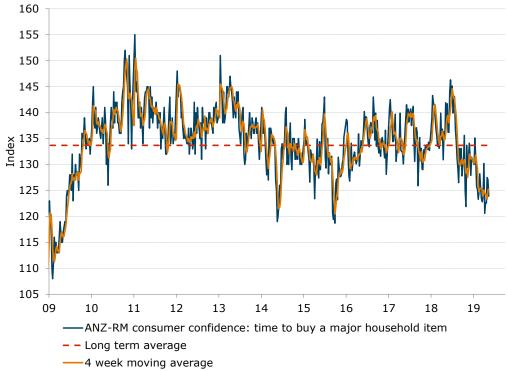
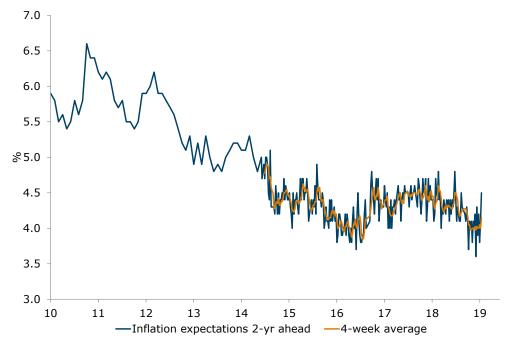




Figure 7. Four-week moving average inflation expectations jump to 4.2%



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



Table 1. ANZ-Roy Morgan Australian Consumer Confidence

	Headling	e index			Subindicies			Inflation Expectations						
	Last week	4-week	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			100	104	105	-	101							
2001 2011 avg	116 114	-	103 97	124 117	105 101	114 116	134 140	6.0						
2011 avg 2012 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 2016 avg	112 115	-	107 109	124 127	94 99	106 108	131 134	4.4 4.1						
2017 avg	114	-	105	124	100	105	135	4.4						
2018 avg	119		108	126	109	113	135	4.4						
7-Jan-18 14-Jan-18	122.0 123.5	117.4 119.3	112.9 115.2	129.3 129.0	113.7 115.3	115.2 114.6	138.6 143.3	4.3 4.7						
21-Jan-18	119.4	120.4	104.7	126.2	111.2	113.1	141.9	4.6						
28-Jan-18	120.9	121.5	103.0	126.8	115.6	117.8	141.3	4.4						
4-Feb-18	122.7	121.6	108.7	127.5	120.4	117.3	139.5	4.2						
11-Feb-18 18-Feb-18	119.5 115.3	120.6 119.6	105.9 104.2	125.2 123.6	113.2 107.0	116.5 106.3	136.9 135.6	4.4 4.7						
25-Feb-18	117.9	118.9	110.4	125.5	107.4	112.7	133.5	4.5						
4-Mar-18	119.0	117.9	109.3	124.6	112.9	113.7	134.4	4.5						
11-Mar-18 18-Mar-18	116.0 118.5	117.1 117.9	103.3 109.9	123.4 126.6	108.9 109.2	111.5 112.8	133.1 134.2	4.7 4.1						
25-Mar-18	117.4	117.7	106.5	130.2	101.8	108.7	139.9	4.3						
1-Apr-18	115.5	116.9	105.6	127.2	102.5	107.5	134.8	4.7						
8-Apr-18	115.1	116.6	104.0	122.9	103.4	108.3	136.8	4.4						
15-Apr-18 22-Apr-18	116.0 118.4	116.0 116.3	108.8 106.2	127.2 129.2	103.9 107.4	109.3 112.8	130.9 136.3	4.6 4.4						
29-Apr-18	119.2	117.2	108.0	129.5	111.6	112.0	135.1	4.4						
6-May-18	119.6	118.3	107.1	125.3	110.6	113.3	141.9	4.4						
13-May-18	120.8	119.5 120.3	107.9	127.1 127.8	113.20 113.20	117.5 115.3	138.1 141.7	4.1 4.2						
20-May-18 27-May-18	121.6 117.7	119.9	110.1 107.1	122.5	110.5	112.4	136.2	4.7						
3-Jun-18	116.5	119.2	105.0	126.5	105.9	108.6	136.2	4.5						
10-Jun-18	123.0	119.7	109.1	128.5	115.3	118.0	144.0	4.4						
17-Jun-18 24-Jun-18	122.1 121.4	119.8 120.8	103.8 106.7	132.5 123.9	110.9 116.5	117.0 117.0	146.3 143.0	4.8 4.4						
1-Jul-18	120.4	121.7	109.7	124.2	108.8	114.1	145.1	4.5						
8-Jul-18	120.1	121.0	106.7	126.1	111.7	115.9	139.9	4.0						
15-Jul-18	121.5	120.9	108.3	126.7	111.9	117.3	143.2	4.3						
22-Jul-18 29-Jul-18	118.9 119.8	120.2 120.1	106.2 109.3	124.9 127.8	107.6 112.0	112.7 113.0	143.0 136.9	4.2 4.4						
5-Aug-18	118.9	119.8	109.9	126.2	109.0	114.6	134.6	4.3						
12-Aug-18	118.2	119.0	108.8	129.5	107.2	114.2	131.3	4.2						
19-Aug-18 26-Aug-18	114.1 116.5	117.8 116.9	107.4 108.7	119.6 123.3	106.3 109.4	108.1 114.7	129.3 126.5	4.4 4.3						
2-Sep-18	117.7	116.9	109.2	123.6	107.1	115.5	133.1	4.4						
9-Sep-18	116.2	116.1	104.0	126.2	109.3	111.5	130.1	4.1						
16-Sep-18	118.0	117.1	107.8	125.7	108.0	115.2	133.1	4.4						
23-Sep-18 30-Sep-18	117.2 118.1	117.3 117.4	111.6 112.4	128.7 127.2	106.0 108.2	111.8 113.3	127.8 129.4	4.2 4.4						
7-Oct-18	117.3	117.7	110.2	126.4	108.0	111.0	130.9	4.3						
14-Oct-18	119.5	118.0	113.8	127.6	105.9	114.7	135.6	4.5						
21-0ct-18 28-0ct-18	112.3	116.8	105.7	123.3	100.2	107.2	125.0	4.8 4.4						
4-Nov-18	114.6 116.8	115.9 115.8	109.0 110.9	125.2 124.7	106.4 104.4	110.5 110.1	121.9 133.7	4.1						
11-Nov-18	119.8	115.9	115.2	127.5	111.7	115.1	129.5	4.3						
18-Nov-18	117.8	117.3	106.7	125.2	109.9	116.6	130.7	4.2						
25-Nov-18 2-Dec-18	118.6 119.5	118.3 118.9	106.2 113.8	121.4 124.2	115.4 112.5	115.7 115.3	134.1 131.6	4.1 4.1						
9-Dec-18	117.7	118.4	113.0	126.3	105.7	115.6	127.9	4.5						
16-Dec-18	117.8	118.4	110.7	126.3	105.9	114.6	131.4	4.3						
6-Jan-19	115.2	117.6	105.9	127.7	101.5	111.0	130.0	4.2						
13-Jan-19 20-Jan-19	116.8 115.7	116.9 116.4	108.9 108.6	130.3 127.2	100.9 104.3	108.4 107.6	135.1 130.8	4.1 4.3						
27-Jan-19	116.5	116.1	111.0	126.0	106.1	114.0	125.7	4.1						
3-Feb-19	118.1	116.8	114.6	127.7	107.1	115.6	125.3	3.7						
10-Feb-19 17-Feb-19	114.1 115.2	116.1 116.0	106.5 107.4	125.7 130.2	103.7 103.5	111.2 110.3	123.3 124.6	4.1 4.0						
24-Feb-19	114.1	115.4	106.4	123.3	101.8	110.5	128.2	4.1						
3-Mar-19	114.8	114.6	105.0	129.2	102.7	111.4	125.5	3.8						
10-Mar-19	109.5	113.4	102.0	122.2	94.6	105.4	123.4	4.1						
17-Mar-19 24-Mar-19	111.9 111.8	112.6 112.0	108.1 106.6	124.3 120.2	99.1 99.0	105.5 109.3	122.8 124.0	4.0 4.2						
31-Mar-19	111.6	112.0	105.0	120.7	107.0	110.7	130.2	3.6						
7-Apr-19	113.2	112.9	103.2	122.8	107.7	111.6	120.6	4.3						
14-Apr-19	115.3	113.8	105.4	122.9	112.2	113.3	122.6	3.9						
21-Apr-19 28-Apr-19	119.5 117.6	115.7 116.4	109.2 106.3	129.3 127.4	114.4 108.1	122.0 118.8	122.6 127.5	4.2 3.8						
5-May-19	117.3	117.4	106.5	125.9	112.5	114.5	127.1	4.1						
12-May-19	114.8	117.3	108.6	127.6	103.4	110.7	123.9	4.5						
Source: A	N7-Rov M	organ			Source: ANZ-Roy Morgan									



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