

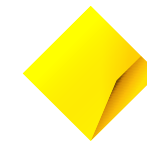
# CBA Weekly Card Spend Charts

Data to 14 October 2022

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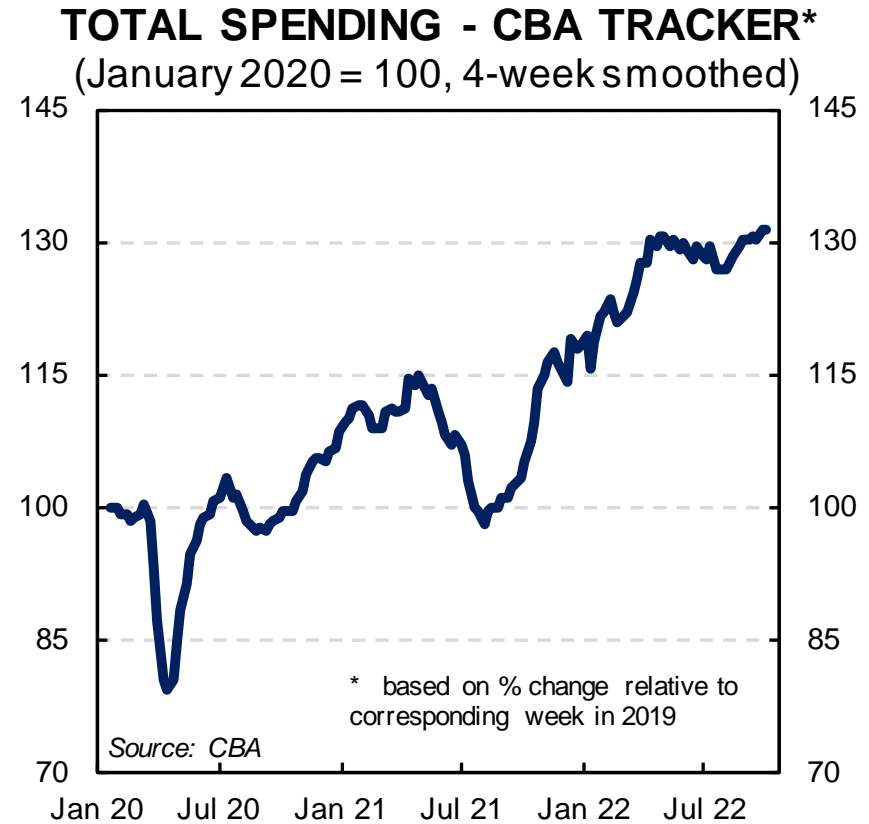
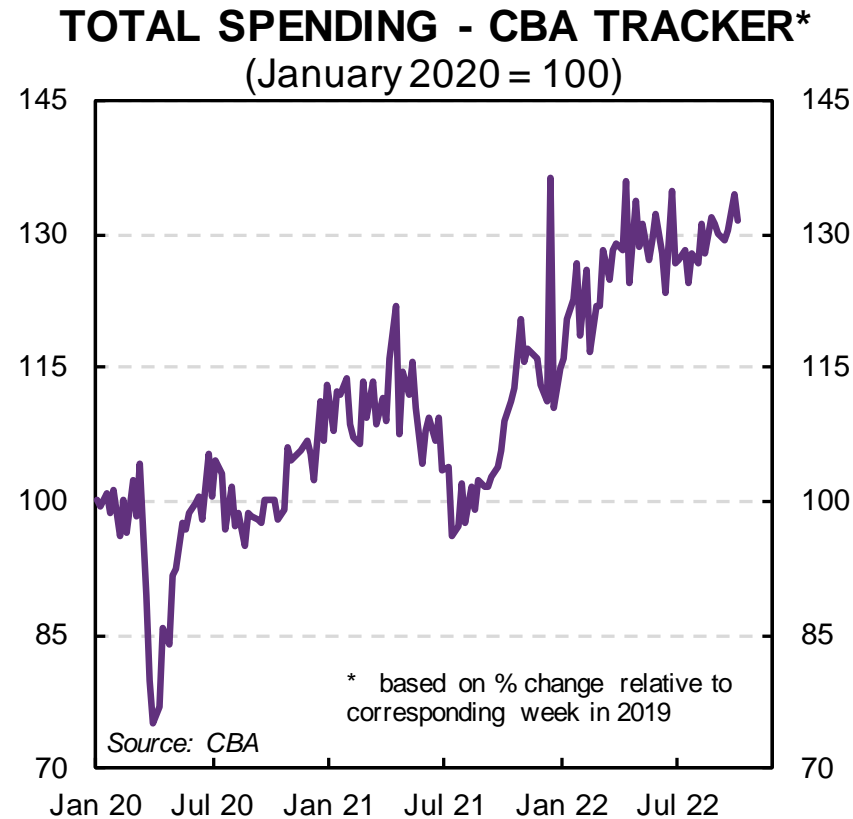


Commonwealth Bank  
of Australia

# Card spending – data to 14 Oct 2022

- CBA's internal credit & debit card spending data to 14 October 2022 indicates that nominal spending remained at elevated levels in the first two weeks of October. However the driver of recent resilience is narrowly based with recreation, insurance and utility spending picking up. This is likely attributed to the lift in recreation spending during school holidays as well as price rises (and the roll off of state electricity rebates) in domestic fuel & power (utilities). These shifts in spending can be seen clearly in the lift in non-retail spending and online spending.
- Other discretionary categories including household furnishings & equipment, clothing & footwear and eating out appear to have lost some momentum. When considering the current inflationary context it would appear spending volumes have likely slowed and should continue to do so. This is especially the case when considering food goods. This category has shown largely flat nominal spending growth. With price rises in food, volumes are likely retreating. We can also see a small bounce in transport spending, which captures petrol, however the full impact of the lift in the excise tax is yet to be felt.
- By state there has been a lift in spending in WA and SA with recreation and domestic fuel & power rising in both states. There has been less of a significant shift in spending elsewhere with momentum in NSW largely unchanged. Vic appears to be underperforming other states while there has been a small lift in QLD.
- Consumers are yet to tighten their budgets as much as what consumer sentiment readings and the degree of monetary policy tightening that has now been delivered would suggest. The large pool of savings that was accumulated through the pandemic, the strength of the labour market and a possible 'COVID hangover' could help explain the resilience in consumer spending so far. This is particularly the case for travel and associated activities. This reinforces a recent point we have been making whereby consumers are not yet willing to rein in spending on discretionary sectors that were unavailable to them during the pandemic (e.g. eating and drinking out and travel).
- The other factor of course is the transmission delays between interest rate rises and higher mortgage repayments. At CBA, the average lag is ~3 months meaning that only 125bp of tightening would have hit mortgage holder's cash flow (with the July 50bp hike now just flowing through to higher mortgage repayments). This is out of the 250bp delivered as of 4 October. We still expect one more 25bp lift in November (with a risk of one more following November). Deeply pessimistic consumer sentiment readings point to a more significant slowdown in household consumption, especially when the full impact of the interest rates rises flows through to consumer and the large amount of fixed rate mortgages roll off over the next year.

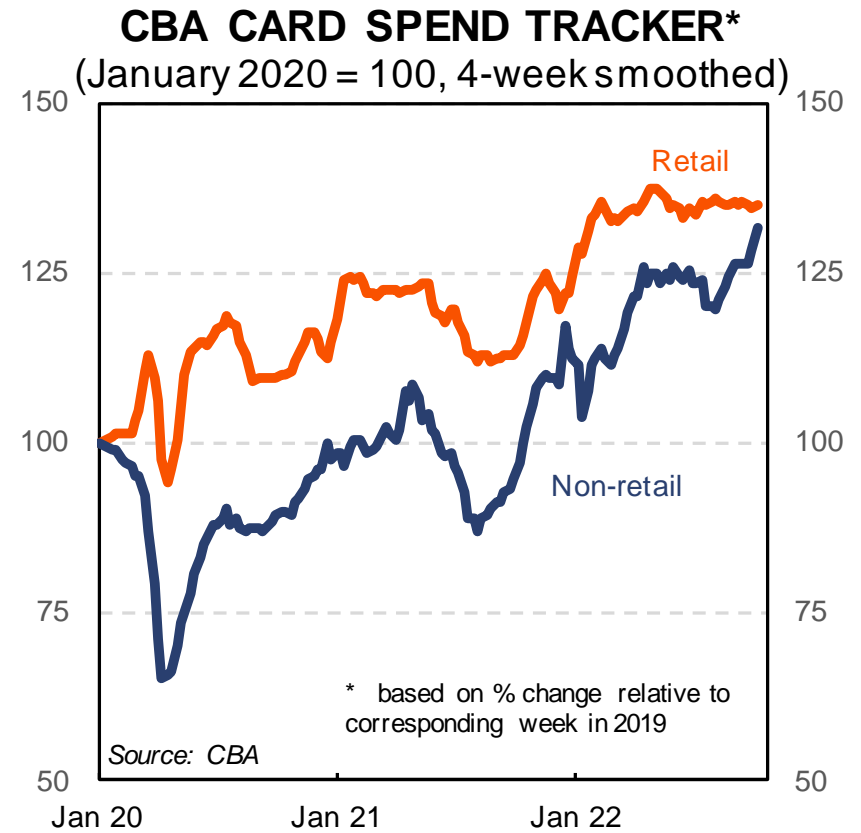
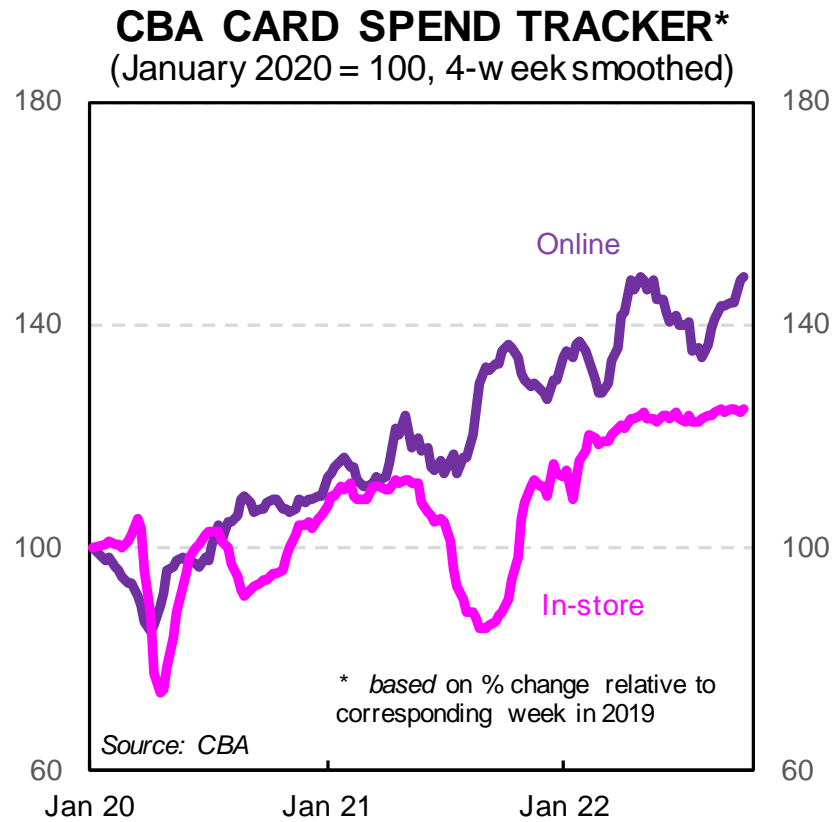
# National Spending



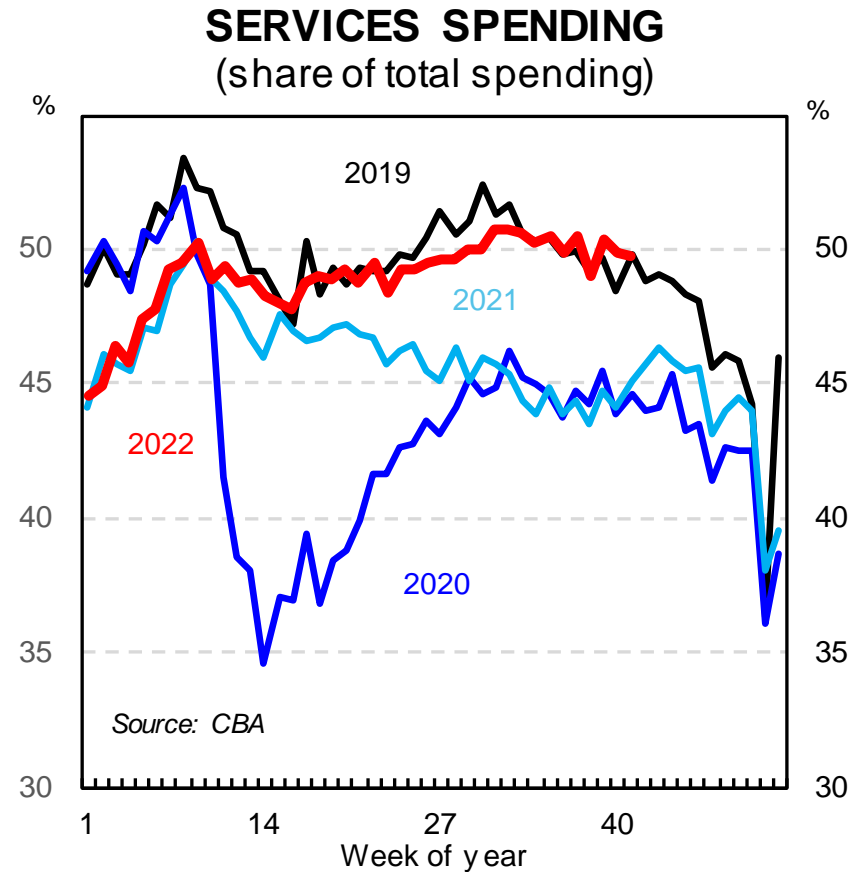
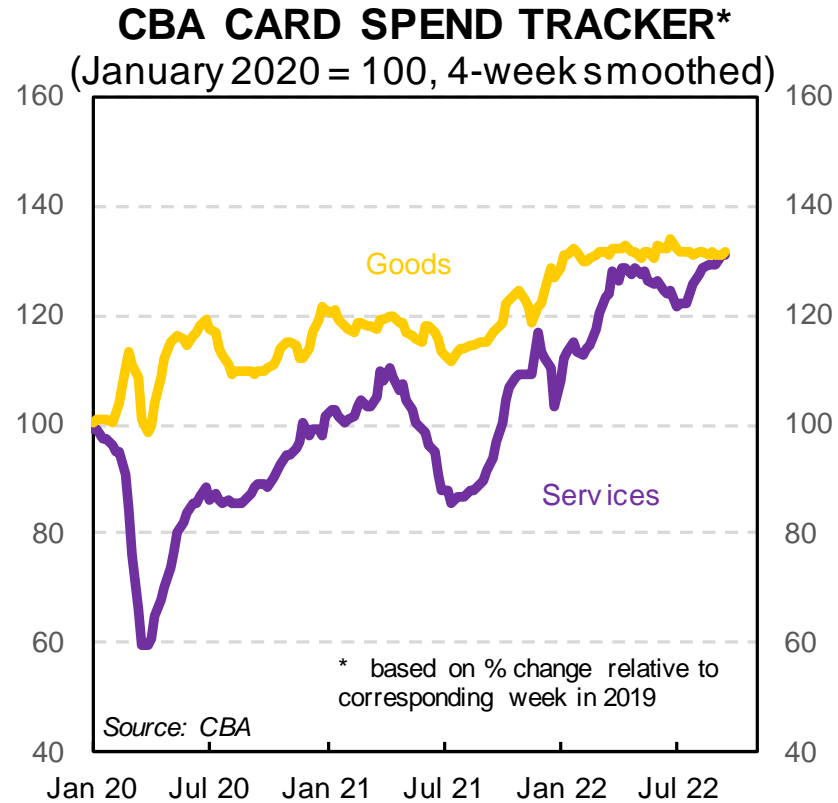
Note: Weekly CBA household credit & debit card spend data is derived from transaction authorisations to give a near real-time view. This means that cancelled authorisations, refunds, reversals, etc will not be included. Data has not been adjusted for effects of consumers substituting between cash and card payments.

Note: All charts are based on the change in spending relative to the corresponding week in 2019 (what we consider a 'normal' year). We then convert the annual changes to an index. An increase in the index reflects an acceleration in spending growth and vice versa.

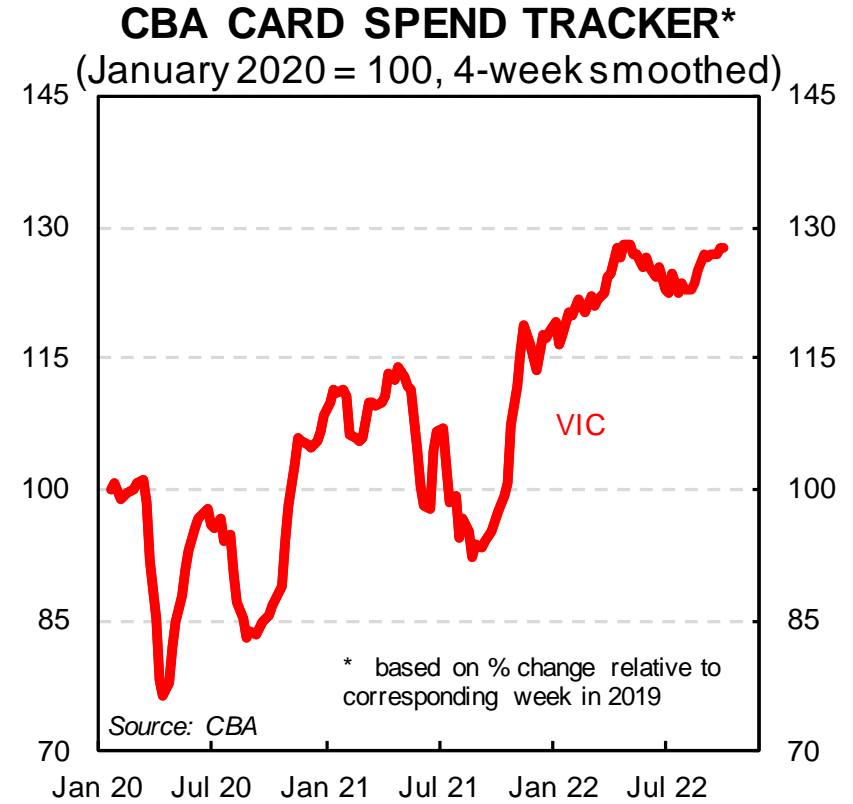
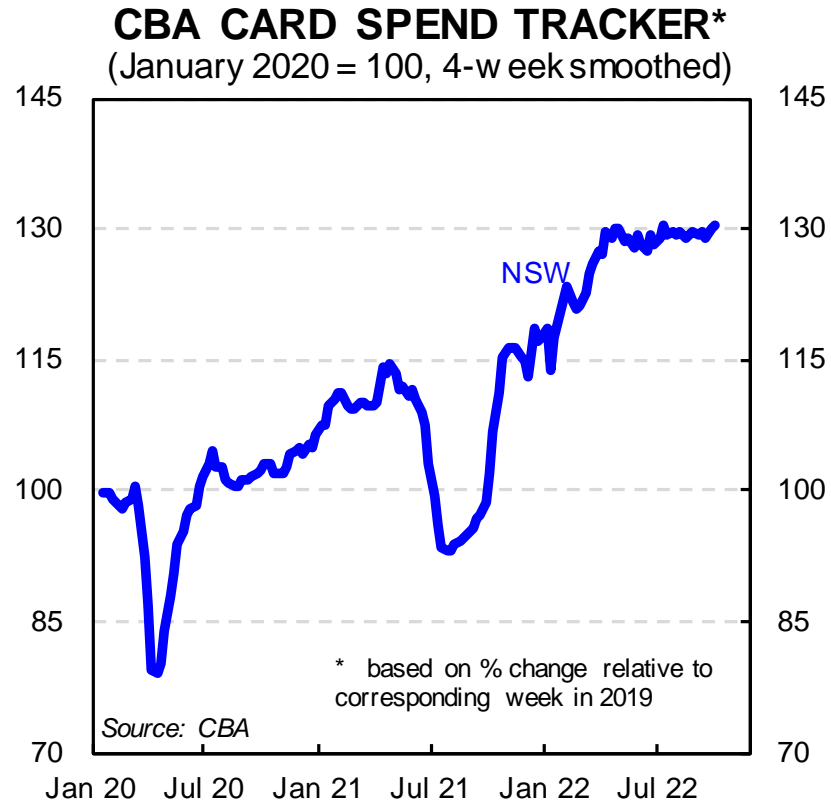
# National Spending



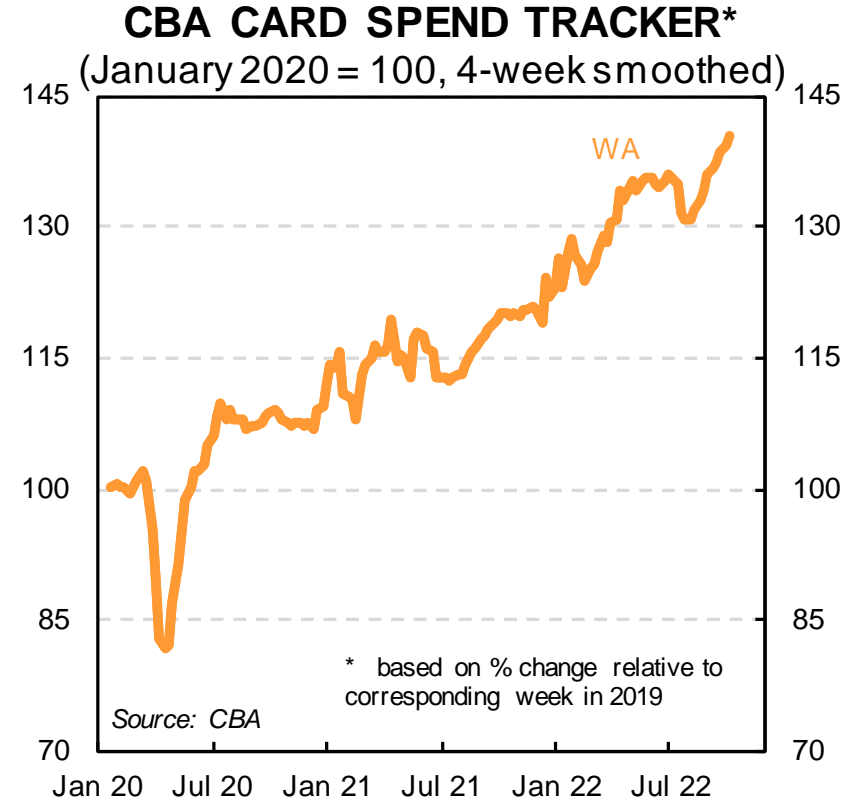
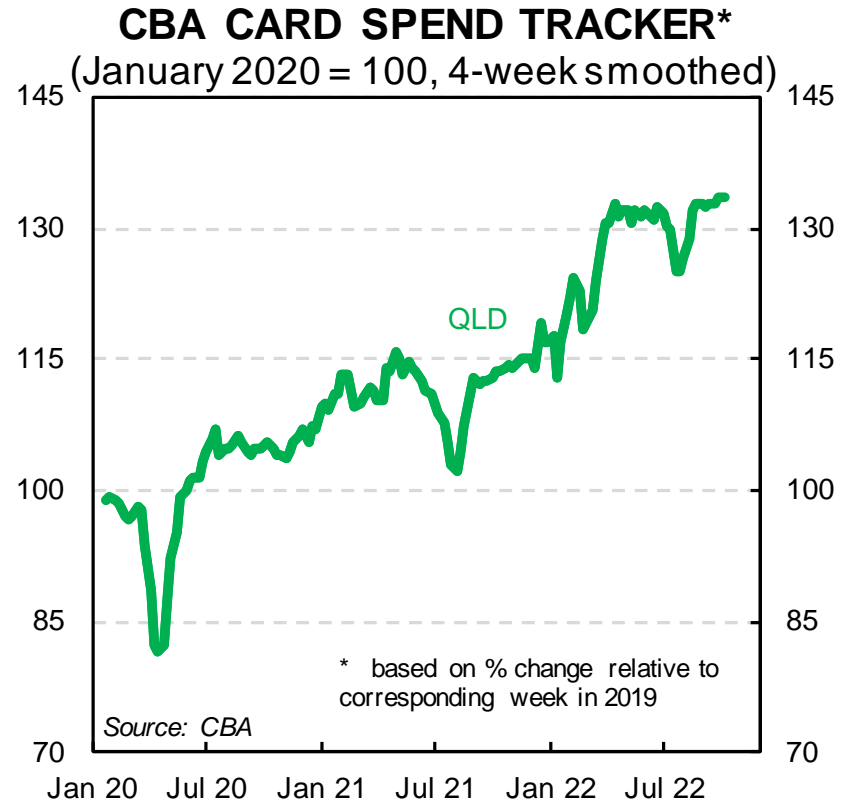
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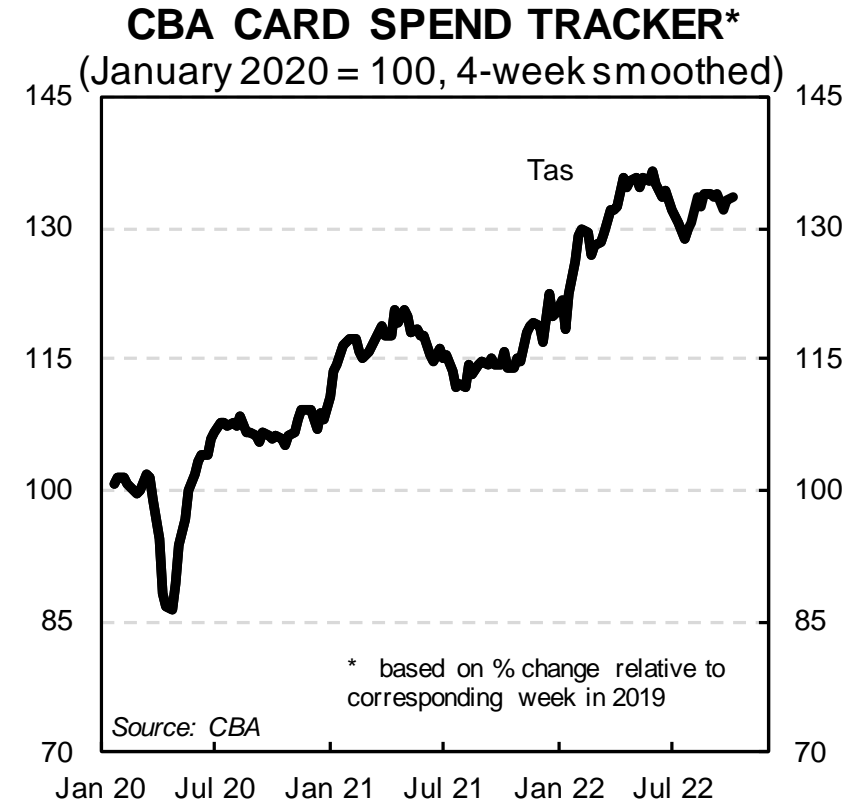
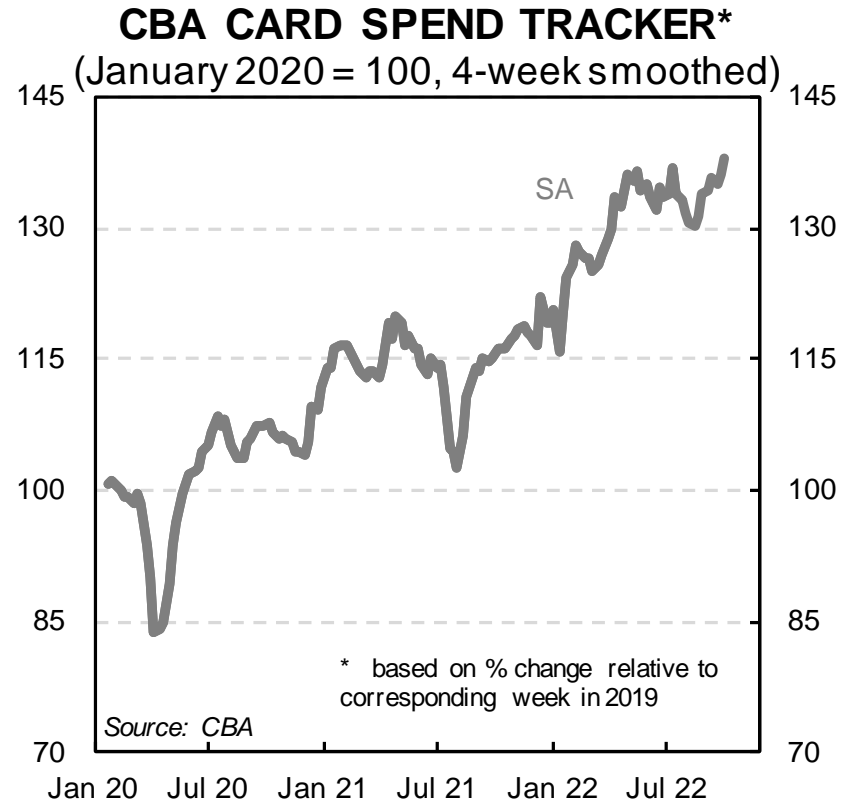
# State Spending



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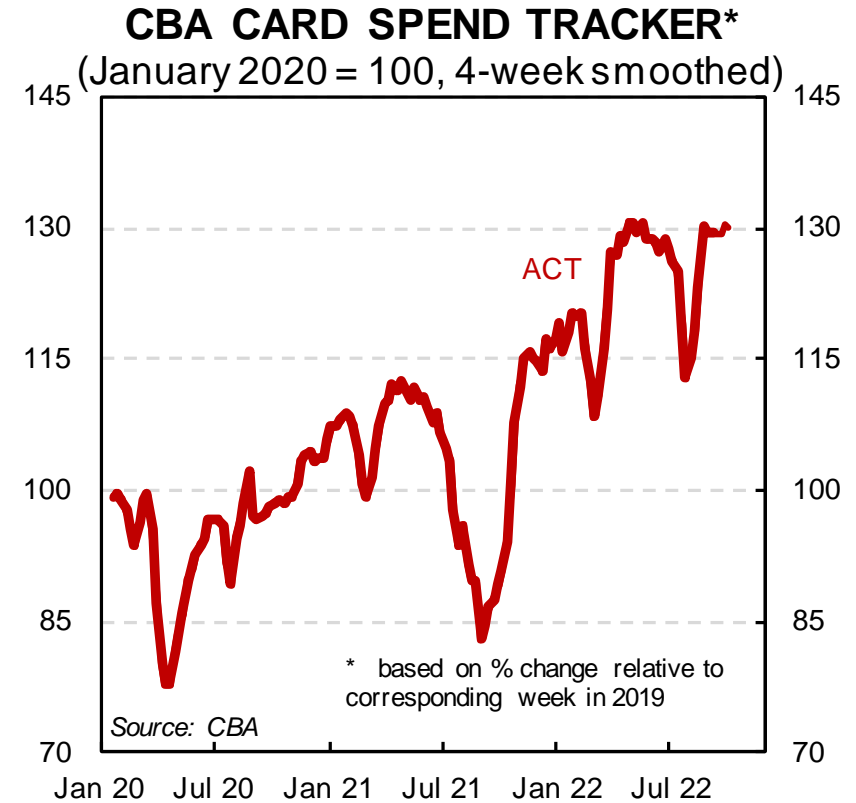
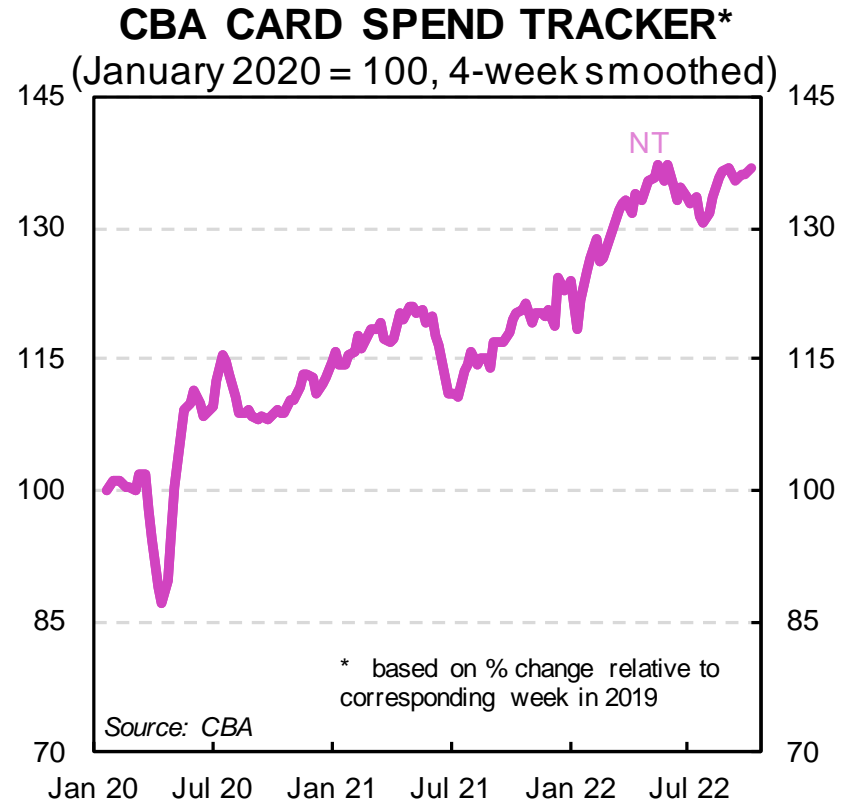


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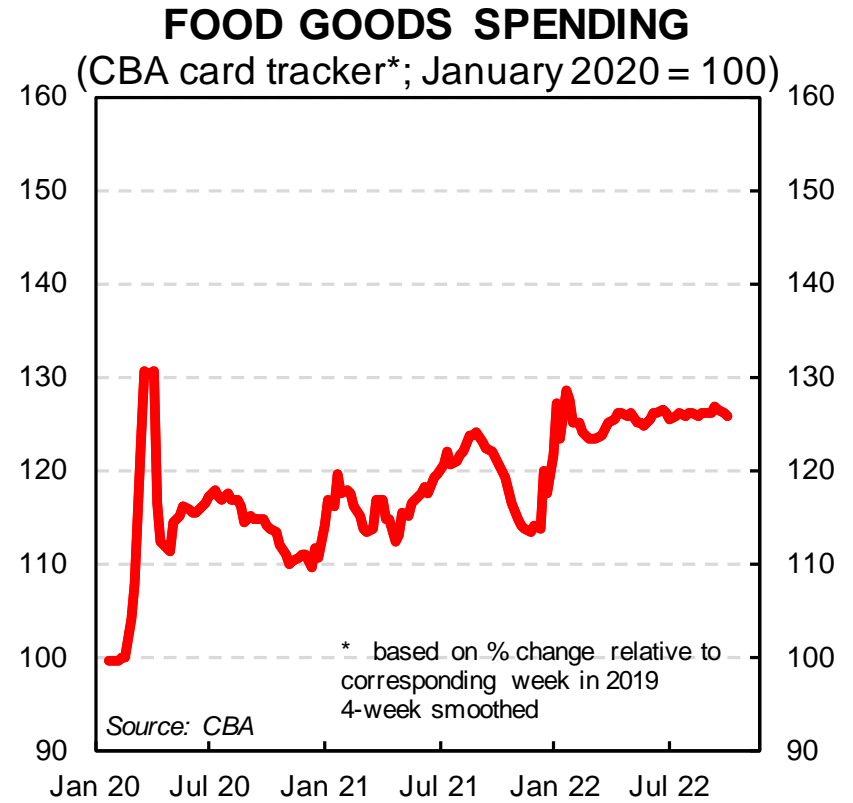
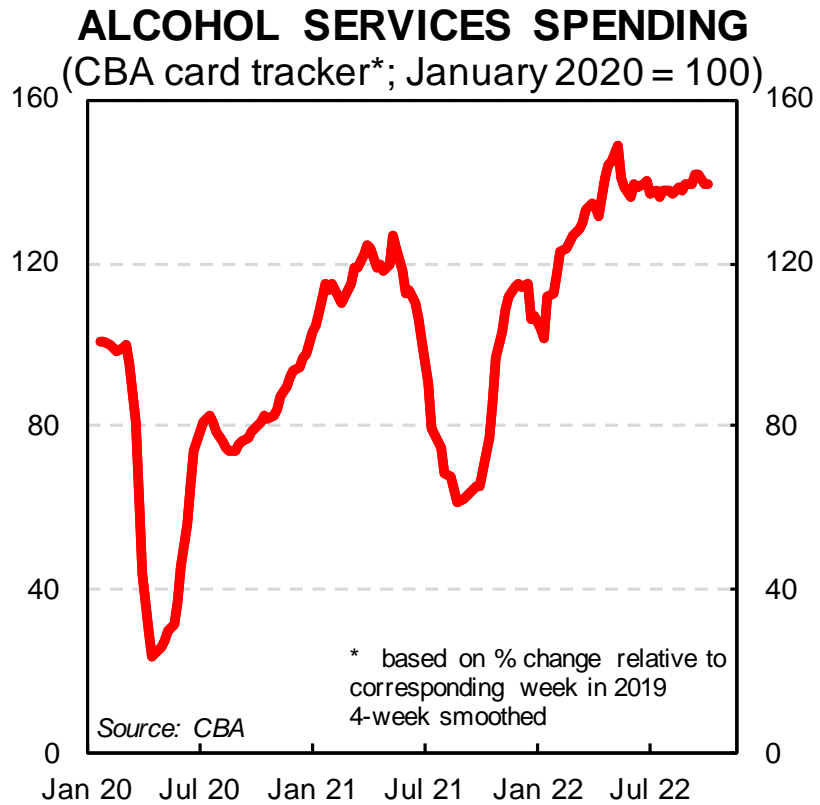




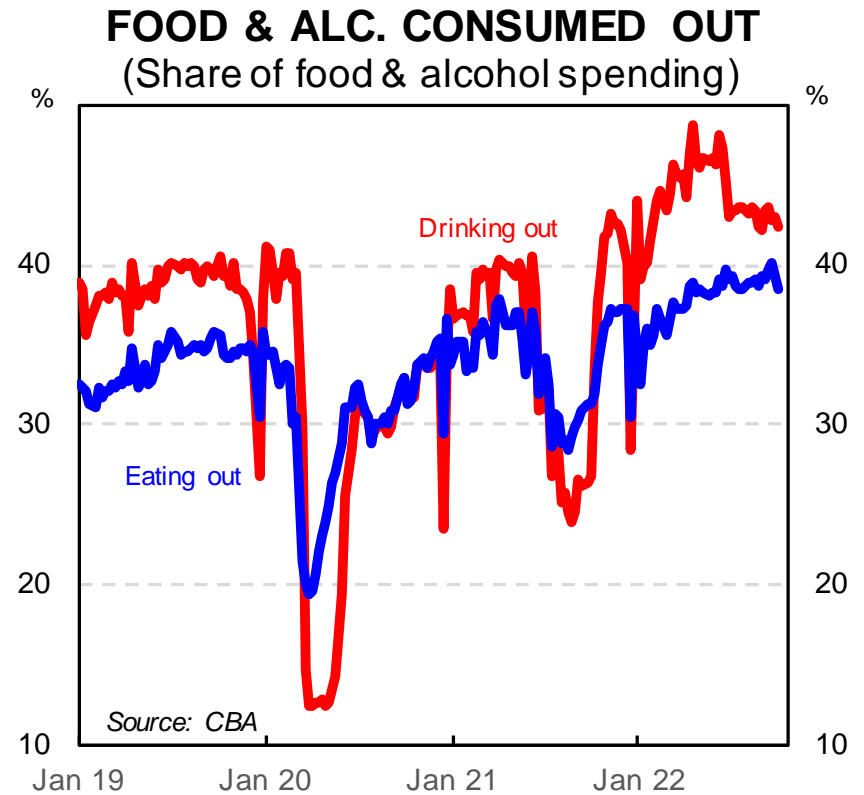
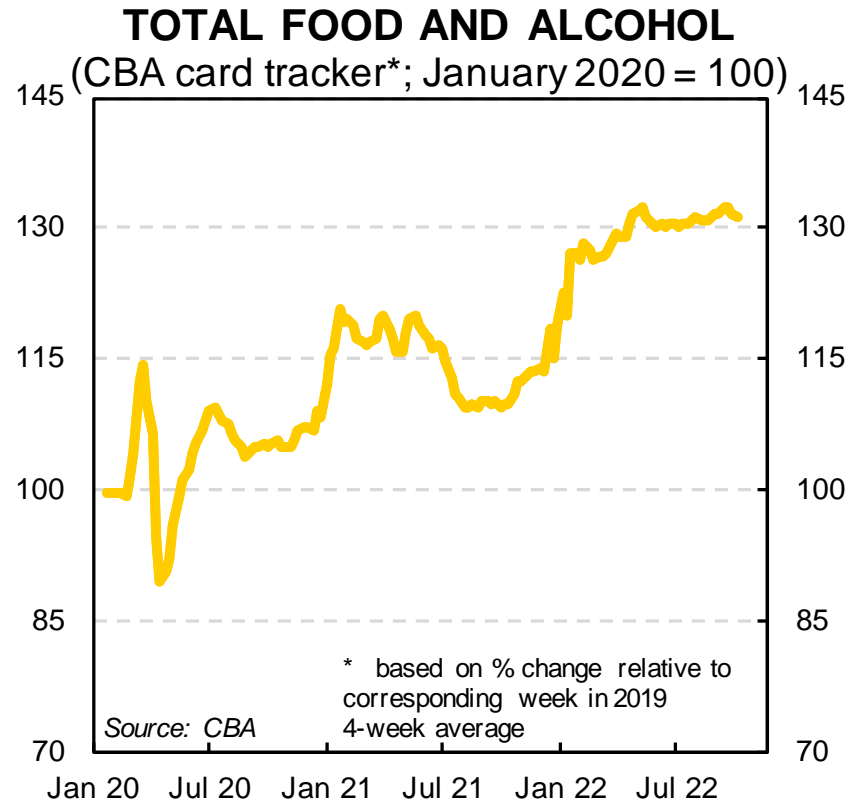
# State Spending



# Industry Spending

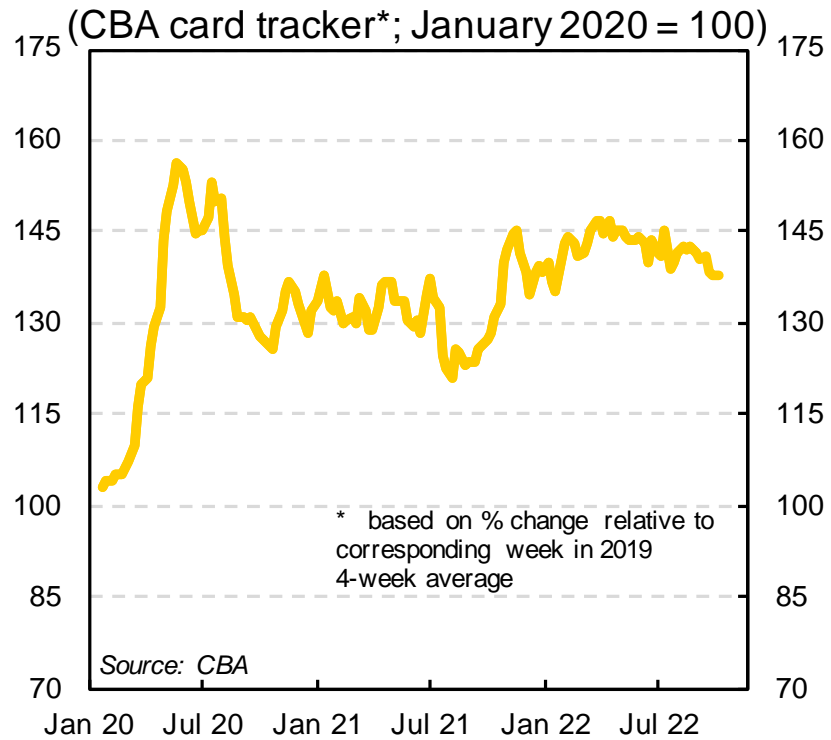


# Industry Spending

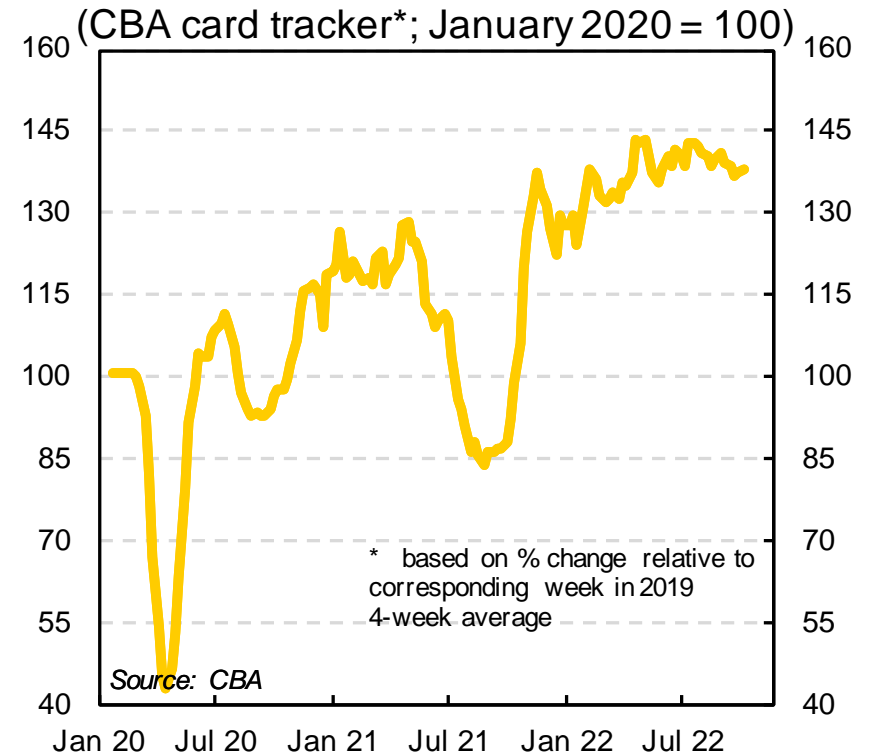


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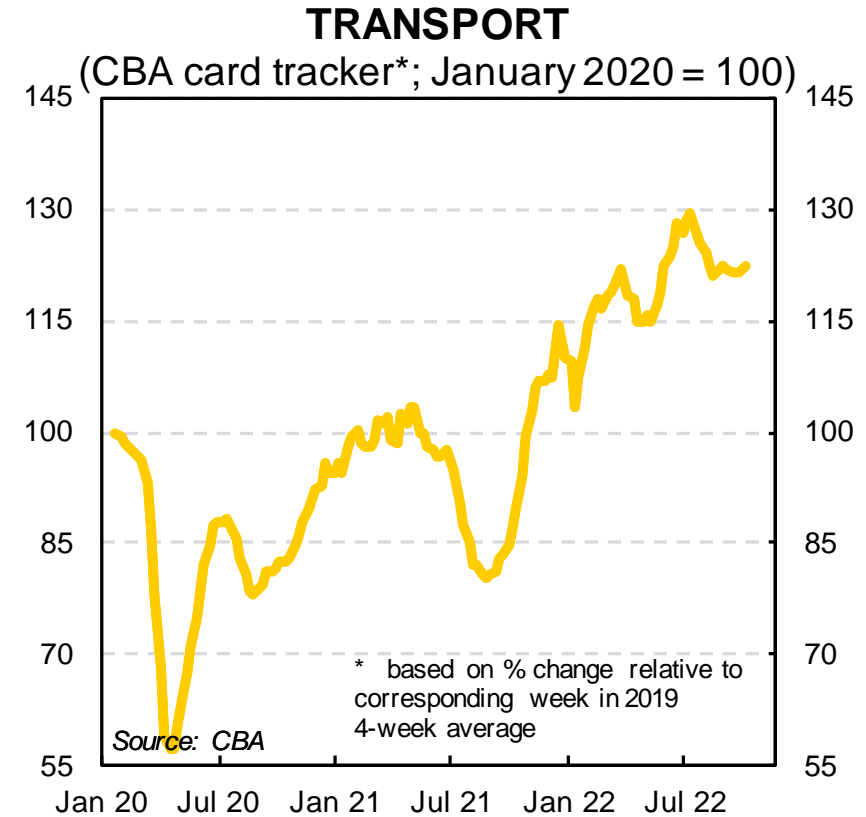
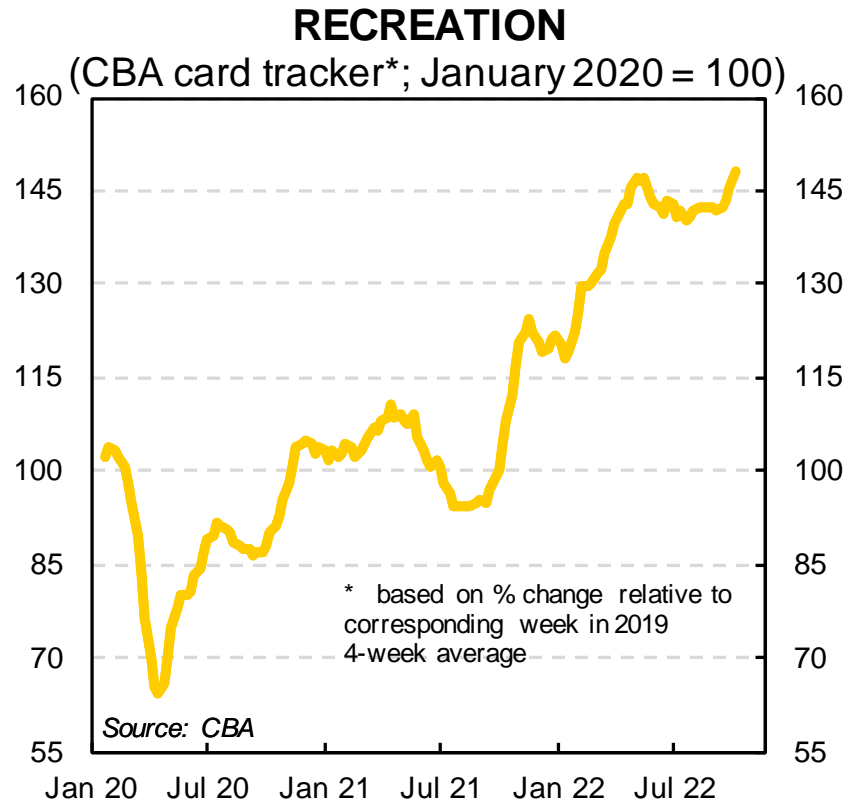
## HOUSEHOLD FURNISHINGS & EQUIP.



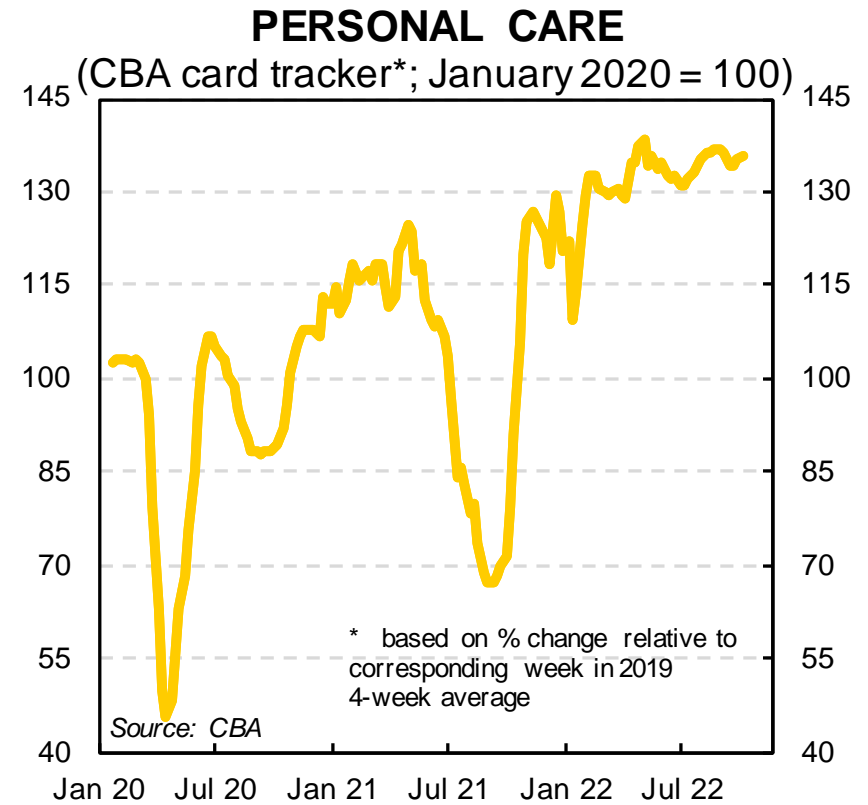
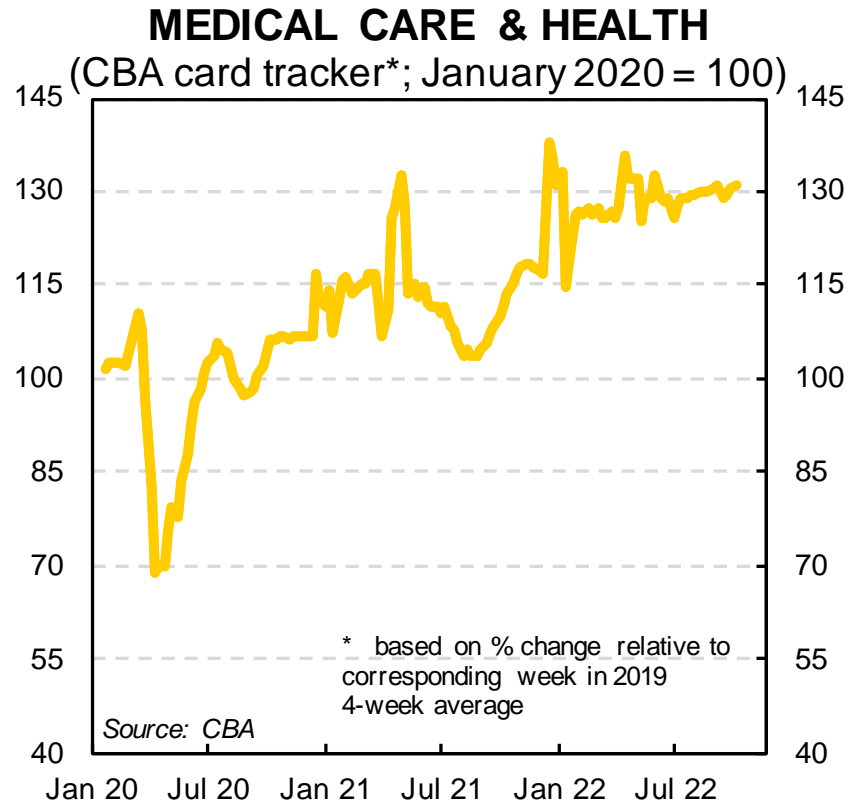
## CLOTHING AND FOOTWEAR



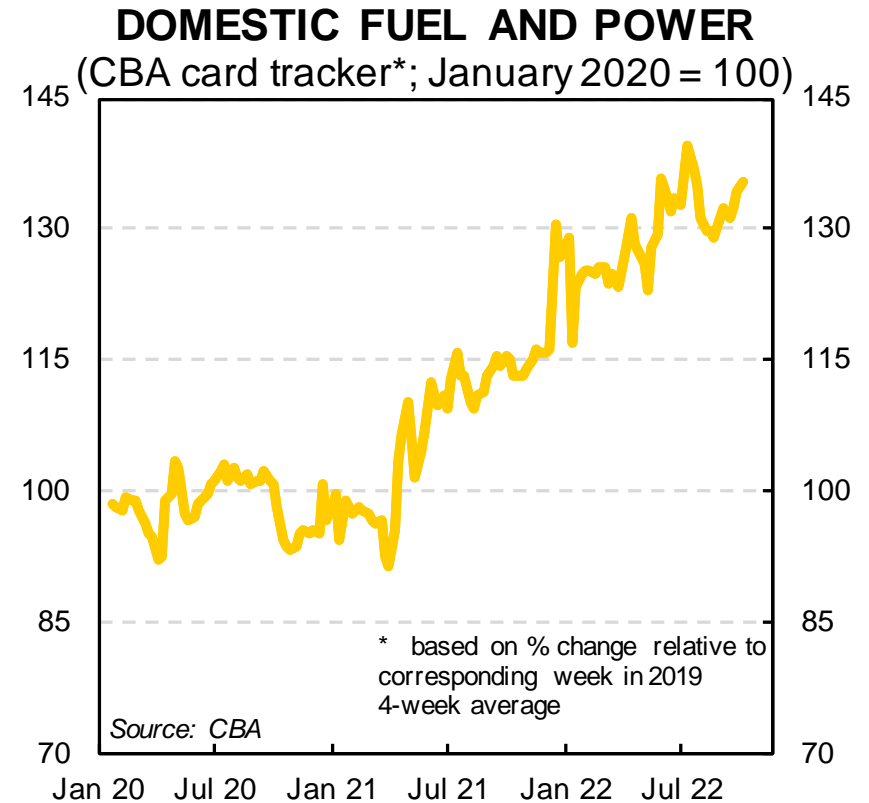
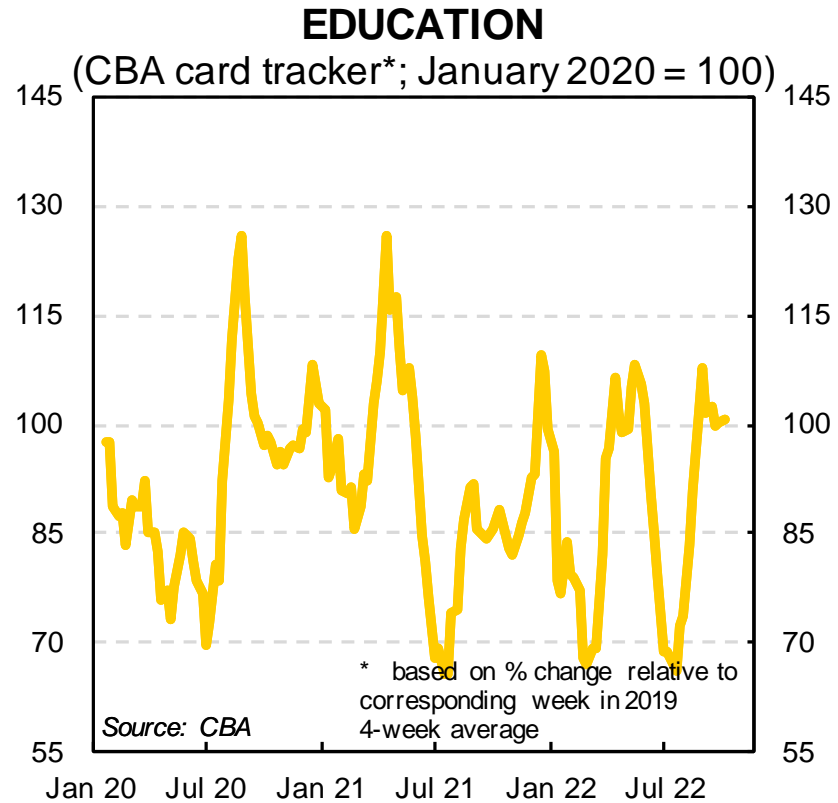
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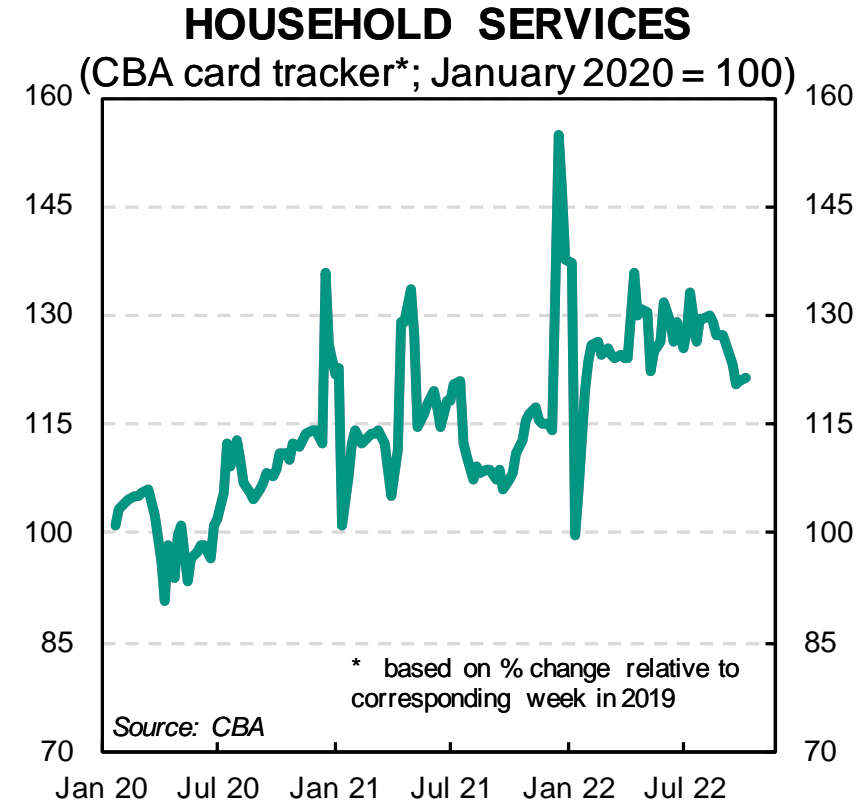
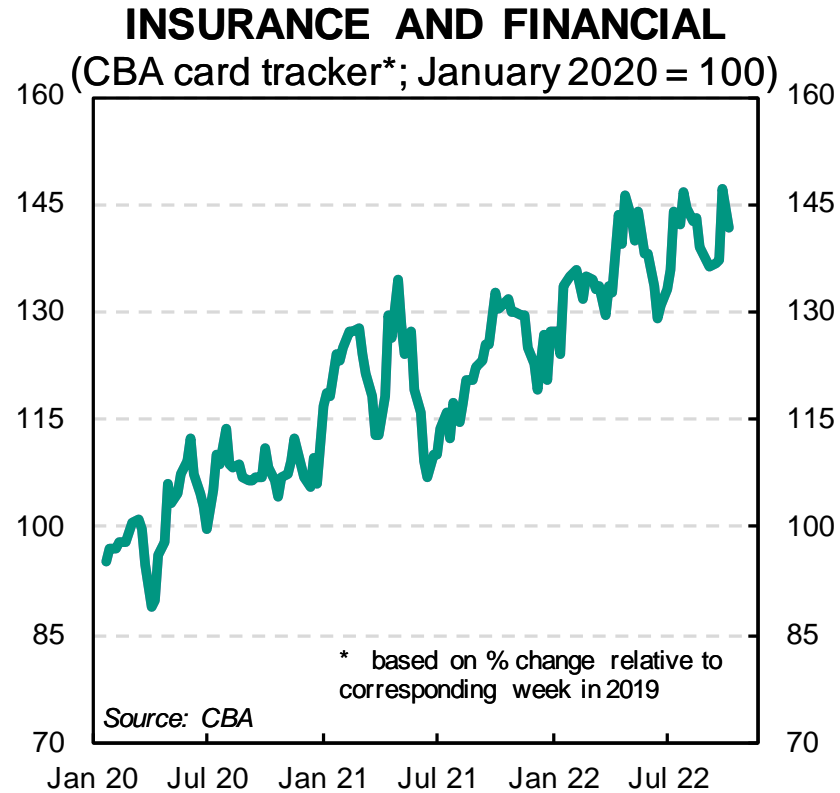
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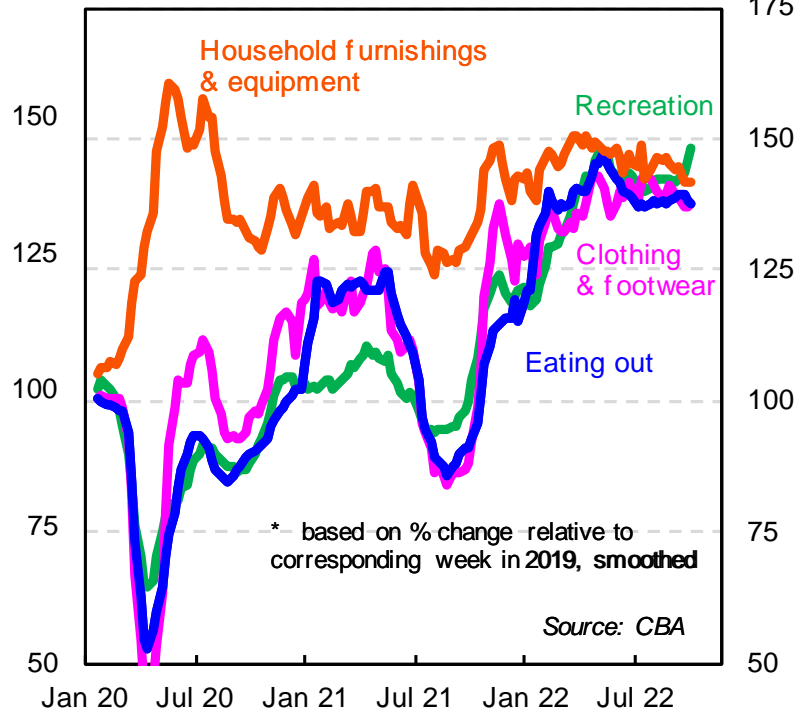
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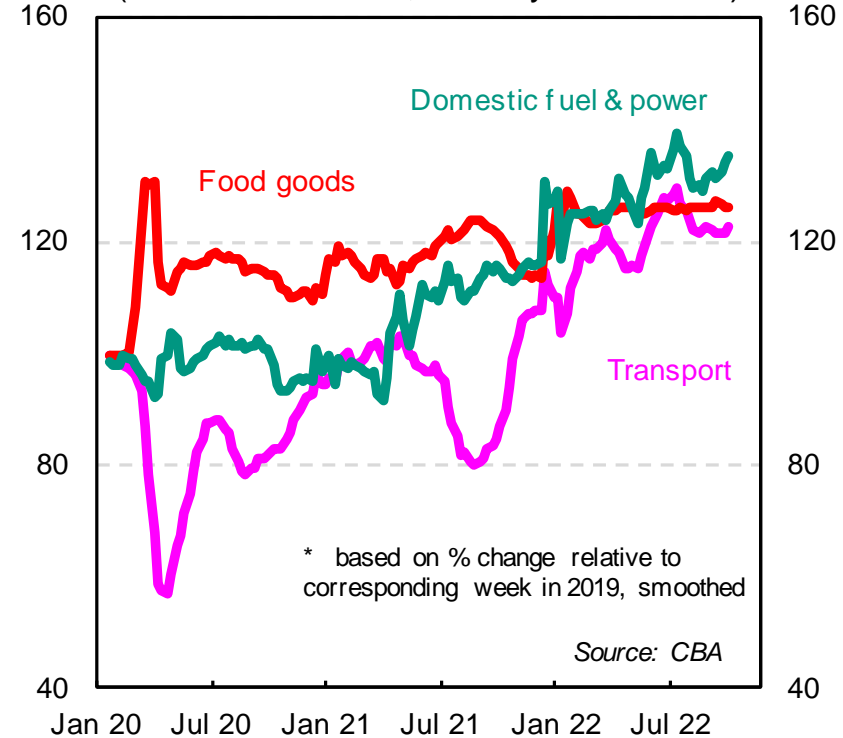


# Industry Spending – discretionary vs essential

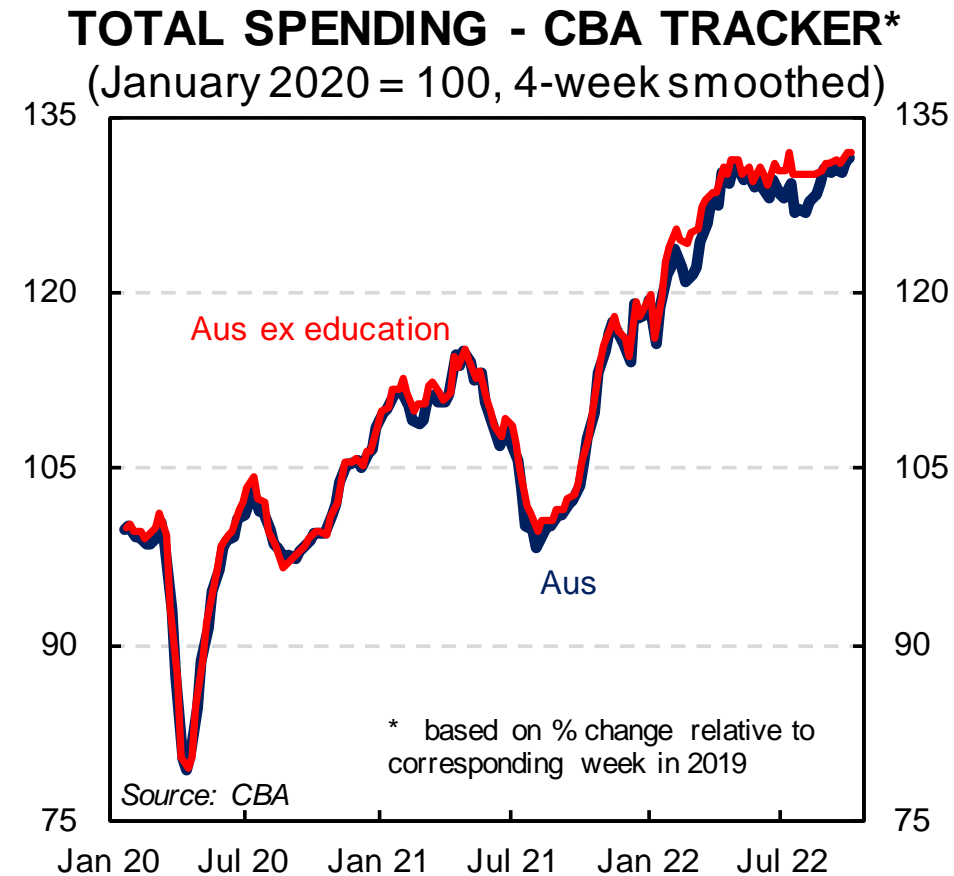
**SELECTED DISCRETIONARY**  
(CBA card tracker\*; January 2020 = 100)



**SELECTED ESSENTIAL**  
(CBA card tracker\*; January 2020 = 100)



# National Spending – excluding education



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