The Red Book

February 2015

Westpac Economics
with the
Institutional
Bank.

Contents

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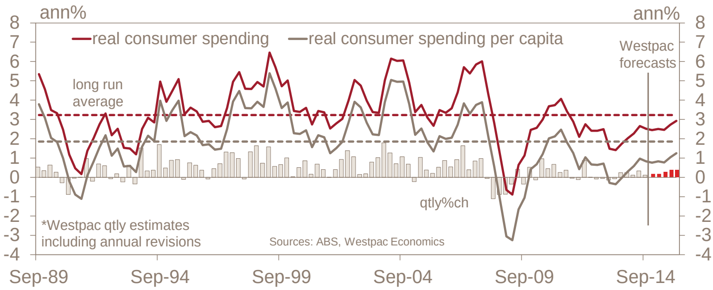
Executive summary

- The **Westpac–Melbourne Institute Index of Consumer Sentiment** jumped 8% in Feb from 93.2 in Jan to 100.7. This is the first month since Feb 2014 that optimists have outnumbered pessimists, albeit only just.
- A surprise 25bp interest rate cut from the RBA, sharply lower petrol prices and surging equity markets helped drive the surprisingly strong gain, more than offsetting a drag from political concerns. These themes showed through strongly in the survey detail.
- Additional questions on mortgage rate expectations show a big shift since Aug with only 40% expecting interest rates to rise over the next 12mths compared to a clear outright majority (63%) back in Aug. This in turn suggests the RBA's rate cut move gave an added boost to sentiment via its impact on expectations.
- **CSI±** measure, our modified sentiment indicator that we favour as a guide to actual spending, posted a milder 4.9% rise in Feb but this followed a somewhat stronger 3.6% gain in Jan. Overall, **CSI±** has recovered from the sharp fall in late 2014 suggesting any associated hit to actual spending is likely to have been brief. **CSI±** is still only pointing to flat per capita spending, implying total consumption growth around 1.5%yr, a weak pace by historical standards.
- Latest partial data and business surveys are painting a more upbeat picture on spending although the impact of the iPhone 6 launch means recent strong gains in retail sales should be treated with caution.
- The sub-index on 'time to buy a major item' rose just 0.5% in Feb but posted a much stronger 13.6% bounce in Jan to be back at its Nov levels after a disconcertingly sharp drop in Dec.
- The RBA's rate cut gave a strong boost to confidence in the housing market. The index tracking views on 'time to buy a dwelling' jumped 9.7% to reach its highest level since February 2014. Similarly, the **Westpac Melbourne Institute House Price Expectations Index** jumped 6.9% to reach its highest level since September 2014.
- Job loss fears remain the main weak spot for consumer confidence. The **Westpac Melbourne Institute Unemployment Expectations Index** declined 1.5% in Feb following a 5.5% fall in Jan (recall that a lower level indicates fewer consumers expect unemployment to rise over the next 12 months). While that marks a significant improvement, the Feb decline was disappointing given the surge in confidence overall. At 147.8 the Index remains in deeply pessimistic territory.

Consumer spending: stuck in low growth



After a nigh-on disastrous finish to 2014, the Australian consumer has started 2015 in somewhat better shape, helped along by a 'surprise' rate cut, lower petrol prices and a surging sharemarket.

The **Westpac–Melbourne Institute Consumer survey** shows a clear 'shot in the arm' for confidence with strong gains across most components and a big kick-up in sentiment around housing.

As always though, there are some qualifiers.

Firstly, sentiment has posted a strong gain but has merely moved from 'weak' to 'neutral'. While this tentatively removes what had become a downside risk late last year – a hit to confidence – it still falls short of the sentiment reads that would give policymakers comfort that consumers are back on track for self-sustained growth. That still looks to be another 5-10% away in Index terms.

Secondly, consumers' job loss concerns remain high. The **Westpac–Melbourne Institute Unemployment Expectations Index** has improved but is coming from a much weaker starting point and has seen less improvement than sentiment overall.

Thirdly, the fiscal and political concerns that dominated through most of 2014 are still with us. While negatives around a potential leadership 'spill' were more than offset by big positives this month, uncertainty around these issues looks likely to again be a recurring source of angst in 2015.

The real good news this month is around the efficacy of the RBA's policy instrument.

There were concerns that with interest rates already at record lows, further cuts would be less effective at boosting sentiment. The fear was that households would be unnerved by the idea that authorities were responding to a surprise deterioration in economic circumstances.

Instead, Feb's 8% rise is one of the more positive sentiment responses to a rate cut we have seen historically and would seem to put that fear to rest.

While the lift in sentiment is welcome and reasonably timely, restoring lost momentum across the consumer sector will likely require more gains. We believe a further 25bp rate cut will still be needed for the sentiment rally to follow through and to lead to a sustained lift in demand.

The consumer mood: lifts

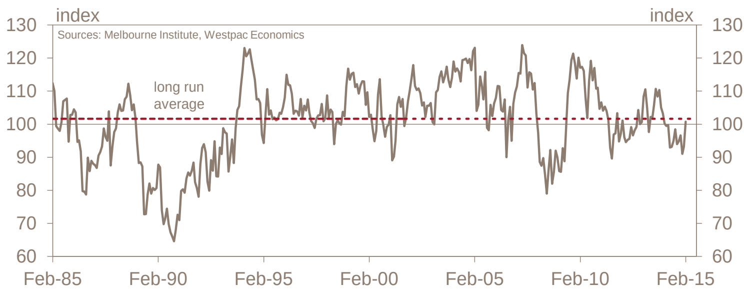
– The **Westpac Melbourne Institute Index of Consumer Sentiment** jumped 8% in Feb from 93.2 in Jan to 100.7. The rise was stronger than expected and marks the first month since Feb 2014 that optimists have outnumbered pessimists, albeit only just. Notably, the Index is also now 1% above its pre-Budget level in Apr.

– Several factors contributed to the lift. The RBA cut the overnight cash rate by 0.25% in a move that was not widely expected. Lower petrol prices and a surging sharemarket also appear to have had an impact. These positives strongly outweighed other negatives such as rising leadership tensions within the Government.

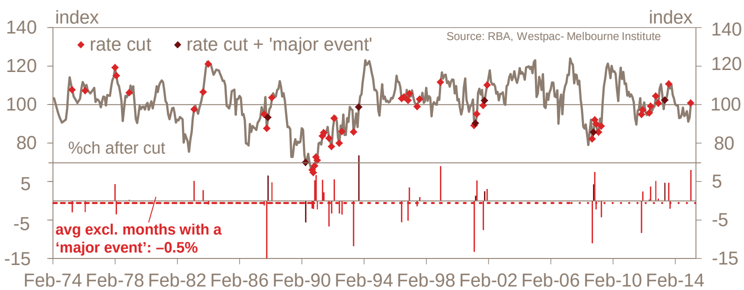
– The clear boost from the RBA's policy move should allay concerns that rate cuts might have been a negative for confidence. With rates already very low, there were fears that the latest cut would be seen as the Bank responding to a surprise deterioration in economic circumstances rather than a positive.

– There have been many instances of this in the past, particularly when cuts have coincided with major economic shocks (e.g. the GFC). Indeed, the 8% surge in Feb is one of the more positive sentiment responses to an official interest rate cut. Clearly the positive boost to family finances and expectations dominated.

1. Consumer sentiment: a welcome rise

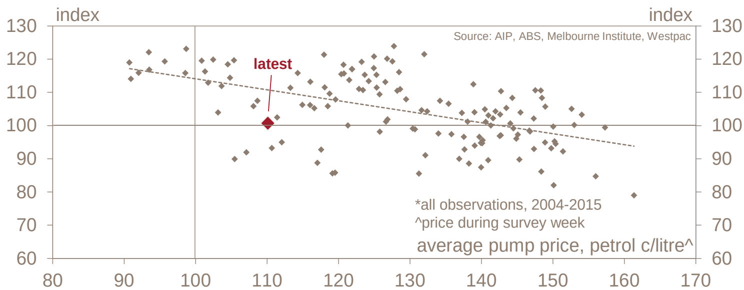


2. Consumer sentiment: rate cut reactions

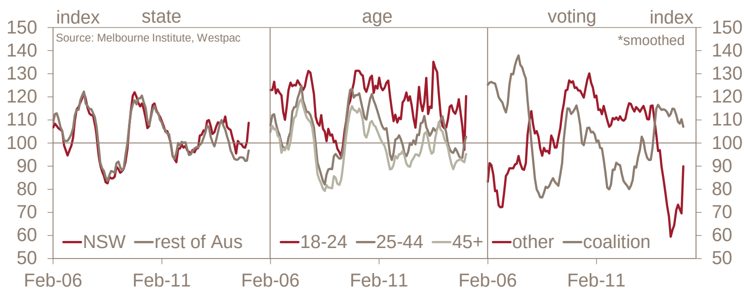


- While the rate cut was a net positive, the survey detail points to a wide range of influences. Petrol prices for example have a clear link with sentiment with a 10c variation in average pump prices worth about 3-3½pts on sentiment all else being equal. The 21% fall in average petrol prices since Dec, the largest 2mth fall since 2008, would clearly have been a positive.
- Those in the 18-24 year age group are particularly sensitive to petrol price moves as they spend more on fuel compared to other groups (it accounts for 4½% of their total non-housing spend vs about 3½% for other groups) and are typically more budget constrained.
- Sentiment would also have been lifted by a strong 9.7% rise in the ASX between the Jan and Feb surveys. This is arguably an indirect effect of the RBA's surprise rate cut. However the importance of non interest rate factors is highlighted by the modest 0.7% increase in sentiment across consumers with a mortgage – typically the most rate sensitive group.
- The survey detail also shows some impact from the renewed unrest in Government. Confidence amongst Coalition voters fell 6.5%mth but was more than offset by a 3.3% rise amongst ALP voters and a much stronger surge amongst third party voters and 'undecideds'.

3. Consumer sentiment vs petrol prices



4. Consumer sentiment: selected groups



Sentiment indicators: spending

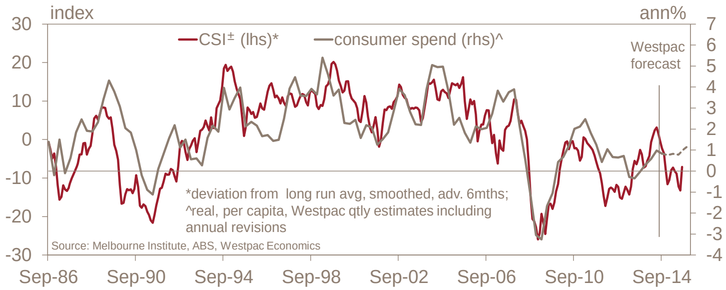
– Our **CSI±** combines sub-indexes tracking views on 'family finances' and 'time to buy a major item' with the **Westpac Risk Aversion Index** and provides a good guide to spending with a lag of about 6mths.

– **CSI±** posted a solid 4.9% rise in Feb. The milder gain compared to the 8% rise in headline sentiment mainly reflects the mix of the monthly move, a lacklustre 0.5% rise in the 'time to buy a major item' component in particular. The 'wisest place for savings' question used to construct the **Westpac Risk Aversion Index** are only run every third month. They were not included in Feb but will be in the next survey in Mar.

– While the Feb gain was somewhat disappointing it follows a 3.6% rise in **CSI±** in Jan with the cumulative 8.7% rise over the first 2mths of 2014 comparable to the 10.6% rise in sentiment overall. The index has essentially recovered from the sharp fall late last year, suggesting any associated hit to actual spending is likely to have been brief.

– **CSI±** is still only pointing to flat per capita spending, implying total consumption growth around 1.5%yr. This is a weak pace by historical standards and below Westpac's forecast for 2.7% growth in 2015 (although note that this is based on a further 25bp rate cut).

5. CSI± vs total consumer spending



6. CSI± vs retail sales

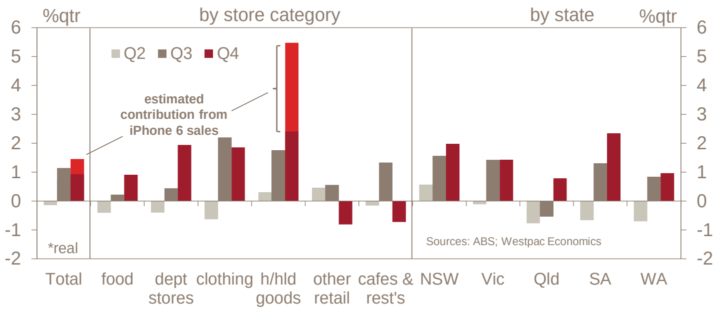
– Recent partial data on spending continues to paint a more upbeat picture although recent strong gains in retail sales should be treated with caution.

– The ABS reported a strong 1.5%qtr rise in real retail sales in Q4 following on from a robust 0.9% rise in Q3. However, the Q4 result is affected by an outsized 5% jump in household goods retail associated with the launch of the iPhone 6. Our rough estimates suggest this may have boosted quarterly sales growth by around ½ppt – a boost that will likely reverse in early 2015. Note that this still leaves Q4 with another solid 0.9%qtr rise in 'underlying' terms.

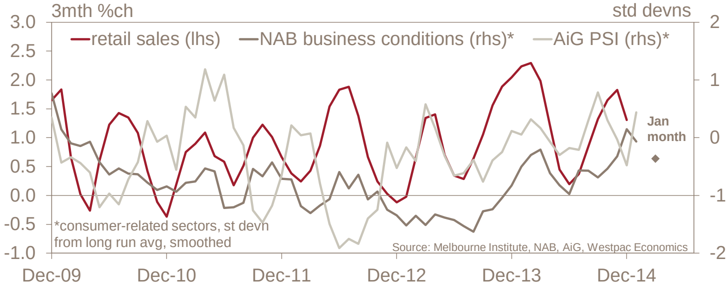
– Private sector surveys also suggest some improvement in conditions across 'consumer-related' segments although performances remain patchy. The Jan NAB survey showed retailers reporting a stabilisation in conditions with solid gains across the consumer services sector. The Jan AiG PSI also reported improved conditions for retailers but a more mixed performance for the consumer services sector.

– Total consumer spending was much weaker than indicators had suggested in Q3. This reflects the shifting mix of spending – both goods vs services, and domestically vs abroad – and will likely be a factor again for Q4 estimates.

7. Quarterly real retail sales by store type and state



8. Retail sales vs surveyed business conditions



Special topic: interest rate expectations

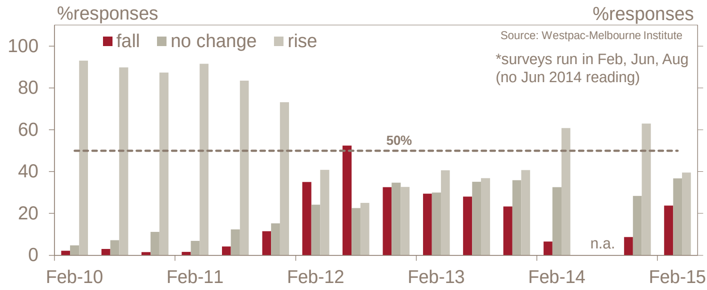
– The Feb survey included an extra question on expectations for mortgage rates over the next 12mths. The results show a big shift since the question was last run in Aug. Indeed, it suggests a jolt to expectations from the RBA's surprise rate cut in Feb helped drive the strong positive response from sentiment overall.

– Most consumers no longer expect interest rates to rise. While just under 40% still expect a rate rise over the next 12mths, just over 60% expect rates to be on hold or lower (37% and 24% respectively). That compares to Aug when 63% – a clear outright majority – expected rates to rise.

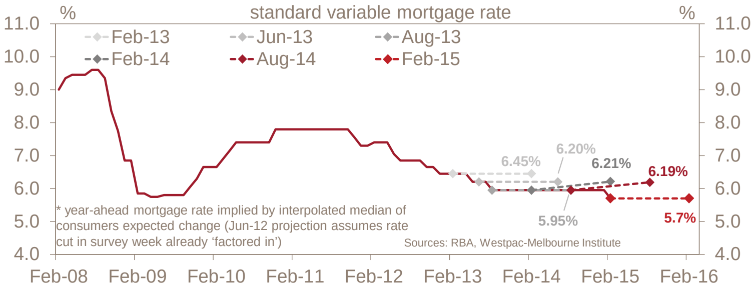
– The current mix of expectations is similar to that seen in Aug 2013, when the RBA lowered the cash rate 25bps to 2.50%. This earlier cut was followed by a clear shift in the Bank's stance, from a mild easing bias to a neutral one that became more firmly entrenched by the Board's use of the phrase "the most prudent course is likely to be a period of stability in interest rates." in 2014.

– A literal interpretation of consumers' interest rate expectations suggests the Reserve Bank's stance was viewed as hawkish (indicating rates were more likely to rise than fall) rather than neutral.

9. Consumers' expectations for mortgage rates next 12mths



10. Mortgage interest rates: actual vs expected



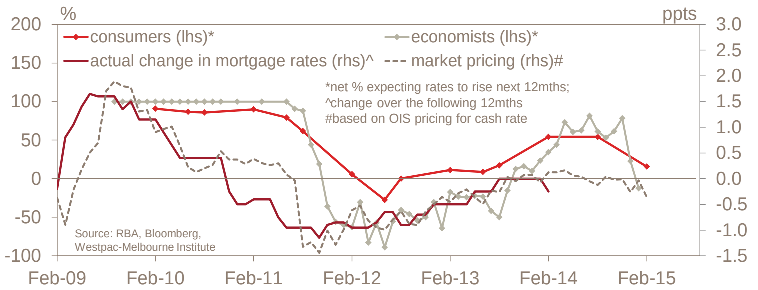
– We suspect a literal interpretation of consumers' interest rate expectations is not appropriate. Westpac has been running this occasional extra question since Feb 2010. In that short time, only one survey has found an outright majority of consumers expecting mortgage rates to fall (Aug 2012). At the same time, seven out of ten surveys have been followed by mortgage interest rate declines over the following 12mths.

– That suggests there may be a 'structural' bias towards expecting interest rates to stay the same or rise. In practise it will take further observations and interest rate cycles to verify if this is the case.

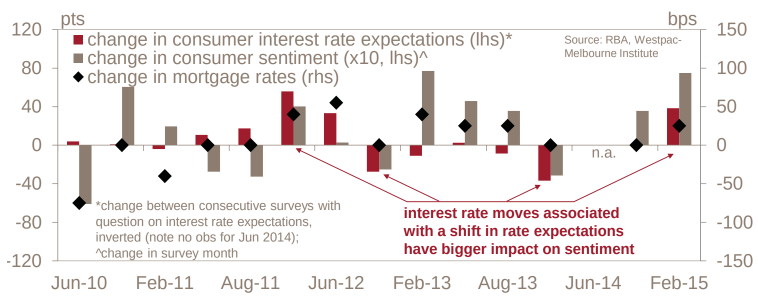
– Certainly consumers appear to have more hawkish tendencies than economists and financial markets. A direct comparison of consumers' and economists' expectations based on a 'net %' measure of the proportion expecting measure (i.e. % expecting rates to rise minus % expecting rates to fall) shows economists were much more inclined to expect rate cuts through 2012 and 2013 and are again more inclined towards cuts in 2015.

– Looking at the change in expectations survey to survey gets around some of the potential 'bias' issues. These also point to a clear interest rate expectation effect on sentiment (see chart 12).

11. Interest rate expectations: consumers, market & economists



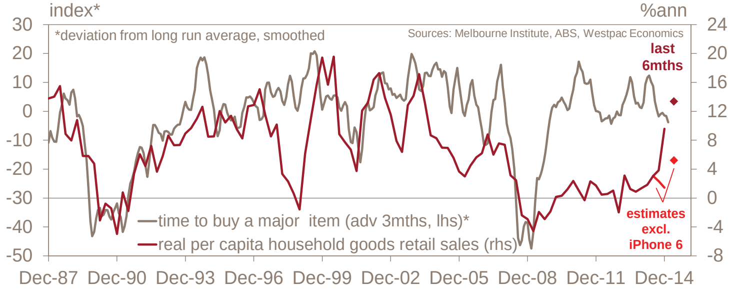
12. Interest rate changes: actual & expected vs sentiment



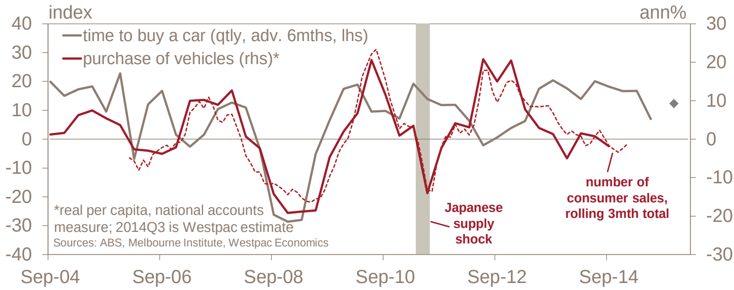
Sentiment indicators: durables, cars

- The ‘time to buy a major item’ sub-index only managed a 0.5% gain in Feb but, after a much stronger 13.6% bounce in Jan, is up a whopping 14.2% since our last **Red Book** in Dec. That report suggested the 11.8% drop at the time might have been an over-reaction – clearly it was, with the sub-index now basically back at its Nov levels and in line with its long run average.
- As discussed, the iPhone 6 launch greatly impacted retail sales in Q4, catapulting annual growth in real household goods sales to double-digit rates for the first time since the GFC. We suspect the ‘true’ underlying pace for the segment is closer to the 3-4% range.
- The sub-index tracking views on ‘time to buy a car’ has been discontinued from the survey since Jan 2013. Historically, this measure has been closely correlated with the ‘time to buy a major household item’ index which we now use to generate estimates on a comparable basis.
- For Feb, this shows a 0.3% lift that builds on a solid 6.2% gain in Jan. At 135.9, the sub-index is back well above its long run average of 123.6. These positive readings have so far not translated into a pick up in vehicle purchases. Latest data suggests the consumer vehicle sales are on a modest rising trend. Elevated job loss fears are probably a major drag on demand.

13. ‘Time to buy major item’ vs household goods retail



14. ‘Time to buy a vehicle’ vs purchases



Sentiment indicators: housing

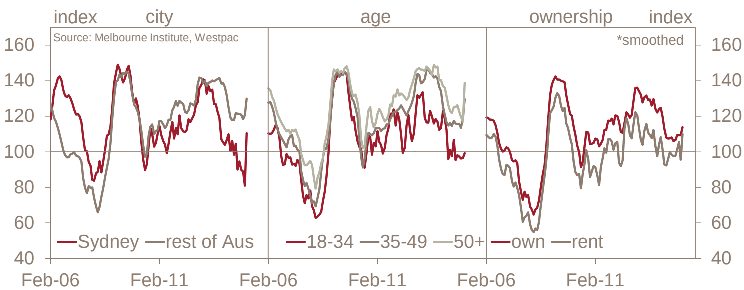
– The RBA's Feb rate cut gave a strong boost to consumers' confidence in the housing market. The index tracking views on 'time to buy a dwelling' jumped 9.7%, hitting its highest level since Feb 2014. The turnaround since Dec is extraordinary with the sub-index swinging 20pts from a very weak starting point to be marginally above its long run average.

– That in turn suggests housing markets should see renewed momentum. Our model of housing finance approvals based on responses to 'time to buy' and unemployment expectations is now pointing to an acceleration in trend growth to the 5-10%yr range by year end.

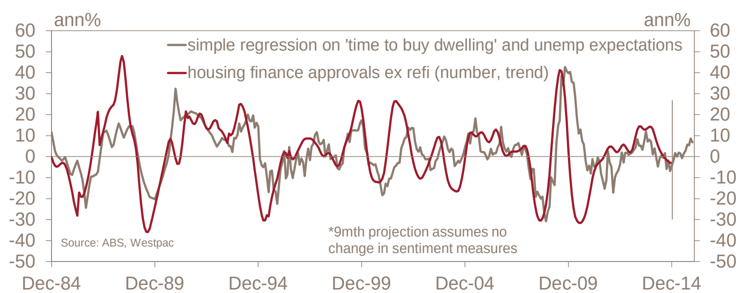
– The sub-group detail continues to throw up some interesting contrasts. Geographically, Sydney has led the charge in 2015 with buyer sentiment spiking from very weak sub-80 levels late last year to a reading of 110 in Feb.

– Renters also registered a much bigger rise than those that own their own home. However, looking by age group, by far the biggest rebound was amongst those over 50. This suggests the rally is mainly being driven by those looking at housing as an investment, although the jump in assessments by renters suggests some potential first home buyers may also be viewing the situation more favorably.

15. 'Time to buy a dwelling': selected groups



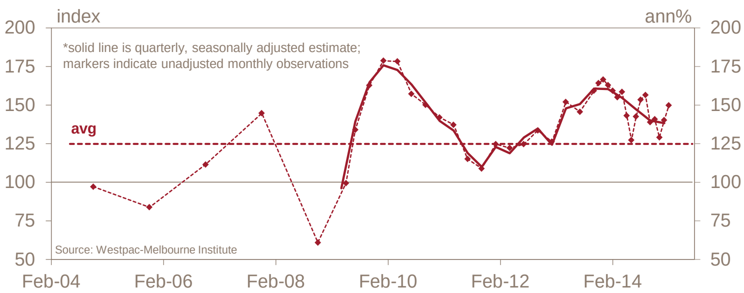
16. Model of housing finance approvals



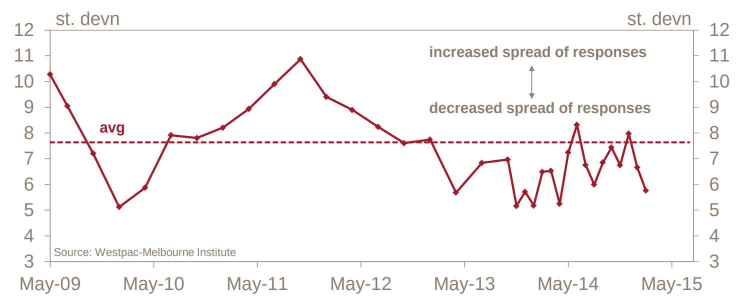
Sentiment indicators: house prices

- Not surprisingly, consumers' house price expectations were also boosted by the RBA's interest rate cut. The **Westpac-Melbourne Institute Consumer House Price Expectations Index** jumped 6.9% to reach its highest level since September 2014
- The 2015 bounce in price expectations is similar to the 9.4% jump that followed the RBA's last interest rate cut in Aug 2013. That surge essentially marked the start of the current housing upswing which has seen strong growth in activity and prices over the last year and a half (albeit an uneven upturn across different cities and segments).
- The rise in expectations was fairly uniform across sub-groups, reflecting the common driver – the cut in interest rates. As we have noted previously there does appear to be some seasonality in price expectations. This seems to add 2-4pts at the start of the year and takes about 4pts off during the winter.
- As well as becoming more positive, consumers' house price expectations have also become less diverse. Chart 18 shows a measure of the spread of responses across the five options (i.e. up>10%, up 0-10%, unchanged, down 0-10%, or down>10%). In Dec, 82% expected prices to be up or flat. In Feb, the proportion was over 90%.

17. Westpac-MI House Price Expectations Index



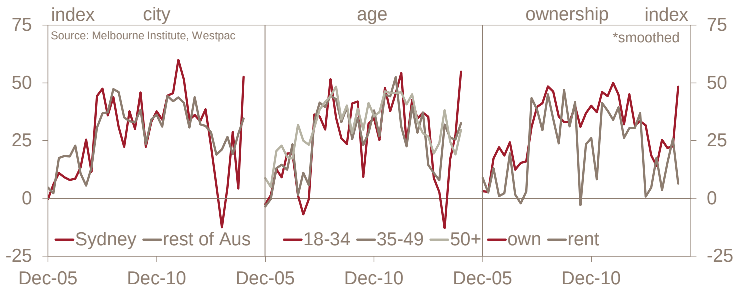
18. Consumer house price expectations: spread



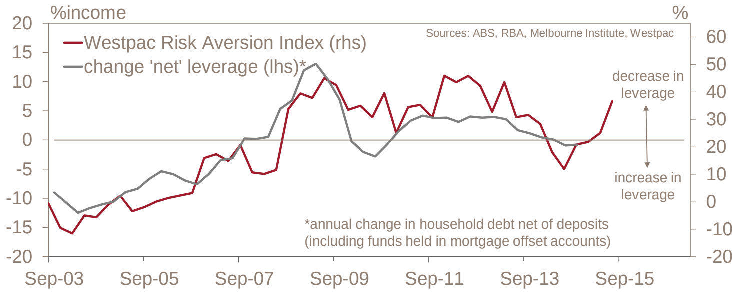
Sentiment indicators: risk aversion

- The additional questions on the 'wisest place for savings' used to compile the **Westpac Consumer Risk Aversion Index** were not included in Jan or Feb but will be in the next survey due out on Mar 12.
- The Dec update showed a significant further shift back towards risk aversion with the Index rising 11.5ppts from 25.1 to 36.6. Dec marked the highest read since Mar 2013. The key shift in 2014 was a shift back towards 'deposits/super' and to a lesser extent 'pay down debt' with a corresponding fall in the proportion nominating 'real estate'. As at Dec, the mix pointed to the savings rate holding at 9½%.
- The Mar update will be of particular interest given the RBA's rate cut and the resulting shift in consumer expectations around housing.
- As it stands, the Dec reading points to both a continuation of high savings rates and renewed efforts to reduce leverage. Our preferred guide to leverage is household debt net of cash and deposits as it includes funds held in mortgage offset accounts. Recently released figures show this measure of leverage essentially stabilised in the year to Sep 2014. If sustained, the rise in risk aversion since mid 2014 could see a return to the steady 3-4ppt per year decline in leverage seen through 2011, 2012 and early 2013.

19. Consumer risk aversion: selected groups



20. Westpac Consumer Risk Aversion Index vs household leverage



Sentiment indicators: job security

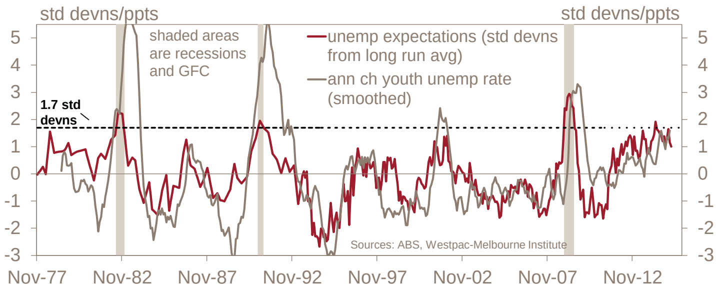
– Job security remains a notable and disturbing weak spot for consumer sentiment. The **Westpac-Melbourne Institute Unemployment Expectations Index** declined 1.5% in Feb following a 5.5% fall in Jan (recall that a lower level indicates fewer consumers expect unemployment to rise over the next 12 months).

– While that marks a significant improvement, the Feb decline was disappointing given the surge in confidence overall and at 147.8 the Index remains in deeply pessimistic territory. The long run average reading is just under 130 with readings above 160 only really seen during major labour market dislocations.

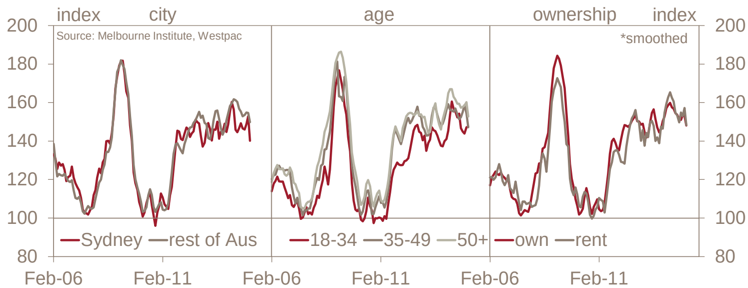
– Official labour market data has been mixed since our last **Red Book** in Dec. While employment recorded surprisingly strong 40k gains in Nov and Dec, it pulled back 12.2k in Jan. The unemployment rate dipped to 6.1% in Dec but jumped to a 12½yr high of 6.4% in Jan.

– As we have repeatedly noted, the unemployment rate has understated the degree of labour market weakness since 2011. Consumers' job loss fears look overblown when compared to the rise in unemployment but more reasonable against the employment to population ratio, hours worked and, the more cyclically sensitive measure of youth unemployment (see chart 21).

21. Unemployment expectations vs youth unemployment



22. Unemployment expectations: selected groups



State snapshot: Western Australia

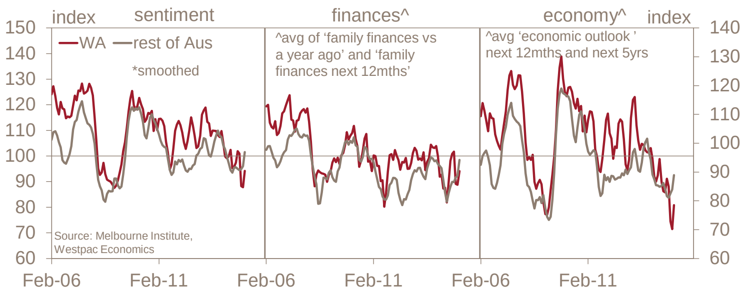
– The last time we profiled Western Australia in our state snapshot, back in Aug, sentiment was in line with that nationally with a ‘neutral’ reading after having recovered a little from a post-Budget loss of confidence. WA consumers were more upbeat on their finances but warier about the economic outlook.

– WA consumers are now more clearly downbeat than their peers in other states. Overall sentiment is stuck in a 90-95 range compared to 95-100 across the rest of Aus. Not surprisingly its the economy that is the main point of difference with WA consumers more downbeat on the economic outlook than during the GFC.

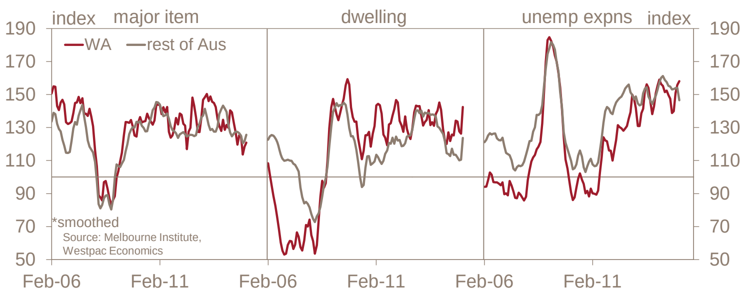
– Given this dire assessment it is a little surprising to see WA consumers still relatively upbeat on ‘time to buy’ questions and more surprising still around unemployment expectations. WA consumers’ assessments of ‘time to buy a dwelling’ are a good 20pts more positive than the rest of the nation.

– WA consumers’ unemployment expectations are at a very weak level (158) but only a touch worse than the rest of Australia (146). That wedge may widen as the mining downturn continues and as the income effects of more recent falls in key commodity prices, such as iron ore, start to reverberate through the state.

23. Consumer sentiment, finances & economy: WA vs rest of Aus



24. Consumer sentiment, ‘time to buy’ & jobs: WA vs rest of Aus



Westpac household barometer

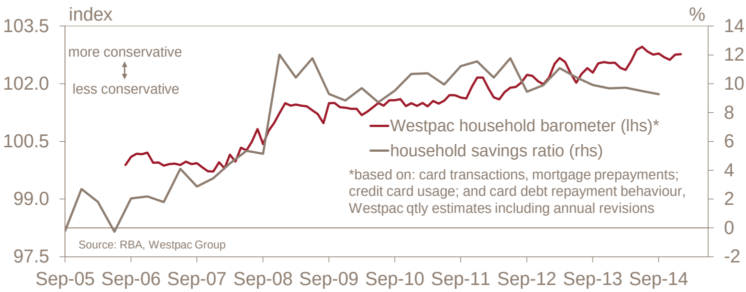
– The **Westpac Household Barometer** draws on a range of data – including system-wide credit and debit card usage from the RBA, and the mortgage repayment behaviour and credit card usage of Westpac customers – to give a broad proxy for consumers' financial behaviour.

– The **Barometer** has inched up slightly over the last 2mths, rising 0.14pts, back-tracking much of a 0.19pt decline over the previous 6mths. These moves are relatively small however. To put them in context, the **Barometer** rose 1.5pts in nine months during the GFC and the onset of the 'cautious consumer' in 2008. The **Barometer** remains at a very high level overall.

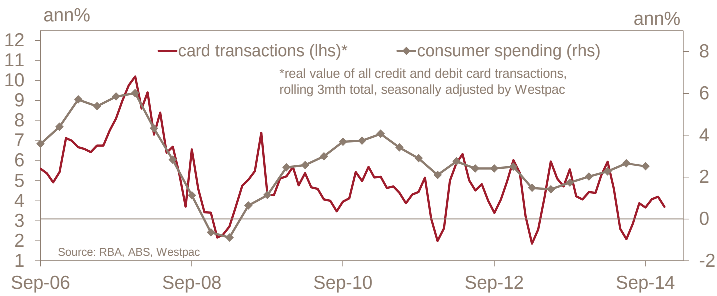
– The main source of the **Barometer's** drift up in recent months has been a modest slowdown in card usage and more conservative mortgage repayment behaviour.

– System-wide card data from the RBA showed a soft finish to 2014 with real growth in transactions slowing from 4.2%yr in Nov to 3.7%yr in Dec. Note that this moderation occurred despite CPI inflation slowing from 2.3% in Q3 to just 1.7% in Q4, dragged down by falling petrol prices. Aside from being an indication of financial restraint, the slowdown also suggests spending is somewhat softer than the strong retail numbers are indicating.

25. Westpac household barometer



26. Card transactions vs real spending growth



Economic and financial forecasts

Interest rate forecasts

	Latest (13 Feb)	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16
Cash	2.25	2.00	2.00	2.00	2.00	2.00
90 Day Bill	2.36	2.20	2.20	2.20	2.22	2.25
3 Year Swap	2.18	2.20	2.20	2.40	2.50	3.00
10 Year Bond	2.50	2.40	2.50	2.70	2.90	3.20
10 Year Spread to US (bps)	52	50	50	50	40	40
International						
Fed Funds	0.125	0.125	0.125	0.250	0.500	0.750
US 10 Year Bond	1.98	1.90	2.00	2.20	2.50	2.80
US Fed balance sheet USDtrn	4.54	4.54	4.54	4.54	4.54	4.54
ECB Repo Rate	0.05	0.05	0.05	0.05	0.05	0.05

Exchange rate forecasts

	Latest (13 Feb)	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16
AUD/USD	0.7770	0.75	0.77	0.78	0.79	0.81
NZD/USD	0.7450	0.71	0.73	0.74	0.75	0.77
USD/JPY	118.60	118	120	122	124	124
EUR/USD	1.1420	1.14	1.15	1.15	1.16	1.17
AUD/NZD	1.0440	1.05	1.05	1.05	1.05	1.05

Sources: Bloomberg, Westpac Economics.

Economic and financial forecasts

Australian economic growth forecasts

	2014			2015			
	Q2	Q3	Q4f	Q1f	Q2f	Q3f	Q4f
GDP % qtr	0.5	0.3	0.6	0.7	0.7	0.8	0.8
Annual change	2.7	2.7	2.5	2.2	2.4	2.8	3.0
Unemployment rate %	6.0	6.1	6.2	6.4	6.5	6.5	6.4
CPI % qtr	0.5	0.5	0.2	–0.1	0.6	1.0	0.6
Annual change	3.0	2.3	1.7	1.1	1.2	1.8	2.1
CPI underlying % qtr	0.7	0.4	0.7	0.5	0.5	0.6	0.5
ann change	2.8	2.5	2.2	2.2	2.1	2.3	2.2

	Calendar years			
	2013	2014f	2015f	2016f
GDP % ann change	2.3	2.7	2.7	3.5
Unemployment rate %	5.8	6.2	6.4	5.9
CPI % ann change	2.7	1.7	2.1	3.0
CPI underlying % ann change	2.6	2.2	2.2	2.5

Calendar year changes are (1) period average for GDP, employment and unemployment, terms of trade (2) through the year for inflation and wages.
* GDP & component forecasts are reviewed following the release of quarterly national accounts.
** Business investment and government spending adjusted to exclude the effect of private sector purchases of public sector assets.

Consumer data and forecasts

Consumer demand

	2014				2015			
% change	Q1	Q2	Q3	Q4f	Q1f	Q2f	Q3f	Q4f
Total private consumption*	0.5	0.8	0.5	0.6	0.6	0.7	0.8	0.8
annual chg	2.3	2.7	2.5	2.4	2.5	2.5	2.7	2.9
Real labour income, ann chg	0.2	0.2	1.2	1.8	3.1	3.1	2.9	2.8
Real disposable income, ann chg**	0.9	1.7	1.9	2.3	3.3	3.7	3.9	3.8
Household savings ratio	9.7	9.5	9.3	9.5	10.4	10.6	10.4	10.4
Real retail sales, ann chg	3.3	2.4	2.1	2.3	3.1	4.3	4.3	3.9
Motor vehicle sales ('000s)***	883.0	885.2	886.3	887.1	912.6	914.8	916.0	916.7
annual chg	-1.5	-2.1	-1.5	-2.0	3.4	3.3	3.3	3.3

	Calendar years			
	2012	2013	2014	2015f
Total private consumption, ann chg*	2.5	1.7	2.5	2.7
Real labour income, ann chg	2.6	-0.4	0.9	3.0
Real disposable income, ann chg**	1.8	1.6	1.7	3.7
Household savings ratio, %	10.4	10.3	9.5	10.5
Real retail sales, ann chg	3.2	2.6	3.2	3.9
Motor vehicle sales ('000s)	881.4	901.2	885.4	915.0
annual chg	9.4	2.3	-1.8	3.3

Notes to pages 20 and 21:
* National accounts definition.
** Labour and non–labour income after tax and interest payments.
*** Passenger vehicles and SUVs, annualised
^ Average over entire history of survey.
^^Seasonally adjusted.
Net % expected rise next 12 months minus % expecting fall (wage expectations is net of % expecting wages to rise and % expecting flat/decline).
Note that questions on mortgage rate, house price and wage expectations have only been surveyed since May 2009.

Consumer data and forecasts

Consumer sentiment

	2014					
% change	avg^	May	Jun	Jul	Aug	Sep
Westpac–MI Consumer Sentiment Index	**101.7**	**92.9**	**93.2**	**94.9**	**98.5**	**94.0**
family finances vs a year ago	89.7	81.6	77.3	78.7	88.1	83.8
family finances next 12 months	108.1	79.0	82.9	93.1	95.3	95.4
economic conditions next 12 months	90.5	81.4	83.8	87.1	94.4	86.5
economic conditions next 5 years	90.9	95.6	93.4	89.8	86.4	78.5
time to buy major household item	128.0	127.1	128.4	125.8	128.2	125.7
time to buy a motor vehicle	123.6	136.7	137.4	136.0	137.4	136.1
time to buy a dwelling	123.1	108.8	121.2	111.2	122.0	111.3
Westpac–MI Consumer Risk Aversion Index^^	**11.7**	**–**	**21.8**	**–**	**–**	**25.1**
CSI±	**103.2**	**91.6**	**91.7**	**93.7**	**96.9**	**95.0**
Westpac–MI House Price Expectations Index#	**–**	**143.1**	**127.2**	**142.6**	**153.4**	**156.4**
consumer mortgage rate expectations#	–	–	–	–	54.3	–
Westpac–MI Unemployment Expectations	**128.6**	**158.3**	**156.5**	**156.1**	**151.4**	**154.6**

	2014			2015	
continued	Oct	Nov	Dec	Jan	Feb
Westpac–MI Consumer Sentiment Index	**94.8**	**96.6**	**91.1**	**93.2**	**100.7**
family finances vs a year ago	87.5	83.8	85.1	81.8	91.9
family finances next 12 months	96.6	99.5	95.6	96.7	104.1
economic conditions next 12 months	82.0	90.9	82.0	81.5	89.9
economic conditions next 5 years	82.8	84.5	83.0	81.7	92.6
time to buy major household item	125.2	124.2	109.6	124.5	125.1
time to buy a motor vehicle	135.9	135.3	127.6	135.6	135.9
time to buy a dwelling	113.9	117.4	104.8	114.6	125.8
Westpac–MI Consumer Risk Aversion Index^^	**–**	**–**	**36.6**	**–**	**–**
CSI±	**95.1**	**93.7**	**88.4**	**91.6**	**96.1**
Westpac–MI House Price Expectations Index#	**138.9**	**140.8**	**129.0**	**140.2**	**149.8**
consumer mortgage rate expectations#	–	–	–	–	–
Westpac–MI Unemployment Expectations	**148.6**	**152.7**	**159.5**	**150.7**	**147.8**

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