

# The Red Book

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July 2014

**Westpac Economics  
with the  
Institutional  
Bank.**

 **estpac**



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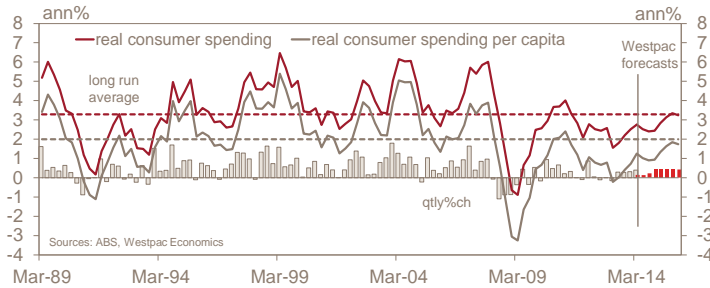
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## Executive summary

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- The **Westpac–Melbourne Institute Index of Consumer Sentiment** rose 1.9% in Jul, clawing back a little more of the sharp post-Budget fall in May. At 94.9, the Index remains in pessimistic territory and down 14% on the optimistic reads late last year.
- Budget-related concerns likely remained the focus with other influences minor in the month. While the absence of a rebound is disappointing, both the fall and the recovery to date are in line with the average path of sentiment seen during previous Budget shocks.
- The detail showed an improvement in forward views on family finances but only minor changes in other components.
- **CSI\***, our modified sentiment indicator that we favour as a guide to actual spending, also posted a small 2.4% rise but continues to point to a marked slowdown in spending growth to just under 1%yr by Q4. We continue to apply a heavy discount to these readings on the basis that some of it is a temporary over-reaction to the Budget.
- Latest data on actual spending points to a further slowdown in Q2 with a notable weakening in retail sales. That said, weather conditions appear to have had an impact with business surveys and vehicle sales suggesting a somewhat milder slowdown.
- The sub-index on ‘time to buy a major item’ fell 2.1% in Jul dropping back below its long run average. Recent retail sales figures suggest ‘small ticket discretionary spending’ has softened but housing-related sales are holding up reasonably well.
- Consumer views on housing have been mixed in recent months with a clear tension between the outlook for prices and assessments of ‘time to buy a dwelling’. The index tracking the latter fell back 8.3% in Jul, while the **Westpac Melbourne Institute House Price Expectations Index** rebounded 12.1%. The mix is still broadly consistent with a housing slowdown but a ‘soft’ rather than ‘hard’ landing.
- Confidence in the labour market remains stubbornly weak. The **Westpac–Melbourne Institute Unemployment Expectations Index** registered a slight 0.3% decline (lower reads indicate reduced concern around the labour market). It remains 6% above its 2013 average and very high by historical standards.

## Consumer spending: loss of momentum



The July **Westpac–Melbourne Institute Consumer survey** showed a modest, but ultimately disappointing, improvement. At 94.9, the Index is on the cusp between ‘firmly’ and ‘cautiously’ pessimistic. However, it is the context that makes this a poor reading.

The absence of a substantive recovery from the sharp post-Budget fall is a big concern. To be fair, the gains to date are in line with those seen following previous Budget-related sentiment shocks which have often taken 6mths or more to fade. But this in itself is not that positive. To paraphrase comments in the June RBA meeting minutes, ‘high frequency’ sentiment moves are less meaningful indicators for actual spending than ‘low frequency’ ones, but the longer a ‘high frequency’ move lasts, the more it becomes a ‘low frequency’ one.

Meanwhile the partial data on spending is starting to show more downside risks. The 0.5% decline in May retail sales, following two flat months, is particularly ominous.

For now, the broader evidence still suggests a somewhat gentler slowdown. The abnormally warm winter appears to have

had a hand in the May retail result. Other indicators have also been somewhat better: including vehicle sales and responses to business surveys. It’s a similar story on housing although here the data over the last month has tended to swing more towards our central case of a ‘soft landing’.

On balance, the evidence still suggests both consumer spending and housing markets are slowing rather than hitting the wall. But there are significant downside risks that worsen the longer sentiment remains weak.

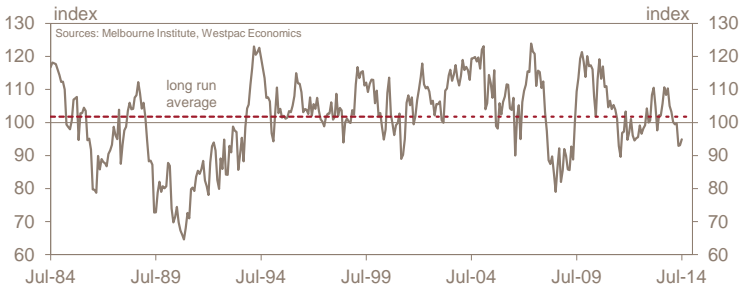
And the real problem is the broader economic context – the need for strong growth in non-mining sectors to offset the looming fall in mining investment. A non-mining upturn is underway but the longer sentiment remains weak, the harder it will be to sustain.

Overall, an eventual recovery in confidence still looks to be the most likely prospect over 2014 as concerns over the Budget gradually fade. With household finances in better shape and a surge in residential building coming through that should allow for a solid lift in spending once sentiment improves. It could be a nervous wait though.

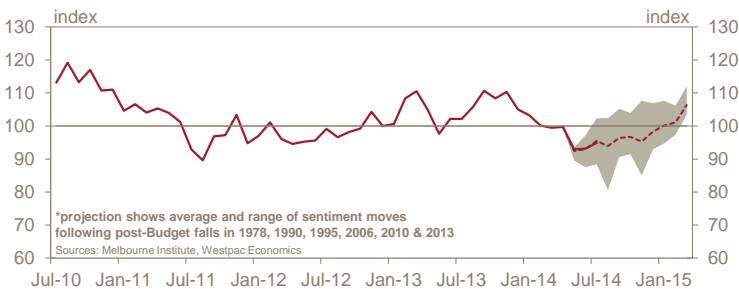
# The consumer mood: treading water

- The **Westpac Melbourne Institute Index of Consumer Sentiment** increased by 1.9% in Jul from 93.2 in Jun to 94.9. The absence of a significant bounce back from May's post-Budget fall remains disappointing. The Index is up 2% since May and remains 14% below its Nov peak.
- Other influences are likely to have been minor in the month. The RBA left rates on hold again in Jul as expected, with a speech by Governor Stevens giving somewhat mixed messages, indicating the Bank still had policy 'ammunition' at its disposal but warning of potential falls in the AUD and singling out Sydney's investor housing segment as an area to 'watch'.
- The economic data has also been mixed with weaker than expected May retail sales but some more positive housing reads (dwelling approvals bouncing and firmer reads around prices and auction clearance rates after a soft May).
- While the absence of a rebound is disappointing, both the fall and the recovery to date are in line with the average path of sentiment seen during the Budget shocks in 1978, 1990, 1995, 2006, 2010 and 2013. Although each episode has its own idiosyncracies, together they suggest it takes 6-8mths for a full recovery. Putting this another way, the swift rebound from last year's shock is the exception rather than the norm.

## 1. Consumer sentiment: downbeat mood continues

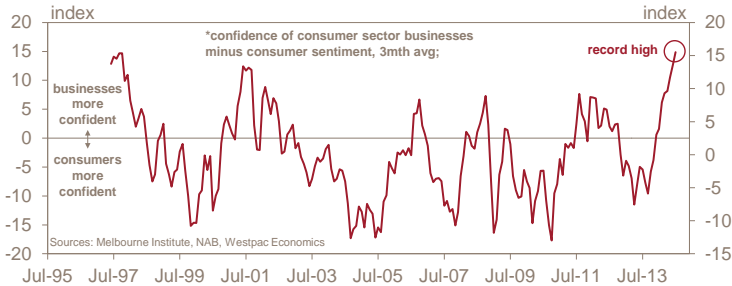


## 2. Consumer sentiment: profile vs past Budget shocks

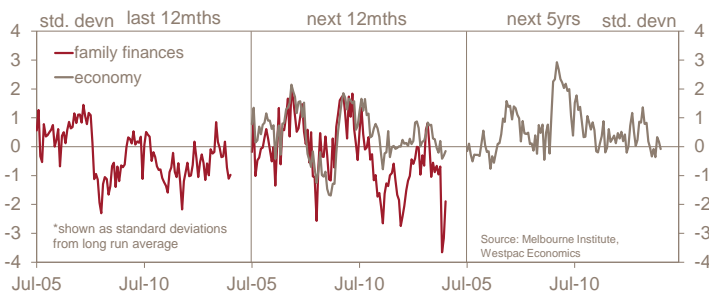


- The average profile of sentiment over past Budget shocks provides only a rough rule of thumb. Exactly how sentiment evolves will clearly depend on a multitude of factors. In terms of government policy, uncertainty around Senate opposition means it may be some time before households get any clarity on the final state of Budget measures. That said, households may view some compromises as positive.
- While consumer sentiment has been weak, business confidence has held up well. Confidence across consumer sector businesses is a touch above average, with the gap vs consumer sentiment running at a 14yr high.
- The survey detail was a little more encouraging in Jul. Views around family finances improved, the sub-index on ‘family finances, next 12mths’ in particular, although the 12.3% surge here only reversed about half of the post Budget slump. However, unemployment expectations remain stubbornly weak and views on housing remain mixed with a clear tension between expectations for house prices and assessments of ‘time to buy a dwelling’.
- Overall a recovery in confidence is still the most likely prospect over 2014 as concerns over the Budget gradually fade. That looks likely to take a few more months to establish.

### 3. Consumer sentiment, business confidence ‘gap’



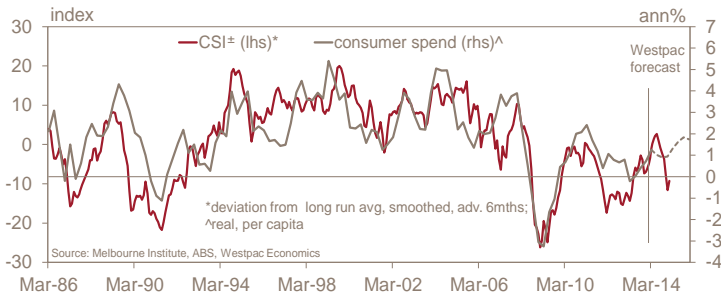
### 4. Consumer sentiment: family finances vs a year ago



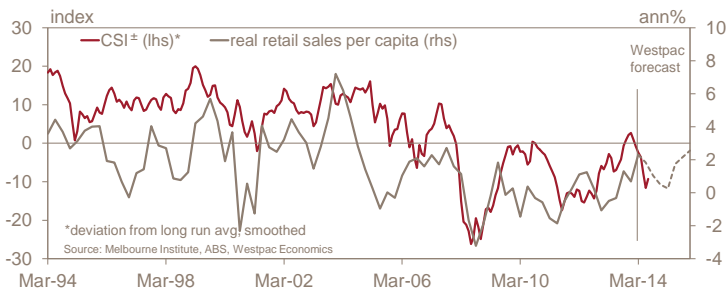
# Sentiment indicators: spending

- Our **CSI<sup>±</sup>** composite 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.
- The picture from **CSI<sup>±</sup>** is very similar to that from the headline Index with a 2.4% rise in Jul but only a muted recovery to date from the Budget-related fall in May. **CSI<sup>±</sup>** is a touch weaker in level terms, 9.3pts below its long run average vs 6.8pts for sentiment overall. This is consistent with a slowdown in spending growth to just under 1%yr by Q4 (an outright decline in per capita spend of about 0-½%yr).
- While the downside risks are clear we continue to apply a heavy discount to these weak **CSI<sup>±</sup>** reading in our own forecasts on the basis that they are partly a temporary over-reaction to the Budget.
- The RBA looks to be taking a similar approach, noting in the minutes to its Jun meeting that “... while low-frequency movements in [consumer] confidence ... had been broadly associated with trends in consumption spending, there was little evidence ... that high-frequency movements carried much predictive content.” That said, the longer a ‘high frequency’ movement lasts, the more it becomes a ‘low frequency’ one.

## 5. CSI<sup>±</sup> vs total consumer spending



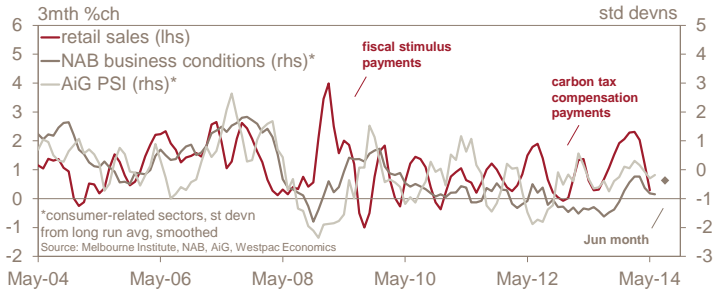
## 6. CSI<sup>±</sup> vs retail sales



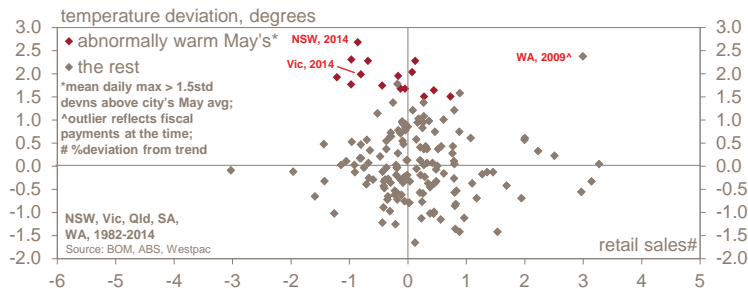


- The latest data on actual spending points to a further slowdown in Q2.
- The May retail report was much weaker than expected with sales down 0.5%<sup>mo</sup>. Sales growth slowed to just 0.3% on a 3mth rolling basis. There were some extenuating circumstances in May – abnormally warm winter conditions were cited as a factor for clothing retailers, with poor winter season clothing sales. Temperatures were 2-3° above average in May in Sydney, Melbourne and Adelaide. Combined, falls in clothing and department store sales in NSW, Vic and SA contributed 0.34ppt to the 0.5% fall in May sales.
- Other indicators also suggest the spending slowdown has been milder than implied by the May retail report. Both the NAB and AiG business surveys are showing softening conditions across consumer-related sectors but a relatively gentle slowdown with a notable improvement in the Jun month. Vehicle sales have also posted solid gains in May-Jun.
- Even if the May retail decline proves to be weather-related, real retail sales are set to be down about 0.5% for Q2 as a whole, a sharp turnaround on the 1.2% rise in Q1. While the link with retail is not always clear-cut, Q2 is shaping as another weak quarter for total spending.

## 7. Retail sales vs reported business conditions



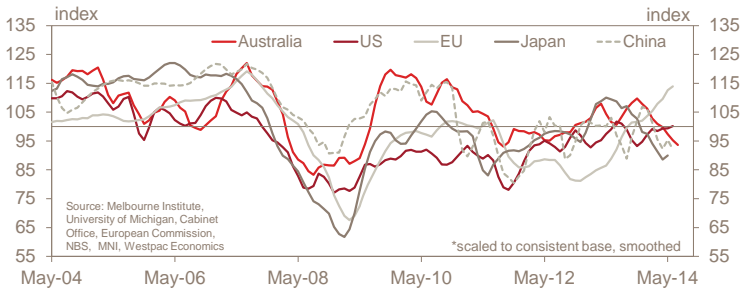
## 8. May retail sales vs weather conditions



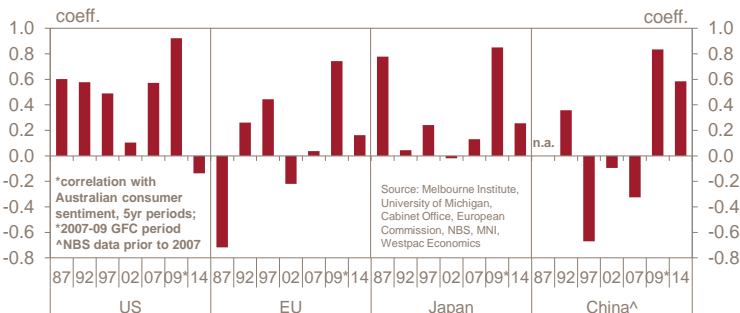
# Special topic: global consumer sentiment

- Back in May we profiled the **Westpac-MNI China CSI**, launched that month. While of more than a little interest on its own, this new index, which has data back to 2007, also allows us to make some cross country comparisons and compile aggregate 'global' measures.
- Chart 9 shows consumer sentiment in the US, EU, Japan and China alongside the **Westpac-MI Consumer Sentiment Index** for Australia. All indexes are scaled to be on the same base as the Australian measure, and presented as a 3mth average. Note that estimates for China prior to 2007 are based on a measure from the NBS.
- Several features are apparent.
  - Firstly, sentiment has recovered strongly in the EU since mid 2013 to be at a clear 7yr high. That compares to a flat profile around 'neutral' in the US and a clear weakening in Japan and, since late last year, China and Aus.
  - Secondly, sentiment declines were much milder in China and Aus during the GFC with a much stronger post-crisis resurgence. Sentiment has been more closely clustered since 2011.
  - Thirdly, outside of this GFC period each country has often seen quite different shifts and cycles in sentiment.

## 9. Consumer sentiment: major economies

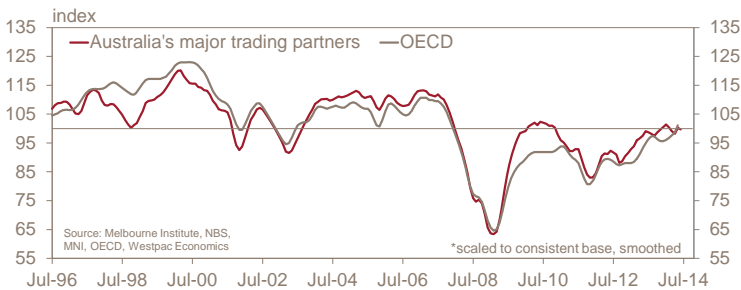


## 10. Consumer sentiment: cross-country correlations

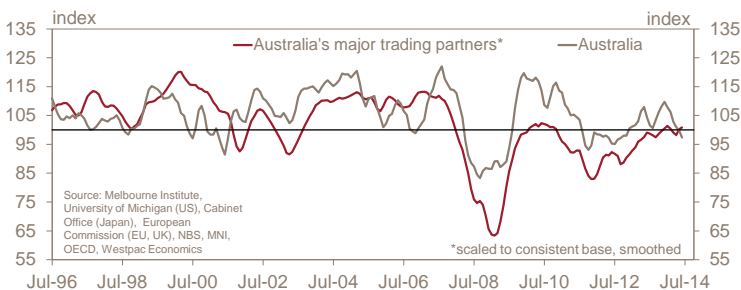


- A simple cross-country correlation analysis reveals some other interesting aspects. The high correlation of sentiment moves during the GFC period and subsequent rebound stands out (Aus-US >0.9).
- But what is perhaps more interesting is the decoupling of Aus and US sentiment over the last 5yrs. This is not unprecedented – a similar break occurred between 1998 and 2002 when the Asian crisis and dot-com cycle saw divergent trends between the two economies. The most recent decoupling though has coincided with a significantly increased correlation between Aus and Chinese consumer sentiment.
- Chart 11 shows an OECD measure (i.e. average sentiment across developed economies) and a trade-weighted sentiment based on measures across Australia’s major trading partners (to the extent that country-specific measures are available). Not surprisingly, the trading partner measure has been consistently more upbeat over the last 5yrs and shows a significantly higher correlation with Australian sentiment.
- While these correlations are interesting, they should not be overstated. Correlation is not causation and may often be spurious. Over the full history they ‘explain’ less than a third of variations implying most are due to ‘local’ factors.

## 11. Consumer sentiment: global measures



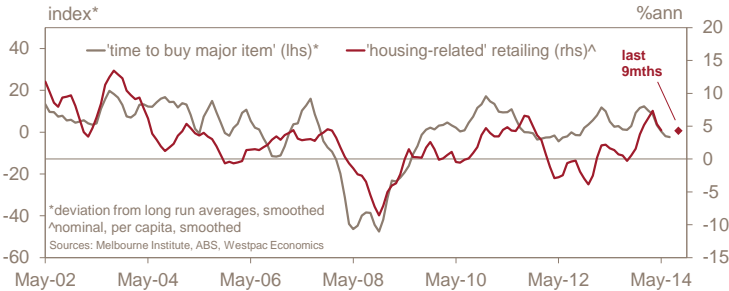
## 12. Consumer sentiment: Australia vs major trading partners



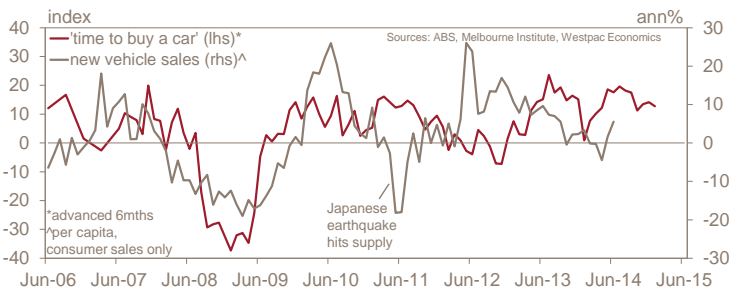
# Sentiment indicators: durables, cars

- Consumer assessments of 'whether now is a good time to buy a major item' declined 2.1% in Jul to 125.8, dipping back below its long run average of 128.
- The May retail report showed surprisingly soft sales for household goods retailers. After promising gains in the 5mths to Feb, sales fell 1.3% in Apr in what we initially thought was a holiday-related blip. A further 0.9% fall in May suggests this was not the case. That said, the decline was concentrated in the more volatile 'small ticket discretionary' electrical and electronics segment with housing-related segments holding up somewhat better.
- The sub-index tracking views on 'time to buy a car' has been discontinued from the survey since Jan. Historically though this measure has been closely correlated with the 'time to buy a major item' index which we can use to generate estimates on a comparable basis.
- For Jul, this points to a slight 1% decline leaving the Index comfortably above its long run average. Latest sales figures show a solid rise in Jun, consumer sales up an estimated 6%<sup>mth</sup> (seasonally adjusted) following a healthy 6.9% bounce in May from a 4.2% Easter-related fall in Apr. Weak sentiment reads have clearly done little to dent, or even restrain, car sales.

## 13. 'Time to buy a major item' vs housing-related retail



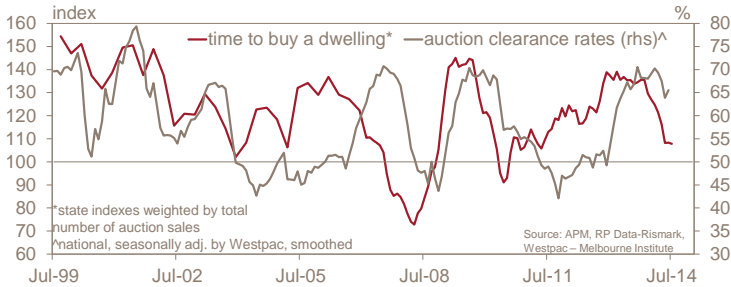
## 14. 'Time to buy a car' vs new vehicle sales



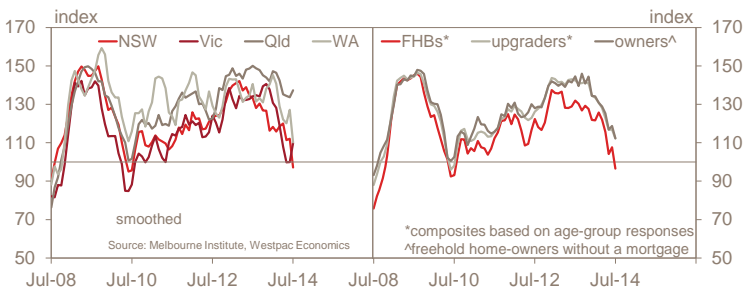
# Sentiment indicators: housing

- Consumer views on housing have been mixed in recent months with a clear tension between the outlook for prices and assessments of ‘time to buy a dwelling’. The latter showed a promising 11.4% bounce last month but fell back 8.3% in Jul – price expectations followed the reverse pattern (see p14).
- Housing markets continue to show signs of a slowdown although data over the last month has been a touch firmer. Auction clearance rates stabilised in Jun after a notable cooling off over the previous 4mths. Weekly data suggests this has carried into July as well with clearance rates still well above average.
- Housing finance approvals continued to flatten out in May, unchanged for the month with annual growth slowing to just 4.6%yr. Again that is in line with the cooling off in ‘time to buy a dwelling’. Our model based on this and the unemployment expectations index still points to a mild decline in finance approvals in coming months.
- The state and sub-group detail is showing some interesting divergences with Qld’ers notably more positive on ‘time to buy a dwelling’ than their interstate peers. In contrast, those in first home buyer age groups are now showing outright negativity towards buying.

## 15. ‘Time to buy a dwelling’ vs auction clearance rates



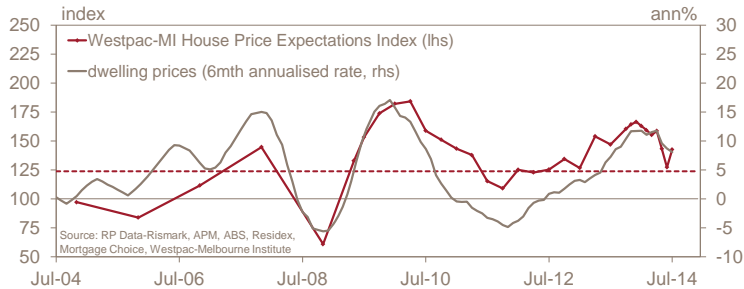
## 16. ‘Time to buy a dwelling’ by state, buyer group



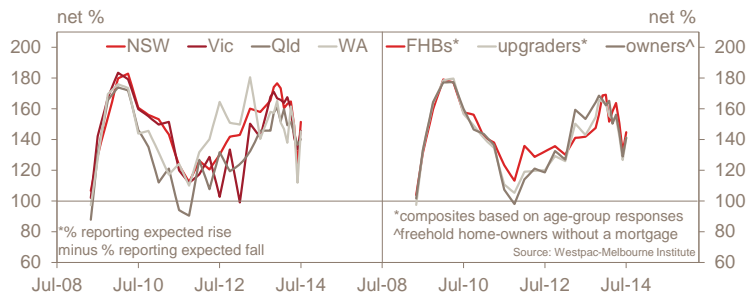
# Sentiment indicators: house prices

- The **Westpac-Melbourne Institute Consumer House Price Expectations Index** recovered in Jul rising 12.1% after an 11.1% drop in Jun and a 9.8% fall in May. At 142.6, the Index is consistent with annual price growth of around 8½% over the next year.
- That is broadly consistent with the pace of price growth over the first half of 2014. After a shaky May (RP Data-Rismark reported a 1.9% fall in dwelling prices in the month) markets have shown a bit more momentum in Jun (RP Data-Rismark prices bounced 1.4%) that appears to have carried into early Jul (prices up a further 1.2% month to date).
- Price expectations showed bigger rises in WA (+30%), NSW (+23%) and Vic (+8.8%) with a much smaller change in Qld (+2.7%), where consumers are also the most downbeat on the price outlook. That said, Qld'ers are more inclined to see flat prices than outright declines with an outright majority (i.e. >50%) still expecting prices to rise in the year ahead.
- Our 'buyer sub-group' measures showed little variation with expectations up similarly across first home buyer age groups, upgrader age groups and across freehold home-owners. Other surveys show a similar cooling in price expectations across property professionals.

## 17. House prices: actual vs expected



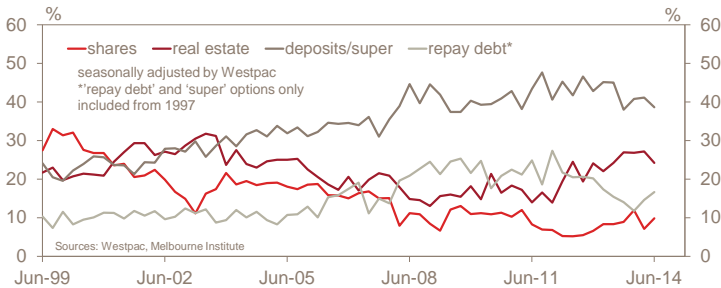
## 18. House price expectations by state, buyer group



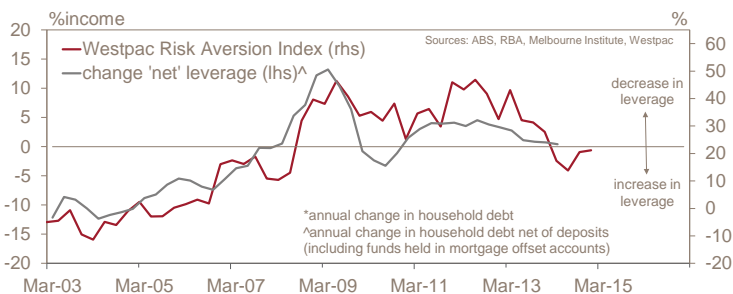
# Sentiment indicators: risk aversion

- The additional questions on the 'wisest place for savings' used to compile the **Westpac Consumer Risk Aversion Index** were not included in Jul. The next update will be on Sep 10. The Jun update showed little change between Mar and Jun with a very slight tilt towards risk aversion following a bigger rise in Mar. Attitudes are still much more relaxed than in early 2013.
- The Index continues to point to a significant decline in the household savings rate (the proportion of disposable income unspent). However we expect elevated job loss concerns to see consumer caution linger near term.
- The cautious consumer attitude apparent in elevated household savings rates over the last 7yrs is also evident in household balance sheets (for a more detailed discussion see our July **Market Outlook** report). Household leverage has declined notably, particularly for measures that allow for the strong rise in funds held in mortgage offset accounts, which the national accounts treat as a deposit rather than a reduction in loan principal.
- Recent readings on risk aversion suggest household's 'net' leverage is likely to flatten out over H2 2014. Again though, job loss fears may limit the degree to which caution eases.

## 19. Consumers: 'wisest place for savings'



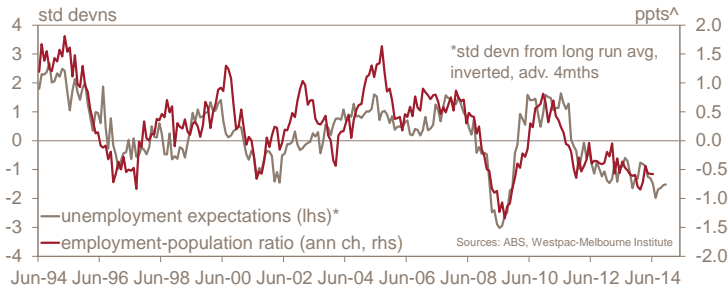
## 20. Westpac Consumer Risk Aversion Index



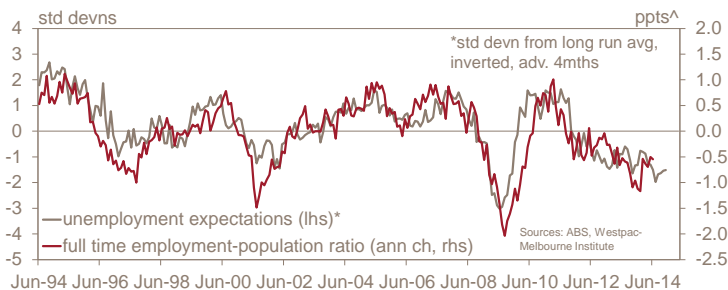
# Sentiment indicators: job security

- The **Westpac-Melbourne Institute Unemployment Expectations Index** fell slightly in Jul (-0.3%) following on from a -1.1% fall in Jun. The index is now down 5.1% in 4mths - lower reads indicate reduced concern around the labour market. While that is an improvement, the Index is still 6% above its average for 2013 and at a very high (i.e. fearful) level by historical standards.
- Actual labour market data has continued its soft run. Total employment rose 15.9k in Jun following a 5.1k decline in May. The unemployment rate nudged back up to 6.0%, moving above its post GFC peak in May 2009. The mix of employment was also soft with a 3.8k fall in full-time jobs.
- Recent readings have been soft but not as disastrous as consumers have been bracing for. Recent readings on unemployment expectations point to annual declines in the employment to population ratio of the order of 0.75-1ppt. The ratio has fallen significantly (something that is obscured in unemployment rate readings by a significant fall in labour force participation) but only by about 0.4-0.6ppts.
- We would need to see a further significant weakening in coming months to validate consumers' fears. Although labour markets are still soft, a further weakening looks unlikely given recent improvements in business surveys.

## 21. Unemployment expectations vs employment-population ratio



## 22. Unemployment expectations vs FT employment-population ratio

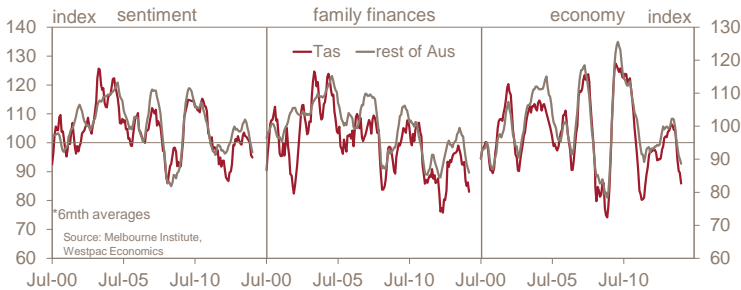




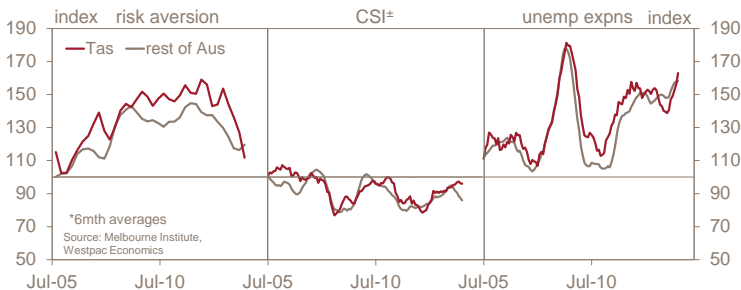
# State snapshot: Tasmania

- The last time we covered Tasmania in the State snapshot section, in late 2012, it appeared to be in the grips of a recession with final demand falling year on year and the state's unemployment rate surging 2ppts. Subsequent data now shows GSP – the state analogue of the national economic measure, GDP – down 0.6% for the full 2012-13 financial year, clear confirmation of recession.
- Conditions have improved somewhat since then. After peaking at 8.2% in mid-2013, Tas's unemployment rate has declined back to 7.2% as at Jun, and although state demand is still below its 2011 peak, it is rising rather than falling.
- Consumer sentiment has also improved with the Tas Index reading averaging 94.9 over the last 6mths comparable to the 96.7 national reading. The mix shows Tas consumers more downbeat than the rest of Aus on 'family finances' and the 'economic outlook' but more positive on 'time to buy a major item'.
- Risk aversion has also eased substantially in Tas. This likely reflects the recent stabilisation in dwelling prices – Hobart prices fell nearly 15% between 2009 and 2013 but have recovered about 5% since then. That's clearly giving some support to views on 'time to buy a dwelling' as well with these holding up much better in Tas.

## 23. Consumer sentiment, finances & economy: Tas vs Aus



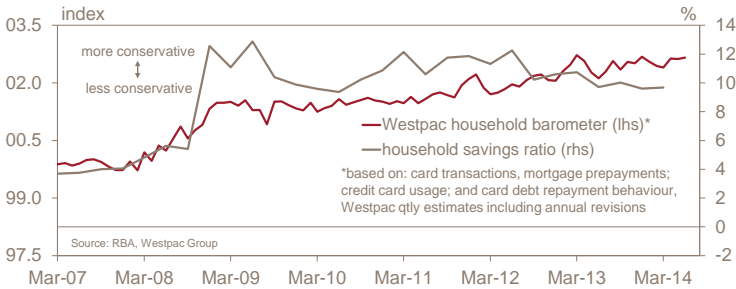
## 24. Consumer sentiment, dwelling & jobs: Tas vs rest of Aus



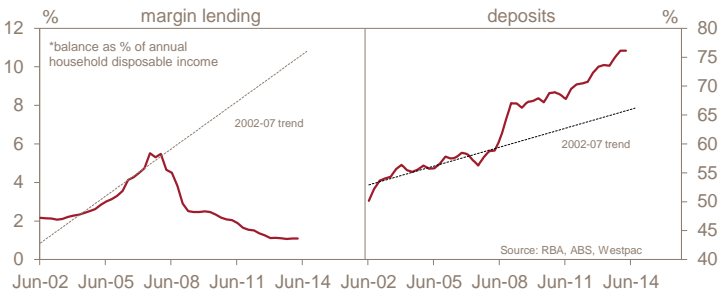
# Westpac household barometer

- 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 moved sideways in recent months after ticking up in Apr. Note that the timing of RBA data releases this month means these readings only include system-wide credit and debt card data up to Apr. That may tend to understate caution given the weakening in retail sales in May. Next month’s release will include two new monthly readings of this data.
- Overall, the **Barometer** continues to show very conservative consumer financial behaviour. This is also evident in financial metrics not included in the measure. Quarterly data on households’ holdings of cash and deposits for example shows these ‘safe’ asset holdings have continued to rise sharply in recent years with total holdings rising from 68% of annual income in mid 2011 to 76% currently.
- Households have also eschewed ‘riskier’ types of borrowing. Margin loans for example hit 5½% of annual income immediately prior to the GFC, collapsed back to 2½% during the crisis and have fallen further to just 1.1% currently.

## 25. Westpac household barometer



## 26. Households: margin loans and deposits



# Economic and financial forecasts

## Interest rate forecasts

	Latest (11 Jul)	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15
Cash	2.50	2.50	2.50	2.50	2.50	2.75
90 Day Bill	2.63	2.55	2.55	2.55	2.65	3.00
3 Year Swap	2.79	3.00	3.00	3.20	3.80	4.30
10 Year Bond	3.42	3.60	3.70	3.80	4.20	4.50
10 Year Spread to US (bps)	89	90	100	110	140	130

## International

Fed Funds	0.125	0.125	0.125	0.125	0.125	0.250
US 10 Year Bond	2.53	2.70	2.70	2.70	2.80	3.20
US Fed balance sheet USDtrn	4.43	4.60	4.61	4.61	4.61	4.61
ECB Repo Rate	0.15	0.15	0.15	0.15	0.15	0.15

## Exchange rate forecasts

	Latest (11 Jul)	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15
AUD/USD	0.9390	0.91	0.90	0.90	0.92	0.93
NZD/USD	0.8815	0.86	0.85	0.84	0.84	0.84
USD/JPY	101.28	101	100	101	102	103
EUR/USD	1.3603	1.32	1.30	1.30	1.31	1.31
AUD/NZD	1.0657	1.06	1.06	1.07	1.10	1.11

Sources: Bloomberg, Westpac Economics.

# Economic and financial forecasts

## Australian economic growth forecasts

	2013	2014			2015		
	Q4	Q1	Q2f	Q3ff	Q4f	Q1f	Q2f
GDP % qtr	0.8	1.1	0.6	0.6	0.8	0.9	0.8
Annual change	2.7	3.5	3.2	3.1	3.1	2.9	3.1
Unemployment rate %	5.8	5.9	5.8	6.0	6.2	6.2	6.1
CPI % qtr	0.8	0.6	0.5	0.9	0.4	0.4	0.5
Annual change	2.7	2.9	3.1	2.8	2.5	2.2	2.3
CPI underlying % qtr	0.9	0.5	0.7	0.6	0.6	0.5	0.6
ann change	2.6	2.7	2.8	2.7	2.4	2.4	2.3

	Calendar years			
	2012	2013	2014f	2015f
GDP % ann change	3.6	2.4	3.2	3.0
Unemployment rate %	5.3	5.8	6.2	5.9
CPI % ann change	2.2	2.7	2.5	2.6
CPI underlying % ann change	2.4	2.6	2.4	2.6

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

% change	2013		2014			2015		
	Q3	Q4	Q1	Q2f	Q3f	Q4f	Q1f	Q2f
Total private consumption*	0.7	0.8	0.5	0.5	0.6	0.8	0.9	0.8
annual chg	2.2	2.5	2.8	2.5	2.4	2.4	2.8	3.1
Real labour income, ann chg	0.4	0.0	0.4	0.5	1.3	1.6	2.1	2.3
Real disposable income, ann chg**	1.8	1.3	1.4	2.3	2.0	2.3	2.3	2.4
Household savings ratio	10.0	9.6	9.7	9.8	9.8	9.7	9.4	9.3
Real retail sales, ann chg	3.1	2.5	3.8	3.3	2.5	2.0	1.8	3.2
Motor vehicle sales ('000s)***	900.6	903.7	882.5	884.1	901.8	919.8	924.4	933.6
annual chg	2.0	-0.6	-1.5	-2.3	0.1	1.8	4.7	5.6

	Calendar years			
	2012	2013	2014	2015f
Total private consumption, ann chg*	2.6	2.0	2.5	3.1
Real labour income, ann chg	3.2	0.0	1.0	2.4
Real disposable income, ann chg**	1.8	0.7	2.0	2.3
Household savings ratio, %	11.1	10.0	9.7	9.2
Real retail sales, ann chg	3.2	2.7	2.9	3.2
Motor vehicle sales ('000s)	881.4	901.2	895.0	880.0
annual chg	9.4	2.2	-0.7	-1.7

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

	2013			2014		
% change	avg <sup>^</sup>	Oct	Nov	Dec	Jan	Feb
<b>Westpac-MI Consumer Sentiment Index</b>	<b>101.7</b>	<b>108.3</b>	<b>110.3</b>	<b>105.0</b>	<b>103.3</b>	<b>100.2</b>
family finances vs a year ago	89.8	87.7	99.4	91.6	89.4	85.7
family finances next 12 months	108.3	108.5	99.9	103.8	101.2	102.9
economic conditions next 12 months	90.5	106.8	107.3	96.7	96.3	89.4
economic conditions next 5 years	91.0	101.8	102.4	93.5	90.5	86.3
time to buy major household item	128.1	136.8	142.8	139.5	139.0	136.3
time to buy a motor vehicle	123.3	135.5	141.8	140.8	142.8	141.4
time to buy a dwelling	123.3	130.0	135.5	129.8	129.4	129.3
<b>Westpac-MI Consumer Risk Aversion Index<sup>^^</sup></b>	<b>11.7</b>	-	-	<b>13.8</b>	-	-
<b>CSI<sup>‡</sup></b>	<b>103.4</b>	<b>104.2</b>	<b>106.8</b>	<b>105.3</b>	<b>103.4</b>	<b>101.7</b>
consumer mortgage rate expectations#	143.9	159.2	164.2	166.5	162.8	159.3
<b>Westpac-MI House Price Expectations Index#</b>	<b>43.4</b>	-	-	-	-	54.2
<b>Westpac-MI Unemployment Expectations</b>	<b>128.6</b>	<b>143.5</b>	<b>144.7</b>	<b>151.4</b>	<b>152.4</b>	<b>155.9</b>

	2014				
continued	Mar	Apr	May	Jun	Jul
<b>Westpac-MI Consumer Sentiment Index</b>	<b>99.5</b>	<b>99.7</b>	<b>92.9</b>	<b>93.2</b>	<b>94.9</b>
family finances vs a year ago	86.0	91.8	81.6	77.3	78.7
family finances next 12 months	100.6	102.8	79.0	82.9	93.1
economic conditions next 12 months	85.9	94.9	81.4	83.8	87.1
economic conditions next 5 years	89.9	86.1	95.6	93.4	89.8
time to buy major household item	134.9	123.1	127.1	128.4	125.8
time to buy a motor vehicle	140.7	134.5	136.7	137.4	136.0
time to buy a dwelling	120.7	115.9	108.8	121.2	111.2
<b>Westpac-MI Consumer Risk Aversion Index<sup>^^</sup></b>	<b>20.5</b>	-	-	<b>21.2</b>	-
<b>CSI<sup>‡</sup></b>	<b>100.2</b>	<b>99.2</b>	<b>91.7</b>	<b>91.9</b>	<b>94.1</b>
consumer mortgage rate expectations#	155.1	158.6	143.1	127.2	142.6
<b>Westpac-MI House Price Expectations Index#</b>	-	-	-	-	-
<b>Westpac-MI Unemployment Expectations</b>	<b>164.4</b>	<b>159.1</b>	<b>158.3</b>	<b>156.5</b>	<b>156.1</b>

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