The Red Book

August 2014

Westpac Economics with the Institutional Bank.

Westpac

Contents

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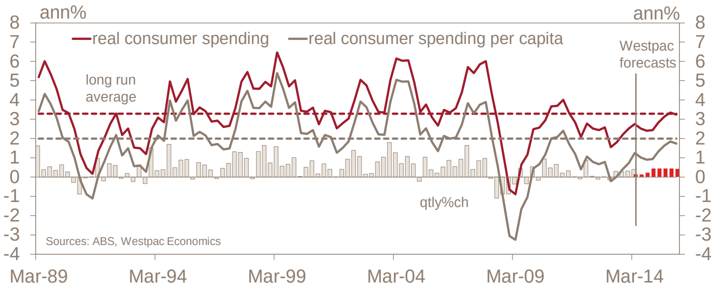
Executive summary

- The **Westpac–Melbourne Institute Index of Consumer Sentiment** rose 3.8% in Aug, the most convincing gain since the Budget-related fall in May. At 98.5, the Index is back near 'neutral' having reclaimed most of the post-Budget decline.
- Two main factors likely contributed to the rise this month: the abolition of the unpopular carbon tax, and Senate resistance to many of the unpopular measures in the May Budget. Both positives could be undermined if the impact of the carbon tax removal falls short of consumers' expectations or we see renewed uncertainty around key policy changes.
- The improvement this month was led by reduced pessimism on family finances – the components hit hardest in the post-Budget fall. Consumers are also more positive on the near term economic outlook but downbeat on the 5yr economic outlook.
- Additional questions on mortgage rate expectations show a clear majority (63%) expect interest rates to be higher in 12mths time. That is similar to the last time we surveyed interest rate expectations in Feb, although the Aug survey found a clear outright consensus that the increase would be in the 0-1% range with few expecting rates to rise by more than 1%.
- **CSI**$^{\pm}$, our modified sentiment indicator that we favour as a guide to actual spending, posted a solid 3.7% gain in Aug and is now pointing to positive, albeit sluggish, growth in per capita spending of around 0-½%yr (1¾-2¼%yr once population growth is factored in).
- Recent retail sales and business survey data confirm a slowdown in demand in Q2 but a less abrupt one than the post-Budget fall in sentiment would normally indicate and with more recent signs of renewed momentum.
- The sub-index on 'time to buy a major item' rose 1.9% in Aug to be back in line with its long run average. Household goods retail sales point to a renewed pick up in durables spending after a flat Q2.
- Sentiment towards housing brightened. The index tracking views on 'time to buy a dwelling' surged 9.7% to be 12.1% above its post-Budget read. Buyer attitudes are still down on last year's highs but are now back near long run averages.
- The **Westpac Melbourne Institute House Price Expectations Index** continued to rally, rising a further 7.6% after Jul's 12.1% rebound. The mix is consistent with signs of renewed momentum in housing markets since Jun.
- Expectations for job prospects improved modestly. The **Westpac-Melbourne Institute Unemployment Expectations Index** fell 3% from 156.1 in Jul to 151.4 in Aug (recall that lower reads indicate fewer consumers expect unemployment to rise). The index is now 7.9% below its March peak but still high by historical standards. Notably, the decline came despite the surprising jump in the unemployment rate from 6% to 6.4% reported mid-way through the survey period.

Consumer spending: loss of momentum



After two disappointing reads in June and July, the **Westpac–Melbourne Institute Consumer Sentiment survey** showed a more convincing improvement in August. The headline Index has now reclaimed almost all of its post-Budget slump with the survey detail showing a better tone on housing and a tentative recovery in labour market expectations.

These gains came despite a surprise jump in the official unemployment rate from 6% to 6.4% reported mid-way through the survey week. They also came despite survey responses indicating that most consumers expect interest rates to move higher over the next 12mths.

The improved tone on sentiment comes as retail sales data and business surveys confirm that the recent slowdown in spending has not been as sharp as many feared and may already have passed.

Indeed, both the sentiment revival and the reads on real activity go a long way towards vindicating our view that the post-Budget fall in sentiment was an over-reaction that would not see an equally abrupt slowdown in spending.

But – and there are several 'buts' – the sentiment gain mostly represents a reduced negative risk to the consumer outlook rather than a return to the positive trajectory in place late last year. Australia's consumer recovery may not have blown off course but it's not yet clear that we're 'back on track'.

Headline consumer sentiment is 'neutral' rather than positive. The Index remains 10.8% below its post-election peak in Nov 2013.

And there are significant risks around some of the political factors at work. Much of the gain in Aug appears to be due to the carbon tax removal and expectations that Senate resistance will lead to compromises on many unpopular Budget measures. There are clear risks that expectations on both of these issues are not met.

A recovery in consumer momentum remains critical to the outlook for non-mining activity. On balance, prospects are still positive for an improvement in the second half of 2014 with particularly promising signs coming from recent business surveys. However, a further firming in sentiment in the months ahead is still required if spending is to regain traction.

The consumer mood: Budget blow heals

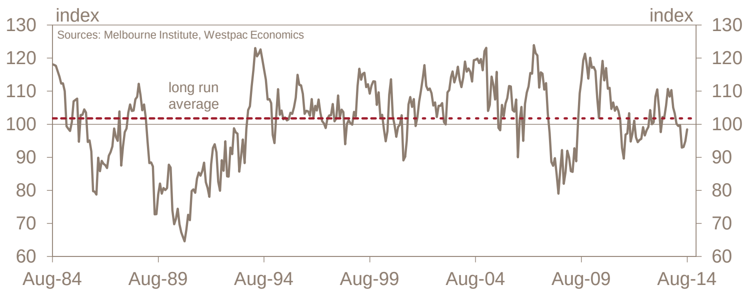
– The **Westpac Melbourne Institute Index of Consumer Sentiment** rose 3.8% from 94.9 in Jul to 98.5 in Aug, the most convincing gain since the Budget-related fall in May. The index is now only 1.2% below its Apr level, indicating that much of the damage to confidence from the Budget has been repaired.

– Despite the rise, the index is still 10.8% below Nov's post-election peak. The loss of confidence in late 2013/early 2014 mainly reflected waning enthusiasm associated with a new government, although renewed job loss fears, the RBA's move to a 'neutral' policy bias and softening domestic conditions (retail, housing) also played a part.

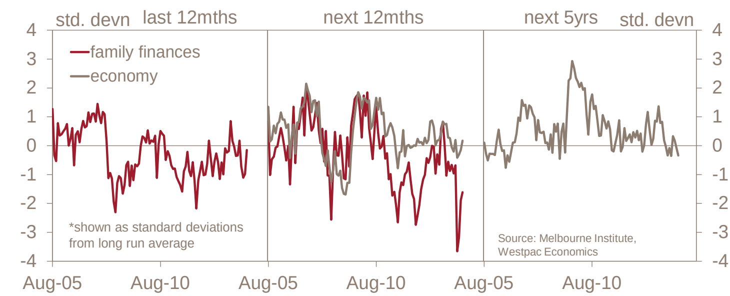
– Two factors are likely to have lifted sentiment in the Aug month: the abolition of the carbon tax and resistance in the Senate to many of the unpopular Budget measures (including the increase in fuel excise, introduction of a $7 Medicare co-payment for GP visits, changes to higher education funding and pensions).

– Both of these factors are somewhat dependent on outcomes in coming months, i.e. the extent to which the carbon tax removal reduces energy and other costs, and if/how the Senate standoff resolves when it reconvenes on Aug 26. Clearly a return to political disorder and indecision risks undermining the recent lift in confidence.

1. Consumer sentiment: back near pre-Budget levels

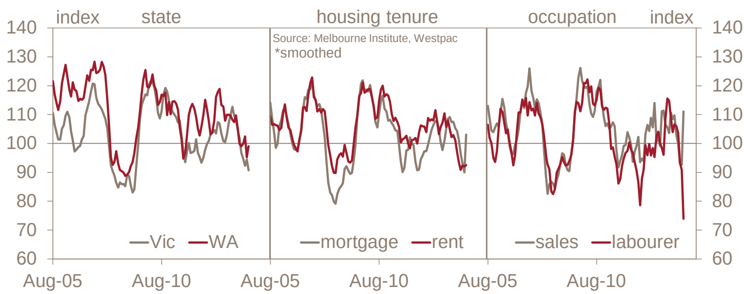


2. Consumer sentiment: components

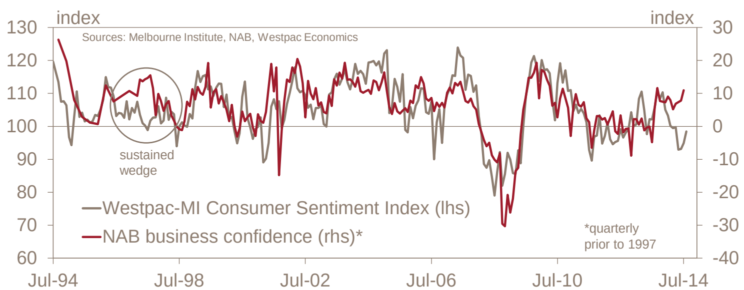


- While Budget issues still look to be central, there have been other influences on sentiment at the margin. While the RBA again left policy unchanged at its Aug meeting, some banks have lowered interest rates on new loans in recent months (sentiment amongst those with a mortgage jumped 12.8%). A surprise jump in the unemployment rate from 6.0% in Jun to 6.4% is also likely to have dampened spirits although the news came mid-way though the survey week.
- The detail shows the improvement has centred around views on 'family finances' (up 6.7% in Aug on a combined basis). These components showed the sharpest post-Budget slump.
- There was also an improvement in expectations for the economy although notably, the sub-index tracking expectations for 'economic conditions, next 5yrs' fell 3.9% taking it back to recent lows.
- Amongst the sub-group detail, consumers in Vic bucked the national trend, recording a sizeable 7.3% decline in sentiment. That contrasts with bigger gains in WA (+13%) and Qld (+8.6%). Those in sales-oriented occupations also showed a big rise (+18.6%), an intriguing result given recent retail sales and business surveys reads. Businesses continue also show a lift in confidence to outright 'optimistic' levels in contrast to 'neutral' consumer sentiment.

3. Consumer sentiment: selected groups



4. Consumer sentiment, business confidence



Sentiment indicators: spending

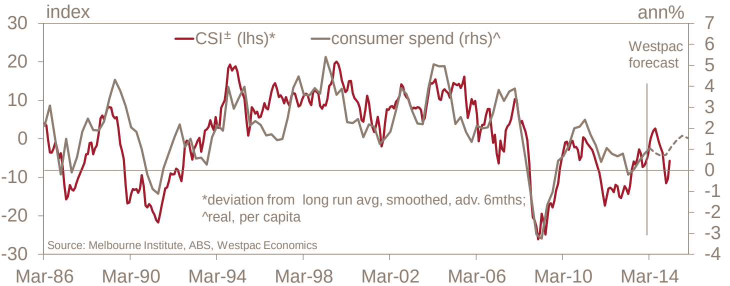
– **CSI±** is a composite index that combines the sub-indexes on 'family finances' and 'time to buy a major item' with the **Westpac Risk Aversion Index** which we find provides a good guide to actual spending. In Aug, **CSI±** rose 3.7%, directly in line with the headline move although at 97.6, the Index is somewhat further below its long run average of 103.4, pointing to improved but still sluggish growth in per capita consumer spending of 0-½%yr (1¾-2¼%yr once population growth is factored in).

– Note that the risk aversion component of **CSI±** is only updated quarterly with the next update due in Sep.

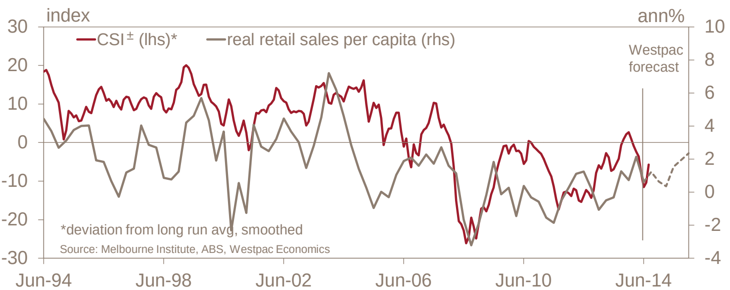
– Data over the last month has largely vindicated our call to discount recent weak sentiment reads. In previous **Red Book's** we argued that although a softening was likely it would not be as abrupt as the post-Budget drop in sentiment indicated with some of the fall likely to prove an over-reaction that would reverse in time. We also argued that weather effects had exaggerated recent weakness in retail sales.

– The latest sentiment reading reverses nearly all of the Budget-related sentiment decline. Meanwhile the latest data on retail sales and from private business surveys provides broad confirmation of our view.

5. CSI± vs total consumer spending

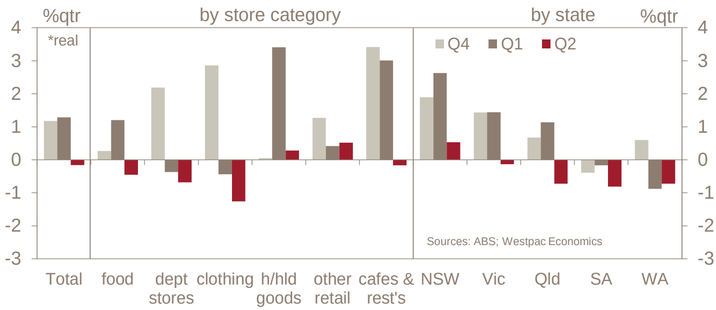


6. CSI± vs retail sales

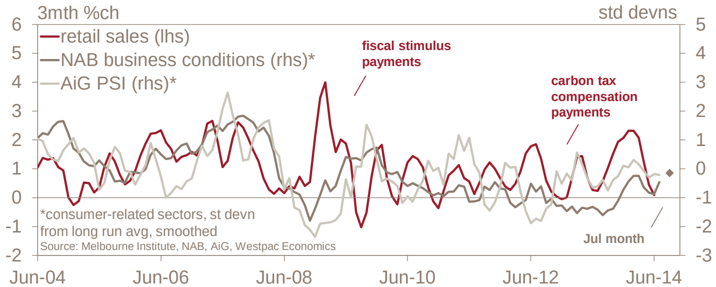


- Retail sales rose 0.6% in Jun with May's 0.5% fall pared back to a 0.3% decline. The category and state detail also provided some confirmation that the weak May was partly weather-related.
- Consumer demand has still clearly slowed – real retail sales declined 0.2% for Q2 as a whole – but the slowdown is looking more moderate (the consensus forecast was for a 0.5% contraction). Given the weather influence, the overall picture appears to be of demand stalling rather than swinging into outright contraction. Indeed some of the monthly component detail suggests there may already have been some improvement in Jun.
- Recent business surveys also point to some improvement. The NAB survey in particular recorded a significant improvement in conditions amongst retailers where readings have risen from around –10 in May-Jun to –2, i.e. just below 'neutral', in Jul.
- While this information has no net effect on Westpac's view – we still expect the Q2 national accounts to show weak growth in consumer spending – it does significantly reduce a near term downside risk. Rising vehicle sales and services spending are expected to offset the retail dip and we are more comfortable with our forecast 0.5% gain in total spending for Q2.

7. Quarterly retail sales by store-type and state



8. Retail sales vs reported business conditions



Special topic: interest rate expectations

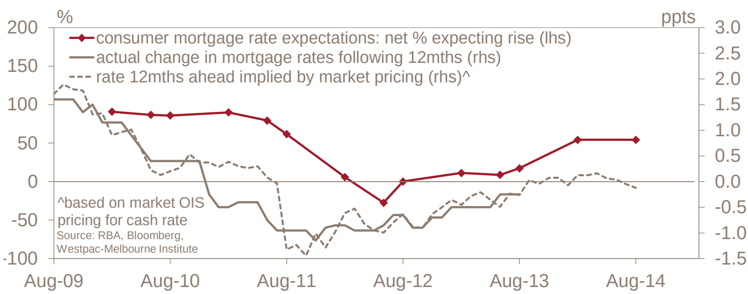
– The Aug survey included an extra question on expectations for mortgage rates over the next 12mths. The results show a clear majority of consumers expect rates to rise with a similar mix to that in Feb.

– Of those with a view: 63% expect rates to rise over the next 12mths; 28% expect no change; and 9% expect rates to decline. This is similar to the last time we surveyed interest rate expectations, in Feb, when the rise/flat/fall mix was 61/33/7. Both results are considerably more hawkish than a year ago when the RBA made its last rate cut and was maintaining an easing bias.

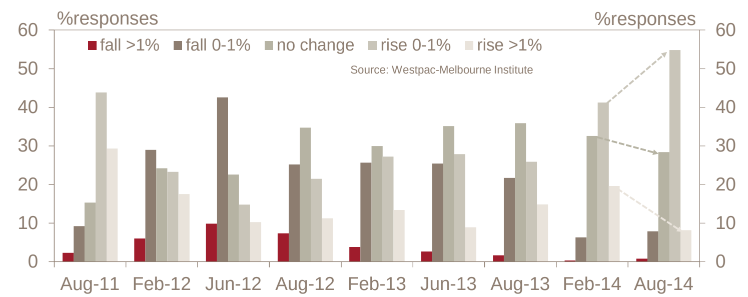
– The most significant shift between Feb and Aug was in the degree to which interest rates would rise. In Feb 20% of consumers expected rates to rise by more than 1ppt. That dropped to just 8% in Aug with 55%, an outright majority of consumers, expecting a more 'moderate' rise of 0-1% (vs 41% in Feb).

– This suggests the RBA's consistent message in recent meetings, that "the most prudent course is likely to be a period of stability in interest rates", may have toned down consumers' interest rate expectations, although taken literally, most do not expect this 'stable period' to extend for another 12mths.

9. Mortgage interest rates: actual vs expected



10. Consumers' expectations for mortgage rates next 12mths



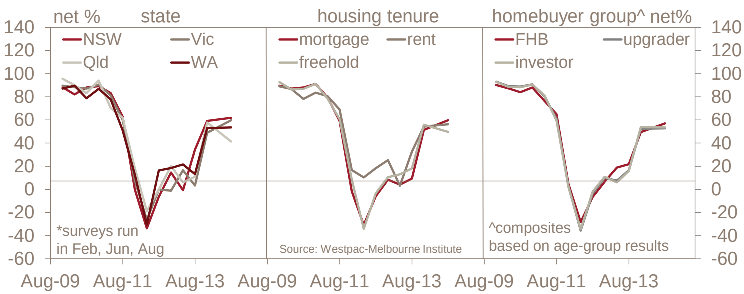
– The sub-group detail shows a remarkably uniform interest rate view. While there are a few more 'dovish' consumers in Qld and WA, every state shows a clear majority expecting rates to move higher. Those with a mortgage or renting were a touch more hawkish as were those in younger age groups but in most cases the differences were minor.

– Consumers' interest rate expectations are slightly more hawkish than Economists. A Bloomberg survey of 32 economists in the same week of the consumer survey found a rise/flat/fall mix of 59/41/0. The mix back in Feb was 50/35/15.

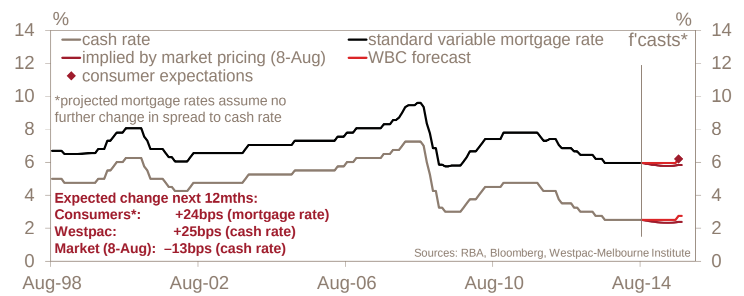
– Consumers' interest rate expectations are considerably more hawkish than financial markets. Rather than rate rises, market pricing in the survey week was for an official cash rate decline by this time next year. OIS pricing implies markets are giving a 50% chance of a 25bp rate cut by this time next year. That contrasts with Feb when the market was pricing a similar probability of a 25bp rate hike.

– Westpac's view is that the RBA will leave the cash rate unchanged in 2014 and the first half of 2015 with a tightening cycle beginning in the second half of the year with a 25bp rate rise in Q3.

11. Interest rate expectations: selected groups



12. Interest rate expectations



Sentiment indicators: durables, cars

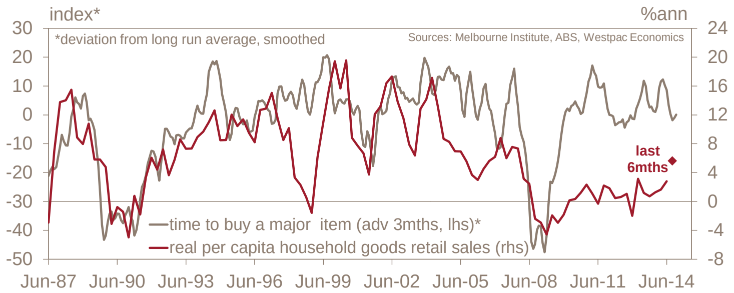
– The sub-index tracking consumer assessments of 'time to buy a major item' rose 1.9% in Aug, reversing a 2.1% decline in Jul. At 128.2, the index is in line with its long run average.

– The Jun retail report was a mixed bag for durables. On the plus side, monthly sales posted a solid 1.7%mth rebound in household goods retail, reversing what had been a worrying confidence-related softening in Apr-May. The wash-up for the Q3 as a whole was less positive with volumes up just 0.3%, a meek follow-up to Q1's 3.4% jump. Sales are starting to reconnect with 'time to buy' with sustained weakness since 2008 suggesting some 'pent-up' demand.

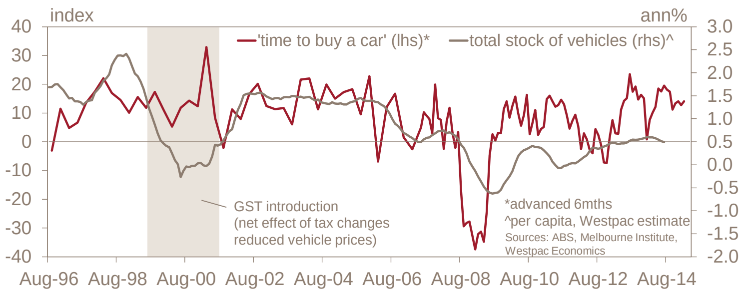
– The sub-index tracking views on 'time to buy a car' was discontinued in Jan. Historically this measure has been closely correlated with the 'time to buy a major item' index which we now use to generate estimates on a comparable basis. For Aug, this shows a slight 1% rise with the Index well above its long run average.

– As with durables, there is also some evidence of pent-up demand for vehicles. Latest ABS data on the total number of passenger vehicles on the road (including SUVs) shows growth in per capita terms has been persistently below its long run trend of 0.5%yr over the last 7yrs, with the average age creeping up as a result.

13. 'Time to buy a major item' vs household goods retail



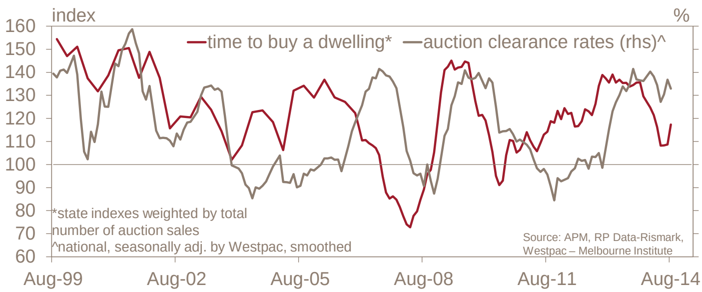
14. 'Time to buy a car' vs stock of vehicles



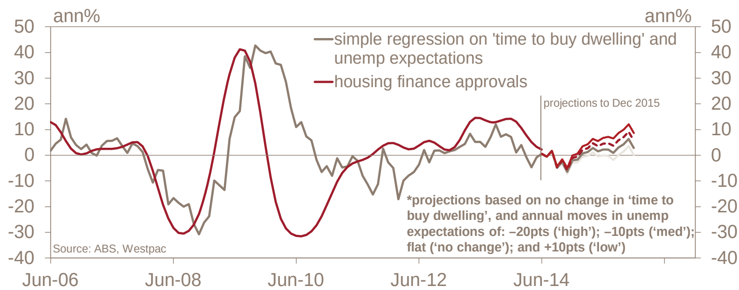
Sentiment indicators: housing

- Consumer views on housing are showing signs of stabilising. The sub-index tracking views on 'time to buy a dwelling' surged 9.7% in Aug. The index is still well off its highs in 2013 but at 122 is notably firmer than readings over the last 5mths and back near the index's long run average.
- To some extent this likely reflects an improvement in market conditions. After a noticeable cooling-off in Apr-May, auction clearance rates have picked up again to be back over 65% nationally. House price growth has also regained some of the momentum lost earlier in the year.
- Finance approvals are still showing a clear 'topping out'. Our model based on 'time to buy a dwelling' and 'unemployment expectations' points to a moderate weakening through H2.
- The model can be used to generate projections into 2015. If we assume 'time to buy' holds near current average levels (an admittedly debateable assumption), we can run four scenarios based on unemployment expectations: returning to long run average ('high'); improving more gradually ('med'); unchanged ('no change'); and returning to the peak earlier this year ('low'). In order, the resulting 2015 growth rates for these scenarios are: 8.7%, 5.7%, 2.8% and 0.1%.

15. 'Time to buy a dwelling' vs auction clearance rates



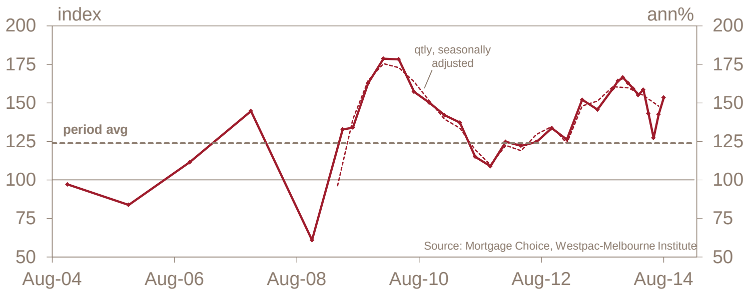
16. Model of housing finance approvals: scenarios



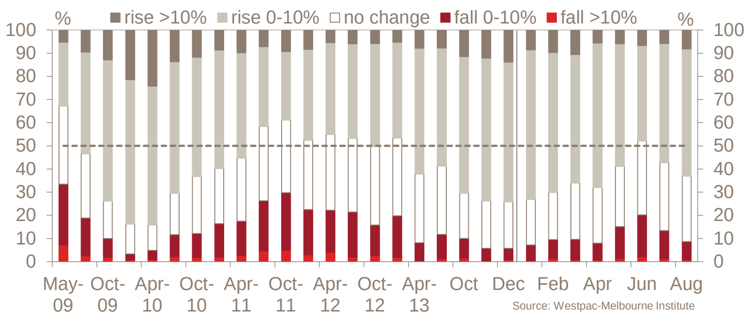
Sentiment indicators: house prices

- The **Westpac-Melbourne Institute Consumer House Price Expectations Index** has also shown a strong rally in recent months, with a 7.6% gain in Aug building on a 12.1% rebound in Jul. The index is now 20.6% above its May low. and, at 153.4, well above its long run average of 124. Note that this average allows for changes in the frequency of observations, from annual in 2004-08 to quarterly in 2009-13 and monthly since Oct last year.
- After an uncertain mix in Jun, we are back to a clear majority expecting prices to rise with 55% expecting annual gains to be in the 0-10% range. Only 6% expect 10%+ gains and 9% expect falls.
- We are gradually gaining a better understanding of how consumers form their expectations for house prices. We have already observed a clear link to current price momentum. With 5½yrs of 'quarterly' observations (i.e. Jan, Apr, Jul and Oct) we can also make some tentative comments around seasonality.
- Housing markets display clear seasonal patterns in activity and prices. Initial analysis suggests there may also be a regular seasonal variation in price expectations: worth +2-3pts in Jan, +3-4pts in Apr, -4-6pts in Jul and –½-2pts in Oct. We warn that these are only rough estimates –it will take several more years to get a firmer fix.

17. Westpac-MI House Price Expectations Index



18. House price expectations: next 12mths



Sentiment indicators: risk aversion

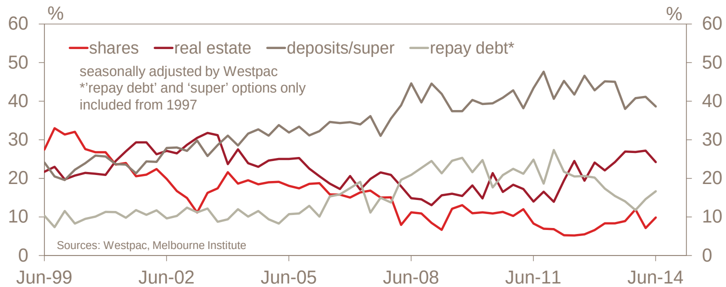
– The 'wisest place for savings' questions used to construct the **Westpac Consumer Risk Aversion Index** were not included in the Aug survey but will be in Sep. The Jun update showed little change between Mar and Jun with a very slight tilt towards risk aversion following a bigger rise in Mar. Attitudes are still much more relaxed than in early 2013.

– The main driver of the decline in the **Risk Aversion Index** has been a rise in the proportion nominating real estate as the 'wisest place for savings', from a low of 13.1% during the GFC to 24.2% in Jun. That has been followed by a clear pick-up in investor housing activity.

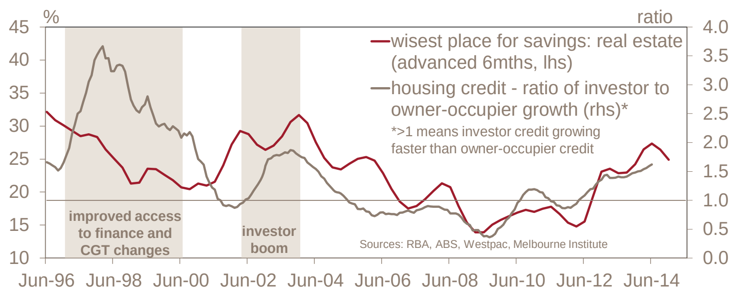
– That said, the shift is more apparent in the changing mix of households' exposure to housing than the absolute growth rates in investor housing credit. The latter is running at 8.7%yr, a stronger but still below average pace for this segment (annual growth never fell below 10% in the 15yrs prior to the GFC).

– Clearly there is an over-arching leverage constraint at work. That constraint is affecting both owner-occupier and investor credit growth. As such, growth at relativities give a better idea of the shift: investor credit is growing 1.6x the pace of owner-occupier credit. The sentiment results suggests this could rise to 1.7x.

19. Consumers: 'wisest place for savings'



20. Wisest place for savings: % nominating real estate



Sentiment indicators: job security

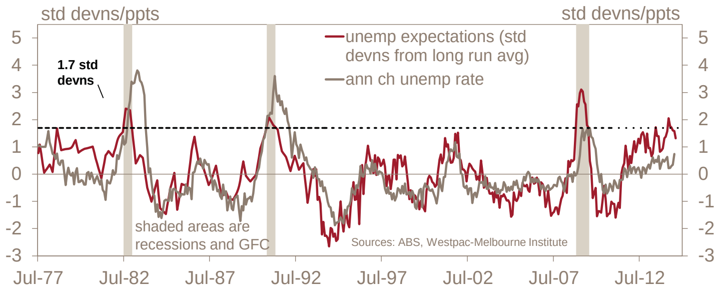
– The **Westpac-Melbourne Institute Unemployment Expectations Index** fell from 156.1 to 151.4 (down 3%). Recall that lower reads indicate reduced concern around the labour market. The index is now 7.9% below its recent peak back in Mar.

– This firming came despite official ABS data showing a sharp increase in the unemployment rate, from 6% in Jun to 6.4% in Jul. That information was mid-way through the survey week on Aug 7. Daily responses point to some impact with those on Aug 4-6 having an Index reading of 147.7 (–5.4% vs Jul) and those on Aug 7-9 showing a reading of 152.4 (–2.4% vs Jul).

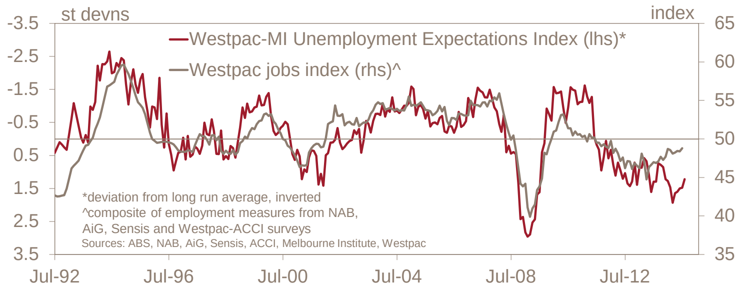
– We will have to await the next survey to get a 'clean' read on the impact of this unexpectedly sharp rise in the unemployment rate. However, the initial signs suggest the downtrend in unemployment expectations was maintained despite the bad news.

– The overall reading suggests households believe we have passed the worst for the labour market but that conditions are still not particularly robust (the Vic reading is a notable exception to this narrative). Similar improvements in 2012 and 2013 were not sustained. However, this time around business surveys are also suggesting a more substantive improvement.

21. Unemployment expectations vs actual change



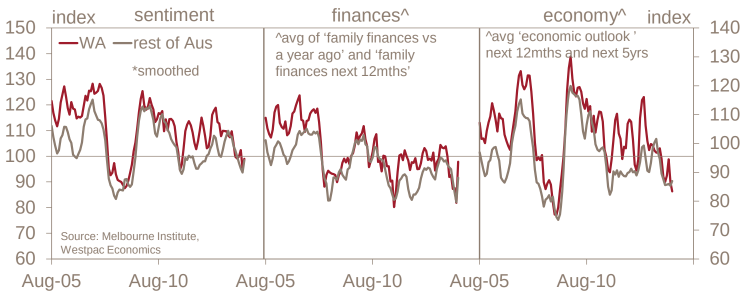
22. Unemployment expectations vs Westpac jobs index



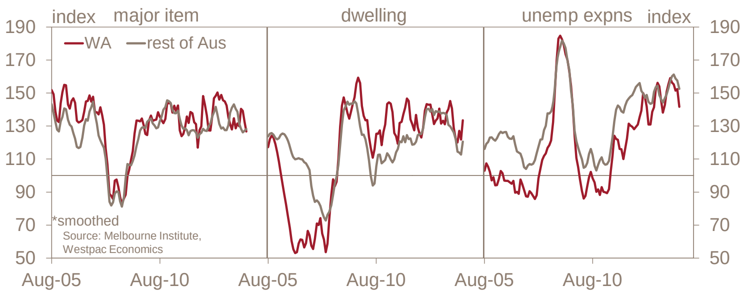
State snapshot: Western Australia

- The last time we profiled Western Australia in our state snapshot, back in Dec, consumer sentiment was stabilising after coming sharply early in 2013 as a round of austerity swept through the state's critical mining sector. Consumer assessments of family finances had posted a solid rally and unemployment expectations had improved after a difficult year.
- Eight months on, the state has followed a similar path to the rest of the nation with sentiment at 'neutral' after a loss of confidence early in the year and a temporary fall into negative post Budget. WA consumers are more upbeat on their finances but warier about the economic outlook.
- WA consumers' more downbeat view on the economic outlook undoubtedly reflects the state's exposure to mining with falling commodity prices weighing on incomes in the sector and a multi- year investment downturn still to play out.
- Despite this, both housing and labour market assessments are better in the west than across the rest of the nation. WA consumers are good 10-13pts more positive on 'time to buy a dwelling' and 7-11pts less negative on the outlook for unemployment – in both cases despite a decidedly mixed performance over the last 6mths.

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



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



Westpac household barometer

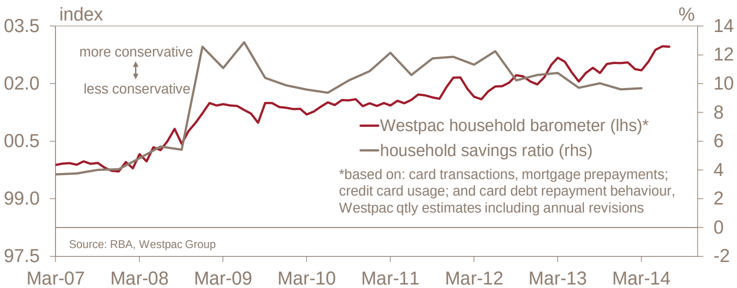
– The **Westpac Household Barometer** combines system-wide data on credit and debit card transactions from the RBA with data on mortgage and credit card payments by Westpac customers to generate a broad gauge of consumer financial behaviour. Higher readings correspond to more defensive/conservative behaviour and vice versa.

– The **Barometer** has stabilised in recent months after a clear shift towards more conservative financial behaviour in Q2. It was essentially flat in Jul but rose 0.5% in the three months to May. (note that all component data is seasonally adjusted).

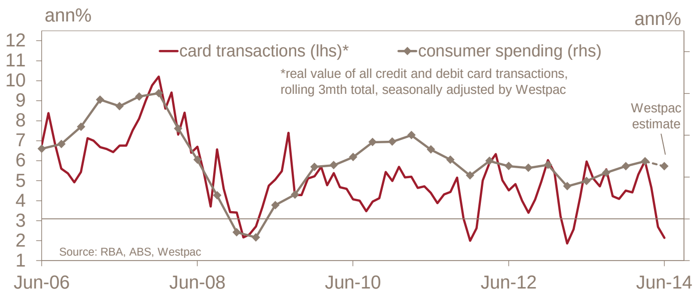
– A sharp slowdown in card usage was a clear factor in Q2. Annual growth in the real value of credit and debt card transactions fell abruptly, from 6% in Mar to 2.2% in Jun. That is a similar pace to the slowdowns in Q1 2013 and Q4 2011. It is well below the 6% average over the last decade and the 4.5% average over the last 5yrs.

– Although not a reliable enough indicator of total consumer spending, the slowdown in card transactions is consistent with a slowdown in demand. The previous troughs in card transactions coincided with spending growth of 0.3%qtr, 1.6%yr (2013) and 0.3%qtr, 2.1%yr (2011). We expect Q2 to show 0.5%qtr, 2.8%yr.

25. Westpac household barometer



26. Card transactions vs real spending growth



Economic and financial forecasts

Interest rate forecasts

	Latest (15 Aug)	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15
Cash	2.50	2.50	2.50	2.50	2.50	2.75	3.00
90 Day Bill	2.64	2.60	2.55	2.55	2.65	3.00	3.25
3 Year Swap	2.81	3.00	3.00	3.20	3.80	4.30	4.80
10 Year Bond	3.38	3.60	3.70	3.80	4.20	4.50	4.70
10 Year Spread to US (bps)	97	100	100	110	140	130	150
International							
Fed Funds	0.125	0.125	0.125	0.125	0.125	0.250	0.500
US 10 Year Bond	2.41	2.60	2.70	2.70	2.80	3.20	3.20
US Fed balance sheet USDtrn	4.48	4.54	4.55	4.55	4.55	4.55	4.55
ECB Repo Rate	0.15	0.15	0.15	0.15	0.15	0.15	0.15

Exchange rate forecasts

	Latest (15 Aug)	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15
AUD/USD	0.9320	0.91	0.90	0.90	0.92	0.93	0.94
NZD/USD	0.8480	0.83	0.83	0.84	0.84	0.84	0.84
USD/JPY	102.50	101	100	101	102	103	104
EUR/USD	1.3360	1.33	1.31	1.31	1.32	1.33	1.34
AUD/NZD	1.0980	1.10	1.08	1.07	1.10	1.11	1.12

Sources: Bloomberg, Westpac Economics.

Economic and financial forecasts

Australian economic growth forecasts

	2013	2014				2015	
	Q4	Q1	Q2	Q3f	Q4f	Q1f	Q2f
GDP % qtr	0.8	1.1	0.6(f)	0.6	0.8	0.9	0.8
Annual change	2.7	3.5	3.2(f)	3.1	3.1	2.9	3.1
Unemployment rate %	5.8	6.0	5.9	6.3	6.4	6.5	6.4
CPI % qtr	0.8	0.6	0.5	0.7	0.5	0.6	0.6
Annual change	2.7	2.9	3.0	2.6	2.3	2.3	2.4
CPI underlying % qtr	0.8	0.6	0.7	0.6	0.8	0.7	0.7
ann change	2.6	2.7	2.8	2.6	2.6	2.7	2.8

	Calendar years			
	2012	2013	2014f	2015f
GDP % ann change	3.6	2.4	3.2	3.0
Unemployment rate %	5.3	5.8	6.4	6.1
CPI % ann change	2.2	2.7	2.3	2.8
CPI underlying % ann change	2.4	2.6	2.6	2.9

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

	2013		2014				2015	
% change	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	1.1	1.3	1.7	1.9
Real disposable income, ann chg**	1.8	1.3	1.4	2.3	1.8	2.0	2.0	2.1
Household savings ratio	10.0	9.6	9.7	9.7	9.7	9.4	9.1	9.0
Real retail sales, ann chg	3.0	2.5	3.8	2.3	2.9	2.3	2.1	3.2
Motor vehicle sales ('000s)***	900.6	903.6	882.4	886.4	904.1	922.2	926.8	936.1
annual chg	2.0	–0.6	–1.5	–2.1	0.4	2.1	5.0	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	0.8	2.2
Real disposable income, ann chg**	1.8	0.7	1.9	2.1
Household savings ratio, %	11.1	10.0	9.6	8.9
Real retail sales, ann chg	3.2	2.7	3.2	3.3
Motor vehicle sales ('000s)	881.3	901.2	895.0	880.0
annual chg	9.4	2.3	–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^	Nov	Dec	Jan	Feb	Mar
Westpac–MI Consumer Sentiment Index	**101.7**	**110.3**	**105.0**	**103.3**	**100.2**	**99.5**
family finances vs a year ago	89.8	99.4	91.6	89.4	85.7	86.0
family finances next 12 months	108.3	99.9	103.8	101.2	102.9	100.6
economic conditions next 12 months	90.5	107.3	96.7	96.3	89.4	85.9
economic conditions next 5 years	91.0	102.4	93.5	90.5	86.3	89.9
time to buy major household item	128.1	142.8	139.5	139.0	136.3	134.9
time to buy a motor vehicle	123.3	141.8	140.8	142.8	141.4	140.7
time to buy a dwelling	123.3	135.5	129.8	129.4	129.3	120.7
Westpac–MI Consumer Risk Aversion Index^^	**11.7**	**–**	**13.8**	**–**	**–**	**20.5**
CSI±	**103.3**	**106.8**	**105.3**	**103.4**	**101.7**	**100.2**
Westpac–MI House Price Expectations Index#	**143.9**	**164.2**	**166.5**	**162.8**	**159.3**	**155.1**
consumer mortgage rate expectations#	43.4	–	–	–	54.2	–
Westpac–MI Unemployment Expectations	**128.6**	**144.7**	**151.4**	**152.4**	**155.9**	**164.4**

	2014				
continued	Apr	May	Jun	Jul	Aug
Westpac–MI Consumer Sentiment Index	**99.7**	**92.9**	**93.2**	**94.9**	**98.5**
family finances vs a year ago	91.8	81.6	77.3	78.7	88.1
family finances next 12 months	102.8	79.0	82.9	93.1	95.3
economic conditions next 12 months	94.9	81.4	83.8	87.1	94.4
economic conditions next 5 years	86.1	95.6	93.4	89.8	86.4
time to buy major household item	123.1	127.1	128.4	125.8	128.2
time to buy a motor vehicle	134.5	136.7	137.4	136.0	137.4
time to buy a dwelling	115.9	108.8	121.2	111.2	122.0
Westpac–MI Consumer Risk Aversion Index^^	**–**	**–**	**21.2**	**–**	**–**
CSI±	**99.2**	**91.7**	**91.9**	**94.1**	**97.6**
Westpac–MI House Price Expectations Index#	**158.6**	**143.1**	**127.2**	**142.6**	**153.4**
consumer mortgage rate expectations#	–	–	–	–	54.3
Westpac–MI Unemployment Expectations	**159.1**	**158.3**	**156.5**	**156.1**	**151.4**

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