

Data for December 2023

ANZ NZ Merchant and Card Spending Chartpack

Sharon Zollner
Chief Economist, New Zealand

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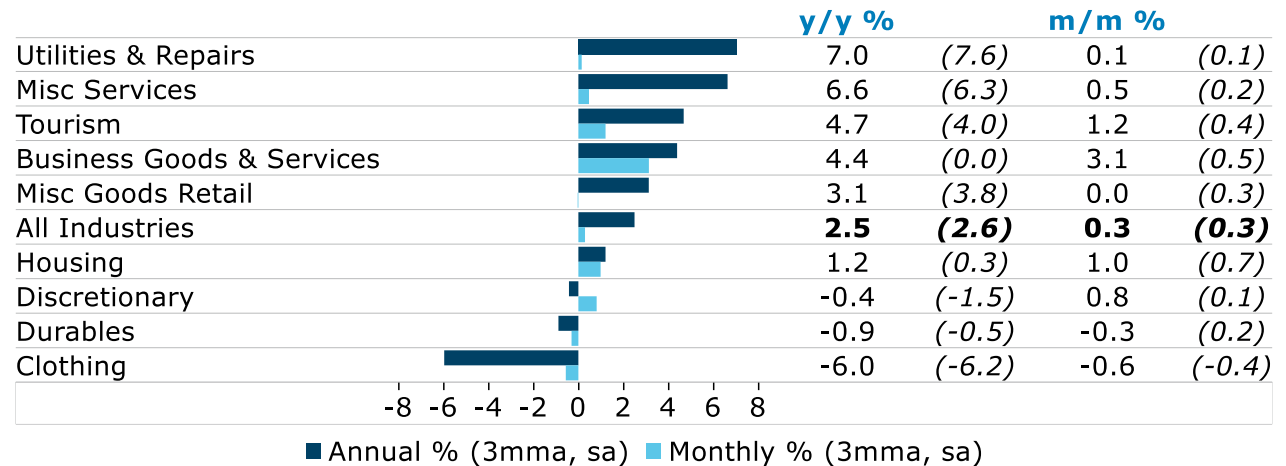
Notes

- Prior to the October 2023 release, this data was based on ANZ-issued card spending plus money spent at ANZ merchants. From that release onwards, we have changed to ANZ-issued card spend only as the default, as it is less prone to level shifts.
- However, where necessary, for either confidentiality reasons or where it appears to better capture the dynamics of actual spend, we also include spend from the merchants who bank with ANZ (eg this captures spending on foreign cards, which is important for capturing spending dynamics in categories like accommodation).
- Spending is nominal, meaning observed moves are a mix of price and volume changes. More volatile prices will result in more volatile spending, all else equal (eg fuel, fresh food).
- Categories where individual merchants or customers might be identifiable have been aggregated or omitted.
- Many data series are volatile month-to-month at this very disaggregated level. We therefore present the data in rolling 3-month average terms to make trends clearer. The data is also seasonally adjusted where the diagnostics support this (the majority of series).
- The data may be revised each month depending on the source data, which is regularly updated, and seasonal adjustment.



Overall categories

- Annual growth in most categories of spending was a mix of ups and downs in December. Annual growth in total spend eased from 2.6% to 2.5%. Recent momentum as measured by the change in the 3-month average was generally a little stronger.
- Spending on durables and clothing remains particularly weak, while spending on utilities and miscellaneous spending is growing faster than other types of spending. Note, however, that price growth (inflation) also affects nominal spending.
- Tourism-related spending is a relative bright spot.

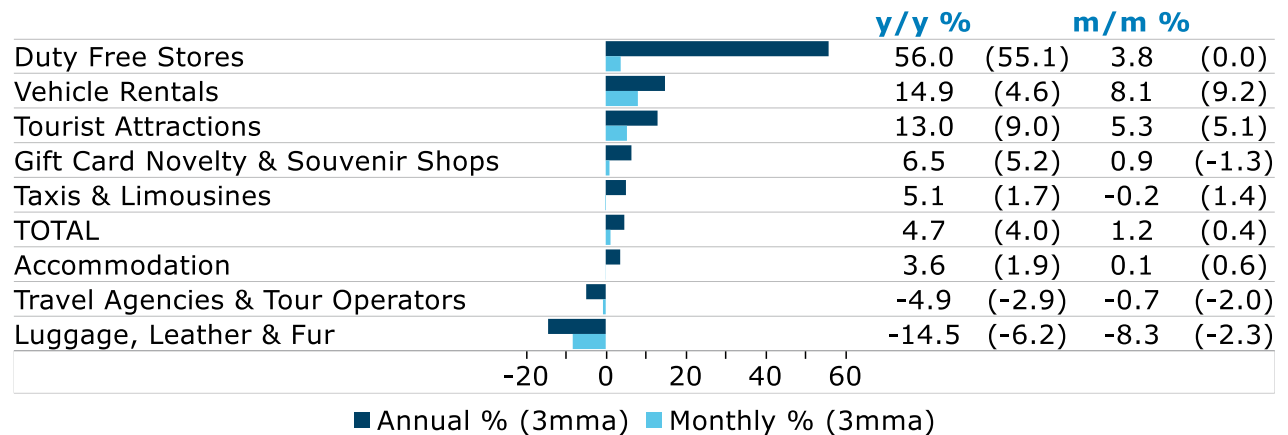


Source: ANZ Research. Previous month's data in parentheses.



Tourism-related spending

- Spending this December on car rentals was considerably stronger than last December, seeing the annual growth rate of the 3-month average lift to nearly 15%. There was also double-digit growth at tourist attractions.
- Spending at travel agencies and tour operators continues to fall – spending here will also reflect demand for outbound travel.



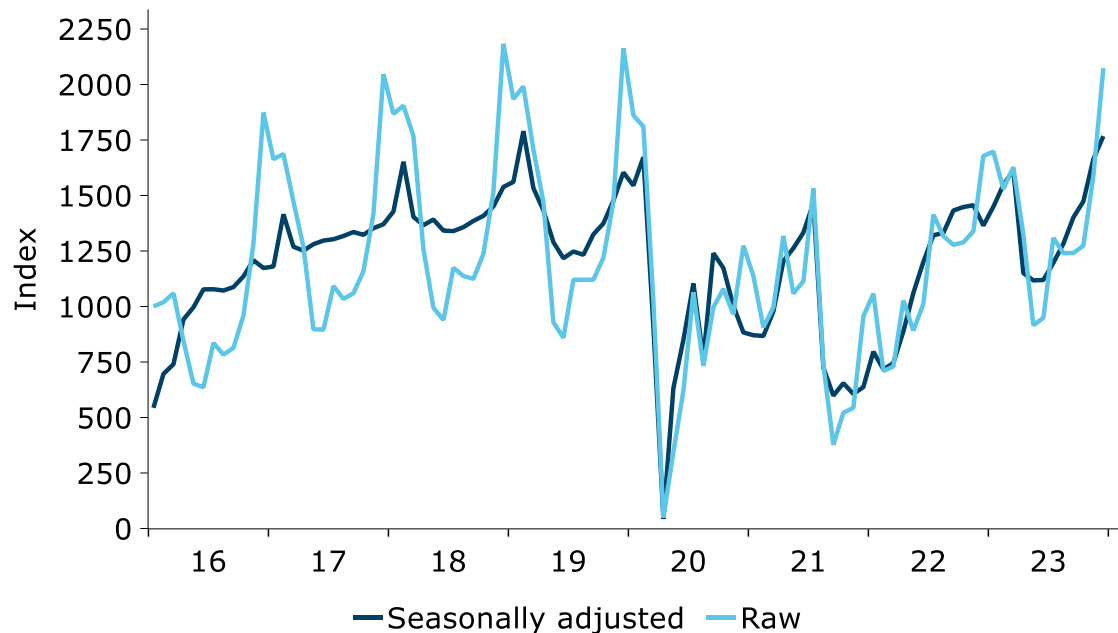
Source: ANZ Research. Previous month's data in parentheses.



Driven higher

- Spending at rental car operators is almost back to previous highs in nominal terms, though given there has been inflation since 2019, volumes still have a way to go to make a full recovery.

Car rental spending

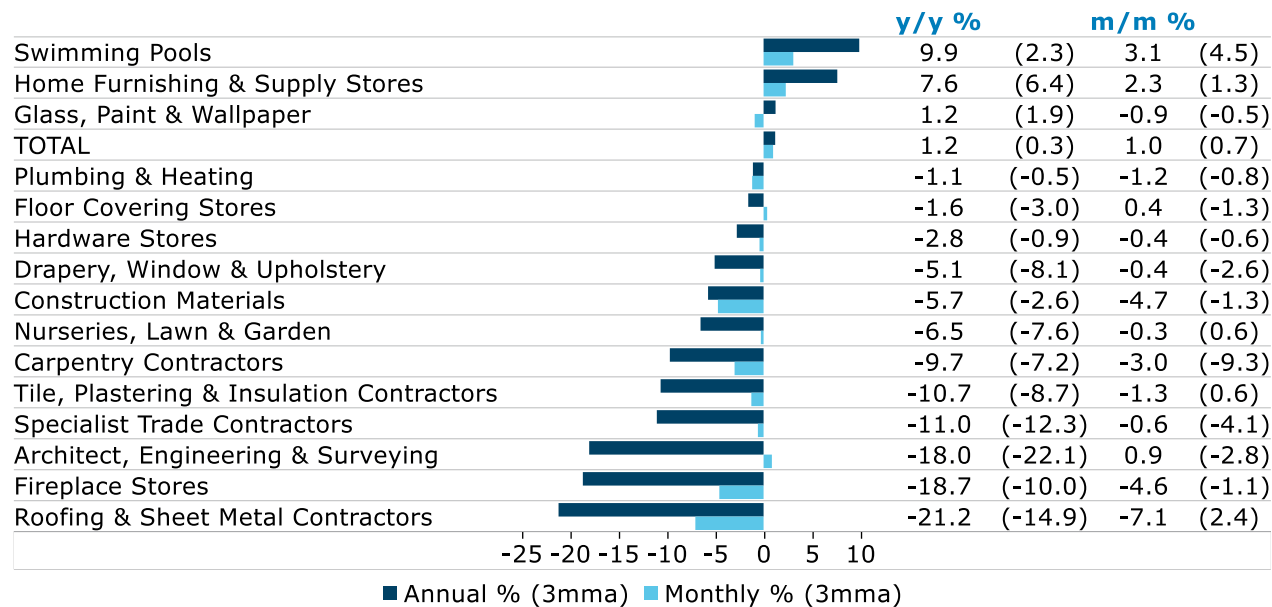


Source: ANZ Research



Housing-related spending

- The housing category still contains many components that are well down year-on-year, though the average is just in the black.
- While spending on products for floors, walls and windows remains weak, there was a tick higher in sales at home furnishing and supply stores.
- The architectural pipeline remains well down on a year ago, though it's lifted slightly recently.



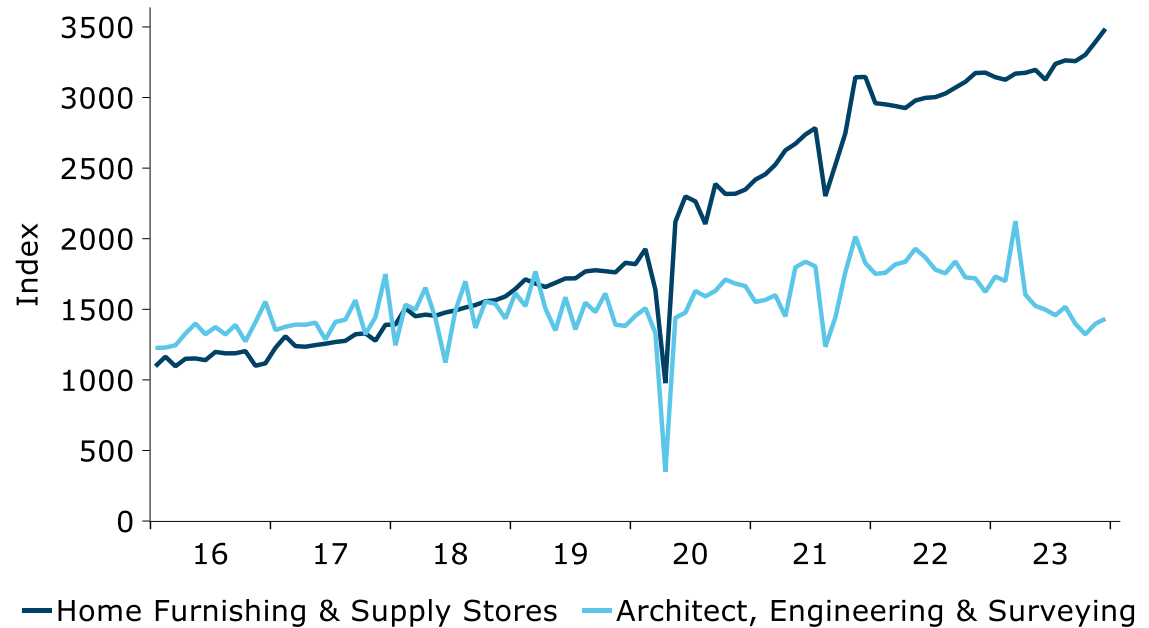
Source: ANZ Research. Previous month's data in parentheses.



Spruce it up with a few new cushions

- Appetite for a new build or major renovations remains muted, but spending on home furnishings rose last month.

Architectural services vs. home furnishings

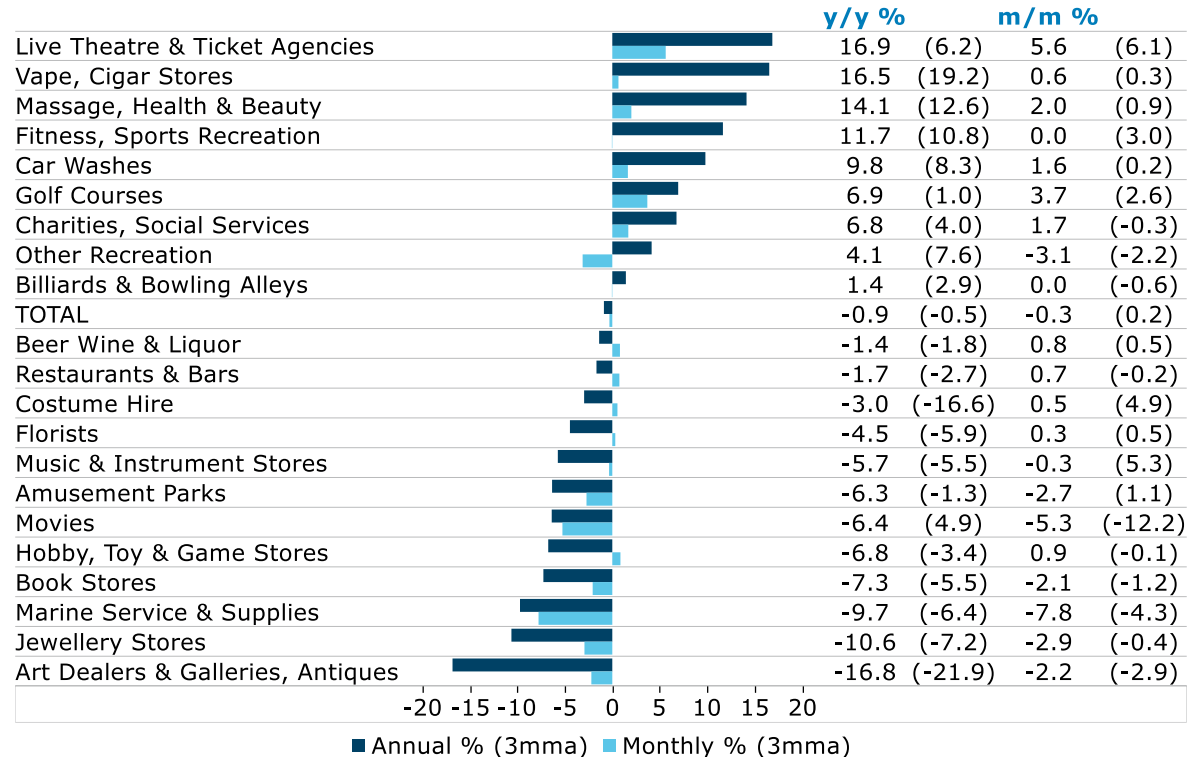


Source: ANZ Research



Discretionary

- There's a mixed picture in annual growth across a range of spending categories that could reasonably be considered as "discretionary".
- The post-COVID recovery in live events continues, with quite a jump in ticket sales of late. Vape sales growth remains strong. At the other end of the scale, jewellery and art/antique sales remain weak.



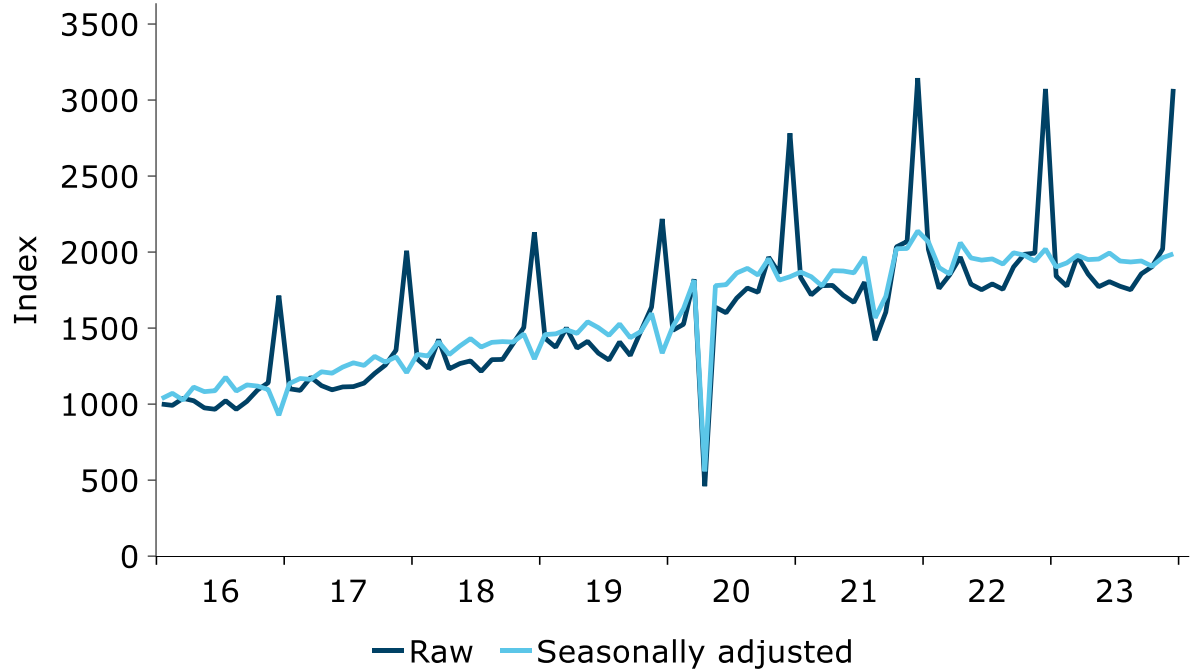
Source: ANZ Research. Previous month's data in parentheses.



'Merry' Christmas

- Alcohol sales reliably see a big spike in December, and 2023 was no different.
- In seasonally adjusted terms, after strong growth during the COVID era, spending in this category has been flat in the last couple of years.

Spending at beer, wine and liquor outlets

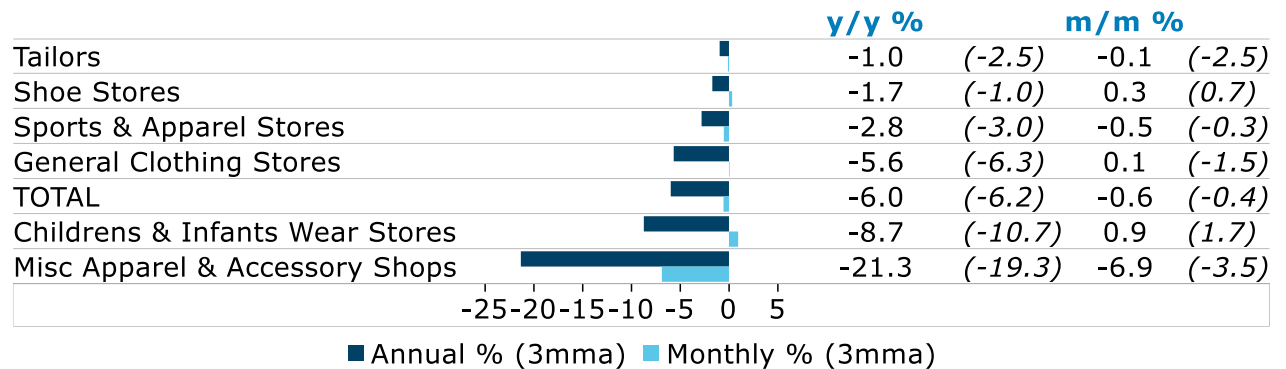


Source: ANZ Research



Clothing

- Clothing retail continues to paint one of the grimmest pictures across the card spend data set, with spending lower than a year ago across the range of store types.
- However, the monthly moves were a mix of rises and falls, and the annual declines are generally reducing.



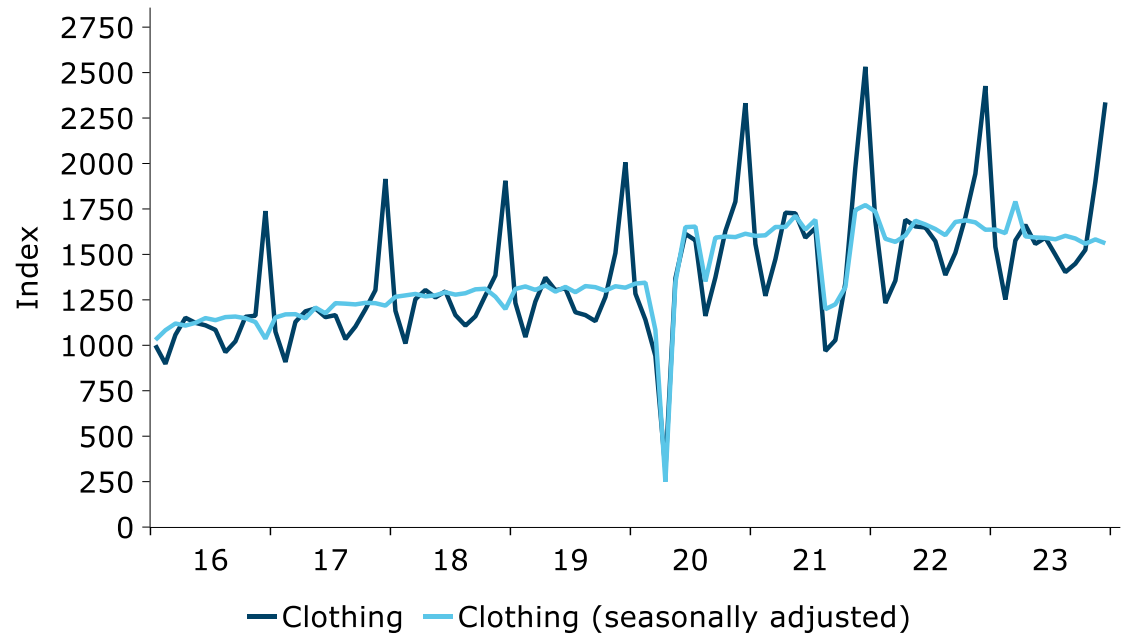
Source: ANZ Research. Previous month's data in parentheses.



Well-dressed Santa

- While we did see the usual Christmas spike in 2023, spending was around 6% lower than in the final three months of the preceding year.

Clothing spending

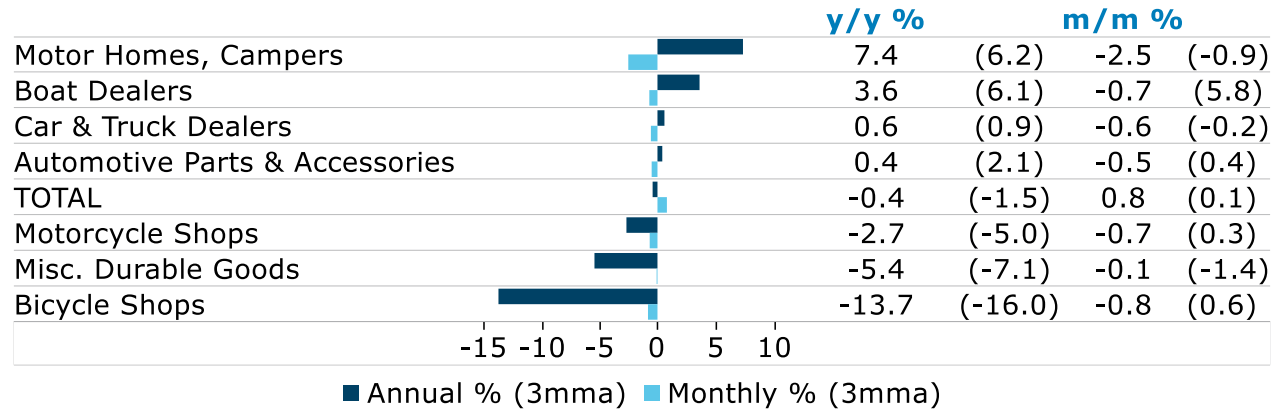


Source: ANZ Research



Durables

- Durables spending shows a mixed picture.
- Spending at some specialist vehicle retailers (motor homes, boats) is growing more quickly than at general cars and truck retailers.
- Bicycle sales remain particularly weak, though spending appears to have bottomed out.



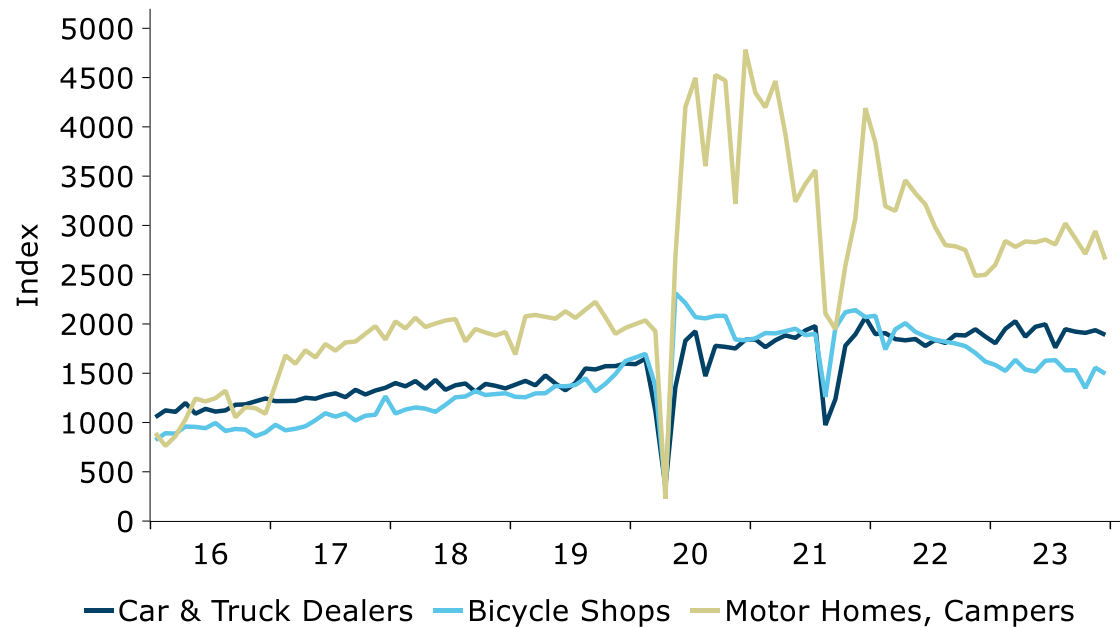
Source: ANZ Research. Previous month's data in parentheses.



Four wheels good, two wheels bad

- Turnover at bicycle retailers may have found a floor but remains weak.
- The COVID-era boom in motorhome sales has passed, but spending remains well above pre-COVID levels.
- Card spending at other vehicle dealers is relatively flat, consistent with weak new car registrations.

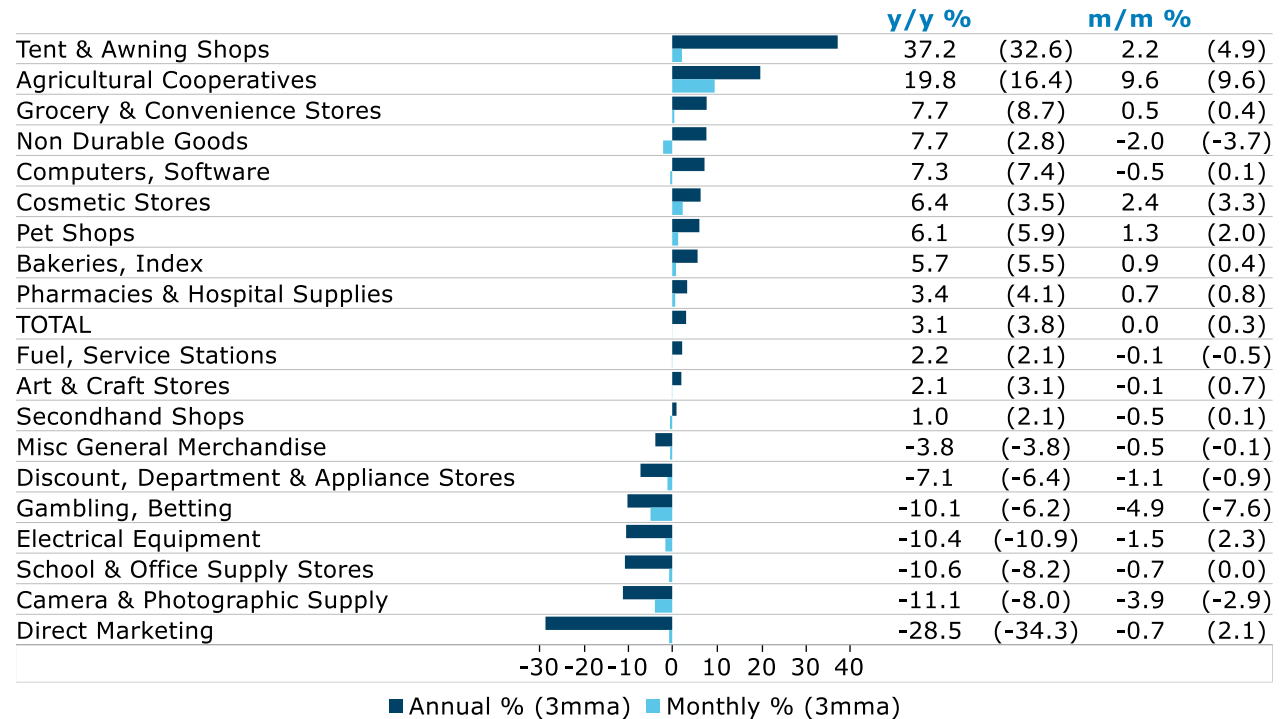
Spending at vehicle retailers



Source: ANZ Research

Miscellaneous goods retail

- Goods retail was a mixed bag last month.
- Strong tent sales could be El Niño optimism, or might be related to the comeback of music festivals.



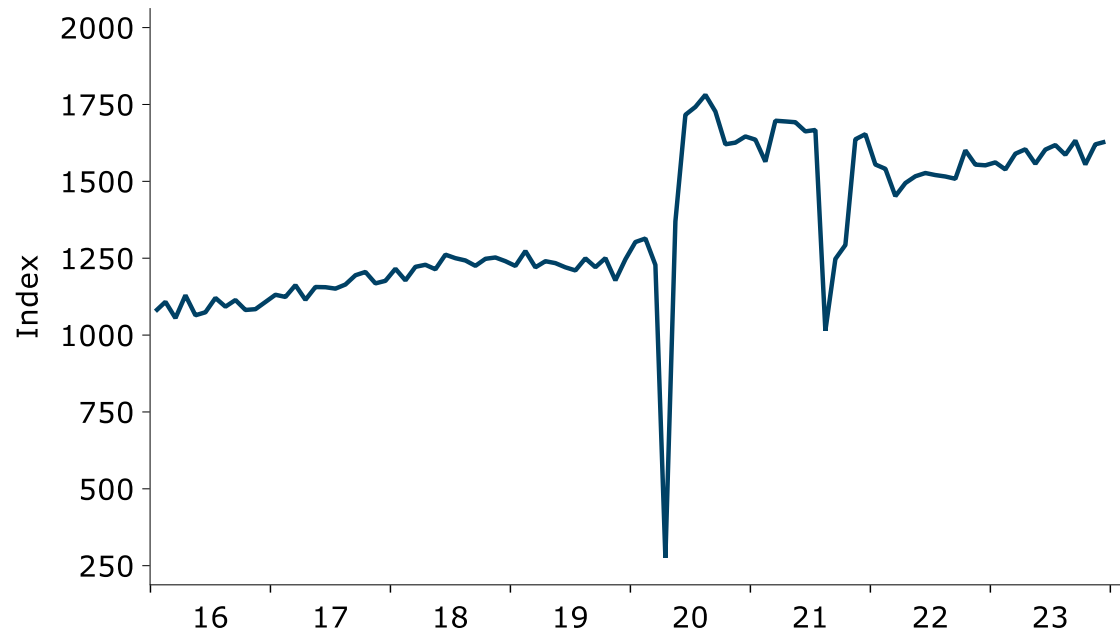
Source: ANZ Research. Previous month's data in parentheses.



Not so crafty anymore

- The COVID knitting boom has been consigned to the history books.

Artist supplies and craft stores

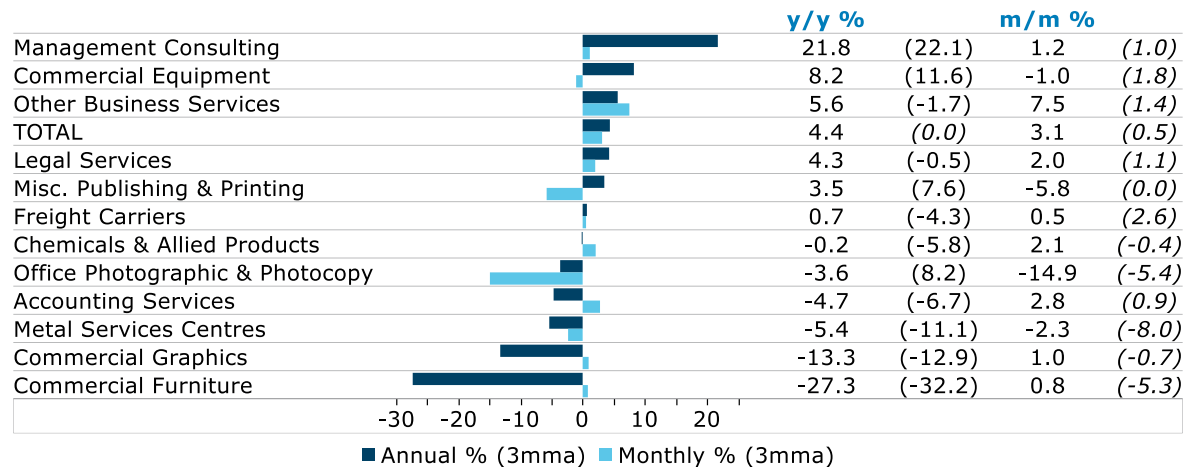


Source: ANZ Research



Business goods & services

- Spending on goods and services that are predominantly for business purposes has been mixed in recent months.
- Consulting spending is strong, along with commercial equipment. The recent increase in other business services has been driven by innovation in events payments.
- The weakness in commercial furniture spend is consistent with cautious business investment. Weakness in commercial graphics spend may reflect the availability of cheap/free AI-generated graphics.



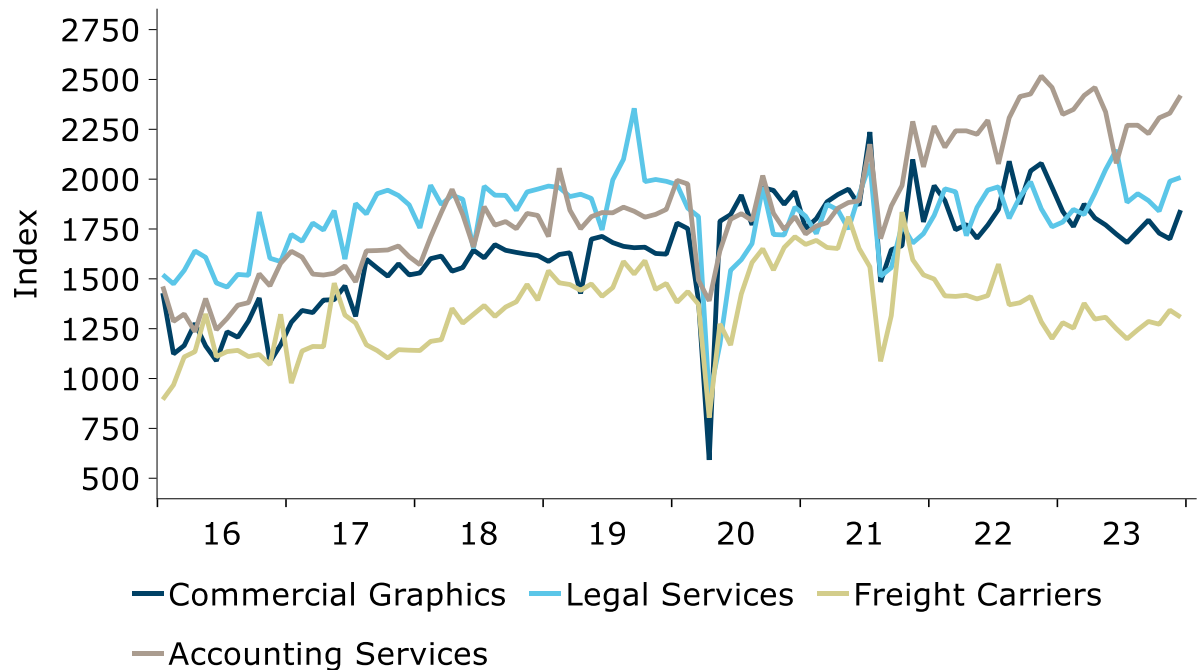
Source: ANZ Research. Previous month's data in parentheses.



At your service

- Spending on accounting services is high, spending on legal services is steady, spending on graphics is lower than a year ago, and spending on freight carriers has been weak over the last couple of years.

Miscellaneous business services spending

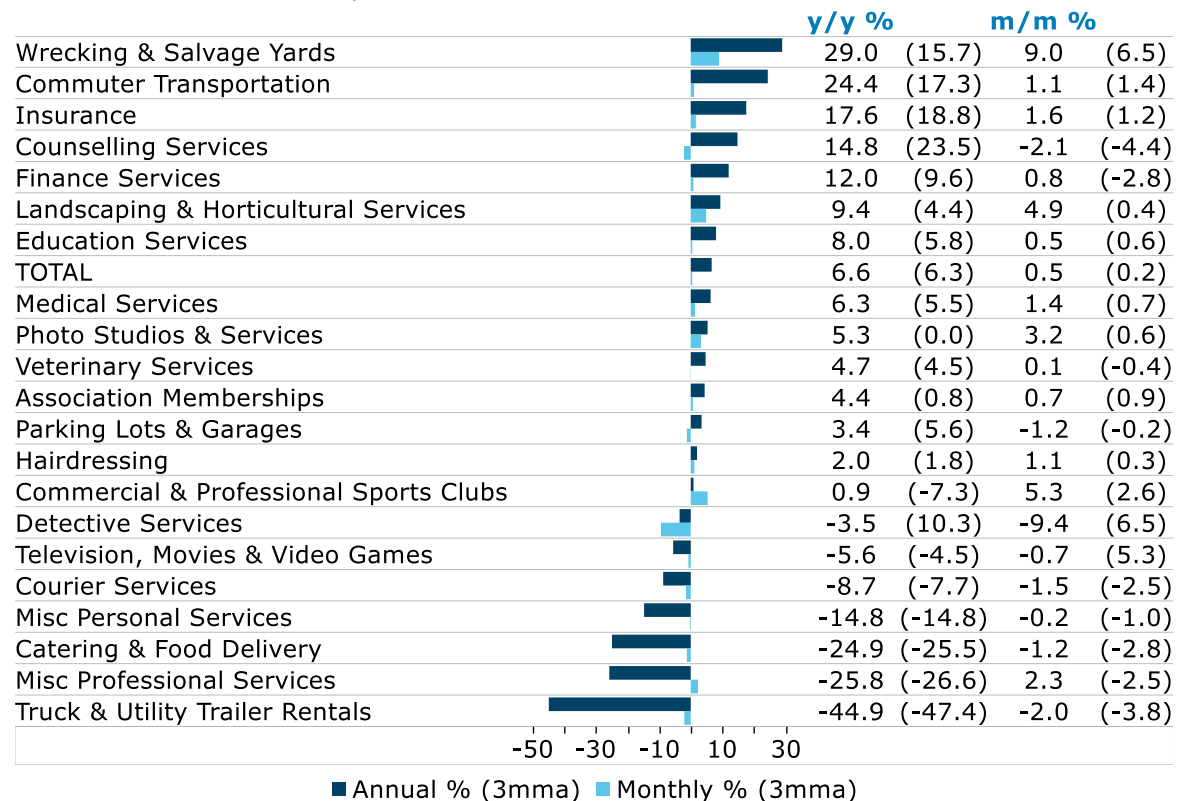


Source: ANZ Research



Miscellaneous services retail

- Strong growth in spending on insurance is likely price-related. Spending on commuting will have been impacted by the temporary subsidy on public transport.
- The decline in truck and trailer rental is consistent with reduced DIY and housing turnover. Catering and food delivery dropped sharply in the second half of 2023 and is now back to its pre-Covid trend.



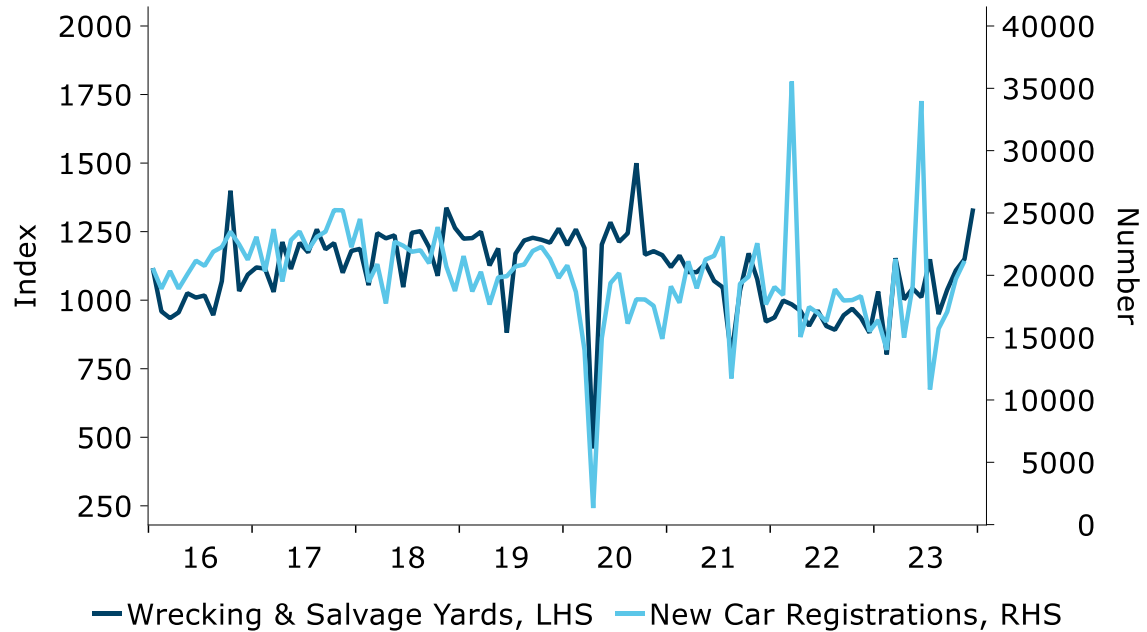
Source: ANZ Research



Renewing the fleet

- There's a correlation between new car registrations and retiring old vehicles.

Spending at wrecking & salvage yards vs car registrations

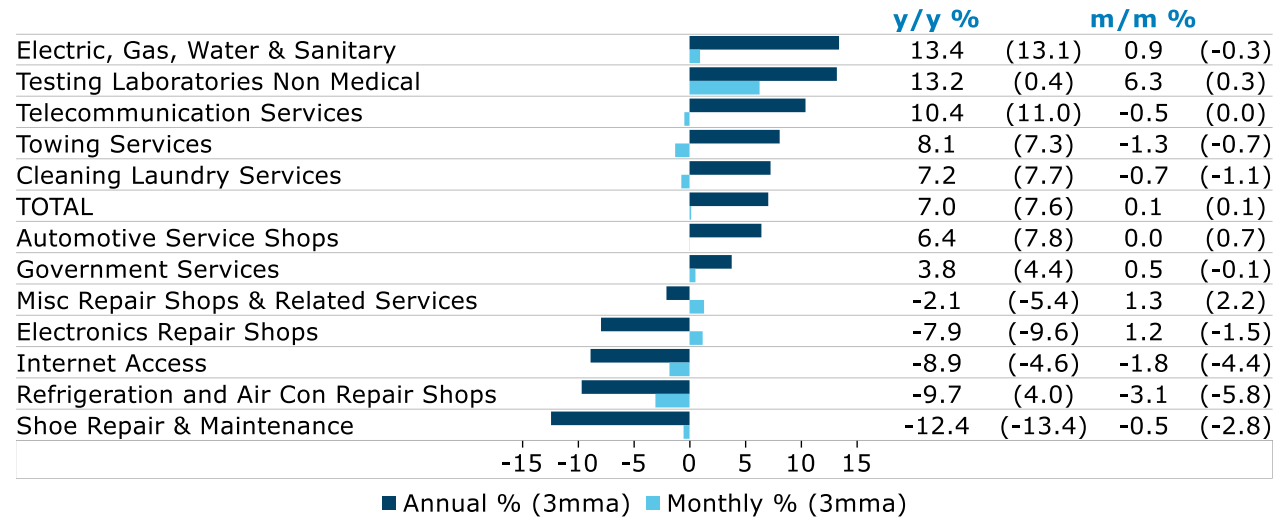


Source: ANZ Research



Utilities & repairs

- A relatively high proportion of sectors in this category have maintained year-on-year growth in spending (though not necessarily volumes).
- Many of these goods and services sit towards the 'necessity' end of the spectrum of spending choices.



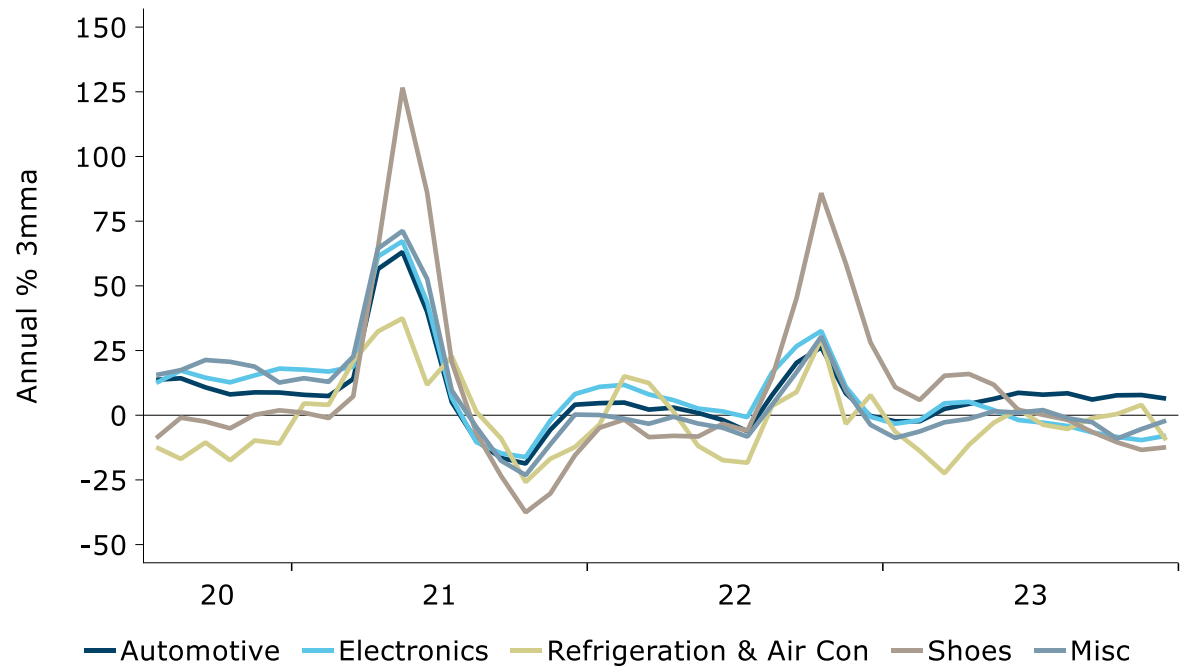
Source: ANZ Research. Previous month's data in parentheses.



Priorities

- Automotive servicing is the only 'repair' spending category that is running higher than a year ago.

Repairs and maintenance spend by category



Source: ANZ Research

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