

**RETAIL SALES vs. CONSUMER CONFIDENCE**

1. The Consumer Confidence Rating correlates well with retail sales (defined as sales of clothing, footwear and floor coverings) at 0.481 with a lag of 2 months applied. The Consumer Confidence Rating also correlates well with retail sales (defined as sales of clothing, footwear, floor coverings and furniture) at 0.428 with a lag of 2 months applied. This suggests that Consumer Confidence predicts these two types of retail sales two months later.

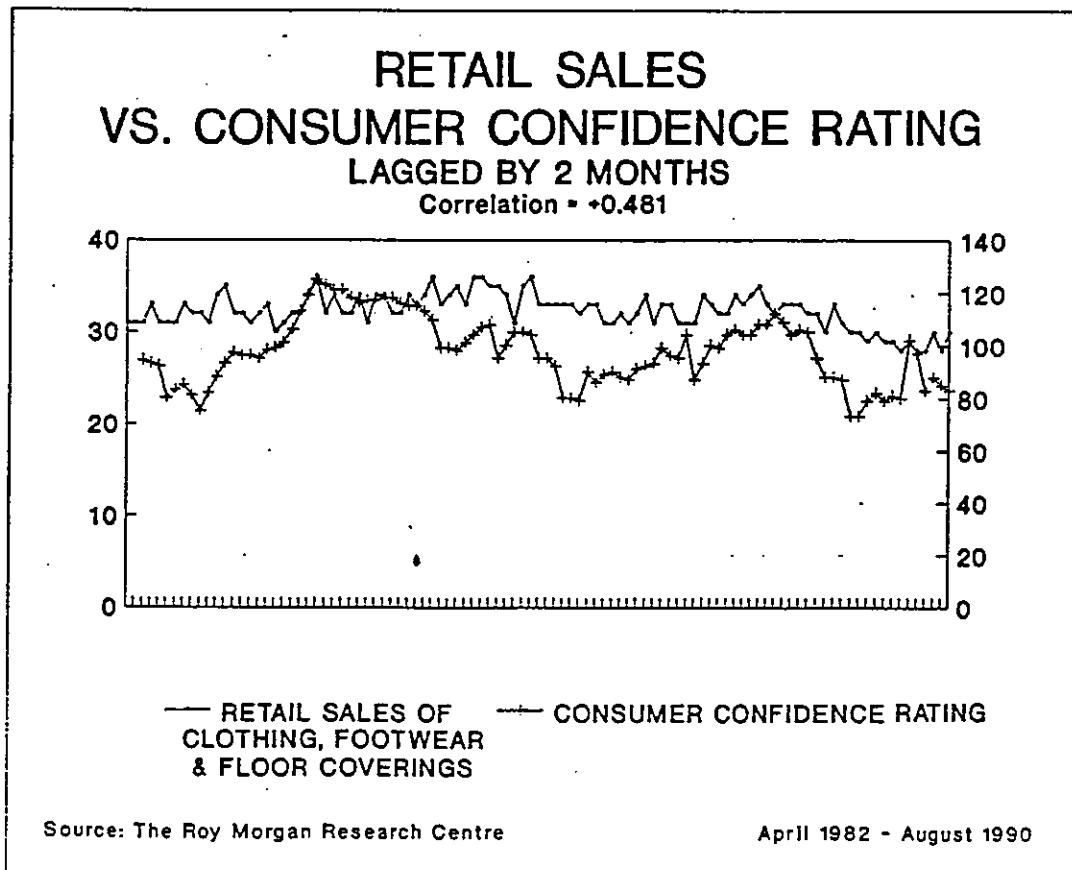
**Retail Sales vs. Consumer Confidence Rating**

Consumer Confidence Rating vs.	Lag in months						
	0	1	2	3	4	5	6

**Retail Sales defined as sales of:**

Clothing, Footwear, Floor Coverings & Furniture	.360	.393	.428	.406	.412	.395	.403
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Clothing, Footwear, & Floor Coverings	.414	.446	.481	.458	.458	.429	.426
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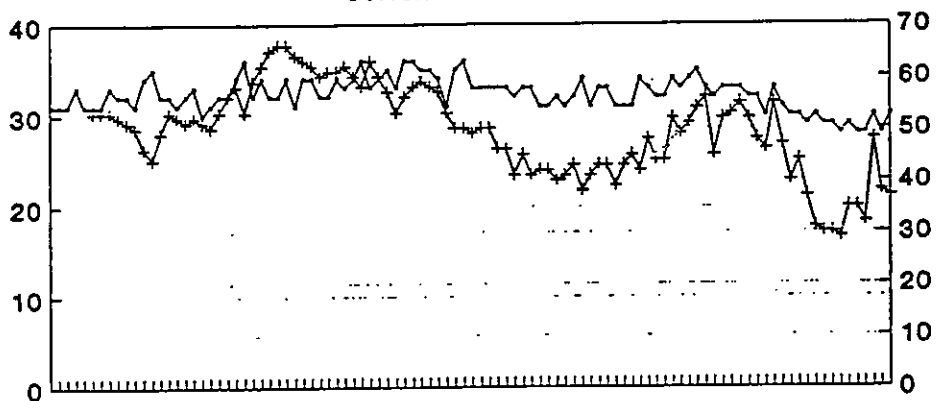
2. Looking at the five components, the five key questions, of the Consumer Confidence Rating, it appears that retail sales (defined as sales of clothing, footwear and floor coverings) correlate best with the good score of the fifth question, buying conditions for major household items, at 0.606 with a lag of 5 months applied. This suggests that people's attitudes toward now as a good time to buy major household items predicts these types of retail sales about five months later.

Retail Sales vs. Consumer Confidence

Retail Sales (defined as sales of Clothing, Footwear & Floor Coverings) vs.	Lag in months						
	0	1	2	3	4	5	6
<u>Q1 Evaluation of Personal Financial Situation Over the Past Year</u>							
Better Off	.261	.359	.431	.342	.357	.290	.408
Difference (Better Off - Worse Off)	.298	.371	.434	.380	.383	.335	.304
<u>Q2 Evaluation of Personal Financial Situation Over the Coming Year</u>							
Better Off	.083	.129	.180	.115	.124	.174	.146
Difference (Better Off - Worse Off)	.137	.174	.219	.165	.151	.173	.195
<u>Q3 Anticipated Economic Conditions Over the Coming Year</u>							
Good Times	.327	.300	.295	.283	.249	.207	.216
Difference (Good Times - Bad Times)	.392	.390	.399	.392	.387	.342	.345
<u>Q4 Anticipated Economic Conditions Over the Next Five Years</u>							
Good Times	.353	.369	.388	.374	.330	.312	.294
Difference (Good Times - Bad Times)	.385	.414	.437	.422	.403	.367	.353
<u>Q5 Buying conditions for Major Household Items</u>							
Good time to buy	.480	.519	.569	.574	.588	.606	.566
Difference (Good time to buy - Bad time to buy)	.472	.521	.567	.579	.588	.597	.570

# RETAIL SALES VS. CONSUMER CONFIDENCE LAGGED BY 5 MONTHS

Correlation = +0.606



— RETAIL SALES OF  
CLOTHING, FOOTWEAR  
& FLOOR COVERINGS

+ CONSUMER CONFIDENCE

Source: The Roy Morgan Research Centre

April 1982 - August 1990

RETAIL SALES TRADE CATEGORIES vs. CONSUMER CONFIDENCE1. Retail Sales of Groceries vs. Consumer Confidence

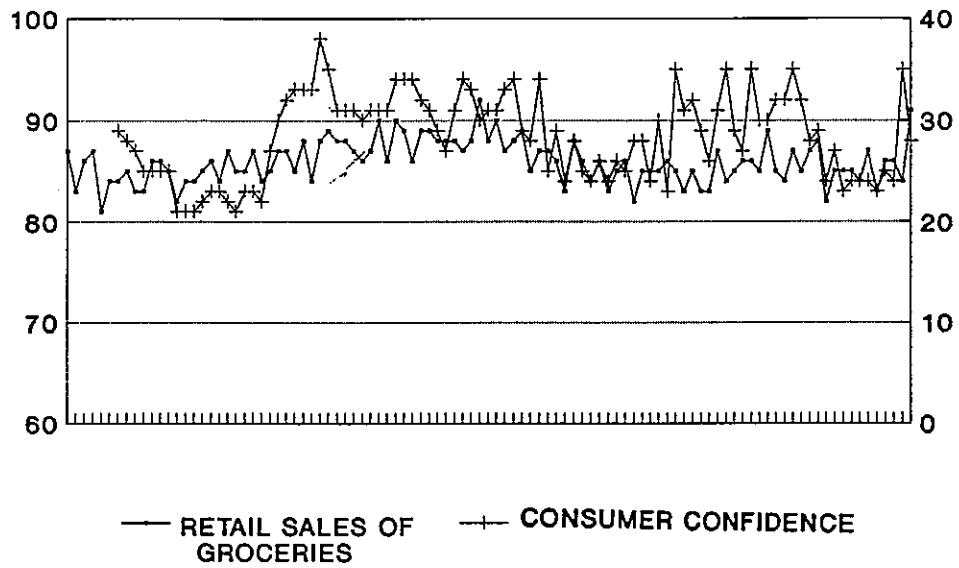
Best Correlation: 0.482  
 Lag in months: 6  
 Component: Q1 Difference Score  
 Conclusion: Good Predictor

Retail Sales of Groceries vs.	Lag in months						
	0	1	2	3	4	5	6
<u>Q1 Evaluation of Personal Financial Situation Over the Past Year</u>							
Better Off	.198	.216	.328	.256	.398	.327	.413
Difference (Better Off - Worse Off)	.204	.229	.340	.275	.392	.375	.482
<u>Q2 Evaluation of Personal Financial Situation Over the Coming Year</u>							
Better Off	.039	.062	.103	.150	.299	.212	.351
Difference (Good Off - Worse Off)	.029	.041	.096	.149	.253	.243	.358
<u>Q3 Anticipated Economic Conditions Over the Coming Year</u>							
Better Times	.052	.046	.082	.169	.177	.265	.304
Difference (Good Times - Bad Times)	.057	.060	.099	.174	.245	.270	.344
<u>Q4 Anticipated Economic Conditions Over the Next Five Years</u>							
Better Times	-.030	.009	-.013	.057	.152	.139	.213
Difference (Good Times - Bad Times)	-.038	.016	.051	.074	.208	.167	.275
<u>Q5 Buying Conditions for Major Household Items</u>							
Good time to buy	.046	.064	.148	.138	.194	.290	.282
Difference (Good time to buy - Bad time to buy)	.069	.063	.168	.174	.227	.360	.316

# RETAIL SALES OF GROCERIES VS. CONSUMER CONFIDENCE

LAGGED BY 6 MONTHS

Correlation = +0.482



Source: The Roy Morgan Research Centre

April 1982 - August 1990

2. Retail Sales of Butcher Meats vs. Consumer Confidence

Best Correlation: 0.460  
 Lag in months: 5  
 Component: Q5 Good Component  
 Conclusion: Good Predictor

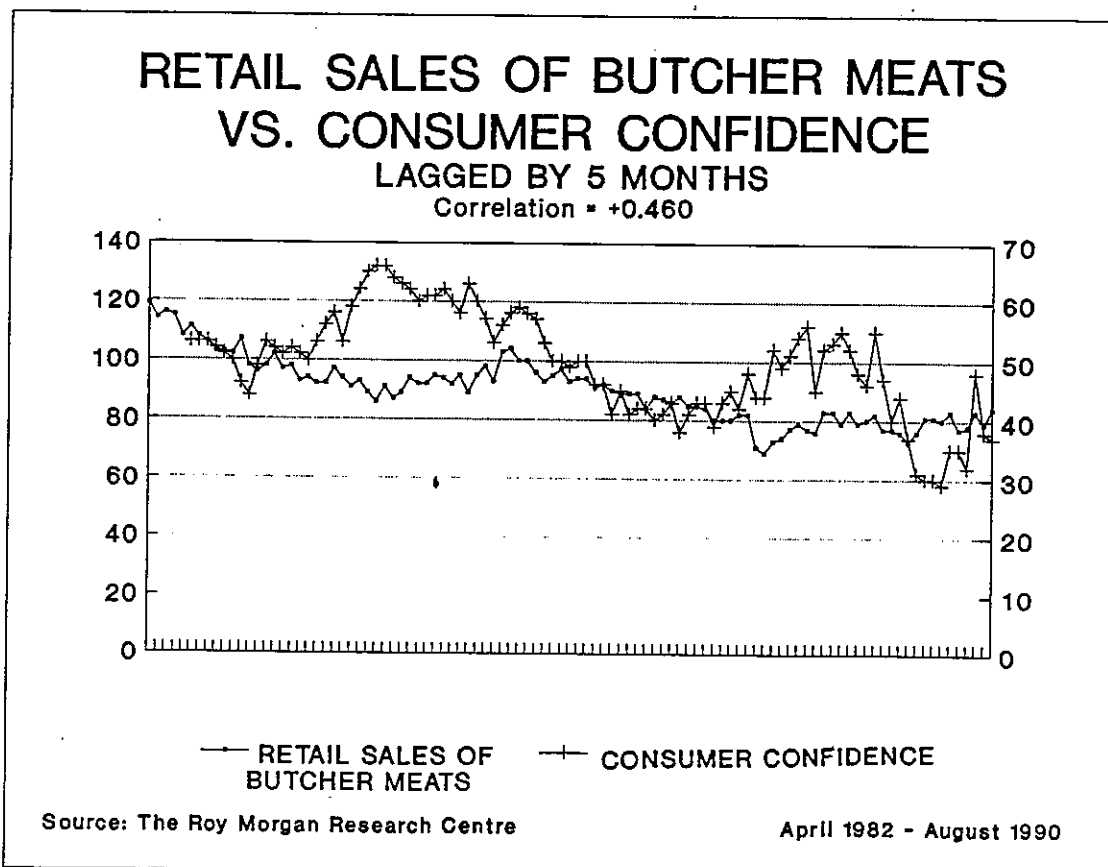
Retail Sales of Butcher Meats vs.	Lag in months						
	0	1	2	3	4	5	6

Q4 Anticipated Economic Conditions Over the Next Five Years

Better Times	.146	.163	.157	.162	.183	.173	.166
Difference (Good Times - Bad Times)	.126	.142	.138	.142	.168	.167	.167

Q5 Buying Conditions for Major Household Items

Good time to buy	.372	.397	.418	.412	.436	.460	.448
Difference (Good time to buy - Bad time to buy)	.283	.301	.329	.329	.353	.380	.372



3. Retail Sales of Other Foods vs. Consumer Confidence

Best Correlation: 0.115  
 Lag in months: 6  
 Component: Q2 Good Component  
 Conclusion: Weak Predictor

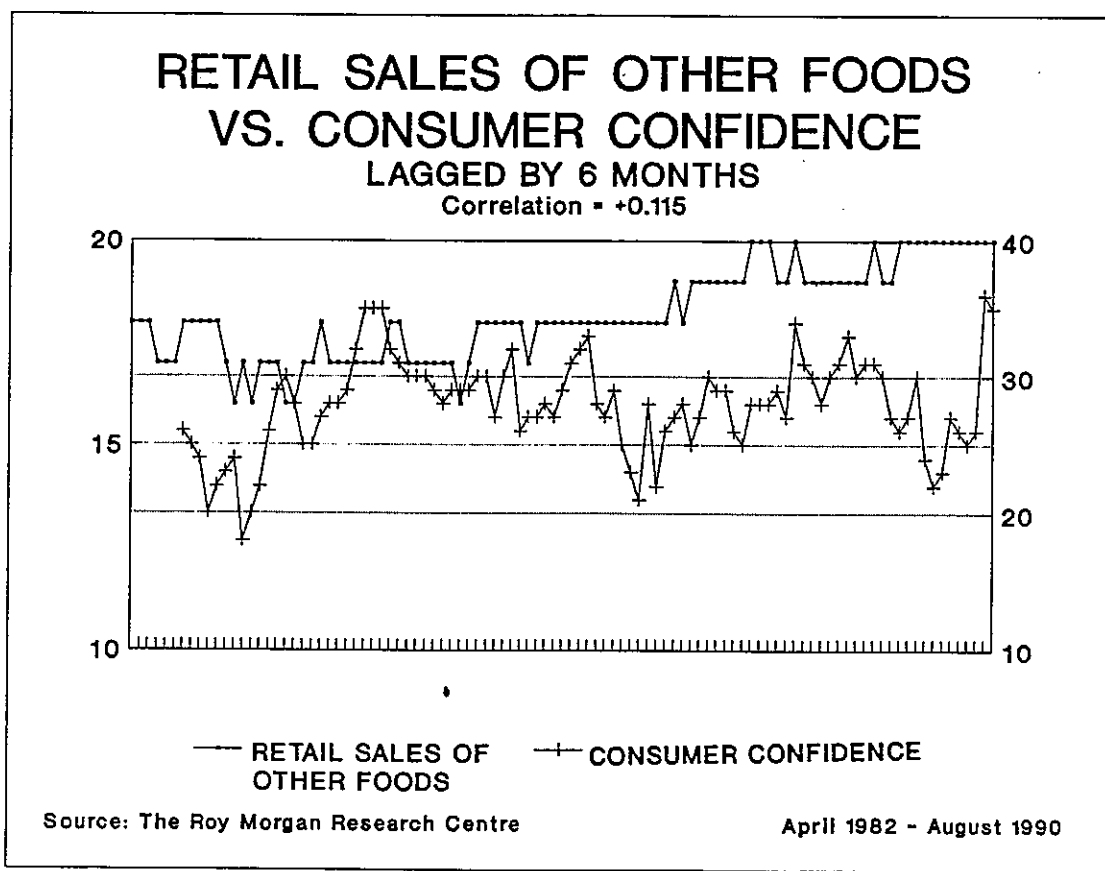
Retail Sales  
 of Other Foods  
 vs.

Lag in months

0 1 2 3 4 5 6

Q2 Evaluation of Personal Financial Situation Over the Coming Year

Better Off	.026	.039	.070	.055	.058	.072	.115
Difference (Better Off - Worse Off)	-.028	-.007	.026	.013	.002	.012	.059



4. Retail Sales of Liquor vs. Consumer Confidence

Best Correlation: 0.162  
 Lag in months: 6  
 Component: Q2 Good Component  
 Conclusion: Weak Predictor

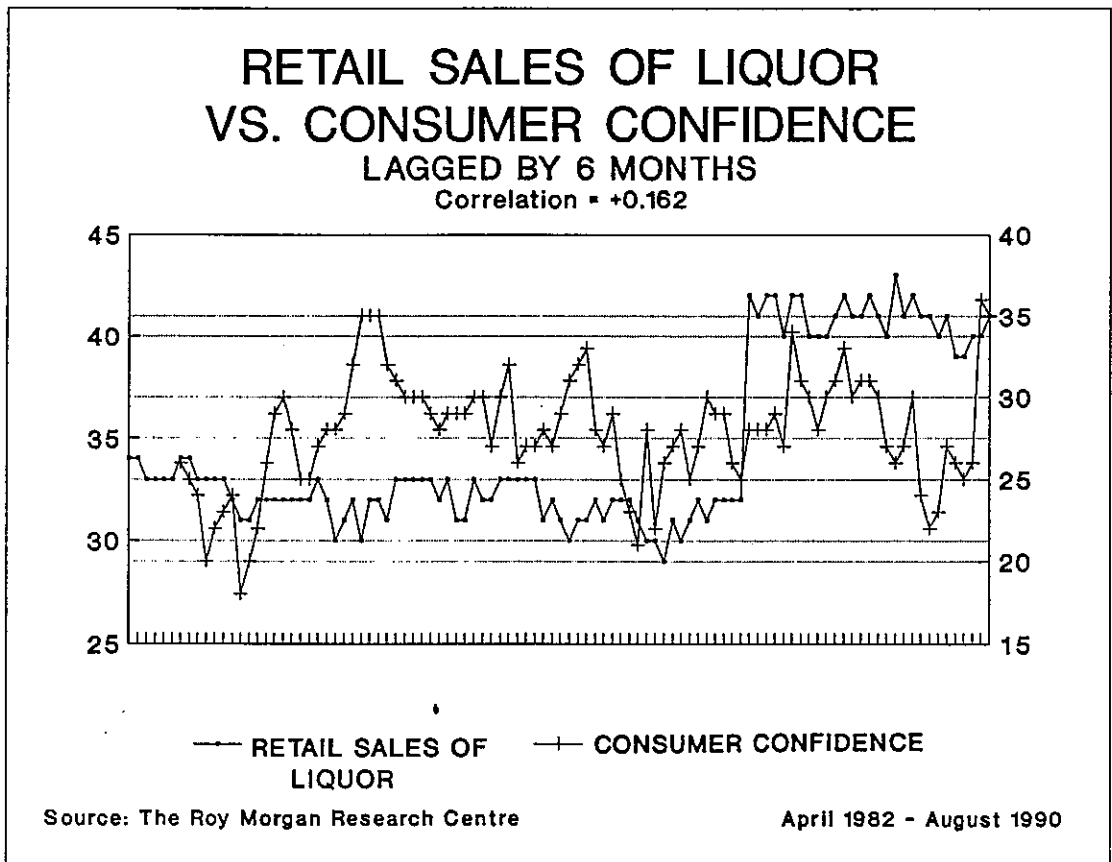
Retail Sales  
 of Liquor  
 vs.

Lag in months

0 1 2 3 4 5 6

Q2 Evaluation of Personal Financial Situation Over the Coming Year

Better Off	.094	.108	.096	.091	.089	.101	.162
Difference (Better Off - Worse Off)	.042	.071	.077	.078	.077	.085	.152





5. Retail Sales of Clothing vs. Consumer Confidence

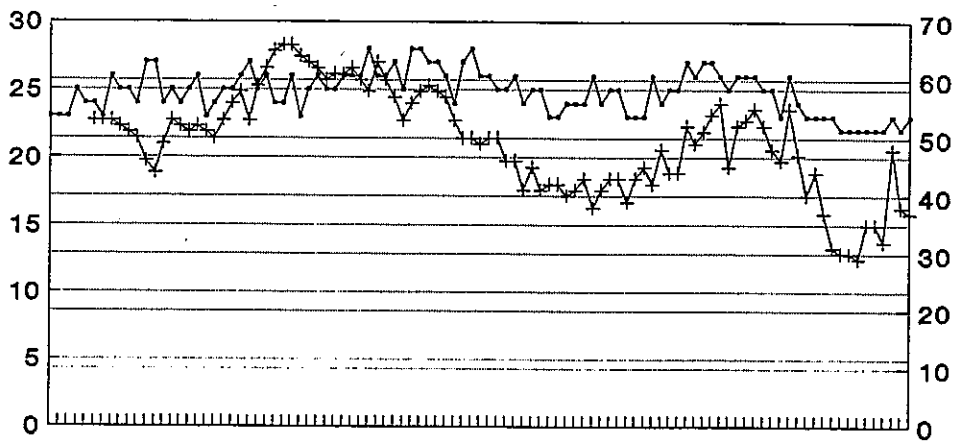
Best Correlation: 0.604  
 Lag in months: 5  
 Component: Q5 Good Component  
 Conclusion: Good Predictor

Retail Sales of Clothing vs.	Lag in months						
	0	1	2	3	4	5	6
<u>Q1 Evaluation of Personal Financial Situation Over the Past Year</u>							
Better Off	.245	.337	<b>.404</b>	.327	.342	.281	.310
Difference (Better Off - Worse Off)	.263	.339	.403	.363	.368	.330	.366
<u>Q2 Evaluation of Personal Financial Situation Over the Coming Year</u>							
Better Off	.105	.146	.179	.134	.130	.176	.145
Difference (Good Off - Worse Off)	.146	.180	<b>.214</b>	.176	.151	.171	.199
<u>Q3 Anticipated Economic Conditions Over the Coming Year</u>							
Better Times	.301	.281	.271	.262	.229	.183	.192
Difference (Good Times - Bad Times)	.370	.370	<b>.377</b>	.376	.369	.321	.328
<u>Q4 Anticipated Economic Conditions Over the Next Five Years</u>							
Better Times	.348	.369	.385	.375	.323	.301	.272
Difference (Good Times - Bad Times)	.379	.411	<b>.438</b>	.431	.401	.365	.346
<u>Q5 Buying Conditions for Major Household Items</u>							
Good time to buy	.447	.494	.551	.571	.587	<b>.604</b>	.571
Difference (Good time to buy - Bad time to buy)	.438	.497	.549	.573	.584	.595	.578

# RETAIL SALES OF CLOTHING VS. CONSUMER CONFIDENCE

LAGGED BY 5 MONTHS

Correlation = +0.604



— RETAIL SALES OF  
CLOTHING

+ CONSUMER CONFIDENCE

Source: The Roy Morgan Research Centre

April 1982 - August 1990

**6. Retail Sales of Department Goods vs. Consumer Confidence**

Best Correlation: 0.302  
 Lag in months: 6  
 Component: Q2 Difference Score  
 Conclusion: Reasonable Predictor

Retail Sales  
 of Department  
 Goods vs.

Lag in months

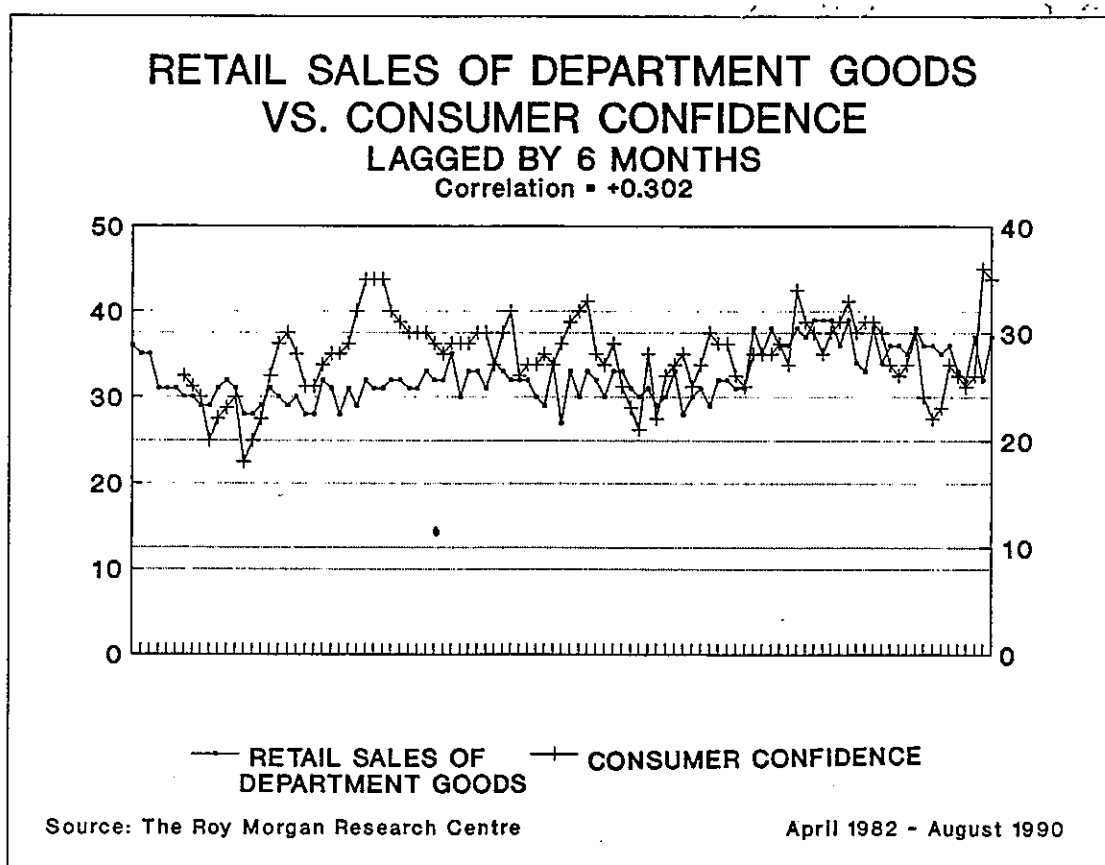
0 1 2 3 4 5 6

Q1 Evaluation of Personal Financial Situation Over the Past Year

Better Off	.089	.146	.177	.147	.196	.213	.280
Difference (Better Off - Worse Off)	.042	.108	.153	.130	.172	.197	.244

Q2 Evaluation of Personal Financial Situation Over the Coming Year

Better Off	.079	.142	.175	.113	.189	.209	.292
Difference (Better Off - Worse Off)	.061	.115	.164	.139	.176	.206	.302



7. Retail Sales of Footwear vs. Consumer Confidence

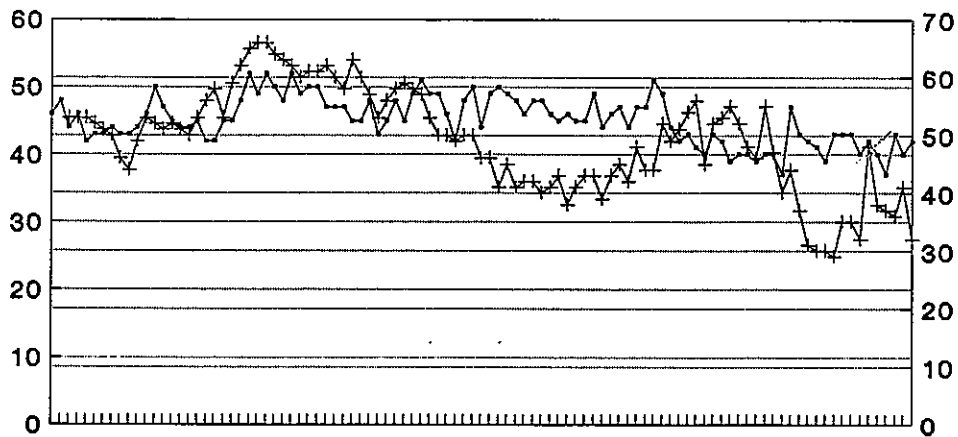
Best Correlation: 0.430  
 Lag in months: 2  
 Component: Q5 Good Component  
 Conclusion: Good Predictor

Retail Sales of Footwear vs.	Lag in months						
	0	1	2	3	4	5	6
<u>Q1 Evaluation of Personal Financial Situation Over the Past Year</u>							
Better Off	.164	.217	.280	.189	.173	.139	.148
Difference (Better Off - Worse Off)	.239	.270	.305	.229	.205	.167	.171
<u>Q2 Evaluation of Personal Financial Situation Over the Coming Year</u>							
Better Off	-.001	.071	.155	.018	.016	.069	.097
Difference (Good Off - Worse Off)	.069	.120	.173	.062	.038	.054	.089
<u>Q3 Anticipated Economic Conditions Over the Coming Year</u>							
Better Times	.313	.295	.292	.270	.237	.196	.194
Difference (Good Times - Bad Times)	.318	.305	.315	.279	.264	.224	.218
<u>Q4 Anticipated Economic Conditions Over the Next Five Years</u>							
Better Times	.297	.306	.330	.303	.278	.288	.303
Difference (Good Times - Bad Times)	.303	.307	.314	.276	.272	.261	.265
<u>Q5 Buying Conditions for Major Household Items</u>							
Good time to buy	.387	.401	.430	.385	.370	.407	.355
Difference (Good time to buy - Bad time to buy)	.360	.371	.397	.376	.350	.371	.327

# RETAIL SALES OF FOOTWEAR VS. CONSUMER CONFIDENCE

LAGGED BY 2 MONTHS

Correlation = +0.430



— RETAIL SALES OF FOOTWEAR    + CONSUMER CONFIDENCE

Source: The Roy Morgan Research Centre

April 1982 - August 1990

8. Retail Sales of Hardware Goods vs. Consumer Confidence

Best Correlation: 0.200  
 Lag in months: 6  
 Component: Q2 Good Component  
 Conclusion: Weak Predictor

Retail Sales  
 of Hardware Goods  
 vs.

Lag in months

0 1 2 3 4 5 6

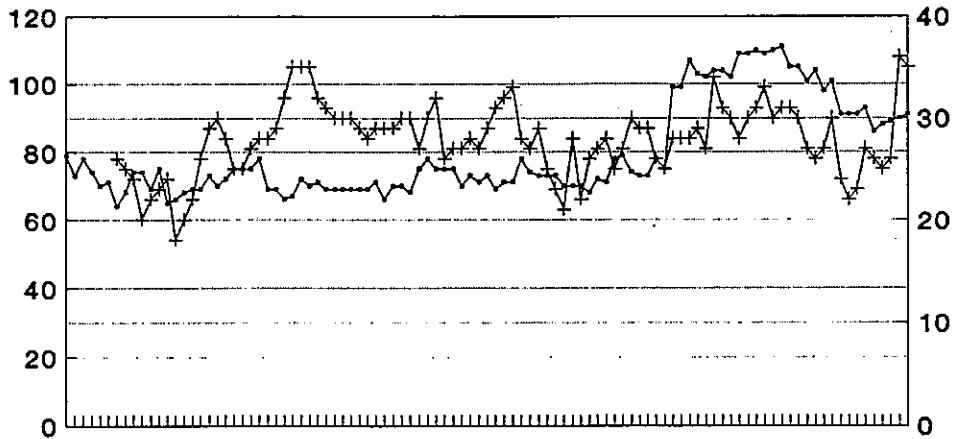
Q2 Evaluation of Personal Financial Situation Over the Coming Year

Better Off	.093	.118	.125	.150	.166	.183	.200
Difference (Better Off - Worse Off)	.068	.094	.113	.145	.154	.155	.191

**RETAIL SALES OF HARDWARE  
 VS. CONSUMER CONFIDENCE**

LAGGED BY 6 MONTHS

Correlation = +0.200



— RETAIL SALES OF HARDWARE    + CONSUMER CONFIDENCE

Source: The Roy Morgan Research Centre

April 1982 - August 1990

9. Retail Sales of Electrical Appliances vs. Consumer Confidence

Best Correlation: 0.079  
 Component: Q2 Good Component  
 Conclusion: Weak Correlation

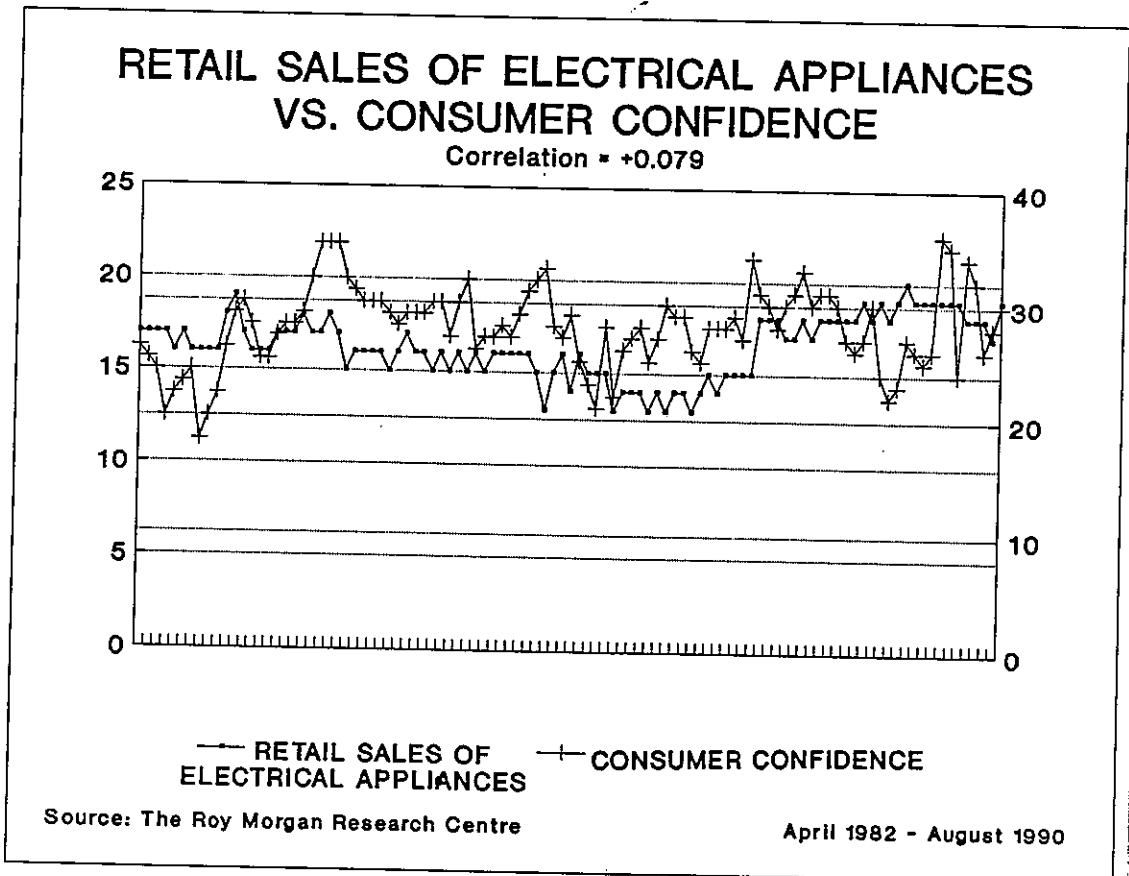
Retail Sales  
 of Electrical  
 Appliances vs.

Lag in months

0 1 2 3 4 5 6

Q2 Evaluation of Personal Financial Situation Over the Coming Year

Better Off	.079	.042	.003	-.011	.025	.022	.062
Difference (Better Off - Worse Off)	.055	.030	.010	-.005	.013	.012	.069



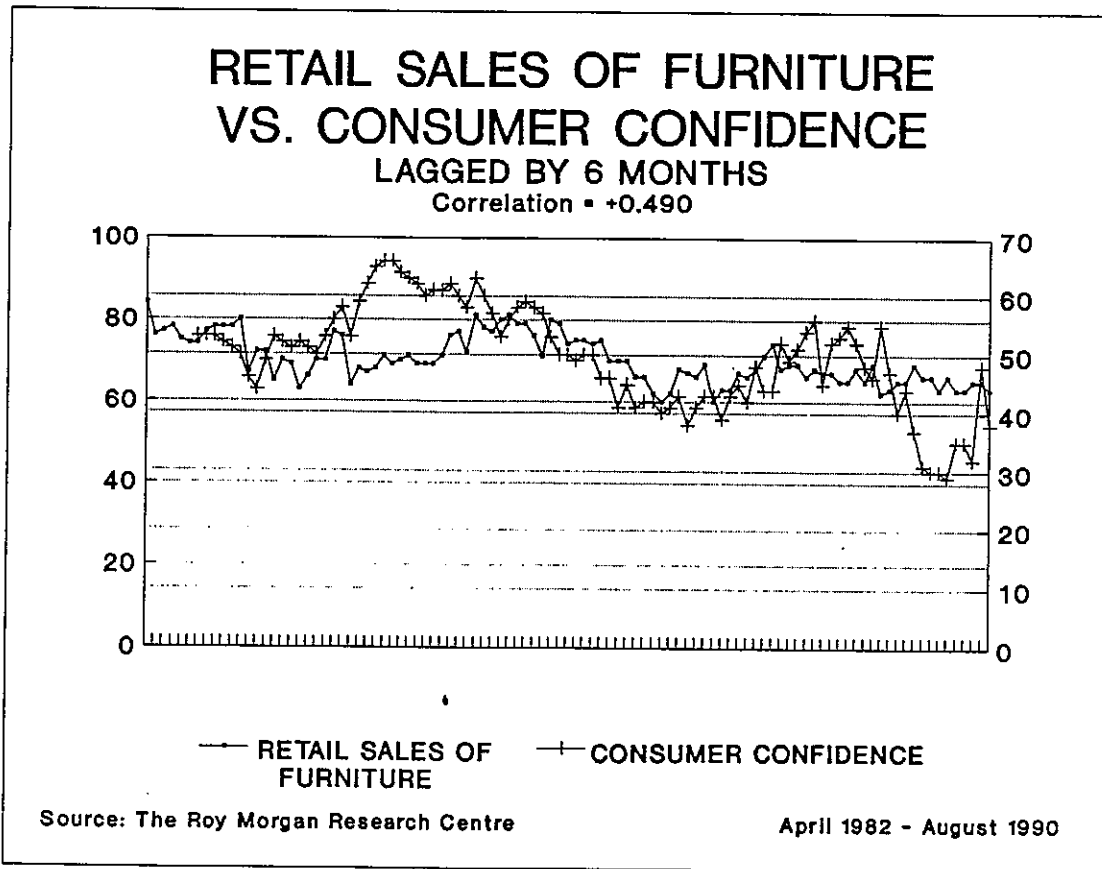
10. Retail Sales of Furniture vs. Consumer Confidence

Best Correlation: 0.490  
 Lag in months: 6  
 Component: Q5 Good Component  
 Conclusion: Good Predictor

Retail Sales of Furniture vs.	Lag in months						
	0	1	2	3	4	5	6

Q5 Buying Conditions for Major Household Items

Good time to buy	.352	.373	.411	.396	.380	.466	.490
Difference (Good time to buy - Bad time to buy)	.299	.330	.364	.354	.380	.417	.454



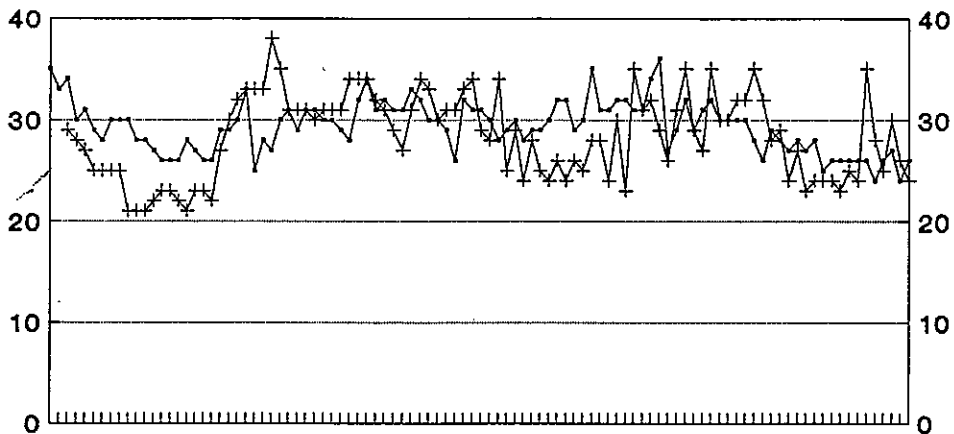


**11. Retail Sales of Floor Coverings vs. Consumer Confidence**

Best Correlation: 0.348  
 Lag in months: 2  
 Component: Q1 Good Component  
 Conclusion: Reasonable Predictor

Retail Sales of Floor Coverings vs.	Lag in months						
	0	1	2	3	4	5	6
<hr/>							
<u>Q1 Evaluation of Personal Financial Situation Over the Past Year</u>							
Better Off	.195	.292	<b>.348</b>	.299	.340	.260	.204
Difference (Better Off - Worse Off)	.248	.298	.344	.307	.334	.258	.248
<hr/>							
<u>Q2 Evaluation of Personal Financial Situation Over the Coming Year</u>							
Better Off	-.024	-.032	.030	.016	.117	.127	.074
Difference (Good Off - Worse Off)	.021	.023	.080	.072	.153	<b>.176</b>	.121
<hr/>							
<u>Q3 Anticipated Economic Conditions Over the Coming Year</u>							
Better Times	.096	.092	.133	.138	.126	.155	.171
Difference (Good Times - Bad Times)	.183	.199	.226	.244	.272	<b>.285</b>	.271
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<u>Q4 Anticipated Economic Conditions Over the Next Five Years</u>							
Better Times	.059	.047	.076	.079	.109	.088	.114
Difference (Good Times - Bad Times)	.101	.126	.139	.139	<b>.183</b>	.154	.161
<hr/>							
<u>Q5 Buying Conditions for Major Household Items</u>							
Good time to buy	.266	.270	.271	.268	.293	.274	.251
Difference (Good time to buy - Bad time to buy)	.285	.286	.293	.303	<b>.320</b>	.302	.283
<hr/>							

# RETAIL SALES OF FLOOR COVERINGS VS. CONSUMER CONFIDENCE LAGGED BY 2 MONTHS Correlation = +0.348



— RETAIL SALES OF FLOOR COVERINGS    + CONSUMER CONFIDENCE

Source: The Roy Morgan Research Centre

April 1982 - August 1990

**12. Retail Sales of Chemist Goods vs. Consumer Confidence**

Best Correlation: 0.162  
 Lag in months: 3  
 Component: Q2 Good Component  
 Conclusion: Weak Predictor

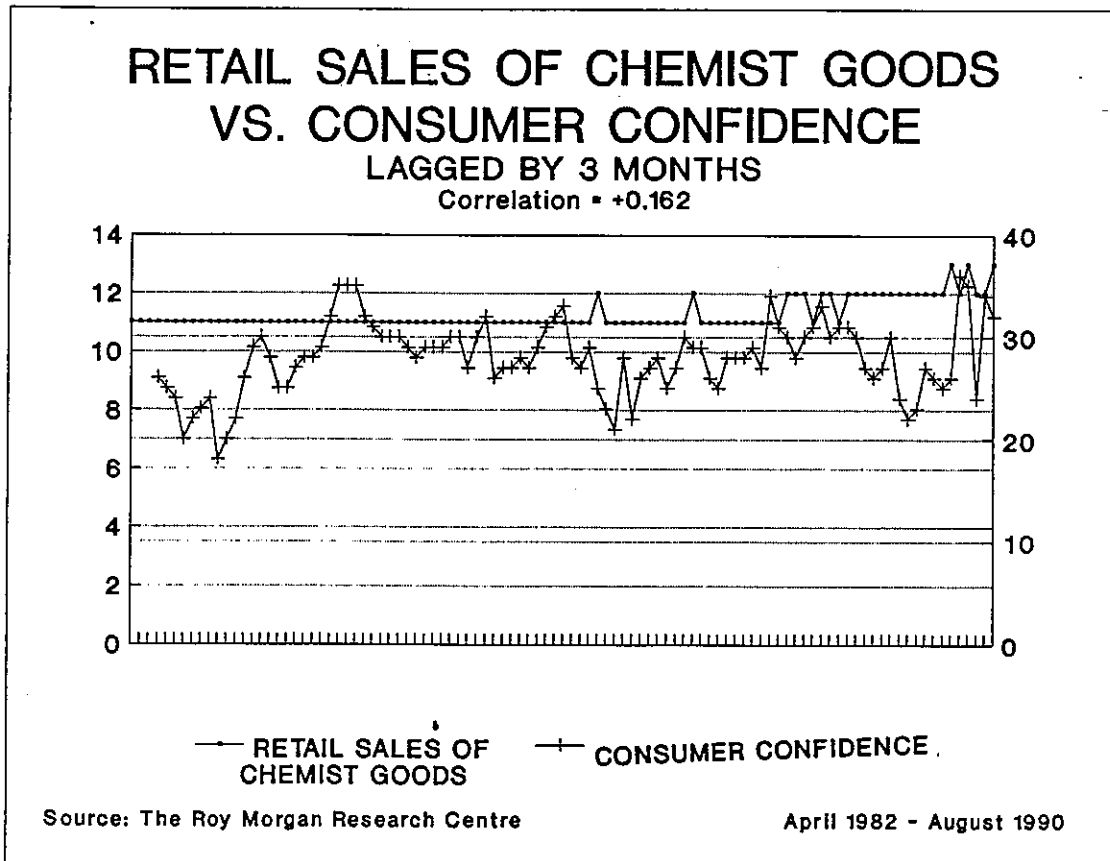
Retail Sales  
 of Chemist Goods  
 vs.

Lag in months

0 1 2 3 4 5 6

**Q2 Evaluation of Personal Financial Situation Over the Coming Year**

Better Off	.159	.116	.114	.162	.161	-.002	.099
Difference (Better Off - Worse Off)	.080	.054	.081	.120	.112	-.022	.039



**13. Retail Sales of Newsagent Goods vs. Consumer Confidence**

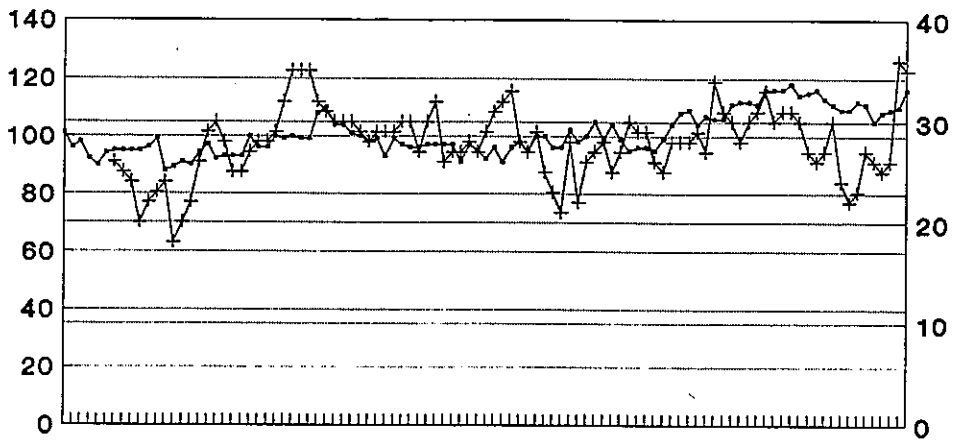
Best Correlation: 0.311  
 Lag in months: 6  
 Component: Q2 Good Component  
 Conclusion: Reasonable Predictor

Retail Sales of Newsagent Goods vs.	Lag in months						
	0	1	2	3	4	5	6
<hr/>							
<u>Q1 Evaluation of Personal Financial Situation Over the Past Year</u>							
Better Off	-.003	.058	.061	.075	.147	.155	<b>.231</b>
Difference (Better Off - Worse Off)	-.002	.049	.061	.051	.104	.124	.184
<hr/>							
<u>Q2 Evaluation of Personal Financial Situation Over the Coming Year</u>							
Better Off	.119	.144	.154	.189	.229	.239	<b>.311</b>
Difference (Better Off - Worse Off)	.112	.143	.170	.191	.222	.246	.310
<hr/>							
<u>Q3 Anticipated Economic Conditions Over the Coming Year</u>							
Better Times	.040	.046	.085	.125	.126	.140	<b>.167</b>
Difference (Good Times - Bad Times)	-.078	-.047	-.008	.027	.057	.077	.137
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# RETAIL SALES OF NEWSAGENT GOODS VS. CONSUMER CONFIDENCE

LAGGED BY 6 MONTHS

Correlation = +0.311



— RETAIL SALES OF  
NEWSAGENT GOODS

+ CONSUMER CONFIDENCE

Source: The Roy Morgan Research Centre

April 1982 - August 1990

**14. Retail Sales of Other Goods vs. Consumer Confidence**

Best Correlation: 0.177  
 Lag in months: 6  
 Component: Q2 Good Component  
 Conclusion: Weak Predictor

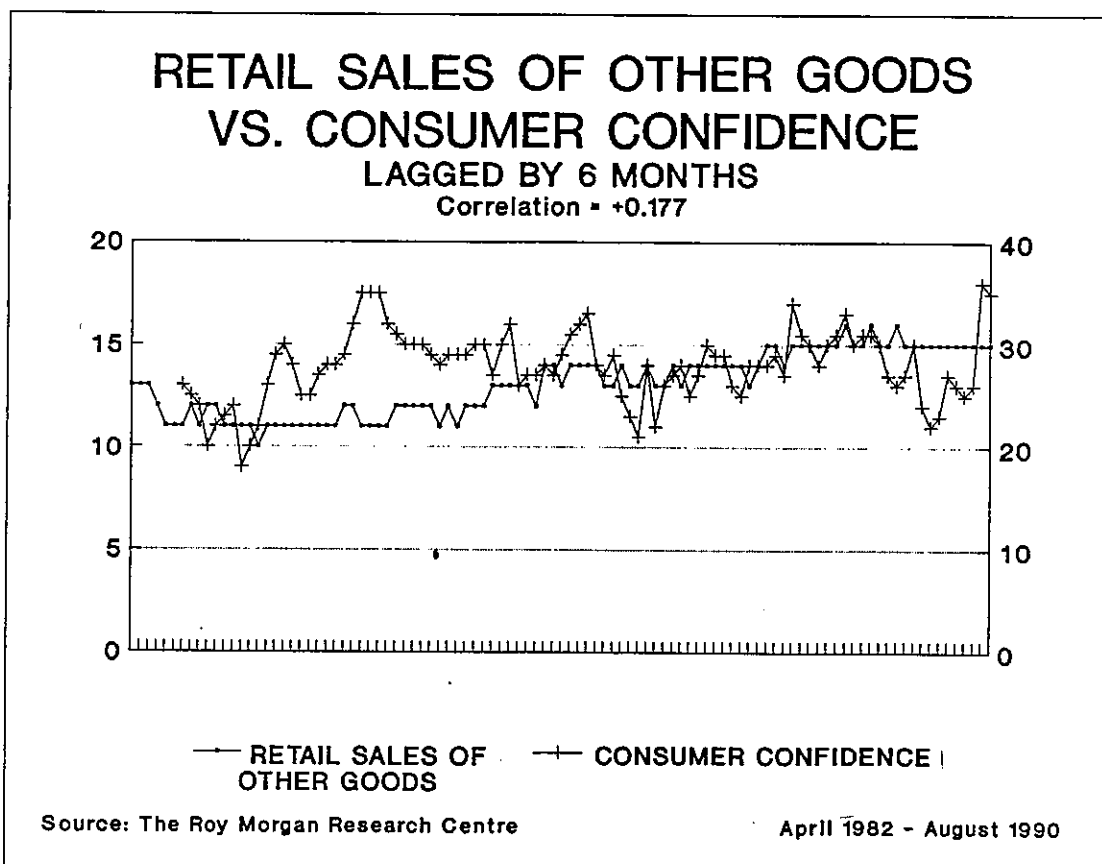
Retail Sales of Other Goods vs.	Lag in months						
	0	1	2	3	4	5	6

Q1 Evaluation of Personal Financial Situation Over the Past Year

Better Off	-.028	-.003	.061	.062	.107	.096	.156
Difference (Better Off - Worse Off)	-.098	-.073	-.013	-.008	.028	.037	.079

Q2 Evaluation of Personal Financial Situation Over the Coming Year

Better Off	.021	.039	.078	.120	.135	.118	.177
Difference (Better Off - Worse Off)	-.041	-.020	.031	.067	.087	.092	.126



**15. Retail Sales of Total Goods vs. Consumer Confidence**

Best Correlation: 0.226  
 Lag in months: 6  
 Component: Q2 Good Component  
 Conclusion: Weak Predictor

Retail Sales of Total Goods vs.	Lag in months							
	0	1	2	3	4	5	6	
<u>Q1 Evaluation of Personal Financial Situation Over the Past Year</u>								
Better Off	.023	.055	.101	.074	.121	.117	.198	
Difference (Better Off - Worse Off)	-.022	.016	.070	.041	.077	.085	.152	
<u>Q2 Evaluation of Personal Financial Situation Over the Coming Year</u>								
Better Off	.110	.124	.126	.126	.165	.155	.226	
Difference (Good Off - Worse Off)	.061	.085	.108	.119	.139	.138	.218	

