

Wednesday, 18 January 2012

These comments on today's Westpac Melbourne Institute Index of Consumer Sentiment result can be attributed to Australian National Retailers Association (ANRA) CEO Margy Osmond.

**Retailers hope third time the charm for rate cuts**

“Consumer sentiment is travelling in the right direction – up – but individuals remain concerned about their own backyard when looking over the fence at troubles in Europe.

“The Westpac Melbourne Institute Index of Consumer Sentiment recorded a small rise of 2.4% in January, good news, but not enough to signal consumers are ready to spend again at traditional levels.

“Retailers will look to the Reserve Bank to make another cut to the cash rate on February 7. With a weak inflation outlook there are reasons enough for a third cut – which retailers hope will be the charm.

“Individuals seem concerned about their own situation, more than they are worried about the overall economy. This is keeping them saving over spending and may indicate a slower start to 2012 than the sector had hoped for.

“However, expectations for family finances are registering their highest level since February last year and people are indicating they are willing to purchase a major household item – which suggests a loosening of purse strings is not too far away,” Mrs Osmond said.

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