



ASHDALE
BUSINESS CONSULTING

INFORMED - INDEPENDENT - INTELLIGENCE

July 2016
Update

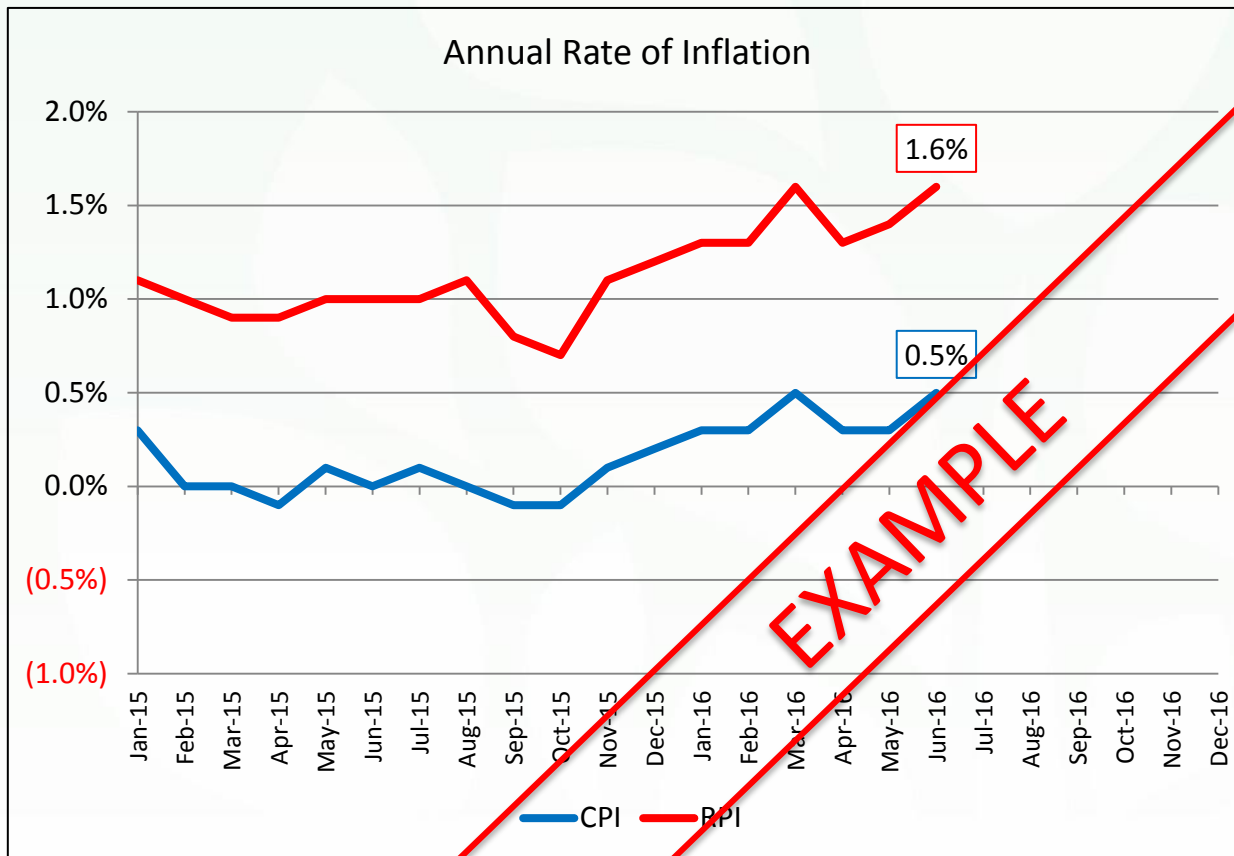
EXAMPLE

Key Economic, Retail Sales & Consumer Spending Trends Presentation



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INFLATION – CPI & RPI



Latest Trends: June 2016

- CPI = +0.5%
- RPI = +1.6%

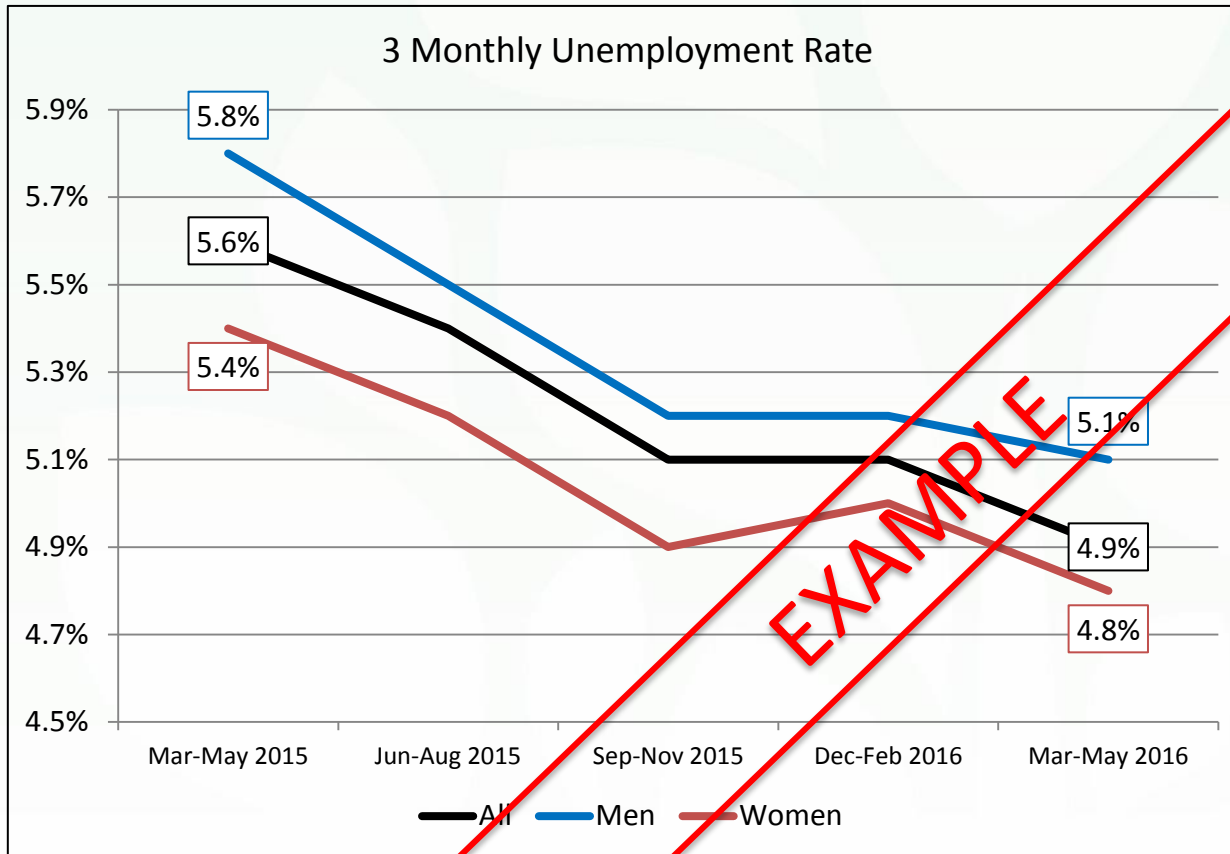
Additional Figures

- CBI estimate for 2016
 - CPI = +0.9%
 - RPI = +1.9%
- CBI Outlook for 2017
 - CPI = +1.9%
 - RPI = +2.8%

CBI May 2016 Update

- CPI for June 2016 was +0.5% up from +0.3% in May
- In part driven by an increase in air fares and the growing cost of oil which is starting to feed through to petrol prices

UNEMPLOYMENT



Latest Trends: Mar-May 2016

- All = +4.9%
- Men = +5.1%
- Women = +4.8%

Additional Figures

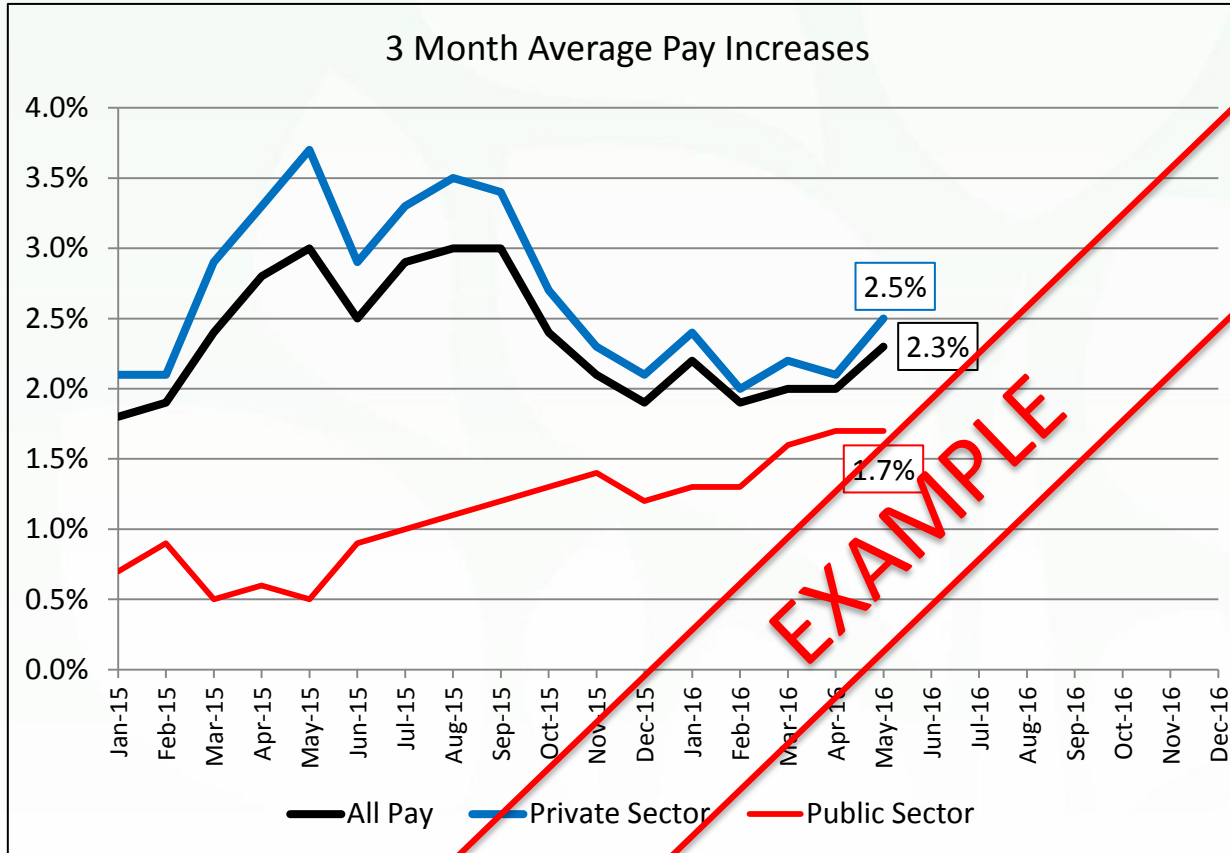
- CBI estimate for 2016
All = +5.0%
- CBI Outlook for 2017
All = +5.1%

CBI May 2016 Update

- Latest figures from the ONS show that unemployment fell to **4.9%**
- The lowest it has been since July 2005

Source: ONS (Labour Market Statistics Table 1, +16 and over)

PAY – INCLUDING & EXCLUDING BONUSES



Latest Trends: Mar-May 2016

- All Pay = +2.3%
- Private = +2.5%
- Public = +1.7%

Additional Figures

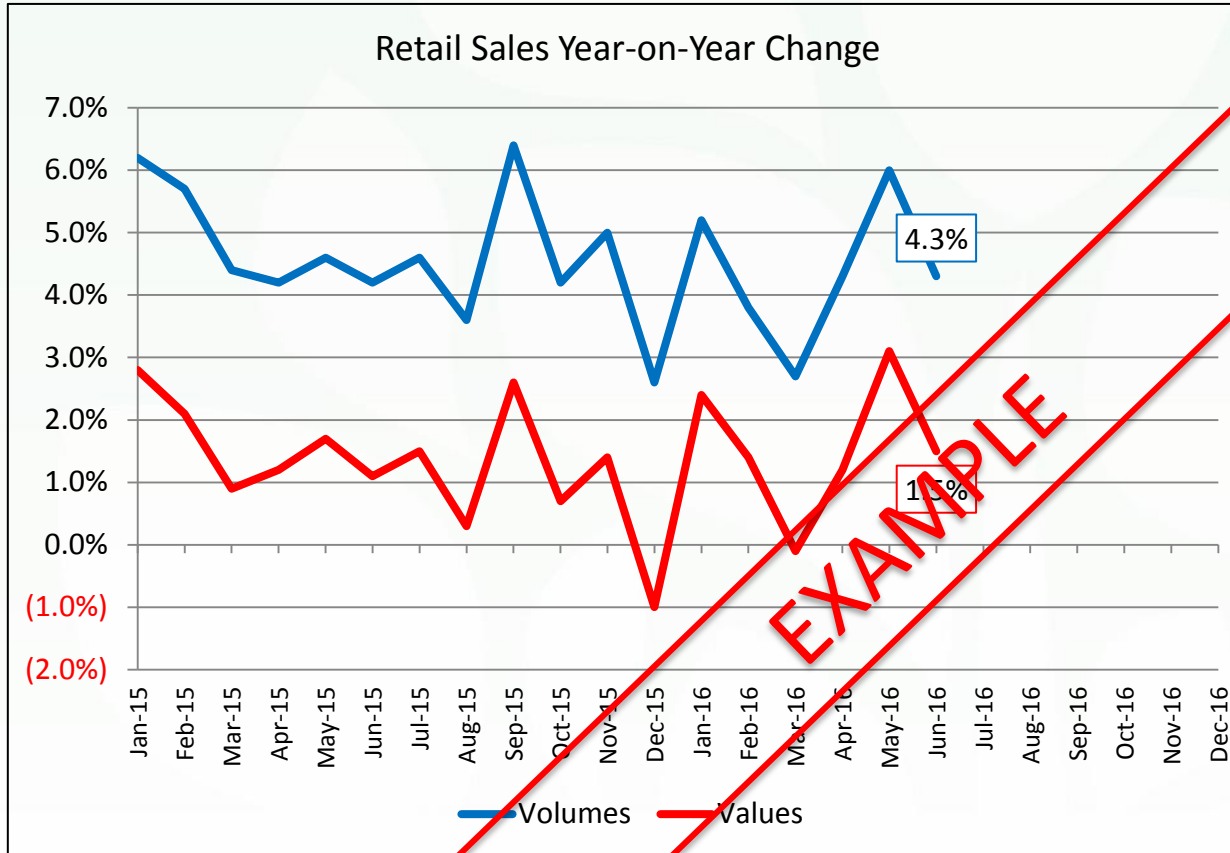
- CBI estimate for 2016 Avg Earnings = +3.0%
- CBI Outlook for 2017 Avg Earnings = +2.7%

CBI May 2016 Update

- Pay (including bonuses) grew by +2.3% on a year earlier, private sector pay grew by +2.5% and public sector pay grew by +1.7%
- Regular pay (excluding bonuses) rose by +2.2% on a year earlier

Source: ONS (Labour Market Statistics Table 15 & 16 - 3 Month Average)

RETAIL SALES – VOLUME & VALUE



Latest Trends: June 2016

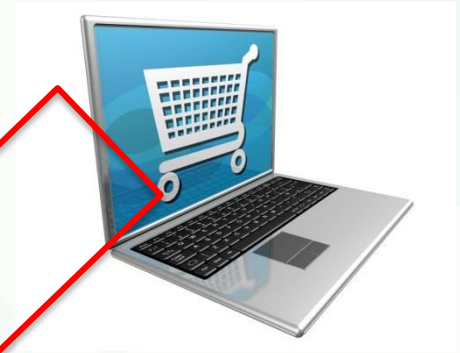
- Volume = +4.3%
- Value = +1.5%

Sector Analysis

- Food Led Stores
Vol = +3.1%, Val = +0.3%
- Non-Food Led Stores
Vol = +3.3%, Val = +1.1%
- Non-Store Retailing
Vol = +12.1%, Val = +8.3%
- Automotive
Vol = +7.4%, Val = +2.3%

- Retail sales rose +4.3% in June 2016 vs June 2015
- Average shop prices continued to fall, down (2.5%) compared to a year ago

INTERNET SALES – VALUE



Internet Year-on-Year Change



Latest Trends – June 2016

➤ Value = +14.1%

Internet Sales by Sector

➤ Food = +13.0%

➤ Non-Food = +12.1%

➤ Non-Store = +15.9%

- June average weekly Internet sales values were estimated to be £944M, up +14.1% vs. June LY
- In June 2016 internet sales were 14.2% of all retail sales (excluding automotive fuel)

Source: ONS (Table ISCPNSA1)

GROCERY- MARKET & INFLATION

ASDA **TESCO**

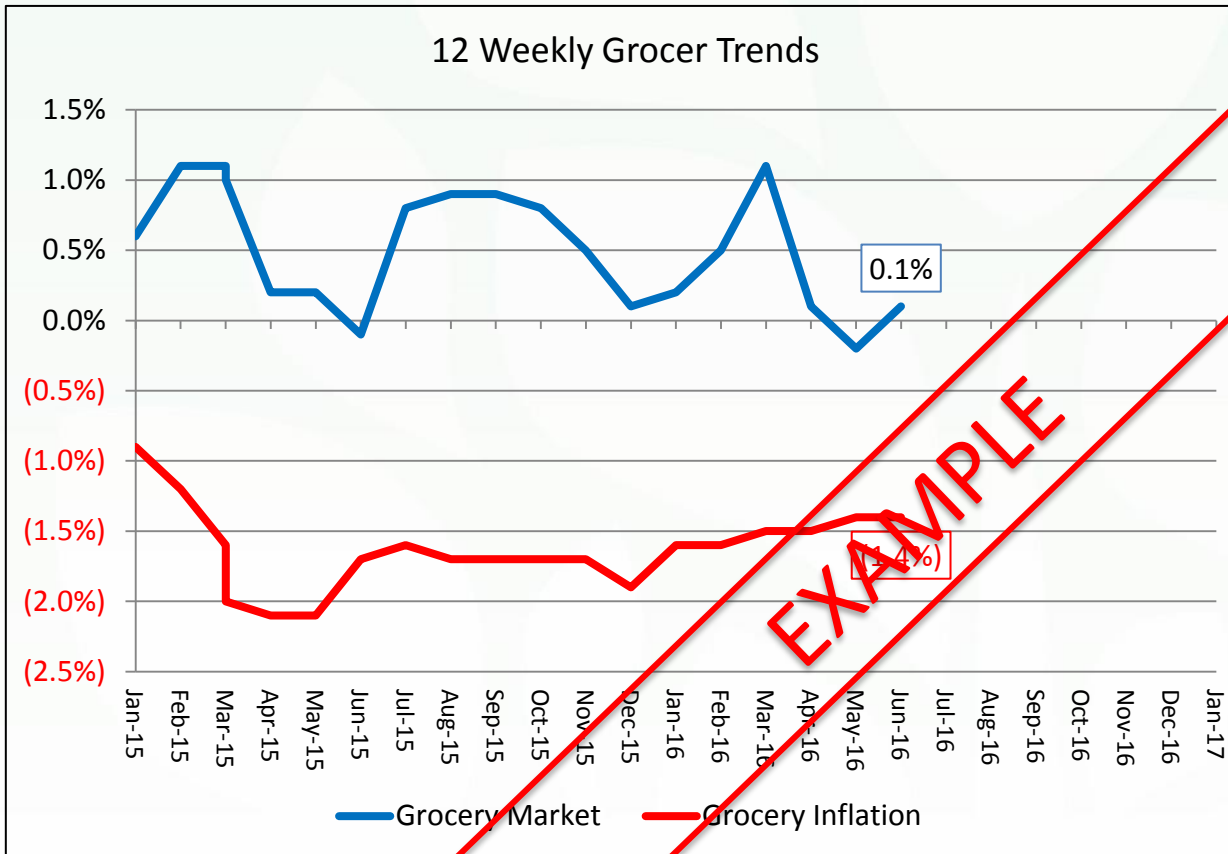
Sainsbury's

M

Waitrose

MORRISONS

12 Weekly Grocer Trends



Latest Trends: July 2016

- Grocery Market = +0.1%
- Grocery Inflation = (1.4%)

Additional Figures

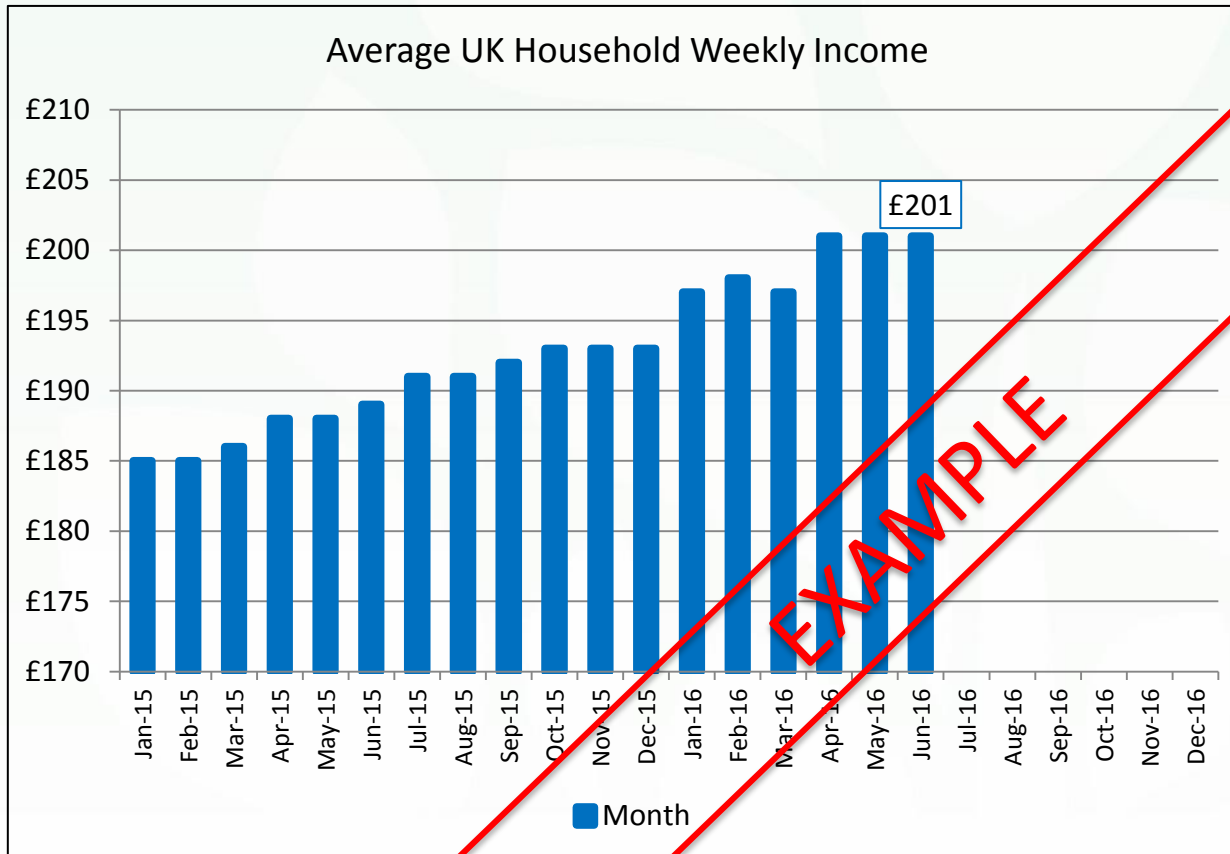
- Latest growth by retailer

Tesco = (0.7%)
 Sainsbury's = (1.1%)
 Asda = (5.6%)
 Morrison's = (1.8%)
 The Co-op = +2.1%
 Waitrose = +1.6%

Aldi = +11.0%
 Lidl = +12.5%

- Latest 12 week figures saw the Grocery Market grow by +0.1%
- Not helped by England's early Euro exit and the poor weather at the start of the summer

DISCRETIONARY INCOME



Latest Trends: June 2016

➤ Value = £201 +6.2%

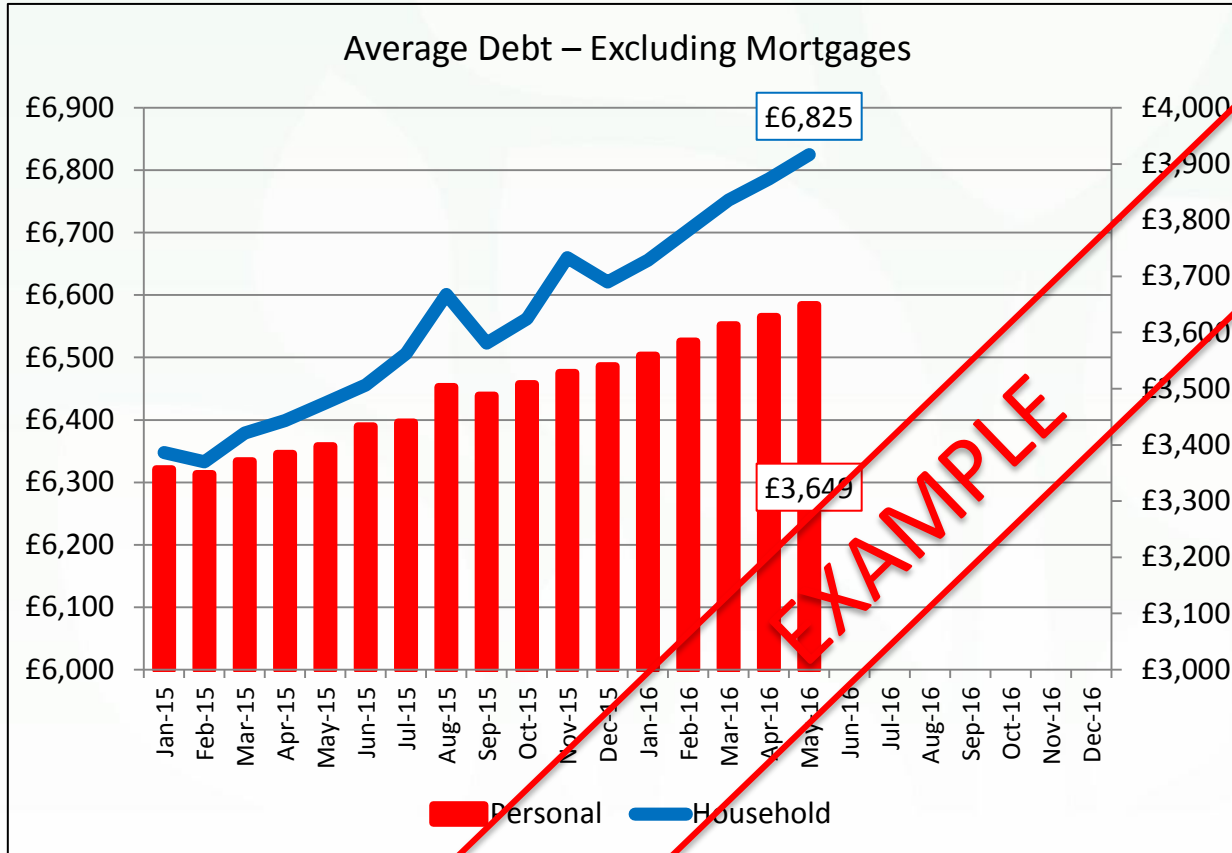
Additional Figures

➤ Annual Averages

2011	= £164
2012	= £166
2013	= £167
2014	= £173
2015	= £190

- Average family spending power was up £12 a week in June at £201 on the same month a year ago
- Discretionary income in London is at £272 per week

AVERAGE DEBT – EXCLUDING MORTGAGES



Latest Figures: May 2016

- Household = £6,825
- Personal = £3,649

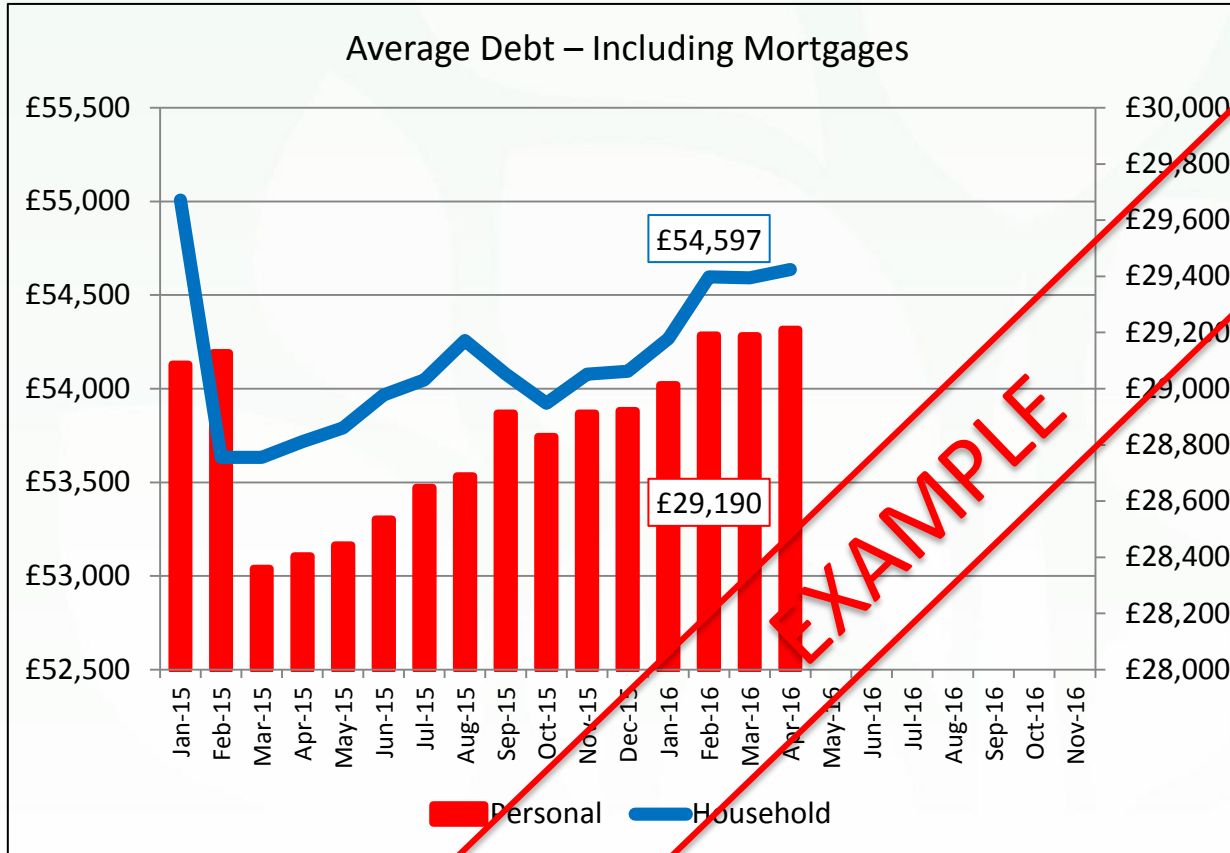
Additional Figures

- Based on May 2016 trends, the UK's total interest repayments on personal debt over a 12 month period would have been £52.363bn

(billion= 1,000,000,000)

- On average households in the UK are currently paying £1,939 in annual interest repayments – per person that is £1,031
- Total credit card debt in May 2016 was £2,397 per household, it would take 25 yrs & 6 mths to repay based on minimum payments

AVERAGE DEBT – INCLUDING MORTGAGES



Latest Figures: May 2016

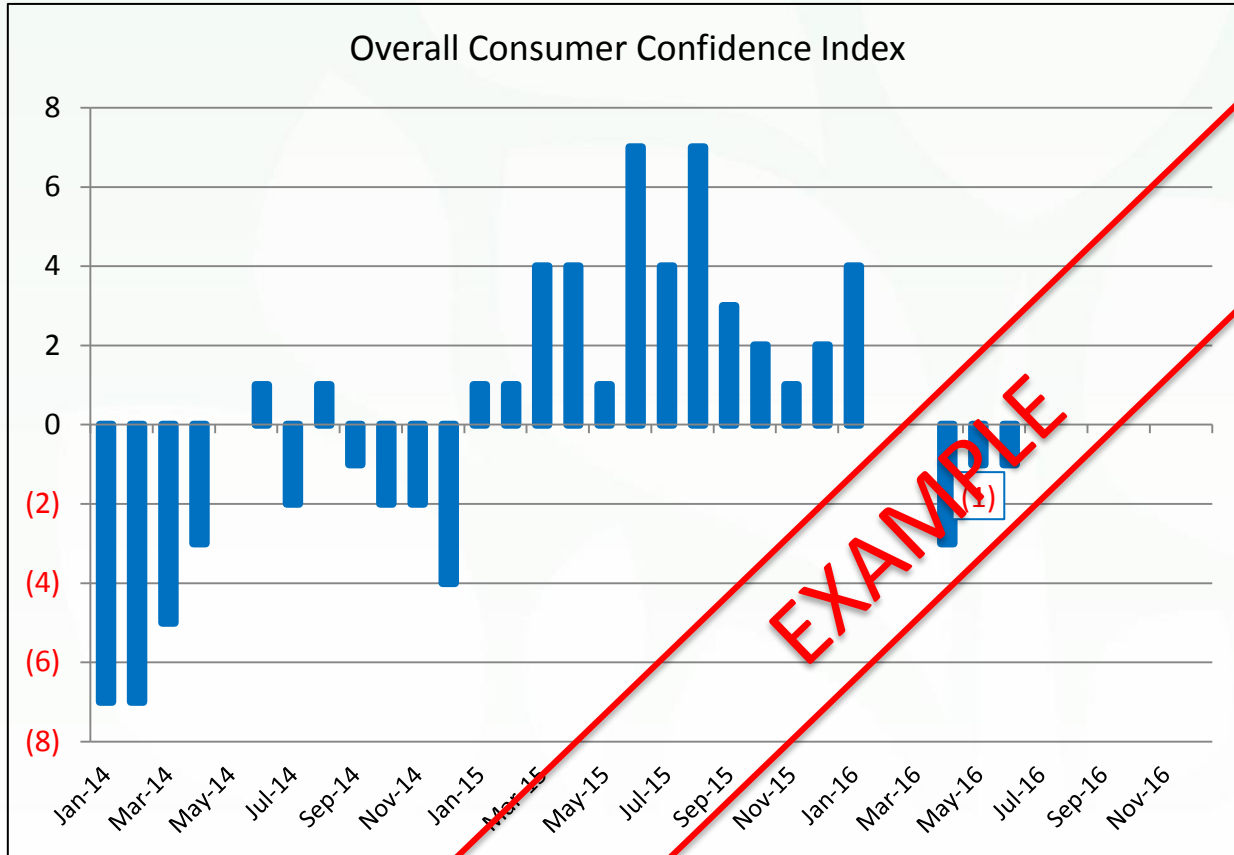
- Household = £54,740
- Personal = £29,266

Additional Figures

- Average 1st time buyers borrowed 3.46 times their income
- Average 1st time buyer loans were about £129,950

- The estimated average mortgage debt in May was £116,804
- The average annual interest paid would be £3,387 per household (based on a rate of 2.9%)

CONSUMER CONFIDENCE



Latest Position: July 2016

➤ Index = **(12)**

Additional Figures

➤ **Historical Indexes**

Dec-02 = (4)	Dec-03 = (5)
Dec-04 = (3)	Dec-05 = (9)
Dec-06 = (8)	Dec-07 = (14)
Dec-08 = (33)	Dec-09 = (19)
Dec-10 = (21)	Dec-11 = (33)
Dec-12 = (29)	Dec-13 = (13)
Dec-14 = (4)	Dec-15 = +2

- GfK's UK Consumer Confidence Index was **(12)** in July down **(11)** compared to pre-referendum June
- The sharpest month-by-month drop in 26 years (March 1990)