



**Ashdale**  
Business Consulting

June 2018  
Update

ANALYSIS - INSIGHT - STRATEGY

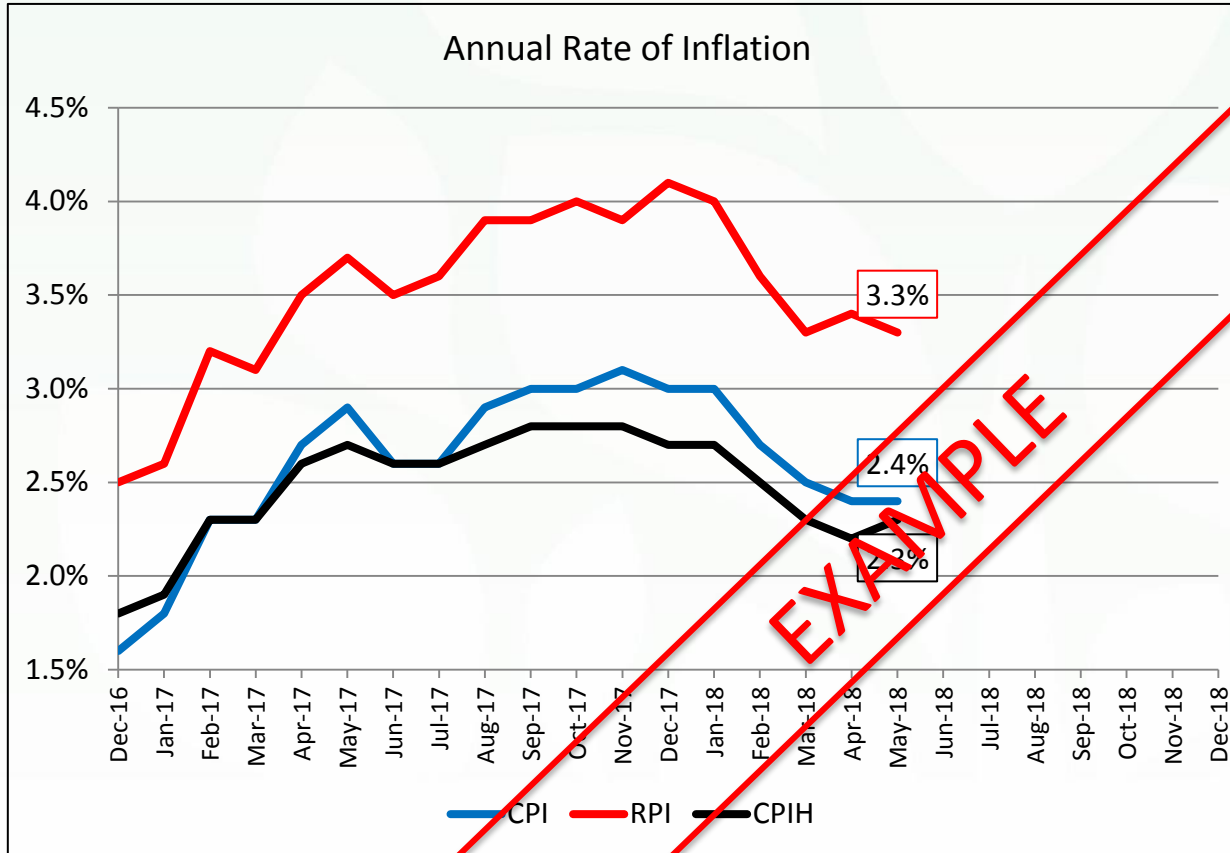
**EXAMPLE**

**Key Economic, Retail Sales & Consumer Spending  
Trends Presentation**



**Ashdale**  
Business Consulting

# INFLATION – CPI & RPI



## Latest Trends: May 2018

- CPI = +2.4%
- RPI = +3.3%
- CPIH = +2.3%

## Additional Figures

- CBI estimate for 2018
  - CPI = +2.5%
  - RPI = +3.1%
- CBI Outlook for 2019
  - CPI = +2.2%
  - RPI = +2.7%

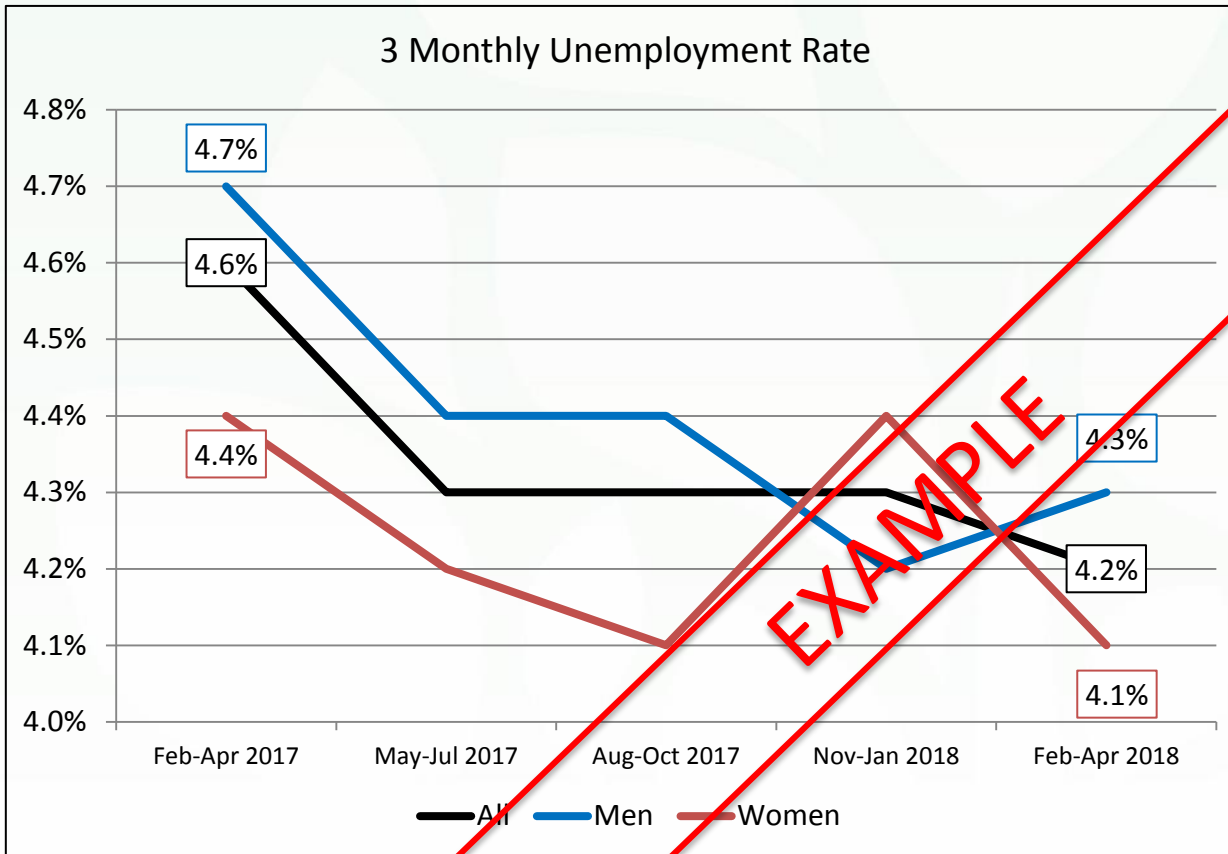
- CPI for May 2018 was +2.4% flat on +2.4% in April
- Fuel prices increased by the biggest monthly amount since January 2011, rising by +3.8%

Confederation of British Industry  
June 2018 Update

# UNEMPLOYMENT



3 Monthly Unemployment Rate



## Latest Trends: Feb-Apr 2018

- All = +4.2%
- Men = +4.3%
- Women = +4.1%

## Additional Figures

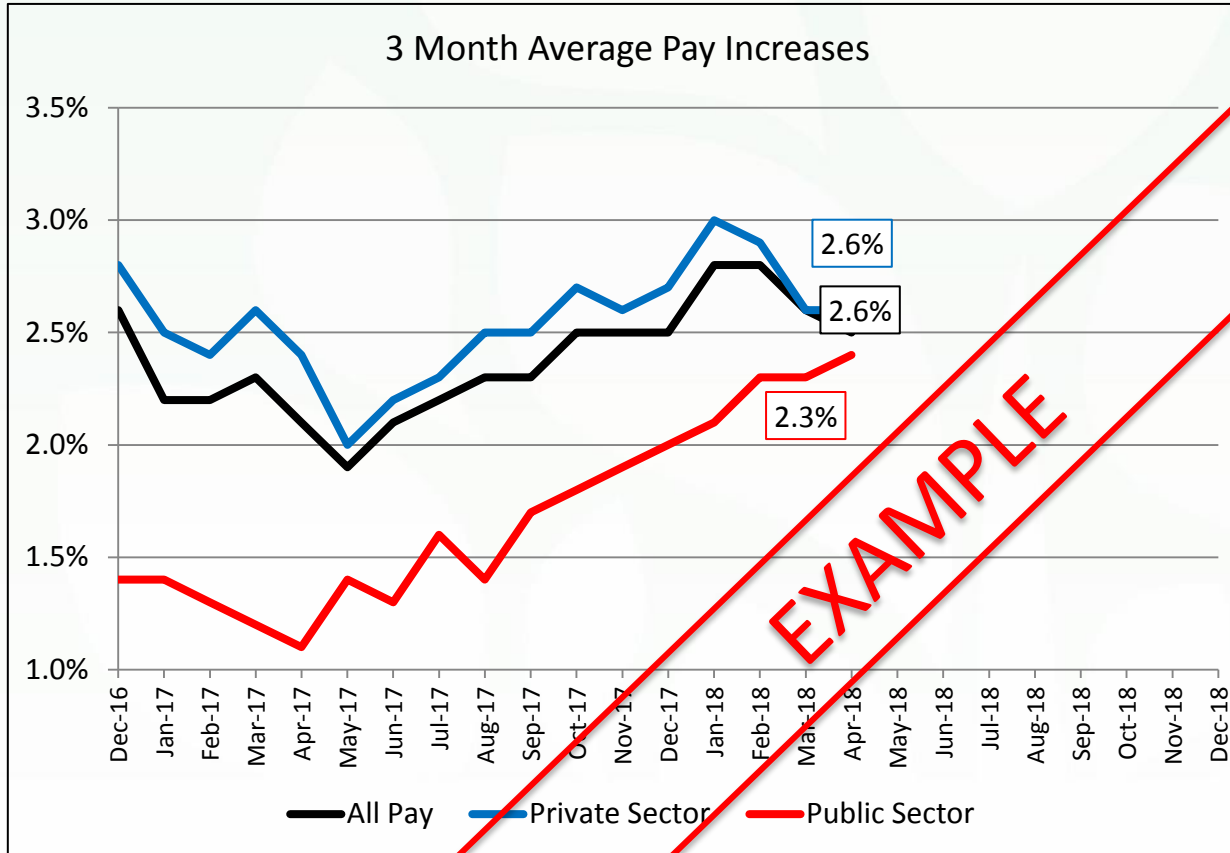
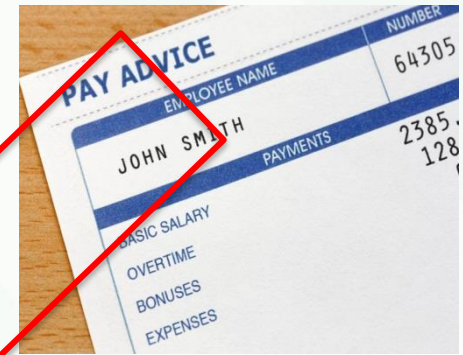
- CBI estimate for 2018  
All = +4.2%
- CBI Outlook for 2019  
All = +4.3%

Confederation of British Industry  
June 2018 Update

- Latest figures from the ONS show that unemployment remained at 4.2%
- Wage growth slipped back slightly dampening expectations of an August interest rate rise

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

# PAY – INCLUDING & EXCLUDING BONUSES



## Latest Trends: Feb-Apr 2018

- All Pay = +2.5%
- Private = +2.6%
- Public = +2.4%

## Additional Figures

- CBI estimate for 2018 Avg Earnings = +2.6%
- CBI Outlook for 2019 Avg Earnings = +3.1%

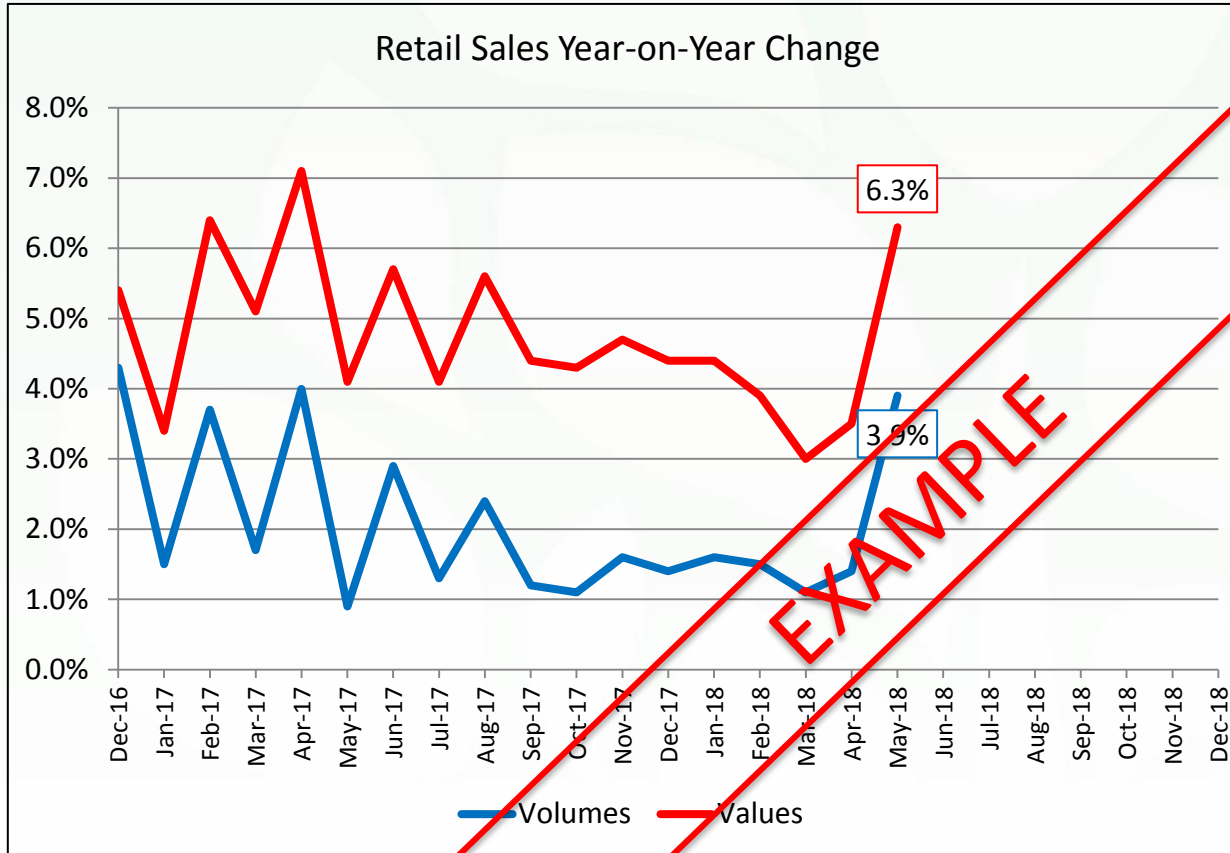
Confederation of British Industry  
June 2018 Update

- Pay (including bonuses) grew by +2.5% on a year earlier, private sector pay grew by +2.6% and public sector pay grew by 2.4%
- Regular pay (excluding bonuses) rose by +2.8% on a year earlier

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



# RETAIL SALES – VOLUME & VALUE



## Latest Trends: May 2018

- Volume = +3.9%
- Value = +6.3%

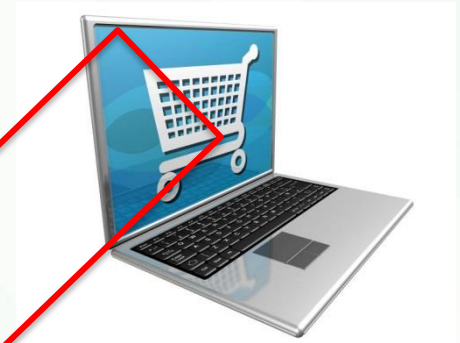
## Sector Analysis

- Food Led Stores  
Vol = +2.8%, Val = +5.0%
- Non-Food Led Stores  
Vol = +3.2%, Val = +4.5%
- Non-Store Retailing  
Vol = +16.2%, Val = +18.4%
- Automotive  
Vol = (0.3%), Val = +7.6%

- Retail sales rose +3.9% in May 2018 vs. May 2017
- Good weather and the royal wedding celebrations contributed to a strong rise in retail sales in the month



# INTERNET SALES – VALUE



Internet Year-on-Year Change



**EXAMPLE**

## Latest Trends – May 2018

➤ Value = +19.9%

## Internet Sales by Sector

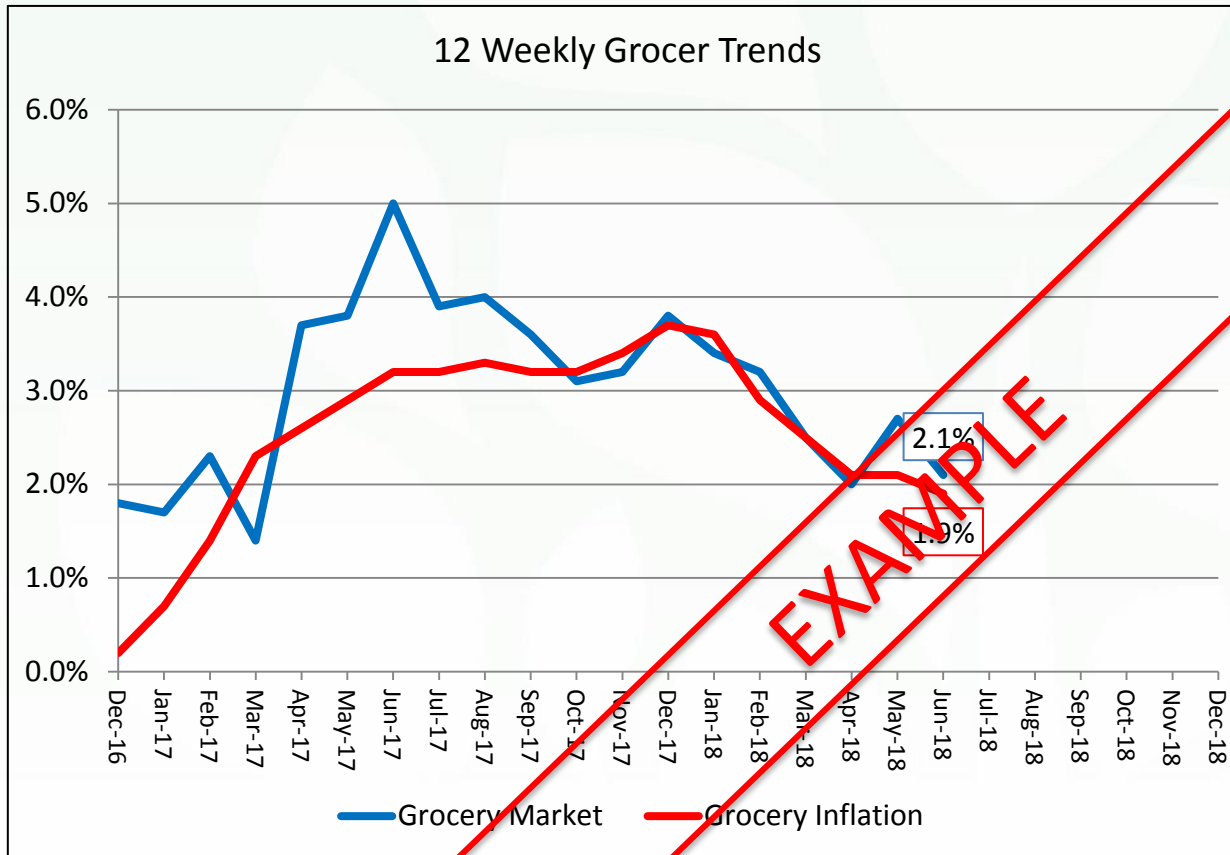
➤ Food = +20.7%

➤ Non-Food = +23.7%

➤ Non-Store = +17.2%

- May average weekly internet sales values were estimated to be £1.26bn up +19.9% vs. May LY
- In May 2018 internet sales were 17.5% of all retail sales (excluding auto fuel) vs. 15.4% in May 2017

# GROCERY- MARKET & INFLATION



Sainsbury's



Waitrose

MORRISONS

## Latest Trends: June 2018

- Grocery Market = +2.1%
- Grocery Inflation = +1.9%

## Additional Figures

- Latest growth by retailer

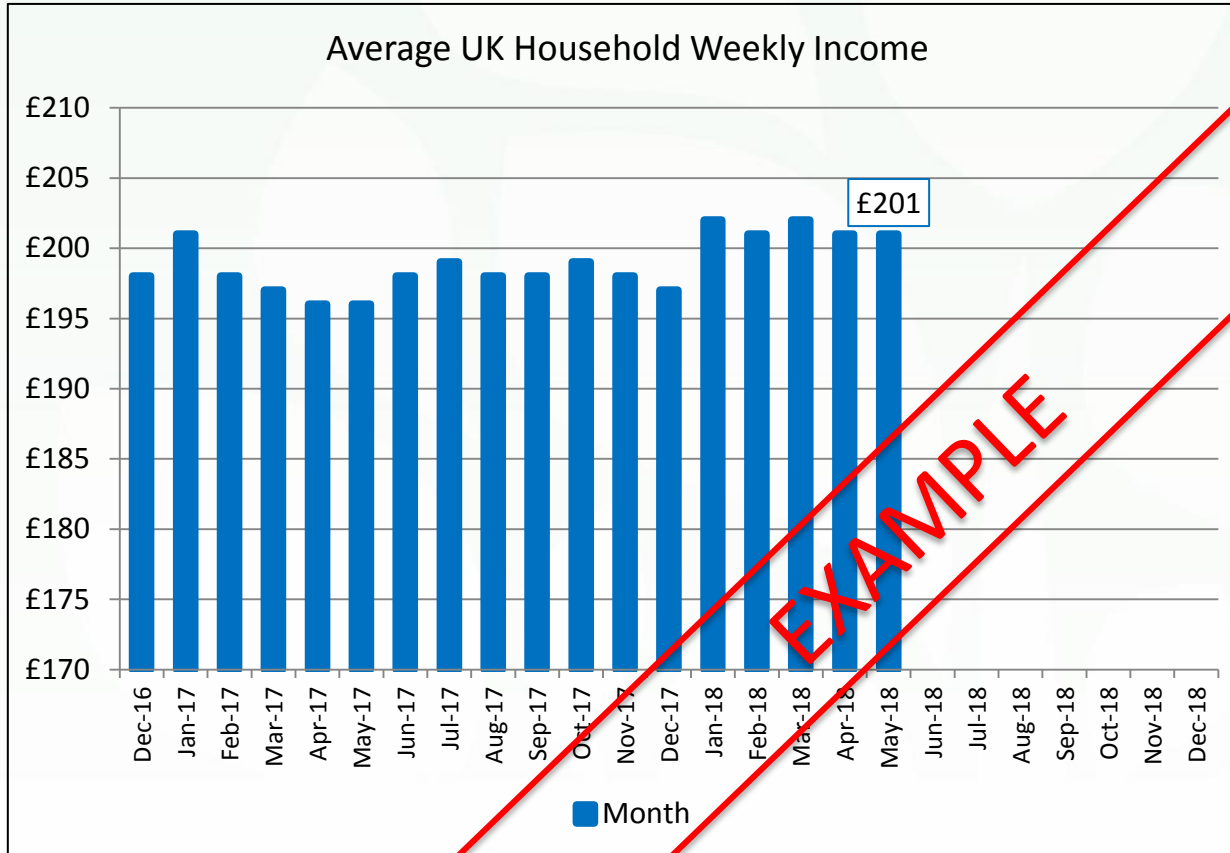
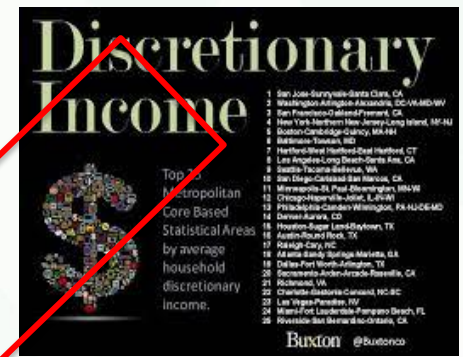
Tesco = +1.4%  
 Sainsbury's = (0.2%)  
 Asda = +1.8%  
 Morrison's = +1.9%  
 The Co-op = +2.4%  
 Waitrose = +0.1%

Aldi = +8.2%  
 Lidl = +10.0%  
 Ocado = +10.1%

- Latest 12 week figures saw the Grocery Market grow by +2.1%
- As wonky vegetables have helped Morrisons remain the fastest growing of the big four supermarkets



# DISCRETIONARY INCOME



## Latest Trends: May 2018

➤ Value = £201 +2.1%

## Additional Figures

➤ Annual Averages

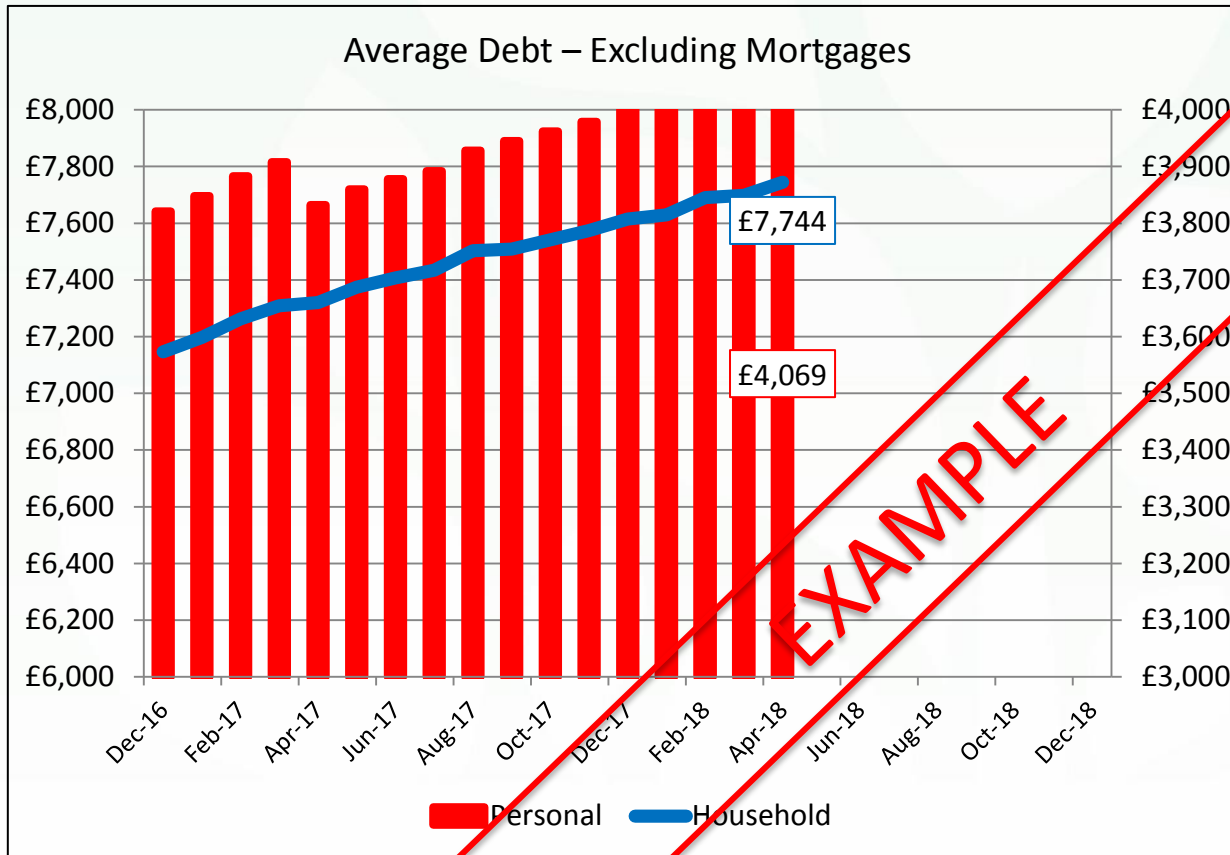
2012	= £166
2013	= £167
2014	= £173
2015	= £190
2016	= £198
2017	= £198

- Average family spending power was up £4 a week in May at £201
- The East Midlands is the only region where it is still in decline vs. the same quarter last year

No update this month



# AVERAGE DEBT – EXCLUDING MORTGAGES



## Latest Figures: April 2018

- Household = £7,744
- Personal = £4,069

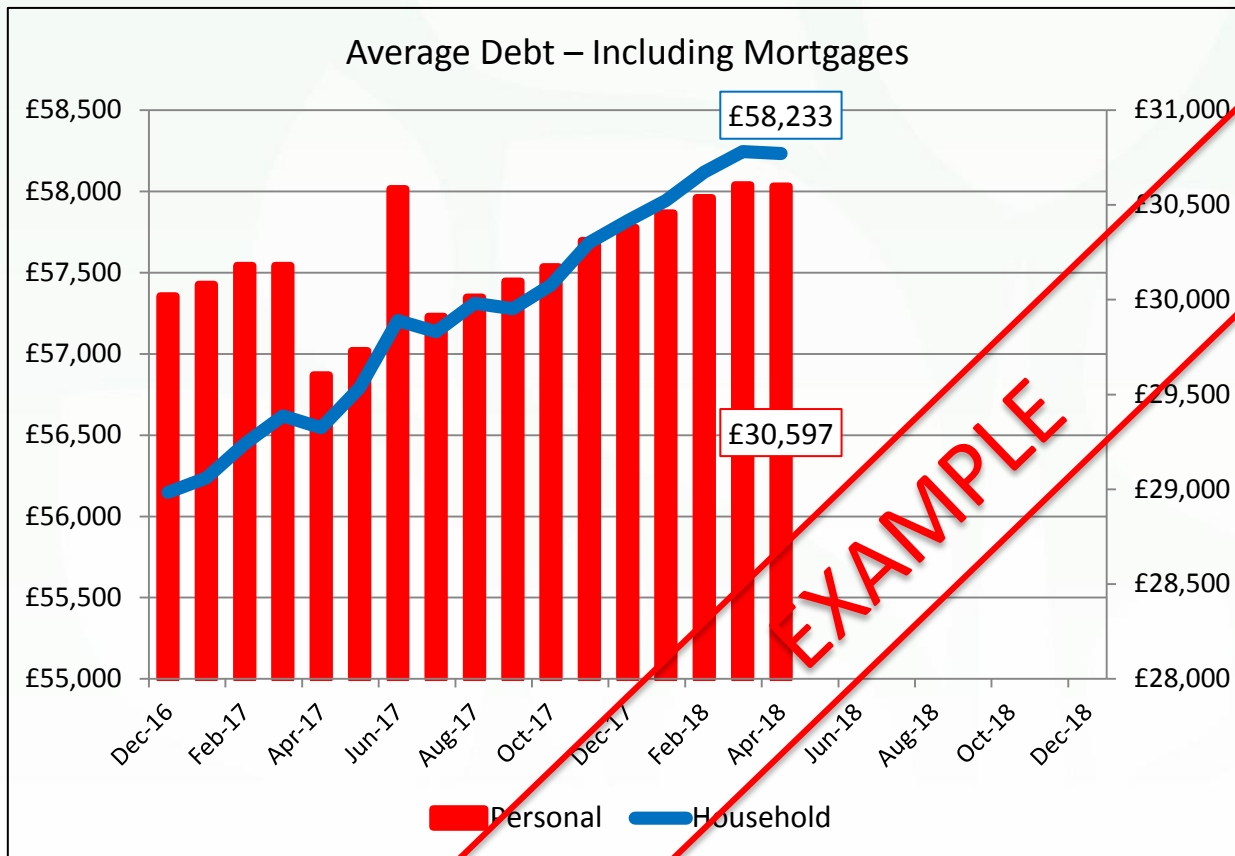
## Additional Figures

- Based on April 2018 trends, the UK's total interest repayments on personal debt over a 12 month period would have been £50,331bn

(billion= 1,000,000,000)

- On average households in the UK are currently paying £1,850 in annual interest repayments – per person that is £972
- Total credit card debt in April 2018 was £2,613 per household, if you paid £63 every month, it would be cleared in 5 years & 4 months

# AVERAGE DEBT – INCLUDING MORTGAGES



## Latest Figures: April 2018

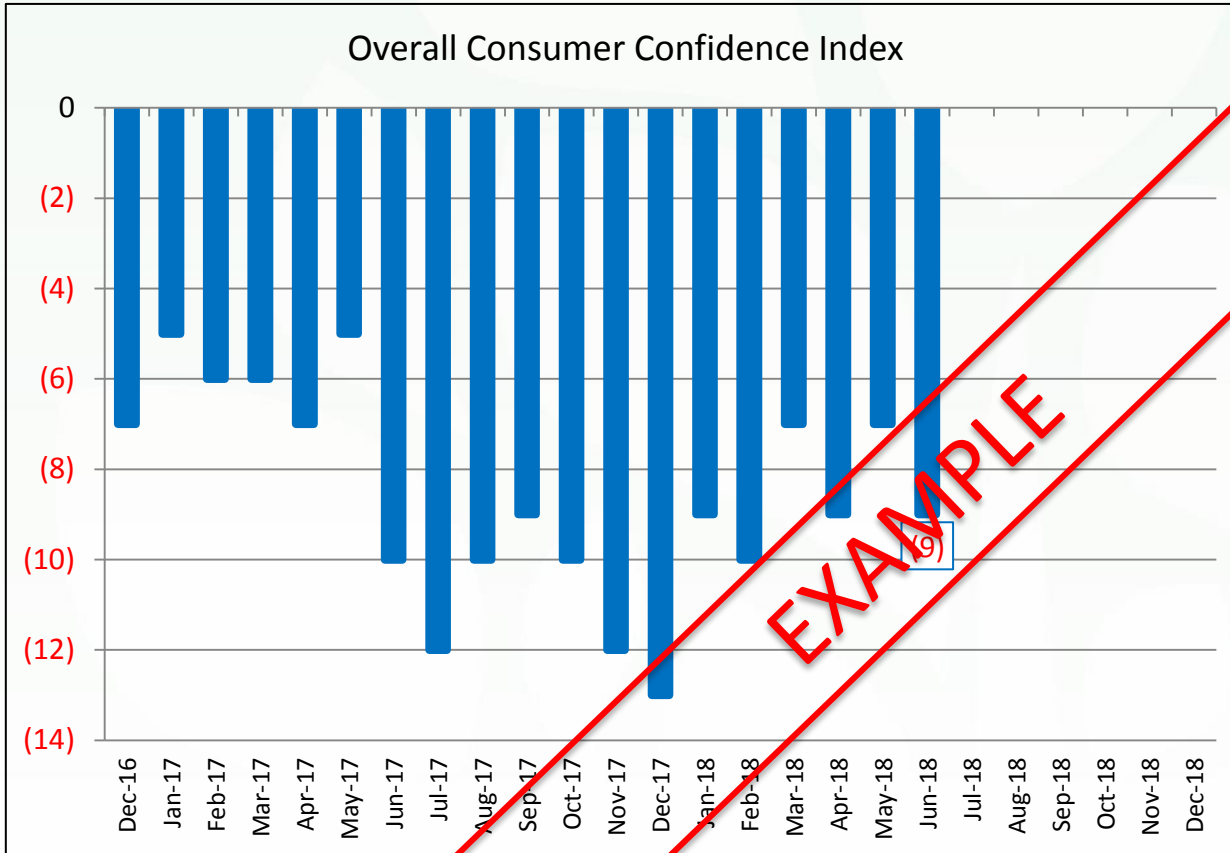
- Household = £58,233
- Personal = £30,597

## Additional Figures

- Average 1<sup>st</sup> time buyers borrowed 3.60 times their income
- Average age of a first-time buyer loan was 30

- The estimated average mortgage debt in April was £123,721
- Meaning the average annual interest paid would be £3,081 per household (based on a rate of 2.49%)

# CONSUMER CONFIDENCE



**EXAMPLE**

**Latest Position: June 2018**

➤ Index = (9)

**Additional Figures**

➤ **Historical Indexes**

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
Dec-16 = (7)	Dec-17 = (13)

- **GfK's UK Consumer Confidence Index was (9) in June down (2) compared to May**
- **As consumers in pre-Brexit UK are less confident about the economic future**