

Your story matters



Absa CIB - MSA Report July

26 September 2024

Avatar Agency

Emailer

Subject:

Gain a panoramic view of consumer spending in July 2024

Headline:

Absa Merchant Spend Analytics Report

Body:

Dear Client

Consume This: The health of the consumer

Consumers are feeling the pinch! South African consumers' financial health is under significant strain due to inflation, high interest rates and global economic challenges which have burdened them with debt. Despite a slight increase in real take-home pay for consumers, the growth is insufficient to keep up with the rising cost of living and high levels of debt.

In this edition of Consume This, we use data-driven insights from various sources to delve into the landscape of debt in South Africa and explore how the debt burden is shared across demographics.

We are also pleased to share the latest Merchant Spend Analytics Report. As a leading merchant acquirer, we pride ourselves on using a unique vantage point in consumer spending insights to guide your business through today's spending trends.

By leveraging our extensive transactional data, we aim to give your business a bird's-eye view on current consumer spending trends, evolving preferences and emerging market shifts.

This month's MSA report presents the following key findings:

- *Month-to-month (MTM): Positive uptick in consumer spending and transaction rates driven by improved performance of the tracked consumer spending categories.*
- *Year-to-date (YTD): While essential categories such as food have experienced slow growth, discretionary spending has demonstrated resilience with above inflation rate performance.*
- Credit card usage appears to be growing faster than debit card usage. This seems to be reflective of a tough consumer environment.
- Data suggests that consumers have developed a durable preference for online shopping.
- **In the spotlight:** Internal data reveals a sustained downward trajectory in spending and market share for the building and hardware category.

Kind regards

The Consumer Goods and Services team



Absa's Merchant Spend Analytics Report: July 2024

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Storyboard



Corporate and Investment Banking

Absa's Merchant Spend Analytics Report: July 2024

Year-to-date performance.
Briefly: Month-to-month performance.

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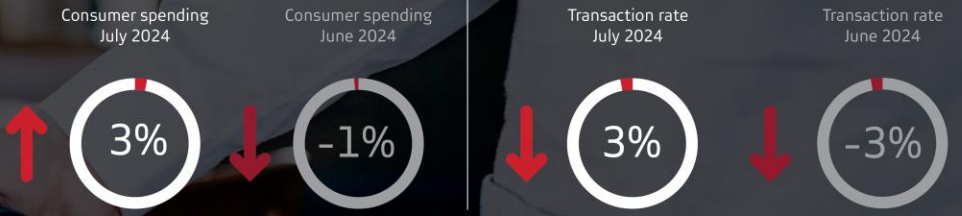




Corporate and Investment Banking

Consumer spending

Month-to-month:
July 2024 shows a slight positive uptick in consumer spending and transaction rates.



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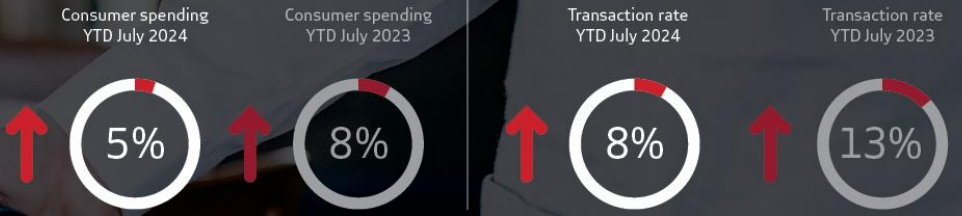




Corporate and Investment Banking

Purchasing commitments

Year-to-date figures for July 2024:
Consumer spending and transaction rates show muted growth from last year.



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Corporate and Investment Banking



Debit and credit card spending

Year-to-date figures for July 2024:
Credit card usage outpaces debit cards.

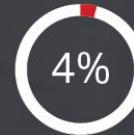
Credit card
YTD July 2024



Credit card
YTD July 2023



Debit card
YTD July 2024



Debit card
YTD July 2023



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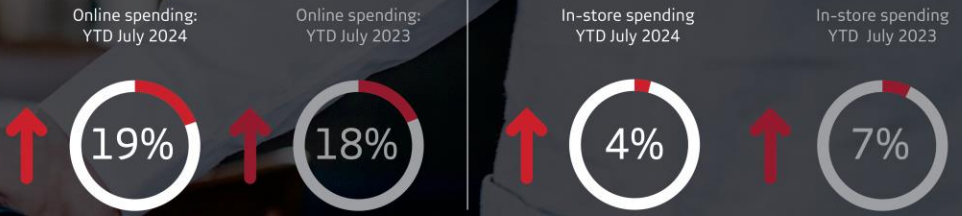




Corporate and Investment Banking

Shopping spend

Year-to-date figures for July 2024:
Online spending experienced a slight uptick while growth in in-store spending slows down.



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Absa's Merchant Spend Analytics Report: July 2024

Year-to-date performance. Briefly: Month-to-month performance.

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