

## **Australian consumer confidence drops in December**

SYDNEY, Dec. 12 (Xinhua) -- Australian consumer confidence deteriorated in December despite the Reserve Bank of Australia (RBA) cutting the cash rate to its lowest level in three years, a survey released on Wednesday by Westpac Banking Corp and the Melbourne Institute showed.

The Westpac Melbourne Institute Index of Consumer Sentiment fell by 4.1 percent to 100.0 in December, down from 104.3 index points in November.

A reading of 100 indicates equal numbers of pessimists and optimists among respondents.

Westpac chief economist Bill Evans said the result for December was unexpected, following a 5.2 percent rise in the index in November and the RBA's 25 basis point rate cut in December.

"With that in mind it was therefore reasonable to expect that the index would respond quite positively to the rate cut the Reserve Bank delivered last week," Evans said in a statement.

"Instead the index fell back to near its October level and is now 3.2 percent below its November 2011 level."

He said Australia's households with a mortgage responded positively to the rate cut with their confidence rising by 4.4 percent, but other respondents were quite downbeat.

Negativity surrounding local economic conditions, the international economic conditions and employment was weighing on consumers, he said.