

also impact on lower ATM withdrawal figures in January.

Sternberg says that the drop in January ATM withdrawal values will be consistent with a decrease in Stats SA's Retail Trade Sales (RTS) figures for the same period, as to date the SCI has been a leading indicator of these values. "Although consumers will remain cautious, the current stable interest rate will foster consumer spending and local retailers should still enjoy a positive trading environment in 2012."

He points to the latest data released by the University of South Africa's Bureau of Market Research (BMR) that forecasts that local retail sales will record a moderate annual growth of 4.5% in 2012 if retail inflation remains stable. Economists at the Bureau for Economic Research agreed that BMR's forecast was achievable, but would depend on the currency (rand) movement and European financial volatility.

"We expect average monthly cash withdrawal figures in 2012 to return to positive gains in April due to increased retail activity during the Easter holiday period," concludes Sternberg.