

# U.S. Data Review

- Retail sales: firm vehicle sales, moderate elsewhere

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## Retail Sales

Retail sales rose 0.6 percent in March, beating the expected increase of 0.4 percent. An increase of 2.0 percent in the auto component accounted for the upside surprise (we had built an increase of 1.0 percent for autos). The increase of 0.2 percent in sales excluding autos matched the consensus estimate, while growth of sales ex-autos and ex-gasoline rose 0.3 percent, a touch shy of the expected increase of 0.4 percent. Various components posted noticeable revisions, but changes were largely offsetting, leaving little net adjustment.

## Retail Sales -- Monthly Percent Change

	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
Total	0.8	-0.1	-0.2	-0.1	0.6
Ex.-Autos	1.2	0.0	0.1	0.2	0.2
Ex.-Autos, Ex.-Gas	1.0	0.0	-0.2	0.3	0.3
Retail Control*	1.1	-0.1	-0.1	0.1	0.4
Autos	-1.0	-0.2	-0.9	-1.3	2.0
Gasoline	3.4	0.1	2.0	0.1	-0.3
Clothing	0.6	-1.1	1.0	0.2	-0.8
General Merchandise	0.5	-0.3	0.2	-0.4	0.3
Nonstore**	3.9	0.5	-0.9	0.9	0.8

\* Retail sales excluding sales from motor vehicle dealers, gasoline stations, and building materials, garden equipment, and supply dealers.

\*\* Primarily online and catalog sales; also includes sales by fuel-oil dealers.

Source: U.S. Census Bureau

Retail activity has been on the soft side in the past four months, averaging increases of only 0.1 percent per month overall and ex-autos/ex-gasoline. However, this lull followed strong results from September to November, averaging monthly increases of 1.2 percent overall and 0.8 percent ex-autos and ex-gasoline. We view the recent slowdown as a natural cooling after the brisk advance in the September-November period. Fundamentals for consumer spending are favorable, and thus retail activity on average should be well maintained.

In March, the 2.0 percent increase in the auto component could be viewed as a rebound from declines in the prior four months. Furniture stores and health-care stores also rebounded from weak results around the turn of the year. Activity at building-supply stores was weak, but the drop of 0.6 percent might have been influenced by severe winter storms in the Northeast. Sales at clothing stores also fell, continuing a choppy performance and leaving a slight net decline from the elevated level in November. Most areas have been softer since the strong results in the September/November periods. Even the robust nonstore category has slowed (0.3 percent on average in the past four months versus an average of 1.7 percent from September to November).