

U.S. Data Review

- Retail sales: firm results at brick & mortar outlets; non-store activity cools

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Retail Sales

Retail sales rose 0.3 percent in December, matching expectations. The results were constrained by the volatile auto component (off 1.3 percent); activity elsewhere was strong with an increase of 0.7 percent. Some of the jump ex-autos was the result of strong activity at gasoline service stations (up 2.8 percent), which might have been influenced by price changes (likely higher after seasonal adjustment). Sales excluding autos and gasoline were respectable (up 0.5 percent), but the firm showing was nearly offset by downward revisions in the two prior months. Growth in both October and November was 0.2 percentage point slower than previously believed; the level of sales in November was 0.4 percent lighter than the initial estimate. Much of the adjustment occurred in the non-store area (discussed below).

The increase in sales excluding autos and gasoline (0.5 percent) largely occurred at brick and mortar outlets. Activity at clothing stores surged (1.6 percent), breaking out from a flat trend, and general merchandise stores did well with growth of 0.6 percent. Sales at sporting goods stores rose 0.9 percent, although the change occurred from a low level and the new total still lagged other recent observations. Sales at building supply stores were strong (1.4 percent), but this area can be noisy because of weather- and disaster-related influences.

The most interesting aspect of the report was a modest advance in the non-store area after declines in the prior three months. The declines in October and November were a surprise, as preliminary estimates showed gains of 0.6 percent and 0.8 percent, respectively; now non-store retailers are showing declines of 0.7 percent in October and a marginal dip in November (off 0.027 percent). The new data transformed what had been a solid upward trend to a flat performance in the past few months (chart). The results perhaps suggest that the structural change in shopping patterns to online activity is now in its advanced stages.

The firm increases at clothing, general merchandise, and sporting goods stores suggest that the holiday shopping season was brisk, but the modest advance in the non-store area tempers that view.

Retail Sales -- Monthly Percent Change

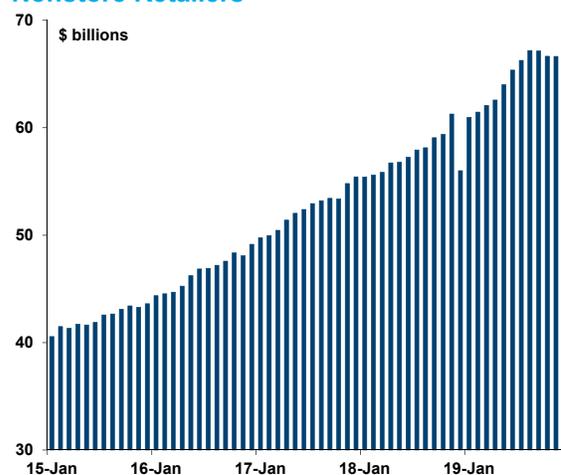
	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Total	0.6	-0.4	0.3	0.3	0.3
Ex.-Autos	0.2	-0.2	0.2	0.0	0.7
Ex.-Autos, Ex.-Gas	0.4	-0.3	-0.1	-0.2	0.5
Retail Control*	0.2	-0.2	0.0	-0.2	0.4
Autos	2.0	-1.1	1.1	1.5	-1.3
Gasoline	-1.2	-0.1	2.0	1.0	2.8
Clothing	-1.2	0.1	-0.2	-0.5	1.6
General Merchandise	-0.2	-0.9	0.4	0.1	0.6
Nonstore**	1.4	-0.1	-0.7	0.0	0.2

* 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 via Haver Analytics

Nonstore Retailers



Source: U.S. Census Bureau via Haver Analytics