

# U.S. Data Review

- Retail sales: back to normal?
- Unemployment claims: still far from normal

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## Retail Sales

Retail sales jumped 7.5 percent in June, beating the expected increase of 5.0 percent. In addition, the change occurred from a strong showing in May that was revised slightly higher (growth of 18.2 percent rather than 17.7 percent). The combined results left retail activity in line with pre-virus readings. Indeed, the level of activity in June was only 0.8 percent below the average for January and February and was above most readings from last year.

The increase was broadly based, as only three areas posted inconsequential declines. Sales at building-supply stores, food stores, and through nonstore vendors (mostly on line and catalog) all fell, but the changes were modest and occurred from unusually firm levels. Sales at auto dealers and gasoline stations often generate random shifts and distort the headline figure, but that was not the case in the past two months, as sales excluding autos and gasoline also were firm, only 0.2 percent shy of the January/February average (chart).

It is tempting to conclude that retail activity has returned to normal, but we are not willing to draw that conclusion just yet. While the overall results were firm, the report also showed that households were spending differently than they were before the pandemic. For example, sales at food stores and through online vendors remain well above pre-virus levels, and activity at big-box retailers is still tilting on the firm side. In addition, other store types remain shy of norms. Activity at restaurants is still paltry, and sales at department stores are shy of previous averages, as are sales at stores specializing in either clothing, furniture, or electronics.

## Unemployment Claims

The report on retail sales was strong, but it still showed an influence from the coronavirus. The latest figures on unemployment claims also provided a reality check. Initial claims for unemployment insurance in the regular state programs posted a minuscule decline from a level that is still unusually high by historical standards. In addition, the drop in the number of individuals receiving unemployment benefits under regular programs was underwhelming and left the number of recipients in the stratosphere. The number of individuals receiving benefits under the two new special programs (Pandemic Unemployment Assistance and Pandemic Emergency Unemployment Compensation) increased in the latest available week (June 27), although these results could reflect joblessness from earlier periods because of implementation problems in these programs. Still, the results indicated difficulties in the labor market.

## Retail Sales -- Monthly Percent Change

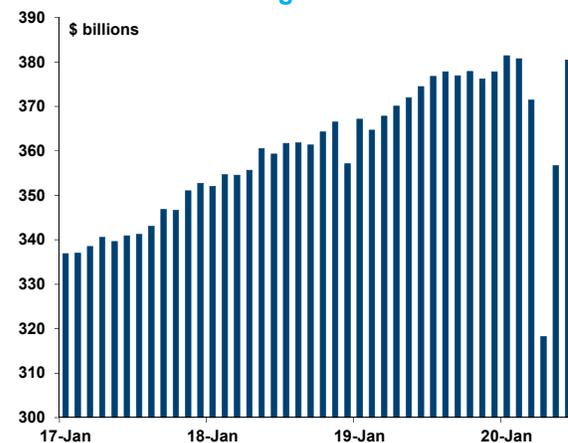
	Feb-20	Mar-20	Apr-20	May-20	Jun-20
Total	-0.4	-8.2	-14.7	18.2	7.5
Ex.-Autos	-0.5	-3.8	-15.2	12.1	7.3
Ex.-Autos, Ex.-Gas	-0.2	-2.4	-14.3	12.1	6.7
Retail Control*	-0.1	-2.9	-15.3	12.3	7.3
Autos	-0.4	-25.9	-12.2	48.7	8.2
Gasoline	-2.9	-16.5	-24.5	11.9	15.3
Clothing	-1.6	-48.7	-73.5	176.7	105.1
General Merchandise	-0.1	8.5	-13.6	5.9	2.7
Nonstore**	1.2	5.0	9.4	7.2	-2.4

\* 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

## Retail Sales Excluding Autos & Gasoline



Source: U.S. Census Bureau via Haver Analytics