

U.S. Data Review

- Retail sales: a break from brisk results in November

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Retail Sales

Retail sales rose 0.3 percent in November, well shy of the expected gain of 0.8 percent. The results, while surprisingly soft, were not disheartening, as they followed three months of brisk advances. We would not conclude that the modest increase represents a fading of support from the household sector. A pause after three strong months is not surprising.

Much of the softness occurred in the electronics and appliance category (-4.6 percent), where activity has been drifting lower since June. The health care area also has been inching downward and lost additional ground in November (-0.6 percent). The auto category slipped

0.1 percent, a respectable performance given supply constraints (although the drop in real terms was undoubtedly sharper). Sales at general merchandise stores fell 1.2 percent, but the drop offset only a portion of gains in other recent months and the underlying path remained upward. Activity in the miscellaneous category also is still tilting upward despite a dip of 0.3 percent in November.

Two areas stood out on the firm side: sales at gasoline service stations advanced 1.7 percent, while activity at food stores rose 1.3 percent. However, higher prices probably more than accounted for the increase in gasoline sales and represented a large share of the gain at food stores. Sporting goods stores posted solid results (1.3 percent), which marked the third consecutive advance after a slide in the spring and summer. This increase most likely translated to a gain in real terms. Activity at building supply stores also is regaining momentum after a retreat from elevated levels in the spring. Interestingly, restaurants performed well despite the acceleration in the number of Covid cases and the emergence of the Omicron variant. Given these positive results, and the gains in the prior three months, the report, although lacking vigor, was not deeply disappointing.

Retail Sales -- Monthly Percent Change

	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21
Total	-1.6	1.2	0.7	1.8	0.3
Ex.-Autos	-0.9	2.2	0.6	1.8	0.3
Ex.-Autos, Ex.-Gas	-1.3	2.2	0.3	1.6	0.2
Retail Control*	-1.2	2.3	0.3	1.5	0.1
Autos	-4.3	-2.7	1.2	1.7	-0.1
Gasoline	2.4	1.7	3.5	3.7	1.7
Clothing	-2.6	0.0	2.0	0.2	0.5
General Merchandise	-1.1	3.5	-0.3	1.5	-1.2
Nonstore**	-4.6	5.9	-0.4	4.1	0.0

* 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