

## U.S. Retail Sales — August

# Retail Sales Unzipped

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Look beyond the headline.... as hard as that may be to do. **U.S. retail sales** rose just 0.1% in August, below expectations (of about 0.4%) and the smallest gain since the start of 2018. We already knew that unit **auto sales** were down in the month and that translated over into the dollar figures as well (-0.8%). **Excluding autos**, sales were up 0.3% though still below expectations. **Core sales**, which remove autos, gas stations and building materials, edged up 0.1%....very disappointing.

However, there were **some very sizeable upward revisions** to July. **Headline sales** were +0.5%; now +0.7%.; **core sales** were +0.5%; now, +0.8%. You get the gist. And the month that kicks off the quarter holds more weight so this is important. Also, note the upward revision to July's '**nonstore retailers**' .... Was reported as +0.8%; now, +1.5%, perhaps due to the 36-hour **Amazon Prime Day**.

And note that **clothing sales** unravelled by 1.7% in August, but that was very likely price related. Clothing prices were also down sharply in the same month (see Sal Guatieri's AM Chart called "*The CPI Has No Clothes*").

**Bottom Line:** No impact on our GDP or PCE calls ... perhaps even some slight upside risk ... despite the weak nominal headline. In real terms, the picture was likely better. Wait for the PCE report on September 28<sup>th</sup>.



Retail Sales					
United States (m/m % chng)	(% chng : a.r.)				
	Aug	Jul	Jun	3-mo.	12-mo.
Retail Sales	0.1	0.7	0.2	4.1	6.6
Ex. Autos	0.3	0.9	0.3	6.2	7.3
Ex. Gasoline	-0.1	0.7	0.2	3.3	5.5
Ex. Autos, Gas	0.2	0.9	0.3	5.5	5.9
Ex. Auto Dlr., Gas, Bldg Mat'ls	0.2	1.0	0.3	5.7	6.1
Building Materials	0.0	0.1	0.0	0.4	3.3
Furniture	-0.3	0.0	0.3	0.3	3.5
Autos	-0.8	-0.1	-0.1	-4.0	4.0
General Merchandise	0.1	1.0	-0.2	3.6	3.7
Department Stores	-1.0	1.4	-2.2	-6.9	-0.7
Food Stores	0.0	0.8	-0.1	2.8	4.3
Apparel	-1.7	2.2	-1.0	-2.2	6.3
Gasoline	1.7	0.8	0.6	12.8	20.3
Restaurants	0.2	1.6	1.7	14.8	10.1
Drug Stores	0.5	0.3	0.6	5.9	4.9
E-commerce, Mail Order, Fuel	0.7	1.5	0.9	13.0	10.4

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