

US Retail Sales Suffer A Minor Setback

US, Retail Sales , Headline / Ex-Autos / Ex-Auto-Gas, m/m %, April:

Actual: -0.2 / 0.1 / -0.2

Scotia: 0.1 / 0.5 / NA

Consensus: 0.2 / 0.7 / 0.3

Prior: 1.7 / 1.3 / 1.1 (revised from 1.6 / 1.2 / 0.9)

- **That US retail sales gave back a little of the surge in March isn't terribly surprising.** After a 1.7% upwardly revised gain in March, a 0.2% dip is best shrugged off.
- **US consumer spending is tracking pretty solidly into Q2.** Headline retail sales are tracking 3.4% higher in Q2 after rising by just 0.2% in Q1 (on a q/q SAAR basis). See the accompanying chart.
- **The important retail sales control group is tracking a gain of 2.4% in Q2** so far (q/q SAAR) which is similar to the 2.6% growth in Q1. This is the measure that influences consumption in GDP.
- **Across components, breadth was soft.** Sales were higher for food/beverages (+0.2%), gas stations (+1.8%), sporting goods (+0.2%), general merchandise (+0.2%). Sales fell in categories like autos/parts (-1.1%), electronics (-1.3%), building materials (-1.9%), clothing (-0.2%), and health/personal care (-0.2%).

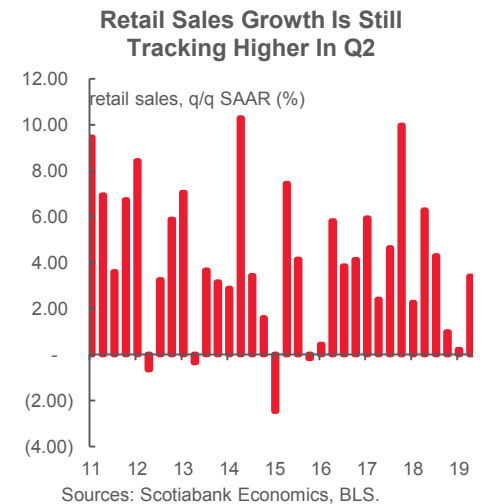
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