

# U.S. Data Review

- Retail sales: downside noise in online activity; mixed results, but up, elsewhere

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## Retail Sales

Retail sales rose 0.3 percent in February, close to the expected advance of 0.4 percent. The increase was influenced by strong results in the auto and gasoline components (up 0.8 percent and 5.3 percent, respectively); sales elsewhere disappointed with a drop of 0.4 percent, well shy of an expected gain of 0.4 percent. Although activity excluding autos and gasoline was weak, the softness was concentrated in the nonstore category (primarily online and catalog), which fell 3.7 percent. This decline was not troubling, as it did little damage to a solid underlying trend. Nonstore activity has seen an unusual degree of volatility in the past three months, collapsing in December, surging in January, easing in February. Looking through the noise would show a still-firm trend (chart).

Sales outside the nonstore category were mixed but up on balance, increasing 1.0 percent. A good portion of this advance was driven by the jump of 5.3 percent in the gasoline component, which was heavily influenced by higher prices, but sales ex-nonstore and gasoline rose 0.5 percent. Several areas showed favorable results, including autos, building materials, and miscellaneous stores. Interestingly, restaurants and bars had a strong month (up 2.5 percent) as the public became more active as the spread of Covid slowed.

Results that might appear disappointing at first blush also were tempered by upward revisions to previous data. December was a touch softer than previously believed, but January was notably firmer. The combined adjustments left sales in January 1.0 percent stronger than previously believed.

Results were not uniformly firm, as a few areas saw activity fade. Health and personal care stores fell noticeably (-1.8 percent), and activity at food stores fell 0.5 percent, which no doubt will translate to a much sharper decline after adjusting for inflation. Sales at electronic and appliance stores fell again (off 0.6 percent). This area took a big step downward in November and it has lost additional ground since. Activity at furniture stores fell 1.0 percent, adding to a downward tilt in recent months.

## Retail Sales -- Monthly Percent Change

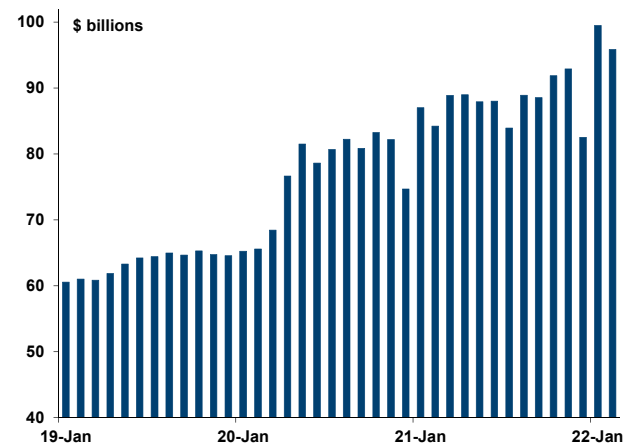
	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22
Total	1.8	0.7	-2.7	4.9	0.3
Ex.-Autos	1.8	0.7	-3.0	4.4	0.2
Ex.-Autos, Ex.-Gas	1.6	0.6	-3.5	5.2	-0.4
Retail Control*	1.5	0.3	-3.7	5.3	-0.6
Autos	1.7	0.7	-1.5	6.9	0.8
Gasoline	3.5	1.9	1.2	-1.7	5.3
Clothing	1.0	1.1	-3.9	1.4	1.1
General Merchandise	1.6	-1.1	-3.8	4.5	-0.2
Nonstore**	3.8	1.1	-11.2	20.6	-3.7

\* 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: Nonstore Retailers



Source: U.S. Census Bureau via Haver Analytics

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