

September U.S. Retail Sales

Overview

- 1 September retail sales growth slowed but still beat expectations, up 0.8% on higher gasoline prices. Excluding auto and gas, retail sales rose a modest 0.1%
- 2 Discretionary furniture and department store sales were higher, while general merchandise and building materials declined.
- 3 September sales indicate resilient consumer spending, despite high inflation and negative wage growth, with another interest rate hike likely.

Breaking Down U.S. Retail Sales

U.S. retail sales growth slowed in September but still beat expectations, rising 0.8%. Higher gasoline prices drove most of the gain. Excluding autos and gas, retail sales rose just 0.1%, down from 1.1% in August, which was revised down 10 bps. The lingering Iran war pushed pump prices higher, with gasoline station sales up 6.4% for the month and 28.1% YOY.

A couple of discretionary categories provided a surprising lift to monthly sales, with furniture and department stores up 1.3% and 1.6%, respectively. Meanwhile, building material and general merchandise stores pulled back, down 0.6% and 0.1%, respectively.

For the YOY period, retail sales excluding autos and gas grew 5.0%, well ahead of inflation. September CPI, released yesterday, rose 3.7% on the surge in energy prices. Core CPI, which excludes food and energy, rose 2.6%, closer to the Federal Reserve's 2.0% target.

Wholesale inflation was more troubling. September's producer price index, released today, came in well above forecasts, climbing 1.3% for the month and 6.3% YOY, the largest gains since 2022. As with CPI, energy was the main driver, but the pressure is spreading downstream. Core PPI, which excludes food and energy, rose 0.7% for the month and 5.0% YOY, which suggests further consumer price increases may be in the pipeline.

Two discretionary categories led the YOY gains: electronics (+9.4%) and sporting goods, hobby, musical instrument and bookstores (+9.6%). Nonstore retailers and food service also posted solid gains, up 8.2% and 7.0%, respectively. Consumers continue to eat out, with food service sales growing at double the 3.5% inflation rate for food away from home. Grocery store sales, by contrast, rose just 0.9%, trailing the 1.8% inflation rate for food at home.

Overall, the September data shows consumer spending and the broader economy remain resilient, but momentum is slowing heading into the fourth quarter as higher gas and energy prices squeeze budgets. Inflation-adjusted wages fell again in September, and higher gasoline and home heating costs are straining lower- and middle-income households. Last month, the Federal Reserve raised rates 25 bps to 3.75%–4.00%, its first increase since 2023. With inflation still elevated, wholesale price pressures building, and consumer spending staying strong, another 25 bps hike is expected.

For questions or analytical support, please call:

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Seasonally Adjusted Retail Sales

Source: U.S. Census, Bloomberg

	Sep 2026	Sep 2026 (Est.**)	Aug 2026	Sep 2026
	m/o/m	m/o/m	m/o/m	y/o/y
Total Retail Sales	0.8%	0.3%	1.3%	6.3%
Retail Sales Ex Auto	0.9%	0.6%	1.4%	7.2%
Retail Sales Ex Auto and Gas	0.2%	N/A	1.1%	5.0%
Core Retail Sales*	0.1%	0.3%	1.2%	4.7%
By Category:				
Furniture & home furnishings	1.3%		0.2%	4.9%
Electronics & appliance	0.6%		2.1%	9.4%
Building materials & garden	-0.6%		0.2%	4.5%
Food & beverage stores	0.4%		0.2%	0.9%
Grocery	0.5%		0.3%	0.9%
Health & personal care	0.7%		1.2%	-1.2%
Gasoline stations	6.4%		4.0%	28.1%
Clothing & clothing accessories	0.0%		0.6%	5.0%
Sporting goods, hobby, musical instrument & book stores	-0.5%		1.0%	9.6%
General merchandise	-0.1%		0.8%	4.2%
Department stores	1.6%		-0.6%	6.4%
Nonstore retailers	0.3%		2.0%	8.2%
Food services & drinking places	1.1%		1.4%	7.0%
Miscellaneous store retailers	-3.0%		3.6%	10.9%

* Excludes sales from auto & motor vehicle dealers, gasoline stations, building materials, food services & drinking places

** Represents Bloomberg monthly sales estimates

Quarterly E-commerce Sales

Quarterly U.S. Retail Sales; Total and E-commerce

Source: U.S. Census

Quarter	Retail Sales (\$ millions)		E-commerce	% Change from Same Quarter a Year Ago	
	Total	E-comm	% of Total	Total	E-comm
2Q26	1,986,488	340,244	17.1%	6.7%	12.2%
1Q26	1,929,759	327,861	17.0%	3.9%	10.1%
4Q25	1,900,653	317,999	16.7%	2.7%	5.9%
3Q25	1,893,125	310,817	16.4%	4.1%	5.3%
2Q25	1,861,603	303,284	16.3%	3.7%	5.0%

* Retail sales excluding foodservice

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