

August U.S. Retail Sales

Overview

- 1** August retail sales grew just 0.1%, but were better than expected, following the upwardly revised 1.1% growth in July
- 2** Core retail sales grew a solid 3.9% YOY, ahead of August core CPI inflation of 3.2%
- 3** Mixed economic data complicates the Fed rate cut decision

Breaking Down U.S. Retail Sales

August monthly retail sales rose just 0.1%, but that was still better than the expected decline of 0.2% as the latest month came on top of solid July results, which saw a 10 bps upward revision to 1.1% growth. Excluding auto and gasoline, sales rose 0.2%, which was below expectations, while core retail sales growth came in right on expectations at 0.3%. YOY retail sales rose 2.1%, while sales excluding auto and gasoline and core retail sales increased a solid 3.3% and 3.9%, respectively. The sales data is not adjusted for inflation; YOY CPI inflation cooled to 2.5% in August. The August CPI data showed food inflation was up just 2.1% while gasoline price fell 10.3%. Core CPI (excluding food and energy) rose 3.2%, higher than overall CPI due to stubborn shelter inflation (up 5.2% YOY).

The August monthly retail sales were led by strong results from miscellaneous stores, nonstore retail and health & personal categories, which advanced 1.7%, 1.4% and 0.7%, respectively. Sporting goods, hobby, musical instrument & book stores and building materials & garden stores were also positive, though both remained negative on a YOY basis. All other categories were in the red (with the exception of flat food services sales) led by a 1.2% drop from gasoline stations from lower gas prices. Department stores and electronics & appliance stores were both down 1.1%.

The monthly sales data shows a consumer still willing to spend and adds to overall economic data showing a still resilient economy. While inflation has cooled and real incomes are growing again, labor hiring is slowing and many consumers are still struggling to contend with the prior years of high inflation; overall CPI is up about 22% from January 2020. Many consumers are also relying on more credit card debt, while savings rates have fallen. Looking ahead to the key holiday season, a survey by Bankrate showed that a third of respondents planned to spend less while only a quarter said they planned to spend more. This mixed data, with the economy seemingly operating at two speeds, will complicate the Fed's next policy decision, although it is still widely expected to announce at least a 25 bps cut tomorrow despite today's encouraging retail sales results.

 **Michael Blackburn, Executive Vice President**

 **1-800-789-0123, ext. 131**

Seasonally Adjusted Retail Sales				
Source: U.S. Census, Bloomberg				
	August 2024			
	Aug 2024	Aug 2024 (Est. **)	July 2024	Aug 2024
	m/o/m	m/o/m	m/o/m	y/o/y
Total Retail Sales	0.1%	-0.2%	1.1%	2.1%
Retail Sales Ex Auto	0.1%	0.2%	0.4%	2.3%
Retail Sales Ex Auto and Gas	0.2%	0.3%	0.4%	3.3%
Core Retail Sales*	0.3%	0.3%	0.4%	3.9%
By Category:				
Furniture & home furnishings	-0.7%		1.7%	-0.7%
Electronics & appliance	-1.1%		1.1%	1.9%
Building materials & garden	0.1%		0.8%	-0.1%
Food & beverage stores	-0.7%		0.9%	1.6%
Grocery	-0.6%		1.0%	1.5%
Health & personal care	0.7%		1.7%	3.5%
Gasoline stations	-1.2%		0.5%	-6.8%
Clothing & clothing accessories	-0.7%		0.1%	1.0%
Sporting goods, hobby, musical instrument & book stores	0.3%		-0.9%	-3.6%
General merchandise	-0.3%		0.8%	2.1%
Department stores	-1.1%		-0.3%	-2.1%
Nonstore retailers	1.4%		-0.4%	7.8%
Food services & drinking places	0.0%		0.2%	2.7%
Miscellaneous store retailers	1.7%		-0.8%	10.7%

* 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
2Q24	1,826,928	291,647	16.0%	2.1%	6.7%
1Q24	1,818,701	287,855	15.8%	1.5%	8.1%
4Q23	1,821,361	283,293	15.6%	3.1%	10.0%
3Q23	1,811,793	279,739	15.4%	2.4%	9.5%
1Q23	1,789,656	273,354	15.3%	0.8%	8.7%

* Retail sales excluding foodservice

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