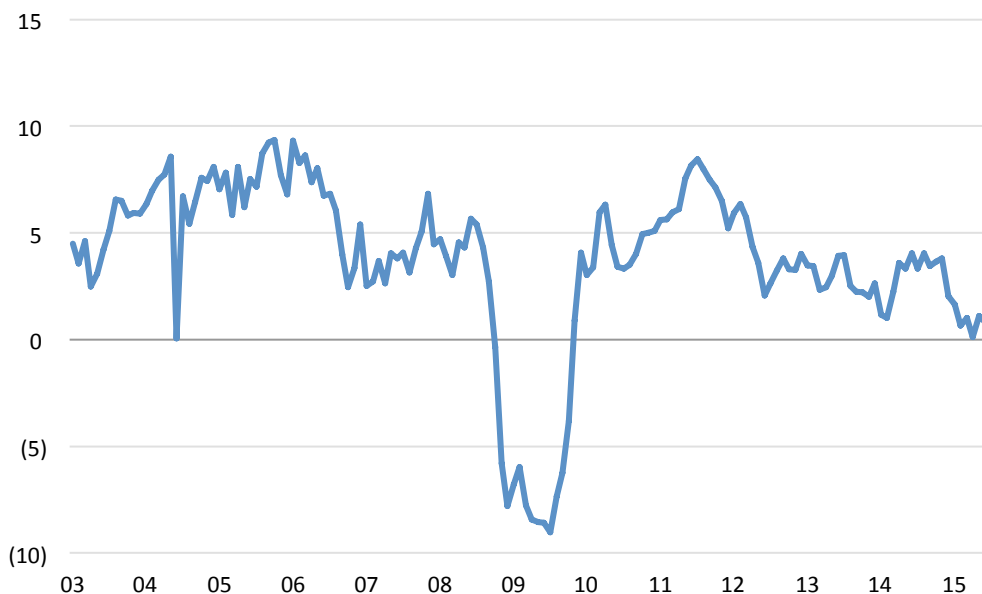


AUGUST 13, 2015

## JULY US RETAIL SALES AND TRAFFIC

Figure 1. US Monthly Retail Sales ex Auto: YoY % Change



Source: US Census Bureau/Haver Analytics

- US retail sales posted solid results in July, rising 0.6% month over month (adjusted). The results met economists' expectations.
- Also, total retail sales numbers for June were revised up, to 0.0% from -0.3%.
- Eleven out of 13 major categories posted sales gains. Consumers spent more money eating out, buying new cars and improving their homes. However, sales at department stores and electronics stores continue to decline.
- The results were in line with economists' optimism for the second half of 2015. A strong job market, solid income growth and rising home values are likely to lead to steady retail spending gains over the next few months. The latest jobless claims total for the week ended August 8 was 274,000, close to a four-decade low.








"This report looks solid after a run of disappointing numbers," said Ian Shepherdson, Chief Economist at Pantheon Macroeconomics.

**Figure 2. US Retail Sales by Category: YoY % Change**

	Unadjusted 2015			Unadjusted 2014			Adjusted 2015		
	July	June	May	July	June	May	July	June	May
<b>Total (ex Motor Vehicles &amp; Parts)</b>	1.7	1.8	-0.3	4.0	3.8	3.7	1.3	0.8	1.1
<b>Clothing and Accessories Stores</b>	3.6	4.0	2.9	3.6	-0.5	3.3	3.0	3.2	4.7
Men's Clothing Stores	N/A	4.8	4.4	3.6	3.1	4.4	N/A	4.6	6.2
Women's Clothing Stores	N/A	1.1	0.2	7.0	3.8	6.9	N/A	0.5	1.3
Shoe Stores	N/A	-1.1	0.4	5.5	1.8	3.3	N/A	-1.3	1.6
<b>Furniture &amp; Home Goods</b>	6.6	7.3	4.6	3.5	2.4	5.3	6.1	4.9	6.9
<b>Electronics &amp; Appliances</b>	-2.9	0.8	-3.6	1.4	1.4	2.1	-2.5	-0.7	-2.1
<b>Sporting Goods, Books &amp; Music</b>	7.7	7.8	7.2	-1.4	-3.3	-2.0	4.0	4.8	3.6
<b>General Merchandise</b>	1.5	1.0	0.2	3.1	1.2	3.7	0.3	1.3	0.3
<b>Department Stores (ex L.D.)</b>	-1.1	-2.4	-2.2	0.0	-2.8	-0.4	-2.7	-1.3	-1.9
<b>Health &amp; Personal Care</b>	3.4	4.7	1.1	10.0	7.1	6.5	3.1	2.8	3.1
<b>Restaurants &amp; Bars</b>	9.8	8.8	8.3	7.1	5.5	7.7	9.0	8.8	8.7
<b>Nonstore Retailers</b>	6.9	7.1	3.8	7.0	9.8	3.9	6.0	3.4	6.0

Source: US Census Bureau/Haver Analytics

**Figure 3: July US Retail Average Traffic YoY Performance**

	 Sales	 Traffic	 Conv. (% points)	 ATV	 SPS	 Tran.	 % Return (% points)
July	-6.8%	-11.0%	0.9%	-0.2%	4.7%	-6.6%	-0.1%
June	-6.1%	-9.1%	0.4%	1.9%	3.3%	-7.7%	-0.3%
May	-7.6%	-9.8%	0.5%	0.8%	2.5%	-8.3%	-0.2%
Mar & Apr	-5.2%	-9.4%	0.7%	2.5%	4.7%	-7.2%	0.0%
April	-12.5%	-14.6%	0.4%	1.4%	2.4%	-13.6%	0.0%
March	-3.2%	-8.2%	0.9%	3.5%	5.8%	-5.8%	0.0%

Source: RetailNext

- July sales showed an uptick in sales per shopper of 4.7%, a significant improvement from June's 3.3%.
- However, the average transaction value dropped by 0.2%, driven by the fourth week of the month, when most metrics dropped.
- The South experienced a traffic decline of 9.8% and a sales decline of 5.3%. Sales per shopper exhibited the largest regional increase, 5.1%.
- The Northeast faced the steepest decline in traffic, which fell 13.9%, and in sales, which fell 11.3%. Sales per shopper in the region experienced a relatively strong increase of 3.2%. The Northeast faced very warm temperatures relative to previous years.

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