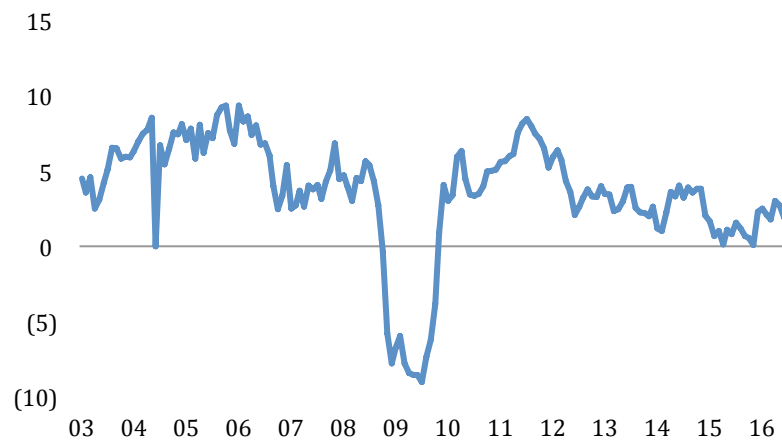




- 1) US retail sales declined in August, missing economists' estimates. This was the first month-over-month decline since March this year.
- 2) Sales at non-store retailers, which are mostly online retailers, rose 10.9% year over year. Sales at department stores posted a 5% decline, continuing the recent trend of underperformance.
- 3) August in-store sales and store traffic were down 6.0% and 6.6%, respectively, year over year. The conversion rate continues to improve, up 0.3%, according to RetailNext.

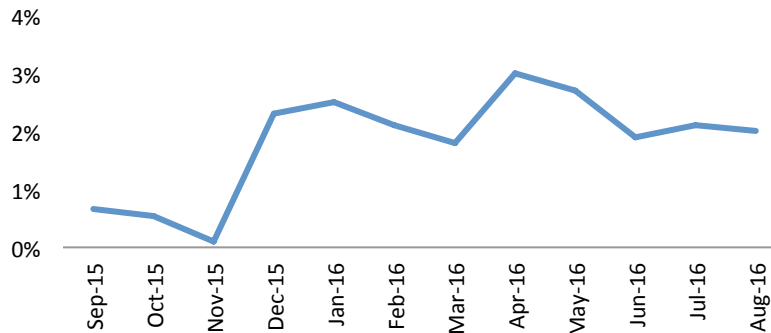
Figure 1. US Monthly Retail Sales excl. Autos: YoY % Change



Through August 31, 2016  
 Source: US Census Bureau/Haver Analytics



**Figure 2. US Monthly Retail Sales excl. Autos: YoY % Change in the Past 12 Months**



Through August 31, 2016  
Source: US Census Bureau/Haver Analytics

Total US retail sales for August declined 0.3% month over month at a seasonally adjusted US\$456.3 billion, missing economists’ consensus of a 0.1% decline. Total retail sales, excluding autos, fell 0.1% from July and also missed economists’ expectation of up 0.2%.

Consumer spending remains supported by a solid job market, lower gas prices and improving wages, in our view. The cautious spending could be due to the upcoming presidential election. On a year-over-year basis, total US retail sales rose by 2.9% and total sales ex-autos rose by 2.0%. The July figures remain unchanged month over month.

Back-to-school shopping has supported sales at clothing stores. Restaurants and grocery stores sales also improved. Sales at department stores posted a 5% decline, continuing the recent trend of underperformance.

Sales at non-store retailers, which are mostly online retailers and catalog and infomercial vendors, rose 10.9%, and were another bright spot in August’s retail sales report.

**Figure 3. August US Retail Metrics: YoY % Change**

	Sales	Traffic	Conv.	ATV	SPS	Tran.	% Return
<b>August</b>	-6.0%	-6.6%	0.3%	-0.3%	0.7%	-5.7%	0.0%
<b>July</b>	-7.1%	-5.8%	0.1%	-1.6%	-1.2%	-5.7%	-0.2%
<b>June</b>	-8.2%	-8.9%	0.6%	-2.4%	0.7%	-6.0%	-0.1%
<b>May</b>	-8.5%	-9.9%	0.6%	-2.5%	1.6%	-6.1%	-0.1%
<b>April</b>	-3.6%	-6.5%	0.2%	1.3%	3.1%	-4.7%	0.0%
<b>March</b>	-7.8%	-9.7%	0.4%	-0.7%	2.2%	-7.0%	-0.1%

\*Conv.=Conversion Rate, ATV=Average Transaction Value, SPS=Sales per Shopper, Tran.=Number of Transactions  
Source: RetailNext



# MONTHLY BRIEFING

August in-store sales and store traffic were down 6.0% and 6.6%, respectively, year over year. Sales, while still down, saw a slight improvement from previous months, according to RetailNext.

The conversion rate increased slightly year over year in August, the sixth consecutive monthly increase. The positive conversion trend was enhanced by a sales-per-shopper improvement of 0.7% over last year and was offset by a 5.7% decline in the number of transactions. Conversion rates improved in most regions, except the Northeast, which was flat in August.

All regions experienced a decrease in sales and traffic; the South had the largest drop in traffic, down 8.7%. Sales in that region were down 7.6%.



MONTHLY BRIEFING

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