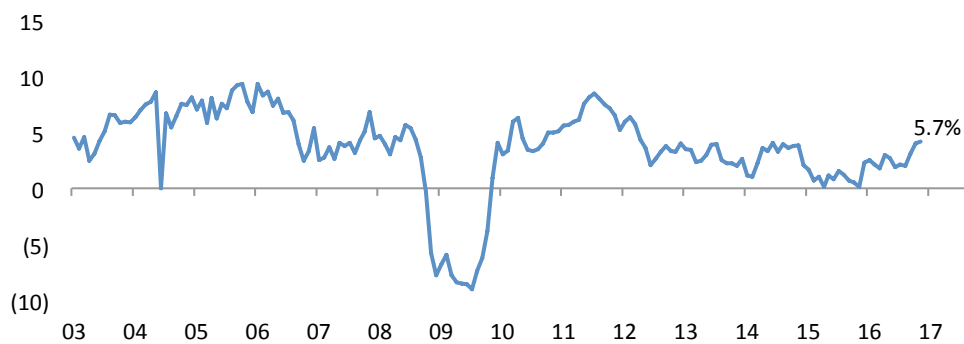


## February 2017 US Retail Sales & Traffic



- 1) Total US retail sales for February increased by 0.1% month over month, reaching \$474 billion. The gain was in line with economists’ consensus estimate, but was the smallest increase in six months. On a year-over-year basis in February, both total retail sales and retail sales excluding autos increased by 5.7%.
- 2) The modest month-over-month increase in sales is likely driven by delays in tax refunds. With the delay in the issuance of certain refunds till mid-February—significantly later than in past years—as a result of the enactment of the Protecting Americans from Tax Hikes Act (PATH Act), which mandates the IRS withhold tax returns in an effort to improve tax fraud detection, shoppers have likely held back from making purchases in February, according to Gus Faucher, Deputy Chief Economist at PNC Financial Services.
- 3) Only four out of 13 major categories posted positive month-over-month sales growth. Compared with last month, electronics and appliance store sales declined by 2.8%, department store sales fell by 1.1% and apparel stores sales fell by 0.5%.
- 4) All in-store metrics were negative in February, except for the conversion rate, which rose slightly, by 0.3%, according to RetailNext. In-store sales and store traffic fell by 13.8% and 12.8%, respectively.

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

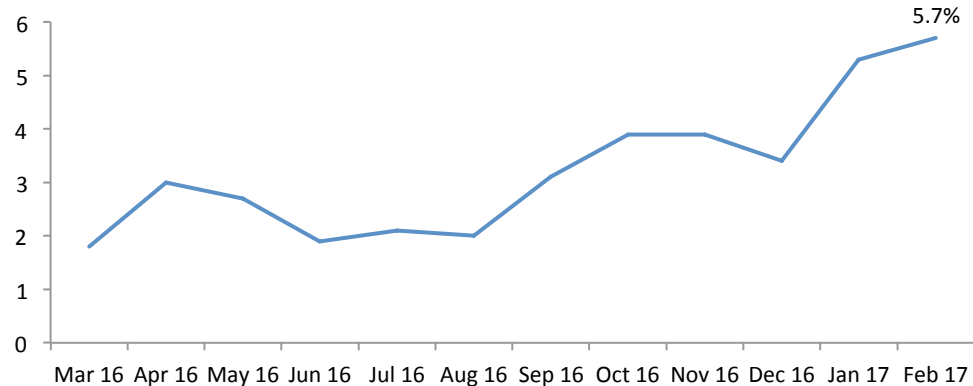


Through February 28, 2017  
 Source: US Census Bureau/Haver Analytics



MONTHLY BRIEFING

Figure 2. US Monthly Retail Sales Excluding Autos: YoY % Change (Past 12 Months)



Through February 28, 2017  
Source: US Census Bureau/Haver Analytics

Total US retail sales for February increased by 0.1% month over month, reaching \$474 billion. The increase was in line with economists’ consensus estimate, but was the smallest month-over-month gain in six months. Total retail sales excluding autos edged up 0.2% month over month, beating the consensus estimate of 0.1%. The January total retail sales number was revised up to 0.6% from the previously reported 0.4%.

On a year-over-year basis in February, both total retail sales and retail sales excluding autos increased by 5.7%.

Delayed tax refunds might have resulted in shoppers holding back from making purchases in February, according to Gus Faucher, Deputy Chief Economist at PNC Financial Services. A change in IRS requirements meant that the agency had to hold refunds until mid-February, a significantly later date than in past years.

**Retail Sales Performance by Store Category**

Only four out of 13 major store categories posted positive sales results compared with January: furniture stores, building and garden materials dealers, health and personal care stores, and nonstore retailers.

Electronics and appliance store sales decreased by 2.8% from the previous month and decreased by 6% year over year, which was the most significant decline since 2011. Apparel stores posted a 0.5% month-over-month sales decline.

**Retail Sales Performance by Channel**

Shoppers continued to shift their spending online in February, and e-commerce continued its recent trend of double-digit growth. Sales at nonstore retailers, which are mostly online retailers and catalog and infomercial vendors, rose by 13% year over year in February, following a 12% year-over-year increase in January.



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

	Sales	Traffic	Conv.	ATV	SPS	Tran.	% Return
<b>February 2017</b>	(13.8)%	(12.8)%	0.3%	(1.7)%	(1.3)%	(12.4)%	0.3%
<b>January 2017</b>	(10.0)%	(9.3)%	0.1%	(0.8)%	(0.7)%	(9.3)%	0.3%
<b>December</b>	(10.7)%	(13.4)%	(0.3)%	5.6%	3.0%	(15.5)%	(0.1)%
<b>November</b>	(8.1)%	(10.2)%	0.1%	1.7%	2.6%	(9.6)%	(0.3)%
<b>October</b>	(8.0)%	(8.5)%	0.4%	(1.5)%	0.8%	(6.5)%	(0.3)%
<b>September</b>	(10.6)%	(9.0)%	(0.2)%	(0.4)%	(1.1)%	(10.0)%	(0.1)%

*Conv. = conversion rate, ATV = average transaction value, SPS = sales per shopper, Tran. = number of transactions and % Return = percentage of goods returned to stores*

*Source: RetailNext*

All in-store metrics were negative in February except for conversion rate, which ticked up slightly, by 0.3%. In-store sales and store traffic fell by 13.8% and 12.8%, respectively. In-store traffic posted the second-biggest decline in six months. In addition, the number of transactions was down 12.4% in February.

The second month of 2017 was the warmest February in 55 years and saw the least snowfall since 2012. The majority of the US was drier year over year and most of the Northeast, South and Midwest experienced drier weather trends.

All regions posted traffic declines and significant sales decreases for the month. The South experienced the biggest year-over-year sales and traffic declines of all regions, with sales falling 17.9% and traffic falling 18.8% during the month.



# MONTHLY BRIEFING

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**Deborah Weinswig, CPA**

Managing Director  
Fung Global Retail & Technology  
New York: 917.655.6790  
Hong Kong: 852.6119.1779  
China: 86.186.1420.3016  
deborahweinswig@fung1937.com

**Jing Wang**

Research Associate

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**Hong Kong:**

8th Floor, LiFung Tower  
888 Cheung Sha Wan Road, Kowloon  
Hong Kong  
Tel: 852 2300 4406

**London:**

242–246 Marylebone Road  
London, NW1 6JQ  
United Kingdom  
Tel: 44 (0)20 7616 8988

**New York:**

1359 Broadway, 9th Floor  
New York, NY 10018  
Tel: 646 839 7017

**[FungGlobalRetailTech.com](http://FungGlobalRetailTech.com)**