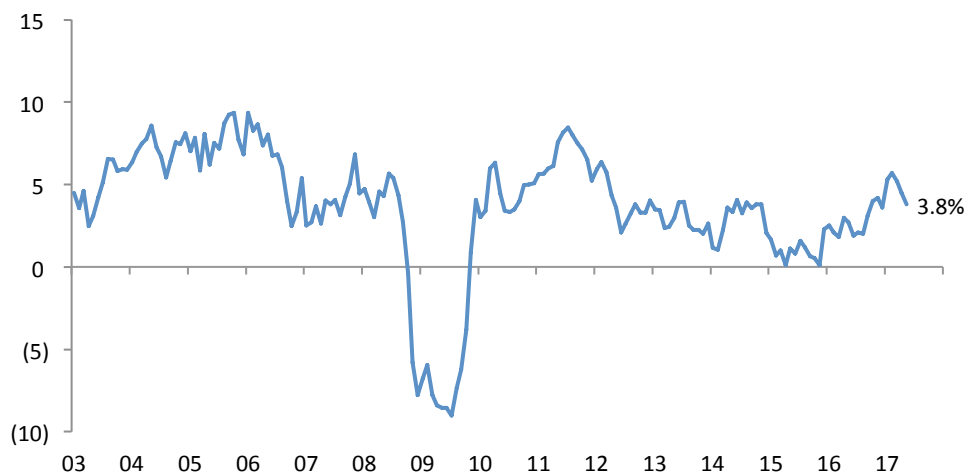


May 2017 US Retail Sales and Traffic



- 1) Total US retail sales for May declined by 0.3% month over month and amounted to \$473.8 billion. Results came in lower than the consensus estimate of a 0.1% decline.
- 2) On a year-over-year basis in May, total retail sales increased by 3.8% and retail sales excluding autos also increased by 3.8%.
- 3) Five out of 13 major store categories posted positive sales results, while two were flat compared with April. Nonstore retailers and furniture stores posted the largest month-over-month increases, of 0.8% and 0.4%, respectively.
- 4) According to RetailNext, a number of in-store metrics were negative in May, but showed a slight improvement from previous months. Sales were down 5.5% year over year, the smallest decline in the last six months. In-store traffic fell by (6.1)% in May year over year, but the decline was lower than that seen in most recent months.

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



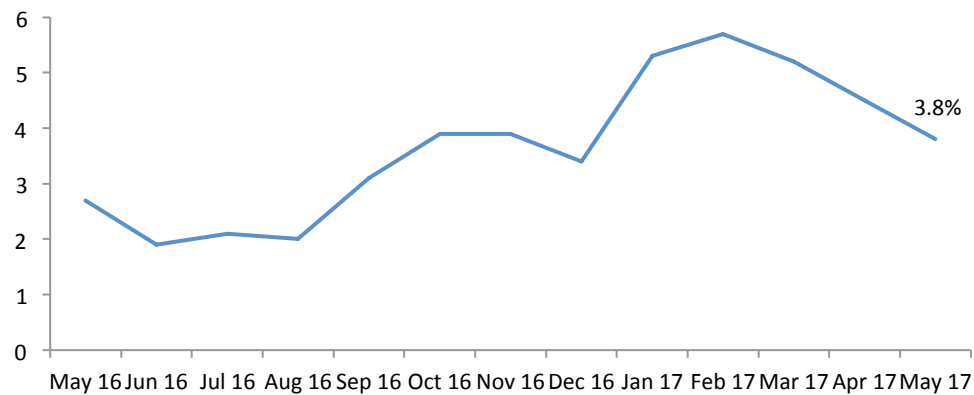
Through May 31, 2017

Source: US Census Bureau/Haver Analytics



MONTHLY BRIEFING

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



Through May 31, 2017
 Source: US Census Bureau/Haver Analytics

Total US retail sales for May decreased by 0.3% month over month and amounted to \$473.8 billion. The decrease was below the consensus estimate of a 0.1% decline. Total retail sales excluding autos also declined by 0.3% month over month. The April total retail sales number was unrevised from the previously reported 0.4% month-over-month increase.

On a year-over-year basis in May, total retail sales increased by 3.8% and retail sales excluding autos also increased by 3.8%.

Five out of 13 major store categories posted positive sales results, while two were flat compared with April. Nonstore retailers, which are mostly online retailers and catalog and infomercial vendors, and furniture and home furnishing stores posted the largest month-over-month increases, of 0.8% and 0.4%, respectively.

As shoppers continued to shift their spending online, e-commerce sales continued their trend of double-digit growth. Sales at nonstore retailers rose by 10.2% year over year in May, following an 11.4% year-over-year increase in April.

Figure 3. May US Retail Metrics: YoY % Change

	Sales	Traffic	Conv.	ATV	SPS	Tran.	% Return
May	(5.5)%	(6.1)%	0.0%	1.6%	0.6%	(7.1)%	0.4%
April	(8.7)%	(5.7)%	(0.9)%	2.3%	(3.4)%	(10.9)%	(0.2)%
March	(8.1)%	(9.2)%	0.0%	2.1%	1.1%	(10.1)%	0.2%
February	(13.8)%	(12.8)%	0.3%	(1.7)%	(1.3)%	(12.4)%	0.3%
January 2017	(10.0)%	(9.3)%	0.1%	(0.8)%	(0.7)%	(9.3)%	0.3%
December	(10.7)%	(13.4)%	(0.3)%	5.6%	3.0%	(15.5)%	(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



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Almost all in-store metrics were negative in May except for conversion rate, which was flat, and average transaction value and sales per shopper, which were positive. However, sales and traffic metrics generally improved in May compared with the prior four months. Retail sales experienced their smallest decline in the last six months, down 5.5% year over year, and in-store traffic declines moderated from recent month to (6.1)%, although the decline was slightly greater than in April.

Average transaction value continued a three-month upward trend in May, and was up 1.6% year over year, while sales per shopper increased by 0.6%. Total transactions declined by less than 10% for the first time since January.

May yielded increased traffic and sales in the week leading up to Mother's Day (which fell on May 14 this year). The month was the coolest since 2011 across most of the country, although parts of the South and Midwest experienced slightly warmer weather than in May of 2016. The US had more rain in May 2017 than in the same month last year, particularly in the South and Northeast.

All regions posted traffic declines and sales decreases versus last May. The Northeast and South experienced the largest year-over-year sales declines of all the regions, down 6.3% and 6.2%, respectively.



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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

Steven Winnick

Research Associate

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, 18th Floor
New York, NY 10018
Tel: 646 839 7017

FungGlobalRetailTech.com