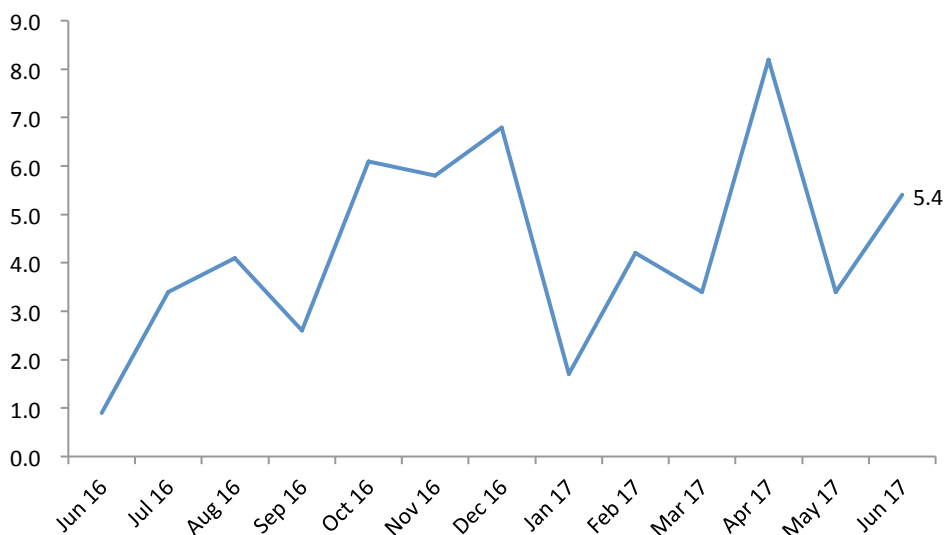




UK Monthly Retail Sales: Growth Ticks Up in June, Even as Inflation Softens

- 1) Total UK retail sales grew by a robust 5.4% year over year in June.
- 2) This marked a strengthening from 3.4% growth in May, despite inflation moderating between May and June.
- 3) The strong performance was boosted by department stores/mixed-goods retailers, clothing stores and Internet pure plays.

Figure 1. Total UK Retail Sales (ex Automotive Fuel): YoY % Change



All data in this report are nonseasonally adjusted.

Source: Office for National Statistics (ONS)/Fung Global Retail & Technology

Figure 2. UK Retail Sales: Notable Rising and Falling Sectors in June



Clothing specialists benefitted from warm weather, with sales up 9.2%; large retailers in the sector saw sales rise by 7.0%.

Internet pure plays and mail-order retailers enjoyed a 24.8% increase in sales.

Department stores and mixed-goods retailers grew sales by 6.1%.



In a strong month, few sectors posted declines.

The volatile **computing and telecoms stores** sector declined by 4.4%.

Specialist food stores' sales were down 2.6% and **alcohol and tobacco stores'** sales were down 6.5%.

DIY and hardware stores were weak, at 0.4% growth.

Source: ONS/Fung Global Retail & Technology



Retail In Detail

The warm June weather appeared to strengthen sales across sectors such as department stores and clothing specialists.

- The strengthening in total retail growth, to 5.4% in June, was despite a softening of shop-price inflation, from 2.8% in May to 2.5% in June.
- In real terms—i.e., excluding inflation—retail sales grew by a strong 2.8% year over year in June.

Grocery stores registered solid year-over-year growth of 2.5%. Inflation in the food retail sector stood at 2.5% in May, according to the ONS, meaning that volumes were flat.

Internet pure plays and mail order retailers grew sales by almost 25%; as we note below, this was a significant outpacing of total online sales growth in June.

Automotive fuel retailers saw growth soften to 6.6% in June, with sector inflation running at 4.0%.

Figure 3. UK Retail Sales, by Sector: YoY % Change

| | April | May | June |
|---|------------|-------------|------------|
| Total (ex Automotive Fuel) | 8.2 | 3.4 | 5.4 |
| Grocery Retailers | 7.2 | 3.0 | 2.5 |
| Specialist Food Stores | 1.1 | 0.4 | (2.6) |
| Beverage and Tobacco Specialists* | (14.4) | (8.9) | (6.5) |
| Department Stores/Mixed-Goods Retailers | 3.5 | (0.8) | 6.1 |
| Clothing Specialists | 12.0 | 8.0 | 9.2 |
| <i>Large Clothing Specialists**</i> | 6.5 | 5.5 | 7.0 |
| <i>Small Clothing Specialists**</i> | 74.9 | 32.6 | 28.1 |
| Footwear Specialists | 11.5 | 4.8 | 11.6 |
| Furniture and Lighting Stores | 2.7 | (3.1) | 5.3 |
| Electrical Goods Specialists | 25.0 | (2.2) | 7.2 |
| DIY and Hardware Stores | 21.1 | (3.9) | 0.4 |
| Music and Video Specialists | (6.6) | (4.4) | 9.5 |
| Health and Beauty Specialists | 15.8 | 9.5 | 19.2 |
| Books and News Stores | (5.0) | (9.5) | 1.0 |
| Floor Coverings Specialists* | (5.3) | 35.6 | 36.7 |
| Computers and Telecoms Equipment* | (11.9) | (14.0) | (4.4) |
| Other Specialized Stores | 5.7 | 3.0 | 2.3 |
| Internet Pure Plays and Mail Order | 23.3 | 17.6 | 24.8 |
| Other Nonstore Retail* | (12.5) | (14.9) | (21.0) |
| Automotive Fuel Retailers | 8.9 | 10.6 | 6.6 |

* A relatively small or fragmented sector, where figures may be distorted by methodological issues such as changes in the survey sample.

** A small retailer is defined as one with fewer than 100 employees or with revenues of £60 million or less per year; all others are large retailers.

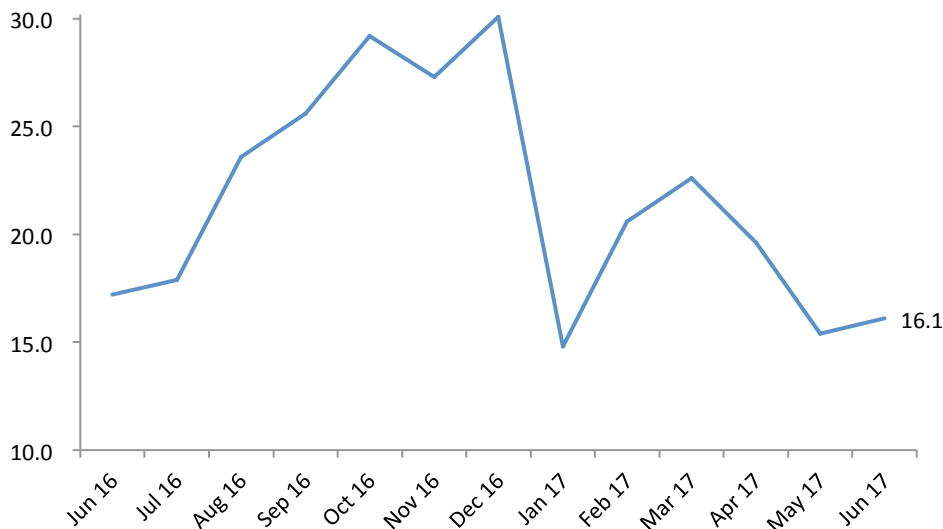
Source: ONS



Online Retail Sales

Growth in online retail sales did not tick up to the same degree as total retail sales did in June. The 16% rise in total e-commerce means the 25% increase for Internet-only retailers translates into meaningful gains in online share.

Figure 4. UK Internet Retail Sales: YoY % Change



Source: ONS

Department stores and mixed-goods retailers enjoyed a sequential uplift in online growth in June. Other store-based sectors, such as clothing and footwear stores, did not see such gains.

Figure 5. UK Internet Retail Sales, by Sector: YoY % Change

| | April | May | June |
|---|-------|------|------|
| All Internet Retail Sales | 19.6 | 15.4 | 16.1 |
| Food Stores | 17.5 | 5.3 | 3.6 |
| Department Stores/Mixed-Goods Retailers | 8.1 | 4.2 | 16.2 |
| Clothing and Footwear Specialists | 9.3 | 16.0 | 15.5 |
| Household Goods Stores* | 12.0 | 7.6 | 9.1 |
| All Other Stores | 21.1 | 26.8 | 9.9 |
| Nonstore Retailers | 25.4 | 19.8 | 22.0 |

* Includes furniture and lighting specialists, electrical goods retailers, DIY and hardware stores, and music and video retailers.

Source: ONS



MONTHLY BRIEFING

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