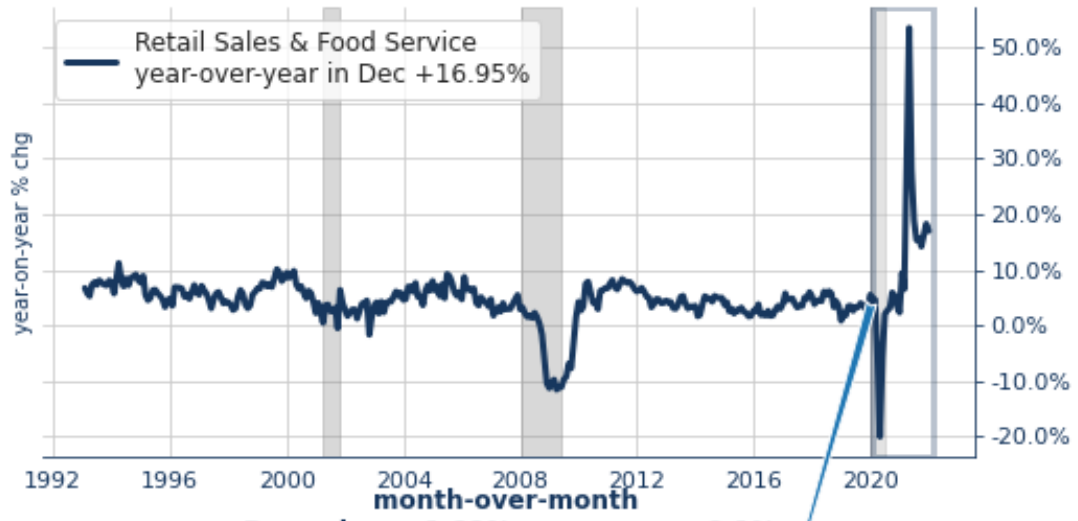


14.Jan.2022

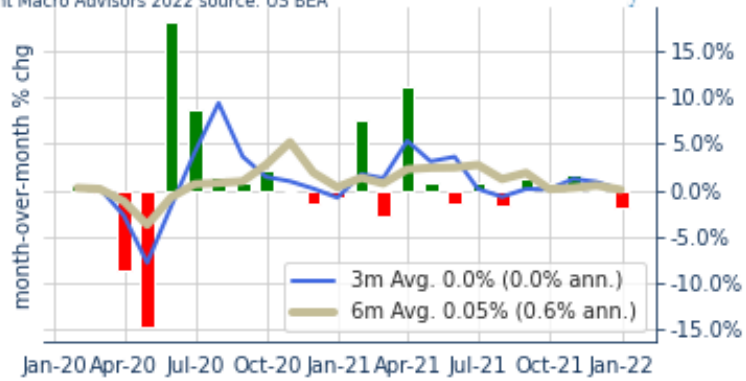
Retail Sales: Surprise Decline, Heavily Skewed By Seasonal Model

Bottom Line: Retail sales fell in December, coming in well below expectations for a slight decline as seasonal adjustments in December proved difficult again. Seasonal adjustments, particularly in the online sales segment in December, have been difficult since the pandemic, tending to skew the headline reading lower. Indeed, this report showed a nearly 9% month-on-month drop in nonstore ("online") retailers. That said, there were slower sales across almost all segments, except building materials and garden supply stores and health and personal care retailers. Auto sales were a touch lower at the headline level, while core components like sales at furniture, sporting goods and apparel retailers were notably lower. **While the omicron Covid variant had an impact, evidenced by a 0.8% decline in restaurant and bar sales, most of the declines in this report were due to seasonal adjustments. Looking through the seasonal adjustments, it still appears that the consumer shopped early this holiday season and that consumption steadily declined over the course of the quarter. This report will likely result in negative revisions to most 4Q21 GDP estimates.**

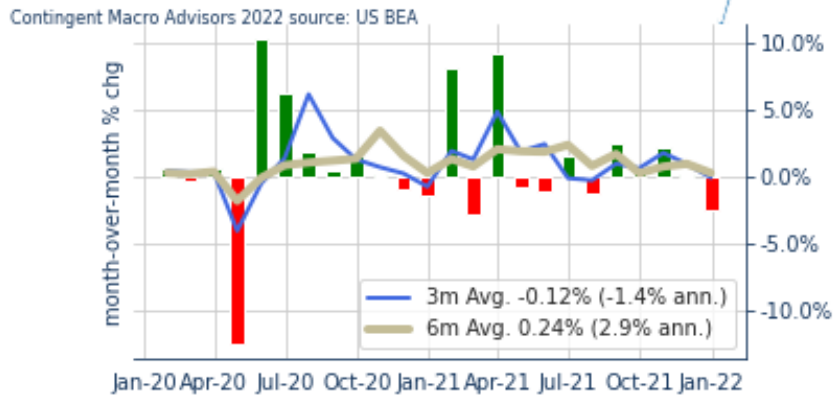
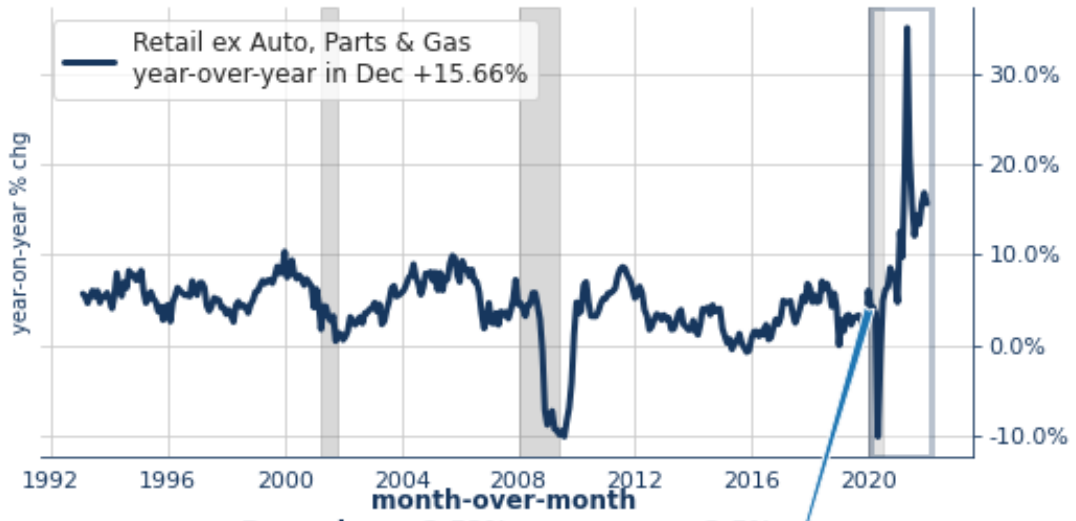
Retail Sales & Food Service

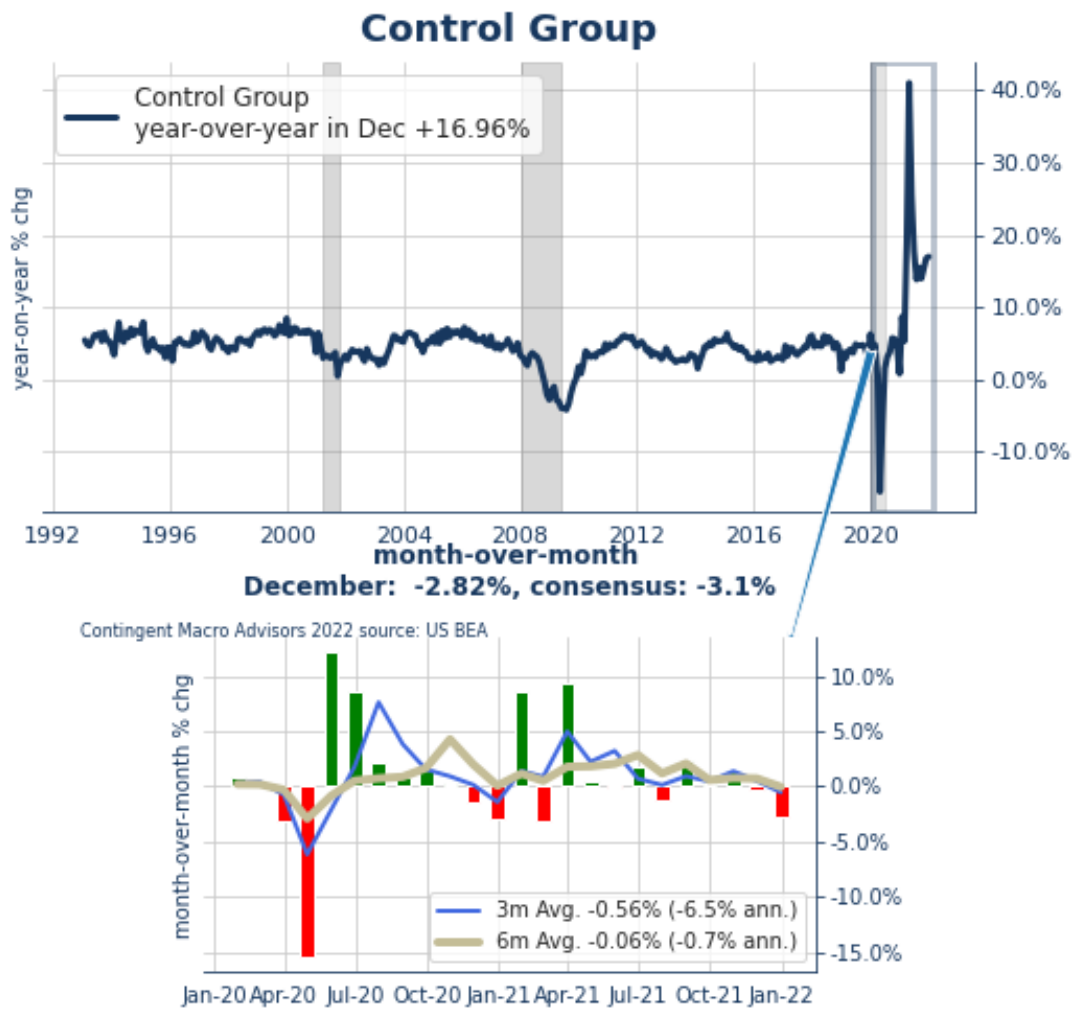


Contingent Macro Advisors 2022 source: US BEA



Retail ex Auto, Parts & Gas





Retail Sales FELL by 1.9% in December, compared with the market consensus for a decrease of 0.1%. The November estimate was revised lower from 0.26% to 0.15%. Retail sales are now 16.9% ABOVE their year ago level; just a year ago, the year over year growth rate was 2.3%. Spending at motor vehicle dealers fell by 0.4%.

Core Retail Sales FELL by -2.3%, compared with the market consensus for an increase 0.1%. The November estimate was revised lower from 0.67% to 0.14%. Core retail sales are now 18.8% ABOVE their year ago level; just a year ago, the year over year growth rate was 0.6%.

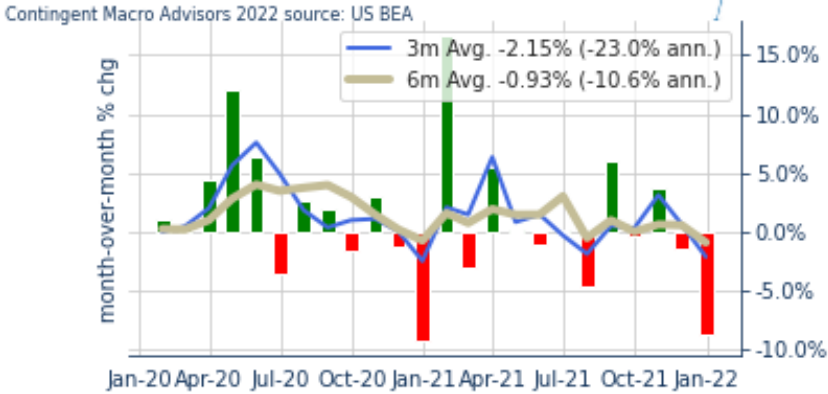
In December, gains at building materials (+0.9%), miscellaneous retailers (+1.8%), health and personal care (+0.5%), (+). were more than offset by declines in nonstore retailers (-8.7%), general merchandise stores (-1.5%), clothing stores (-3.1%), furniture & home furnishing (-5.5%.

Core Retail Sales ex Gasoline FELL by 2.48% and are now 16.5% ABOVE their year ago level; just a year ago, the year over year growth rate was a moderate 2.1% .

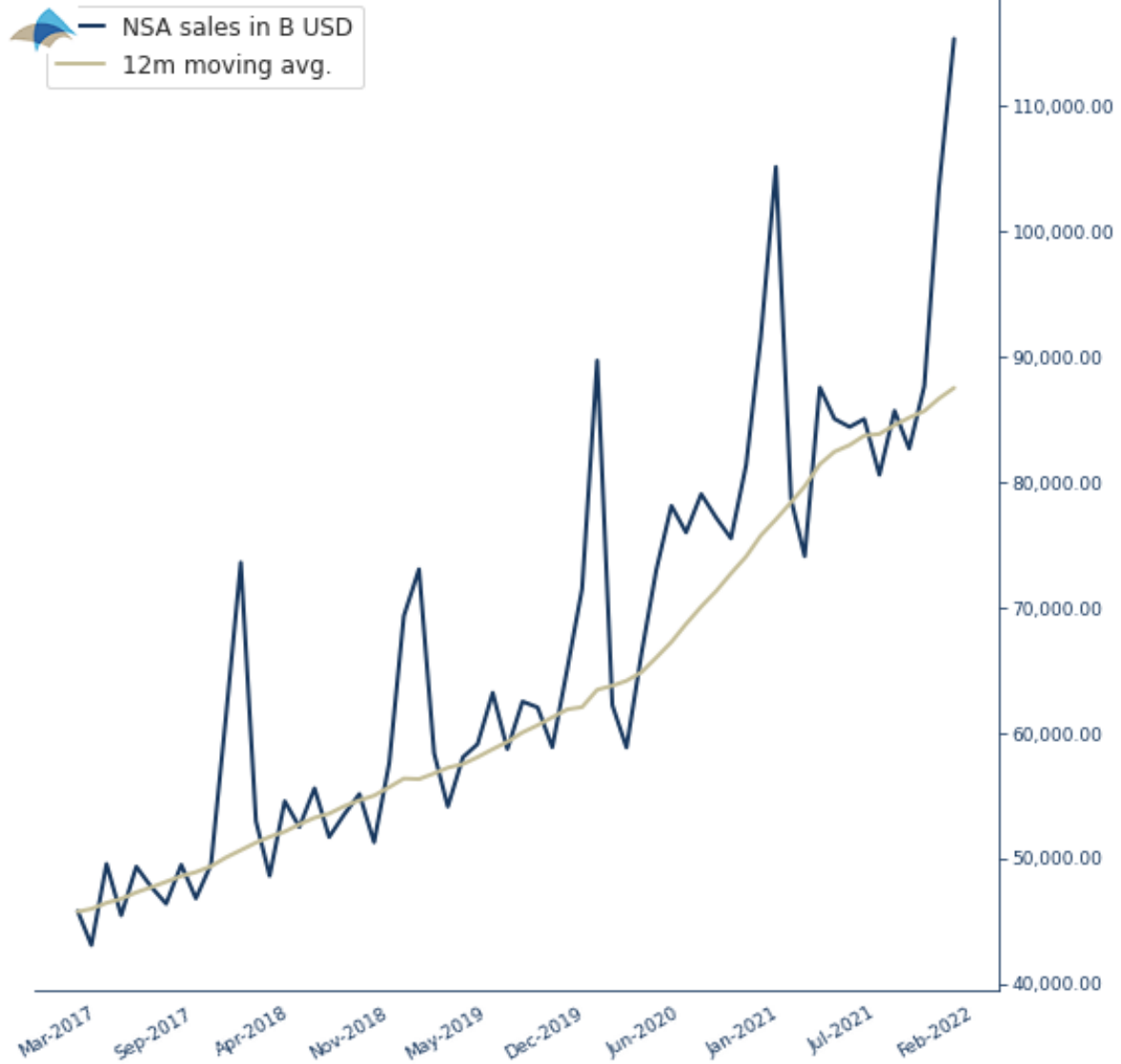
US Nonstore (Online) Retail



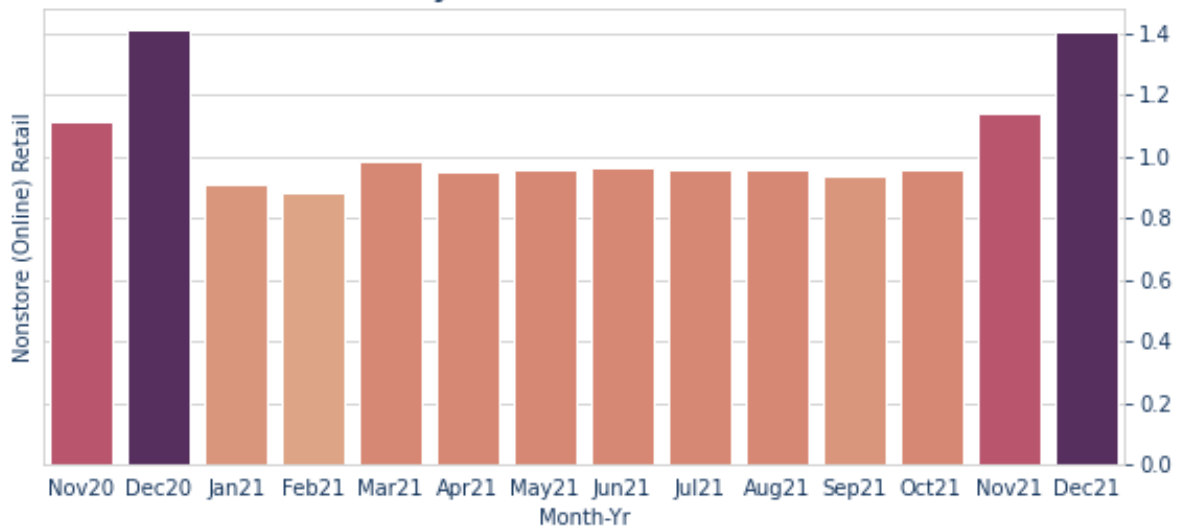
month-over-month % change



Non-Seasonally Adjusted Online Sales



Seasonal Adjustment Factor - Online Sales

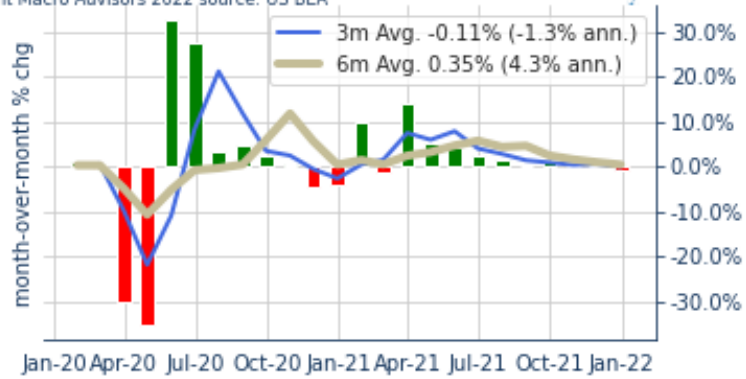


US Eating & Drinking Places (retail sales)

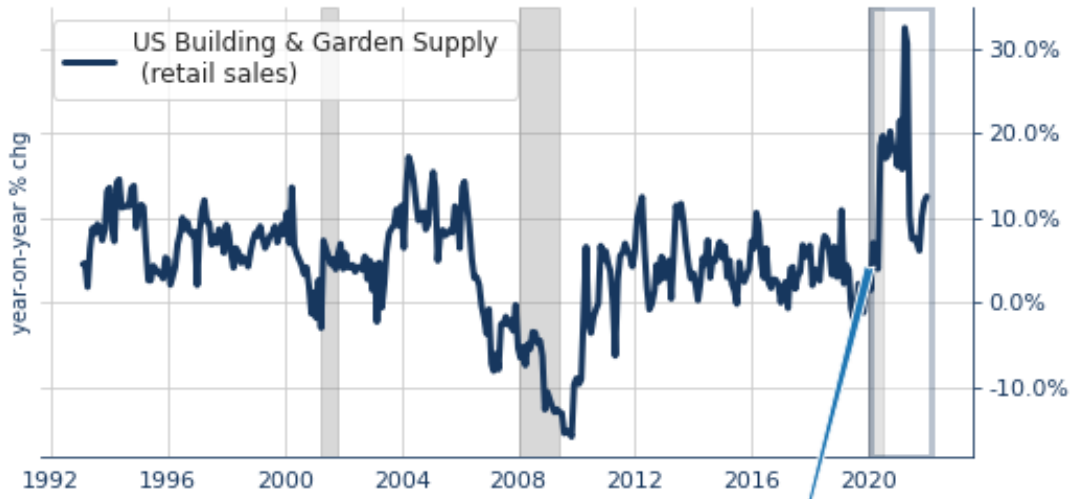


month-over-month % change

Contingent Macro Advisors 2022 source: US BEA

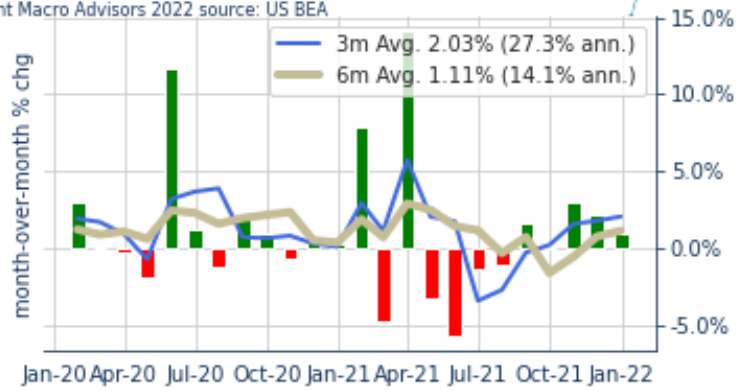


US Building & Garden Supply (retail sales)

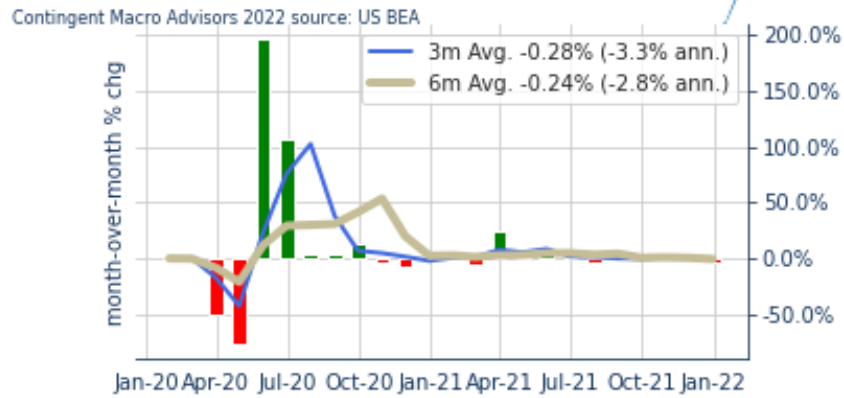


month-over-month % change

Contingent Macro Advisors 2022 source: US BEA



US Clothing Stores (retail sales)



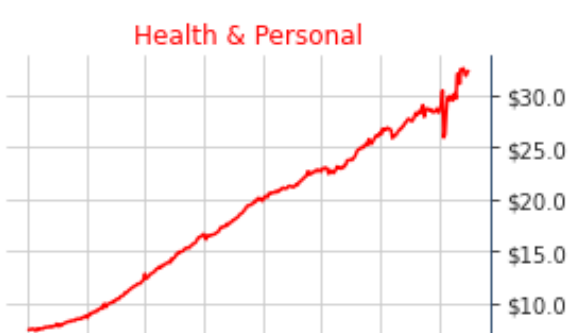
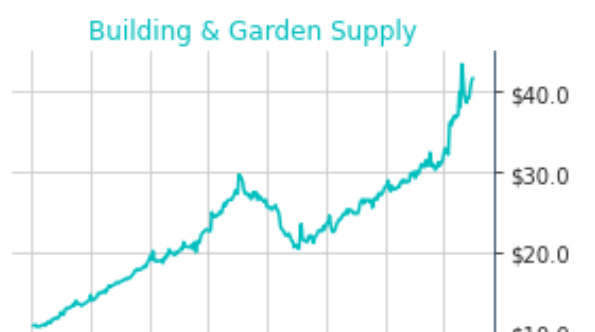
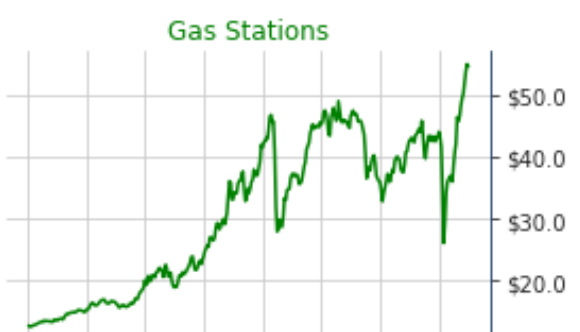
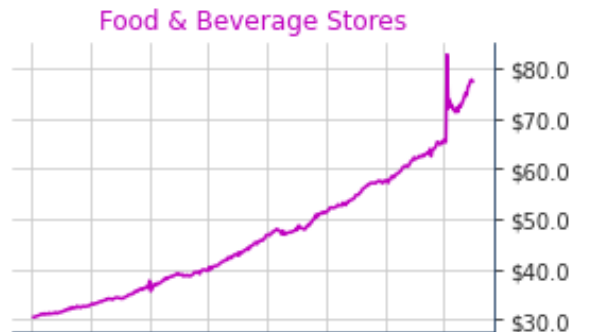
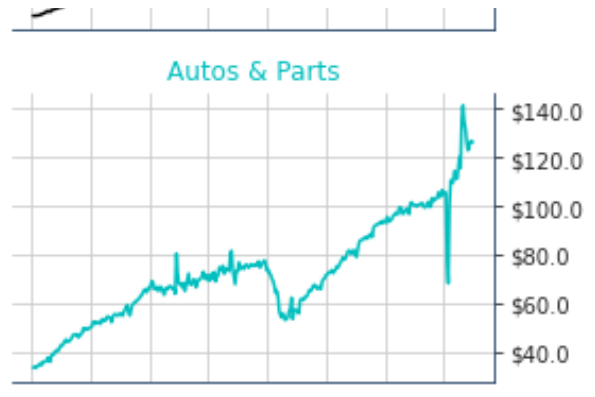
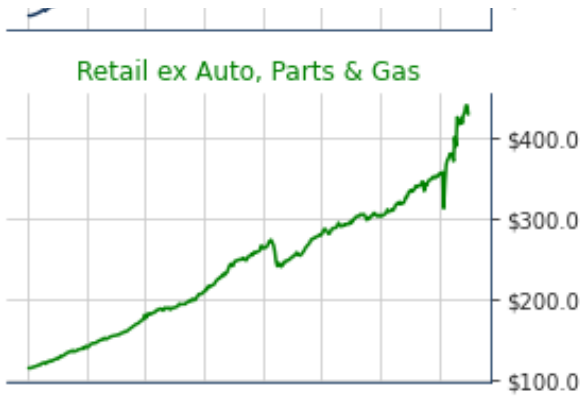
US Retail Sales	Dec-21	Nov-21	Oct-21	3m ann % chg	6m ann % chg	YoY % chg	2020	2019	5y
Retail Sales & Food Service (\$627B seas. adj. monthly sales)	-1.91%	0.15%	1.77%	-0.11%	0.46%	16.95%	2.31%	5.49%	6.78%
Retail ex Auto & Parts (\$446B)	-2.48%	-0.10%	1.60%	-4.03%	0.37%	16.53%	2.06%	5.96%	7.09%
Retail ex Auto, Parts & Gas (\$428B)	-2.53%	0.06%	2.11%	-1.62%	2.70%	15.66%	4.77%	6.07%	7.34%
Autos & Parts (\$126B)	-0.42%	0.21%	1.67%	5.98%	-8.52%	10.23%	9.28%	3.00%	5.39%
Nonstore (Online)	-8.70%	-1.54%	3.78%	-24.24%	-11.91%	10.72%	15.56%	18.50%	14.70%

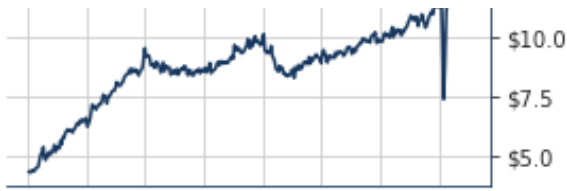
Retail (\$83B)									
Food & Beverage Stores (\$77B)	-0.55%	0.43%	1.04%	3.74%	6.17%	8.36%	8.70%	4.28%	6.08%
Eating & Drinking Places (\$73B)	-0.83%	0.58%	-0.07%	-1.29%	4.31%	41.27%	-21.98%	6.50%	6.16%
General Merchandise Stores (\$70B)	-1.54%	-1.23%	1.61%	-4.66%	1.86%	14.65%	0.80%	1.69%	4.67%
Gas Stations (\$55B)	-0.66%	2.19%	3.47%	21.70%	28.04%	41.00%	-12.08%	7.64%	7.75%
Building & Garden Supply (\$42B)	0.89%	2.22%	2.99%	27.26%	13.99%	12.51%	16.11%	3.17%	9.65%
Health & Personal (\$32B)	0.51%	0.94%	-1.23%	0.83%	-1.15%	8.35%	5.35%	1.49%	4.73%
Clothing Stores (\$26B)	-3.06%	1.23%	1.01%	-3.48%	-3.02%	29.46%	-12.25%	4.14%	3.74%
Miscellaneous Retail Stores (\$15B)	1.75%	0.69%	1.63%	17.54%	23.78%	20.55%	13.06%	6.18%	10.17%
Home Furnishing (\$12B)	-5.52%	0.46%	2.63%	-9.98%	-4.87%	11.05%	6.32%	1.07%	5.37%
Sports, Hobby & Book Stores (\$9B)	-4.32%	2.11%	0.85%	-5.78%	-6.43%	18.13%	15.44%	4.75%	5.84%
Electronics & Appliance Stores (\$7B)	-2.94%	-9.71%	3.80%	-31.54%	-25.88%	14.59%	-13.89%	-1.08%	-0.53%

Month-over-month % change for most recent months, followed by annualized % changes for periods noted. 5- and 10-year are simple averages of annual % changes.

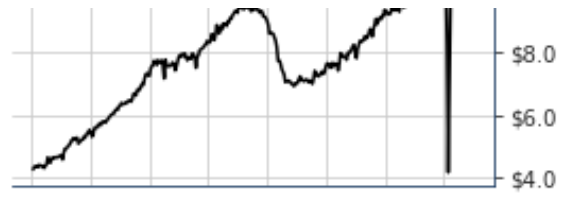
Retail Sales (billions of USD per month)







Sports, Hobby & Book Stores



Electronics & Appliance Stores

