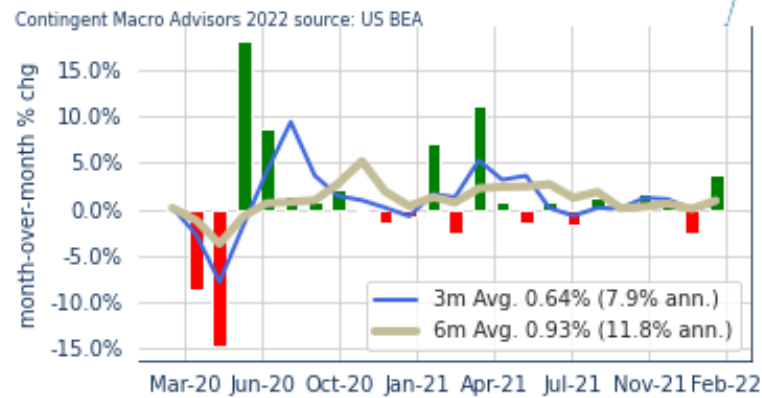
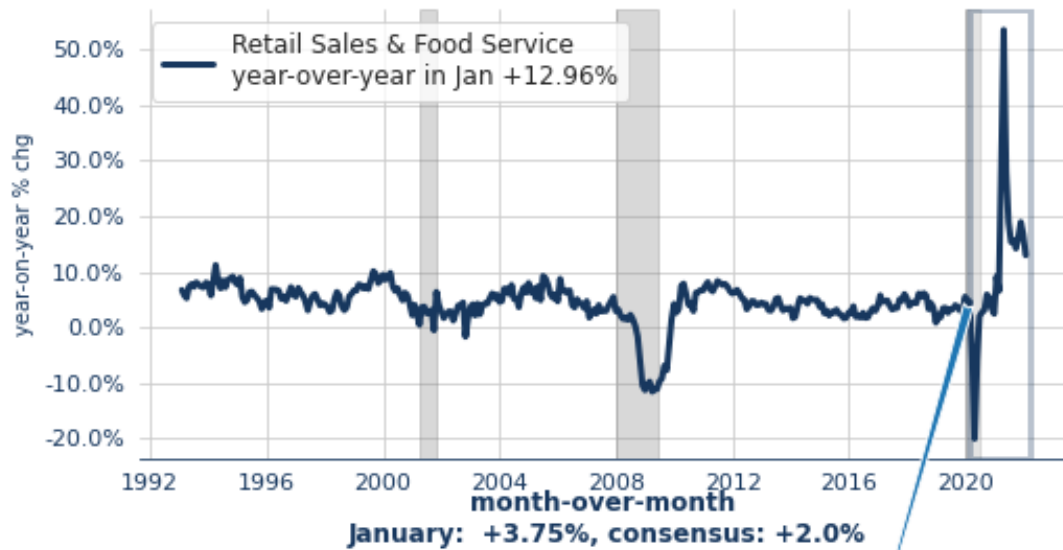


16.Feb.2022

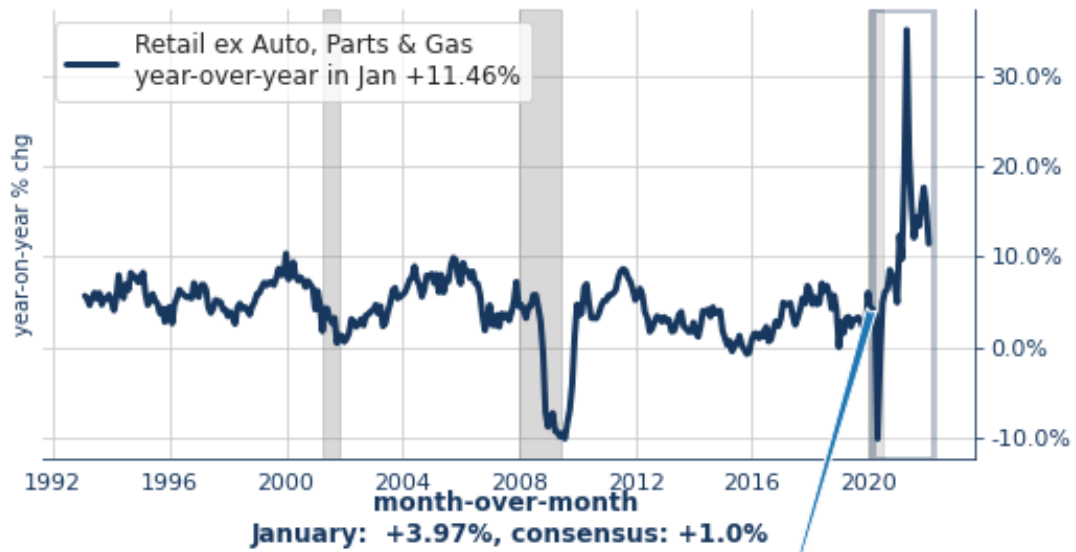
## Retail Sales: Huge Seasonal Adjustments, Trend Slightly Lower

**Bottom Line:** Retail sales rebounded sharply in January after December's surprise downside miss, heavily impacted by seasonal adjustments. Seasonal adjustments, particularly in the online sales segment, have been difficult since the pandemic, tending to skew the headline reading lower in December and notably higher in January. The revisions showed a 11.4% drop in December online sales (originally reported at just less than 9%). But January rebounded 14.5%. Based on longer-term averages, the seasonal factors expect a much stronger jump in online retailer sales in December -- but since the pandemic people have: 1. shopped more steadily online all year; and, 2. shopped earlier for the holiday season. While omicron had an impact, evidenced by slight declines in sales at bars and restaurants, the seasonal impacts dominated the December and January data. Thus, we have to assess the trend over the last few months more than the jump in January, which has a notably low seasonal factor, skewing the reported numbers higher. **Over the last three months the pace of core retail sales has slowed to 4-6% annualized, about half the pace of the last six months and well below the pace of the last 12 months. This suggests that while sales growth remains robust and above the pre-pandemic pace, the trend is decelerating.**

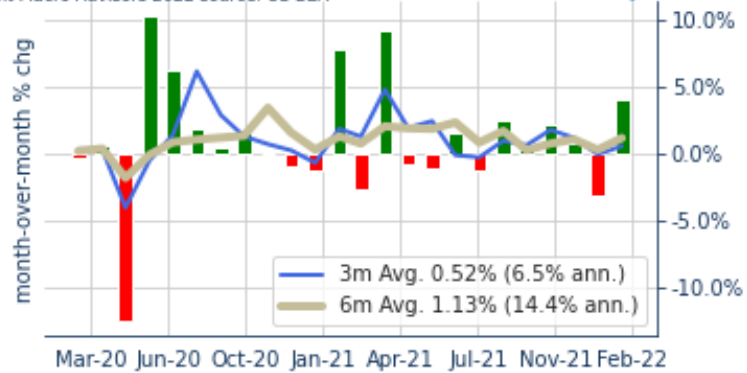
## Retail Sales & Food Service

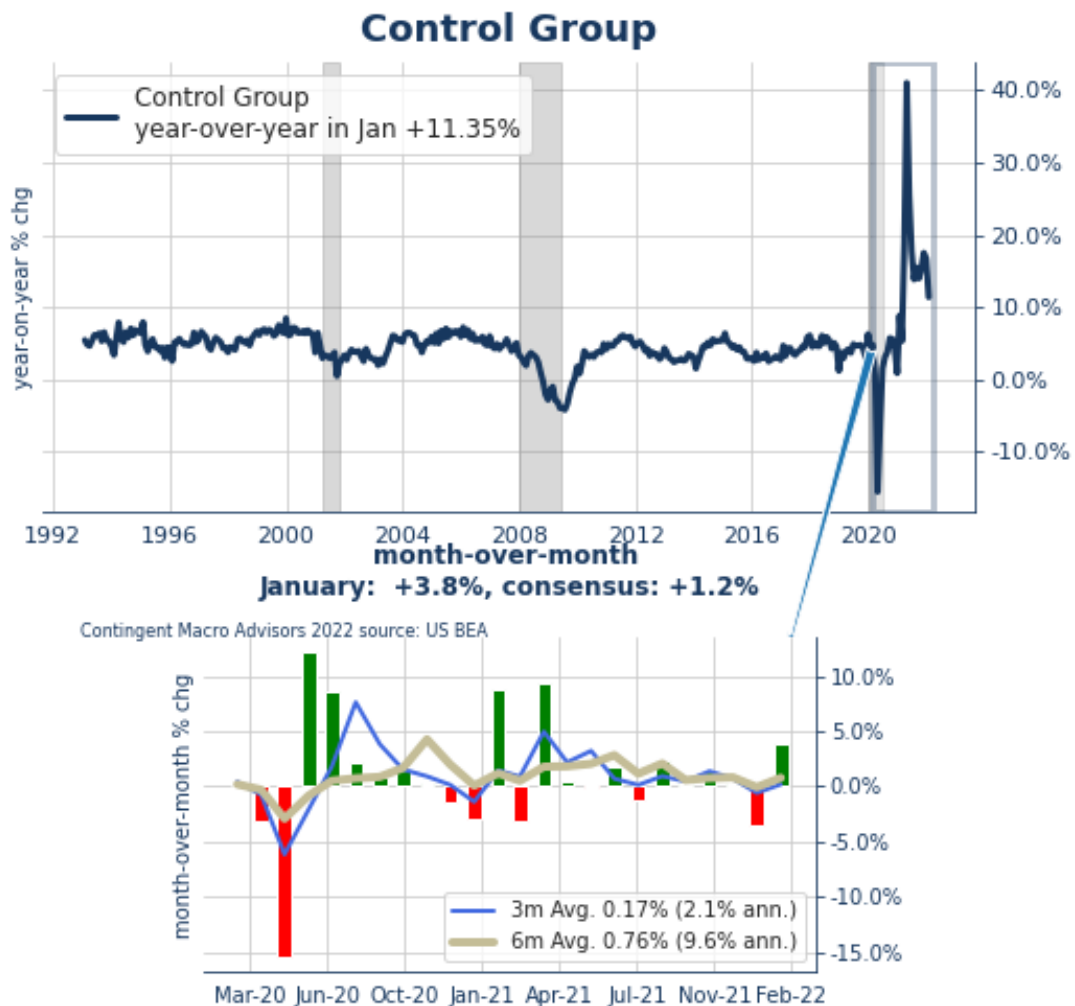


## Retail ex Auto, Parts & Gas



Contingent Macro Advisors 2022 source: US BEA





**Retail Sales** ROSE by 3.8% in January, compared with the market consensus for an increase of 2.0%. The December estimate was revised lower from -1.91% to -2.54%. Retail sales are now 13.0% ABOVE their year ago level; just a year ago, the year over year growth rate was 9.2%. Spending at motor vehicle dealers climbed by 5.7%.

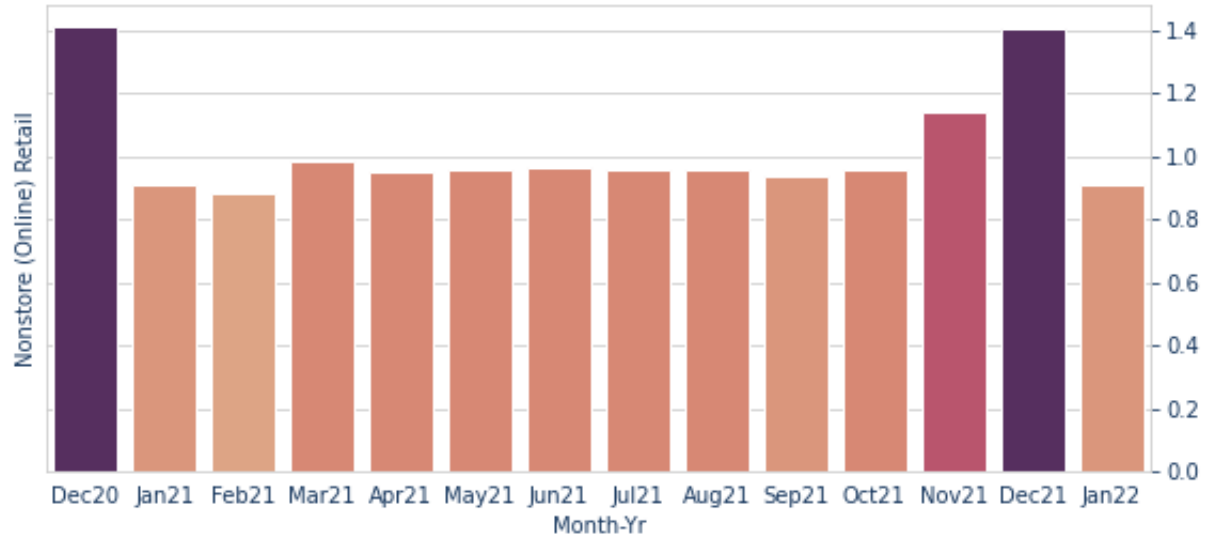
**Core Retail Sales** ROSE by 3.3%, compared with the market consensus for an increase 1.0%. The December estimate was revised lower from 0.67% to -2.78%. Core retail sales are now 13.4% ABOVE their year ago level; just a year ago, the year over year growth rate was 8.2%.

In January, gains at nonstore retailers (+14.5%), general merchandise stores (+3.6%), building materials (+4.1%), grocery stores (+1.1%). were partially offset by declines in gasoline stations, primarily due to slightly lower gasoline prices (-1.3%), sporting goods, hobbies, etc. (-3.0%), health and personal care (-0.7%), miscellaneous retailers (-0.1%).

**Core Retail Sales ex Gasoline** ROSE by 3.83% and are now 11.4% ABOVE their year ago level; just a year ago, the year over year growth rate was a solid 9.7% .



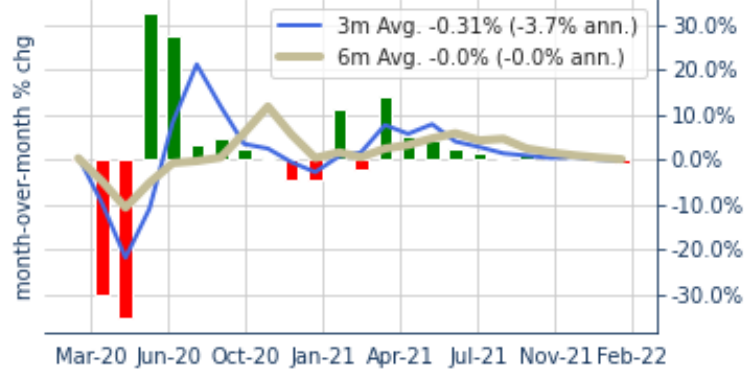
## Seasonal Adjustment Factor - Online Sales



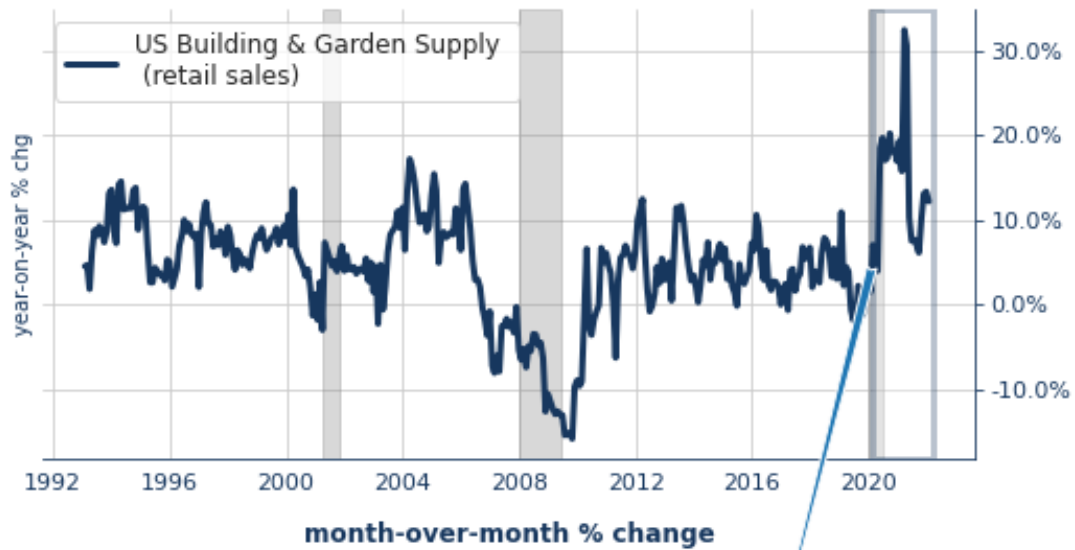
## US Eating & Drinking Places (retail sales)



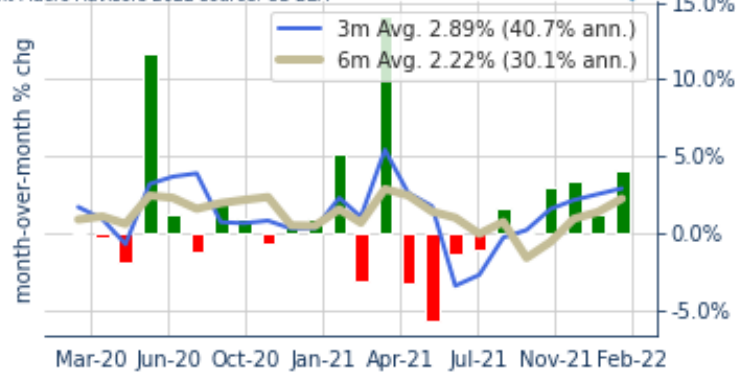
Contingent Macro Advisors 2022 source: US BEA



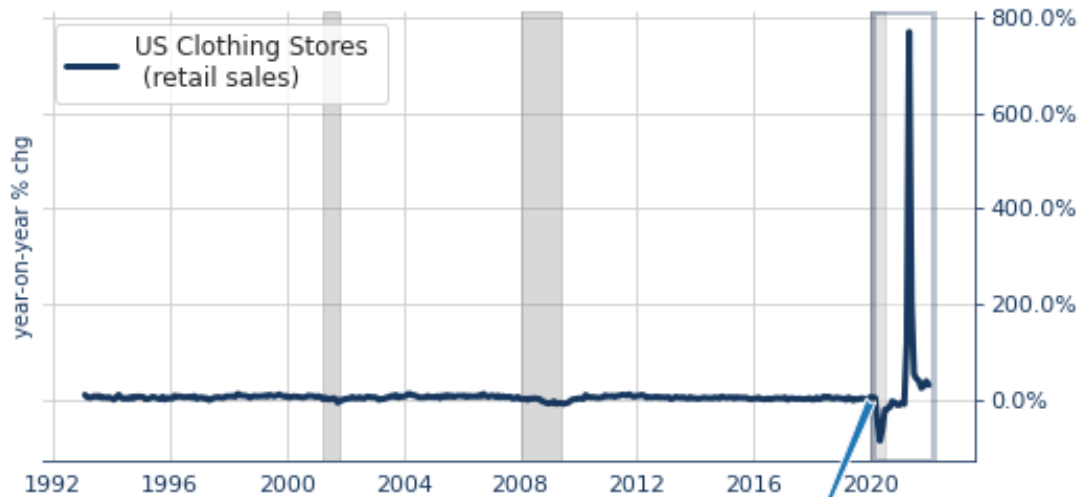
## US Building & Garden Supply (retail sales)



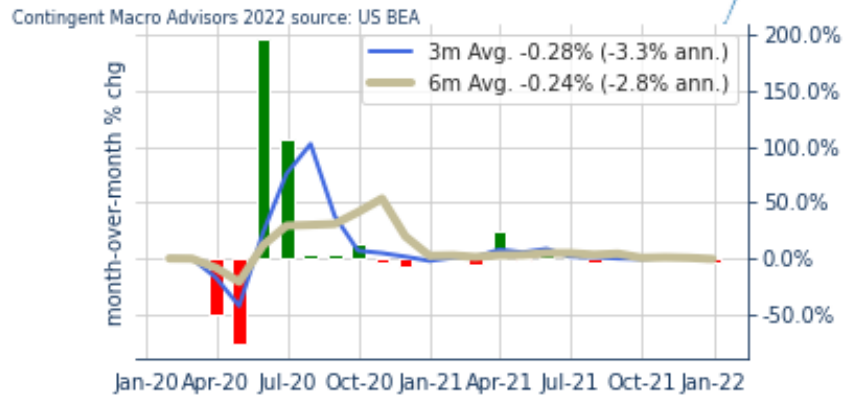
Contingent Macro Advisors 2022 source: US BEA



## US Clothing Stores (retail sales)



### month-over-month % change



US Retail Sales	Jan-22	Dec-21	Nov-21	3m ann % chg	6m ann % chg	YoY % chg	2021	2020	5y
<b>Retail Sales &amp; Food Service (\$650B seas. adj. monthly sales)</b>	<b>3.75%</b>	<b>-2.54%</b>	<b>0.71%</b>	<b>7.52%</b>	<b>11.54%</b>	<b>12.96%</b>	<b>16.71%</b>	<b>2.44%</b>	<b>6.39%</b>
<b>Retail ex Auto &amp; Parts (\$463B)</b>	<b>3.83%</b>	<b>-3.16%</b>	<b>0.58%</b>	<b>4.59%</b>	<b>10.96%</b>	<b>11.42%</b>	<b>16.35%</b>	<b>2.19%</b>	<b>6.50%</b>
<b>Retail ex Auto, Parts &amp; Gas (\$445B)</b>	<b>3.97%</b>	<b>-3.15%</b>	<b>0.75%</b>	<b>5.94%</b>	<b>14.08%</b>	<b>11.46%</b>	<b>15.50%</b>	<b>4.97%</b>	<b>6.75%</b>
Autos & Parts (\$133B)	5.69%	-1.59%	0.69%	20.27%	10.00%	11.30%	9.25%	9.48%	6.40%
Nonstore (Online)	14.53%	-11.39%	1.11%	10.85%	26.15%	8.35%	10.23%	15.68%	14.68%

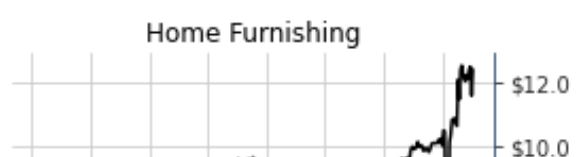
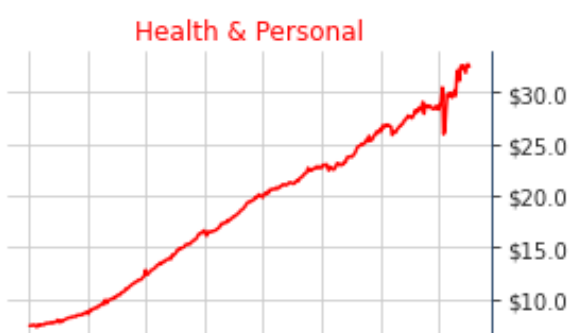
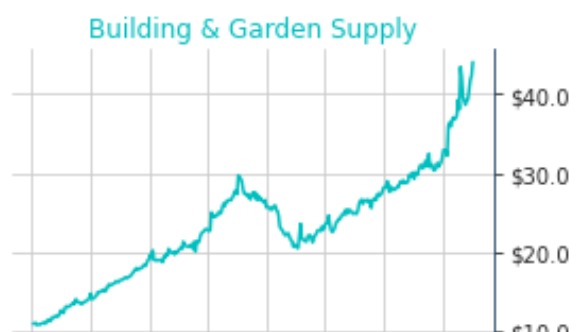
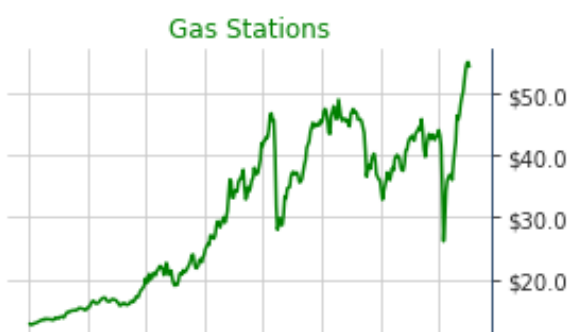
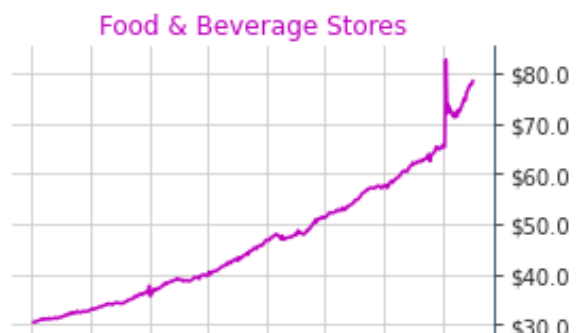
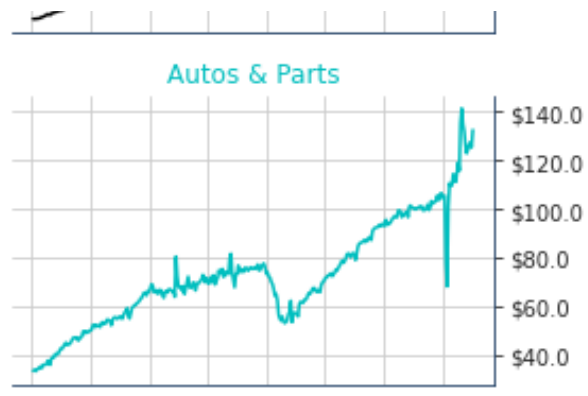
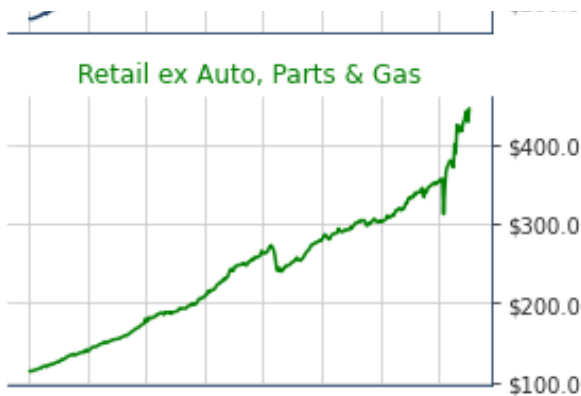


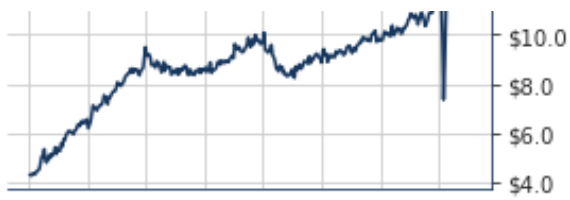
Retail (\$94B)									
Food & Beverage Stores (\$79B)	1.14%	-0.17%	0.48%	5.93%	10.83%	7.99%	8.81%	8.71%	5.23%
General Merchandise Stores (\$72B)	3.58%	-1.72%	-1.14%	2.58%	11.43%	7.63%	14.52%	0.82%	4.60%
Eating & Drinking Places (\$72B)	-0.87%	-0.56%	0.50%	-3.68%	-0.06%	26.98%	42.24%	-22.37%	4.37%
Gas Stations (\$54B)	-1.34%	0.44%	1.91%	4.03%	20.79%	33.42%	42.33%	-12.17%	5.46%
Building & Garden Supply (\$44B)	4.12%	1.21%	3.33%	40.59%	29.98%	12.16%	13.32%	16.91%	9.34%
Health & Personal (\$33B)	-0.70%	0.32%	2.26%	7.67%	0.70%	7.61%	9.55%	5.35%	3.49%
Clothing Stores (\$26B)	0.71%	-3.41%	1.11%	-6.44%	2.69%	21.89%	27.07%	-11.03%	4.01%
Miscellaneous Retail Stores (\$15B)	-0.12%	-0.72%	0.18%	-2.60%	13.58%	15.34%	16.08%	13.99%	7.81%
Home Furnishing (\$12B)	7.20%	-7.37%	0.68%	-0.06%	6.23%	2.70%	9.12%	6.32%	4.95%
Sports, Hobby & Book Stores (\$9B)	-2.98%	-5.99%	1.86%	-25.51%	-11.82%	1.32%	15.79%	15.44%	4.63%
Electronics & Appliance Stores (\$7B)	1.91%	-4.13%	-11.30%	-43.60%	-25.85%	-2.88%	11.20%	-13.89%	-1.24%

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.

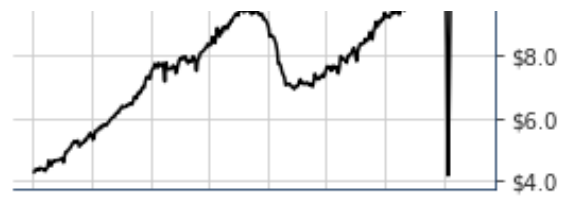
## Retail Sales (billions of USD per month)







Sports, Hobby & Book Stores



Electronics & Appliance Stores

