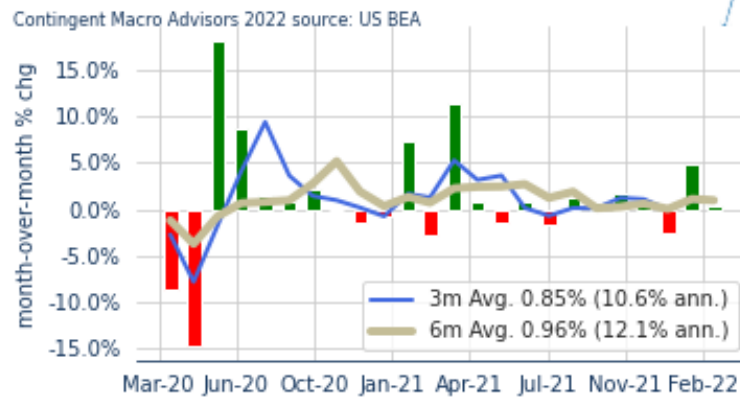
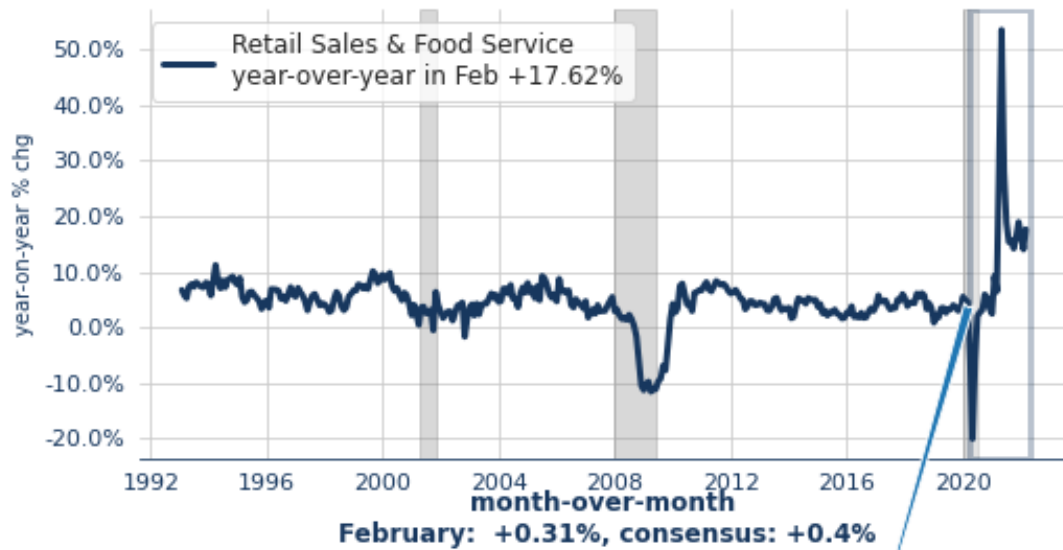


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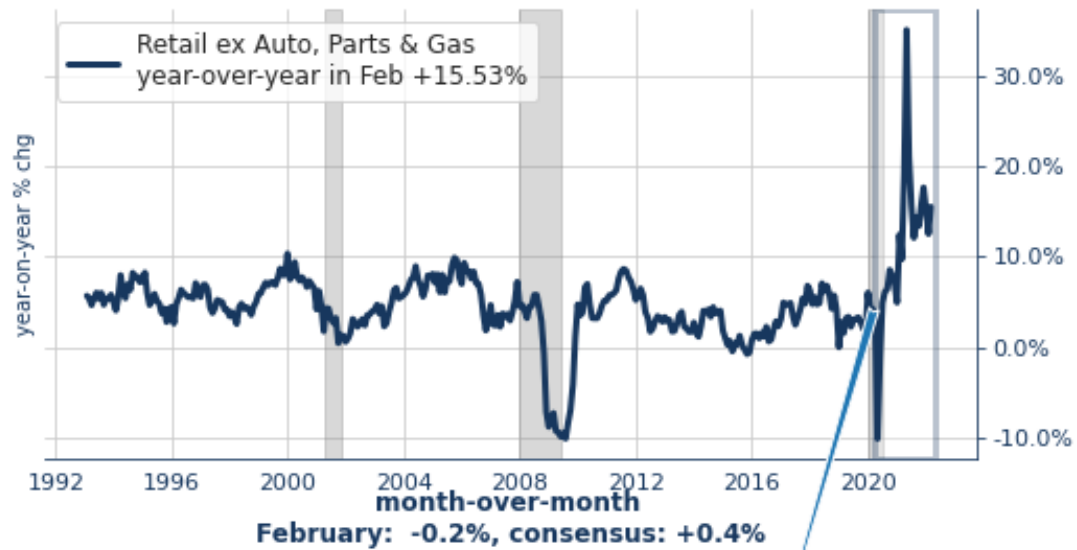
Retail Sales: Discretionary Spending Eases Amid Inflation

Bottom Line: Retail sales rose less than expected in February, but January data was revised sharply higher. Core sales for January were revised higher, from +3.97% to +5.32%. Seasonal adjustments, particularly in the online sales segment, have been difficult since the pandemic, and were still at play in this report, especially around the January revisions. Looking through the volatility and adjustments, we see a trend of continued robust sales at the headline level, mostly because of the inflation in food and energy prices. Core sales are decelerating modestly, though. The pace of gains in core sales over the three months ended in February was 6.3% annualized, for instance, versus 10.4% and 15.5% over the prior six- and 12-months, respectively. Spending on discretionary items led the deceleration with sales at clothing, furniture, sporting goods, and electronics stores all slowing. **Overall, consumption remains historically robust, but the pace of gains is decelerating, especially at the core level, as consumers spend a larger share of their incomes at the gas pump and in the grocery store.**

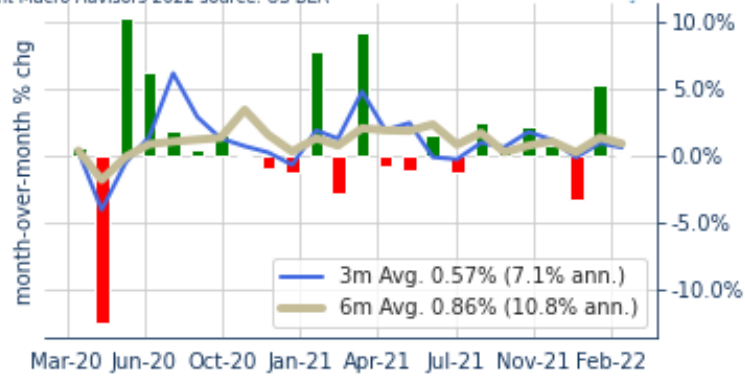
Retail Sales & Food Service

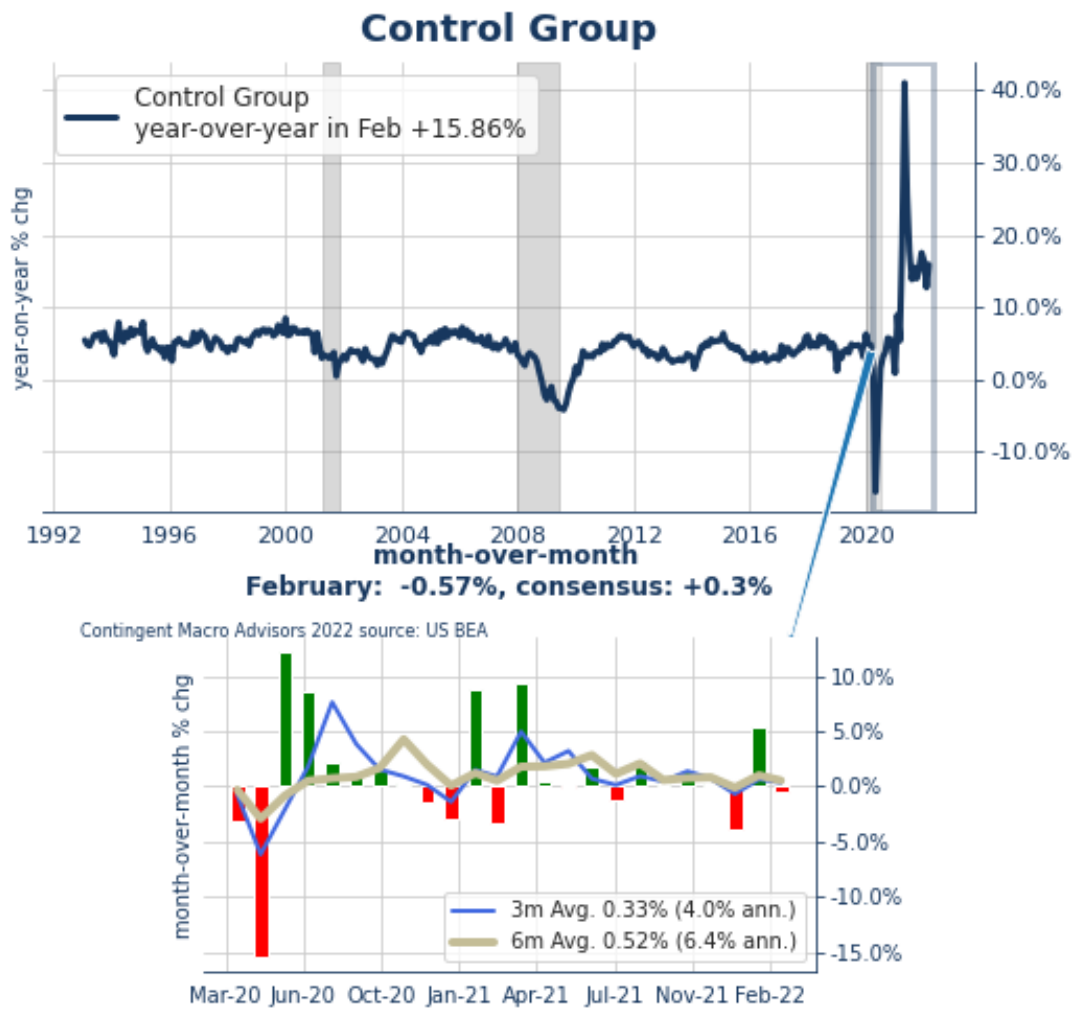


Retail ex Auto, Parts & Gas



Contingent Macro Advisors 2022 source: US BEA





Retail Sales ROSE by 0.3% in February, compared with the market consensus for an increase of 0.4%. The January estimate was revised from 3.75% to 4.90%. Retail sales are now 17.6% ABOVE their year-ago level; just a year ago, the year-over-year growth rate was 6.4%. Spending at motor vehicle dealers climbed by 0.8%.

Retail Sales ex-Gas ROSE by 0.2%, compared with the market consensus for an increase of 0.9%. The January estimate was revised from 0.67% to 4.41%. Core retail sales are now 17.7% ABOVE their year-ago level; just a year ago, the year-over-year growth rate was 5.7%.

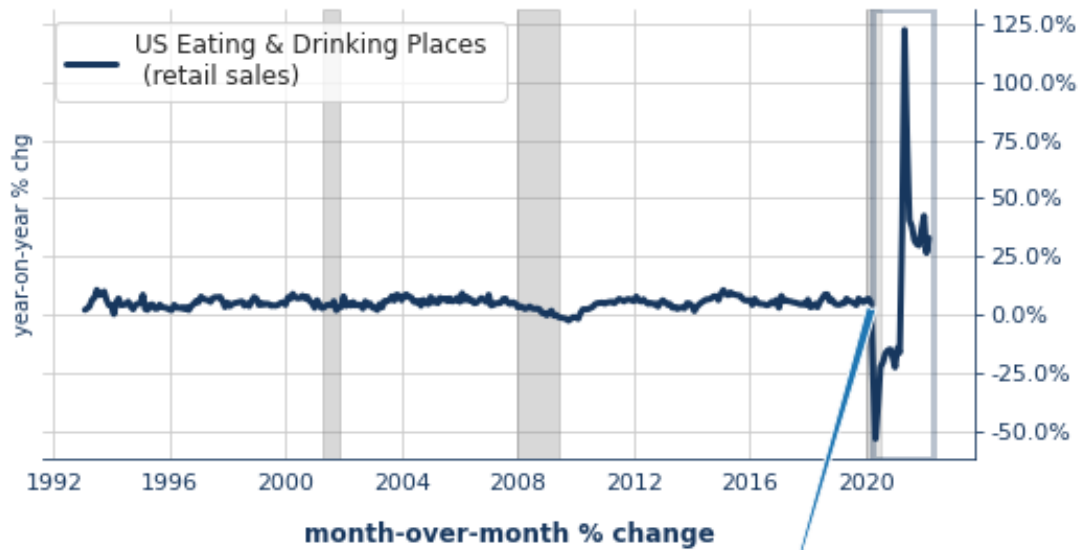
In February, gains at gasoline stations, primarily due to high gasoline prices (+5.3%), building materials (+0.9%), miscellaneous retailers (+1.9%), clothing stores (+1.1%). were partially offset by declines in nonstore retailers (-3.7%), health and personal care (-1.8%),

grocery stores (-0.5%), general merchandise stores (-0.2%).

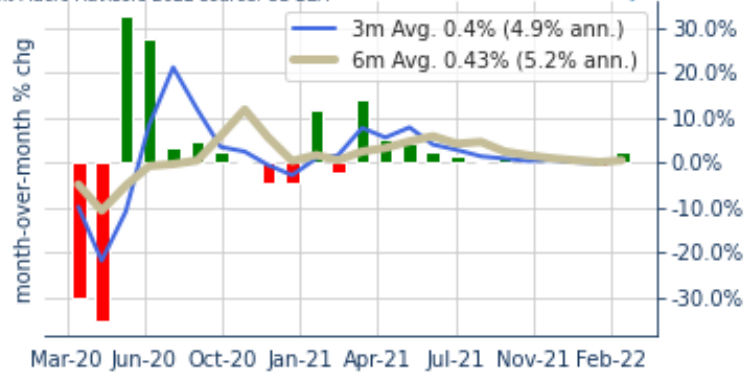
Core Retail Sales FELL by 0.43% and are now 15.8% ABOVE their year-ago level; just a year ago, the year over year growth rate was a solid 6.2%.



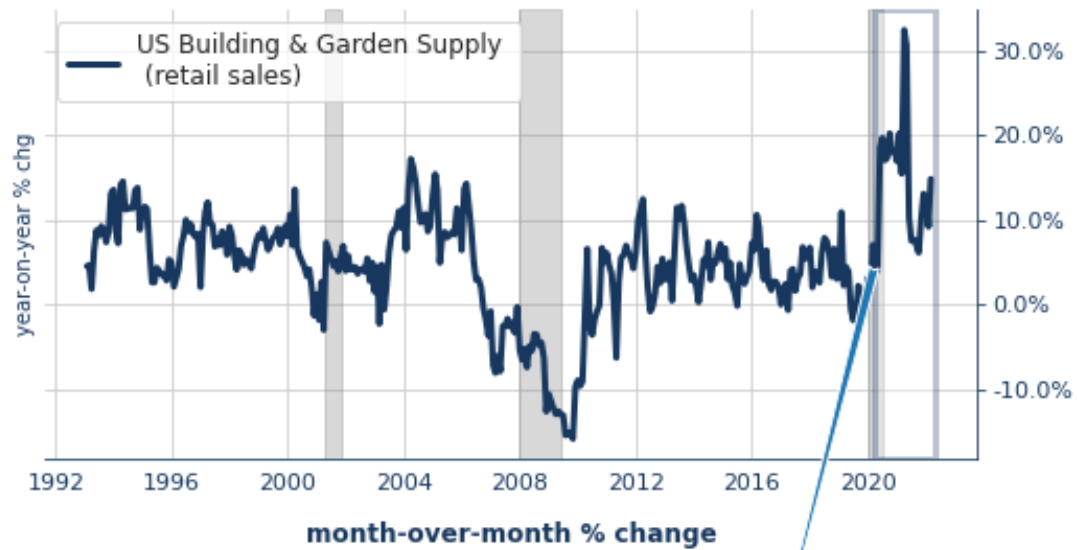
US Eating & Drinking Places (retail sales)



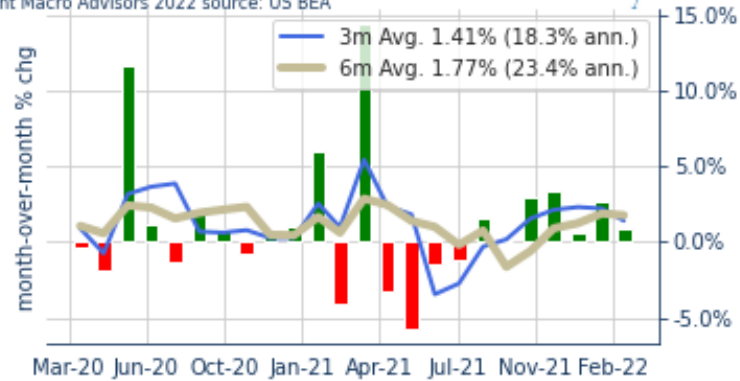
Contingent Macro Advisors 2022 source: US BEA



US Building & Garden Supply (retail sales)



Contingent Macro Advisors 2022 source: US BEA



US Clothing Stores (retail sales)



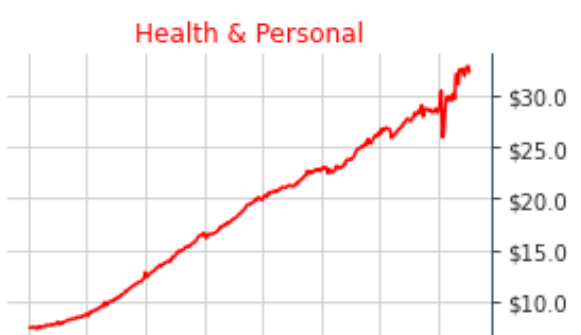
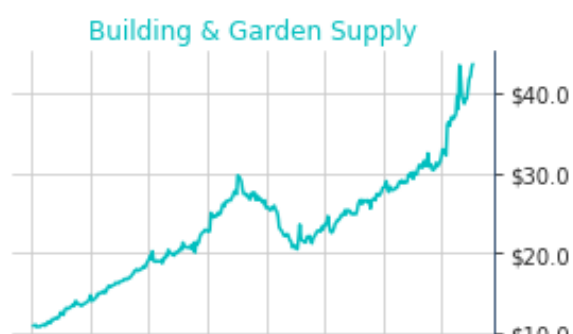
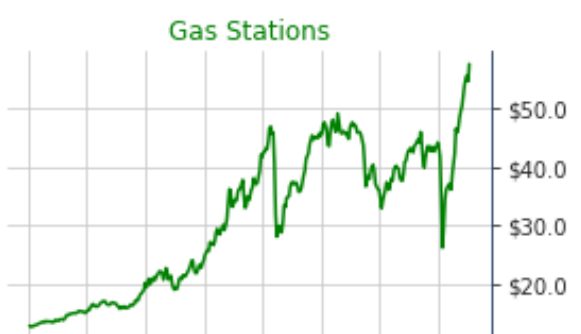
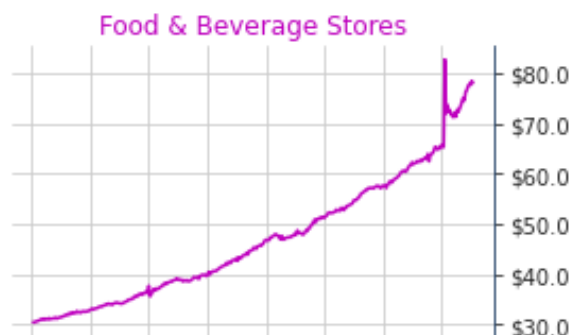
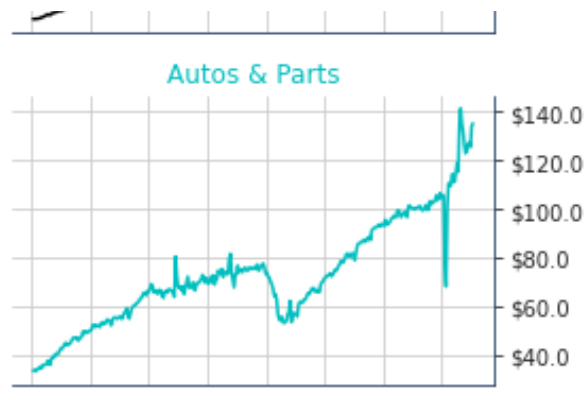
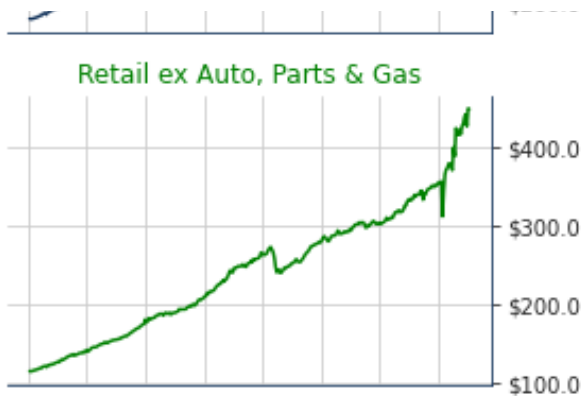
US Retail Sales	Feb-22	Jan-22	Dec-21	3m ann % chg	6m ann % chg	YoY % chg	2021	2020	5y
Retail Sales & Food Service (\$658B seas. adj. monthly sales)	0.31%	4.90%	-2.67%	10.00%	11.82%	17.62%	16.55%	2.44%	6.73%
Retail ex Auto & Parts (\$465B)	-0.43%	5.17%	-3.46%	4.44%	7.37%	15.76%	16.00%	2.19%	6.65%
Retail ex Auto, Parts & Gas (\$449B)	-0.20%	5.32%	-3.40%	6.28%	10.36%	15.53%	15.20%	4.97%	6.97%
Autos & Parts (\$135B)	0.83%	6.87%	-1.49%	27.01%	21.02%	17.22%	9.36%	9.48%	6.95%
Nonstore (Online)	-3.66%	20.57%	-11.17%	13.34%	16.24%	13.80%	10.51%	15.68%	15.26%

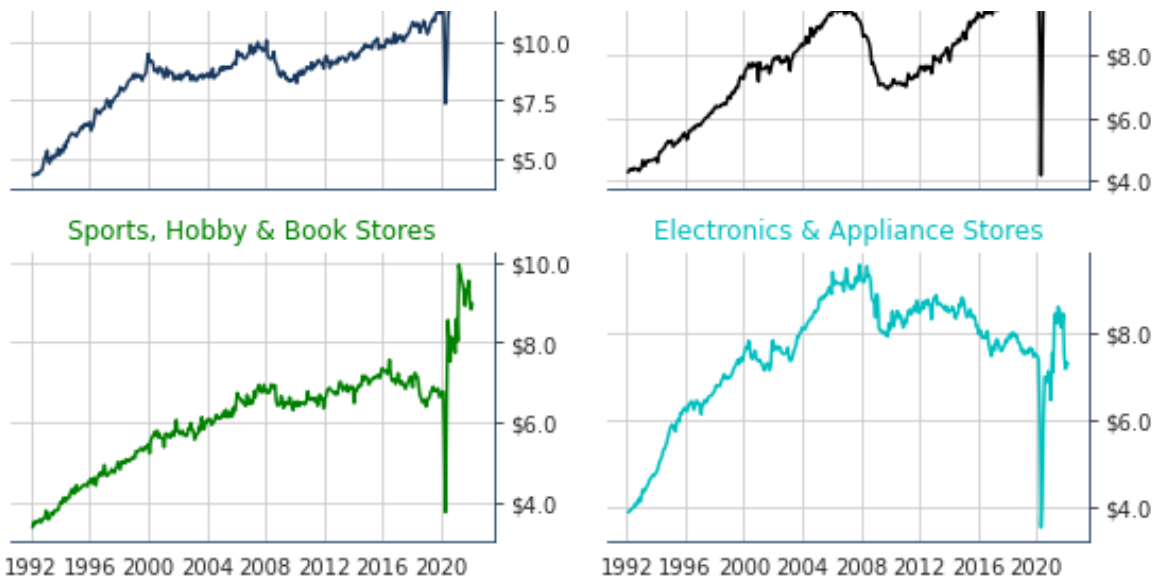
Retail (\$96B)									
Food & Beverage Stores (\$78B)	-0.51%	1.03%	-0.15%	1.46%	4.80%	7.94%	8.83%	8.71%	5.08%
Eating & Drinking Places (\$74B)	2.49%	-0.95%	-0.34%	4.76%	5.17%	33.03%	42.56%	-22.37%	5.01%
General Merchandise Stores (\$71B)	-0.20%	4.54%	-3.82%	1.40%	1.08%	12.81%	12.08%	0.82%	4.25%
Gas Stations (\$57B)	5.34%	-1.68%	1.16%	20.48%	30.63%	36.39%	43.35%	-12.17%	6.92%
Building & Garden Supply (\$44B)	0.92%	2.70%	0.61%	18.28%	23.32%	14.82%	12.65%	16.91%	9.03%
Health & Personal (\$32B)	-1.78%	0.22%	0.52%	-4.14%	-2.07%	8.85%	9.78%	5.35%	3.34%
Clothing Stores (\$26B)	1.07%	1.43%	-3.87%	-5.68%	5.40%	30.61%	26.48%	-11.03%	4.32%
Miscellaneous Retail Stores (\$16B)	1.87%	2.14%	-0.07%	16.91%	19.26%	25.36%	16.84%	13.99%	9.16%
Home Furnishing (\$12B)	-0.97%	7.46%	-7.47%	-6.00%	1.20%	7.40%	9.00%	6.32%	4.74%
Sports, Hobby & Book Stores (\$9B)	1.71%	-1.27%	-6.27%	-21.51%	1.35%	11.71%	15.45%	15.44%	5.41%
Electronics & Appliance Stores (\$7B)	-0.59%	2.06%	-4.27%	-11.00%	-19.99%	2.60%	11.03%	-13.89%	-1.35%

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)







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