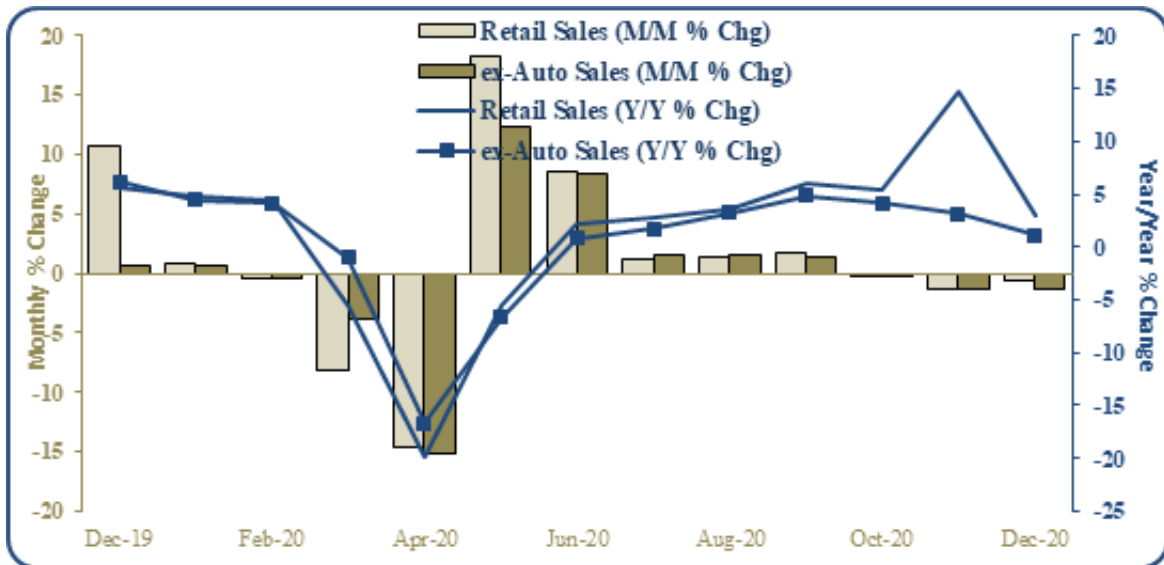
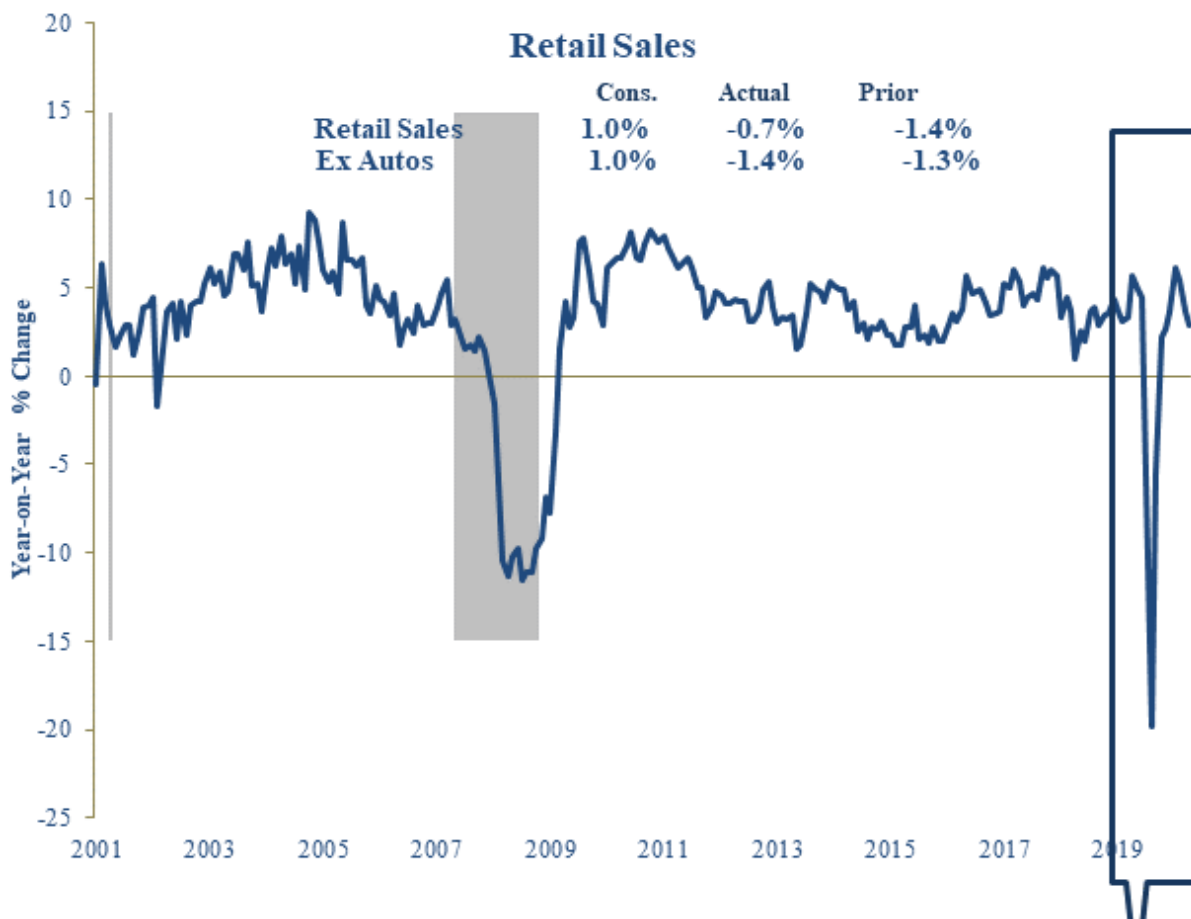


15.Jan.2021

Retail Sales: Further Declines in December

Bottom Line: Retail sales fell moderately in December, down 0.7% at the headline level, even with an increase in gas prices, and down over 2% excluding gasoline. While consensus was for nearly unchanged, we noted after last week's employment report that job losses in the retail sector had suggested December's activity was sharply lower. Nonstore retailers (online) saw sharply lower sales. While the seasonal adjustment expected strong gains and Covid altered shopping patterns, it is important to note that November was also revised lower. On the plus side, garden and building supply stores saw continued gains (as they have throughout the pandemic) with better than seasonally normal weather in many parts of the country. Clothing stores saw a rebound, but electronics retailers saw lower sales again. And of course, eating and drinking places led the declines with renewed shutdowns in parts of the country and colder weather hampering outdoor dining in many places. Overall, while the vaccine offers hope for stronger activity later in the year, the consumption trend was lower again in the final months of 2020 and bodes poorly for the start of 2021.



Retail Sales FELL by 0.7% in December, compared with the market consensus for an increase of 1.0%.

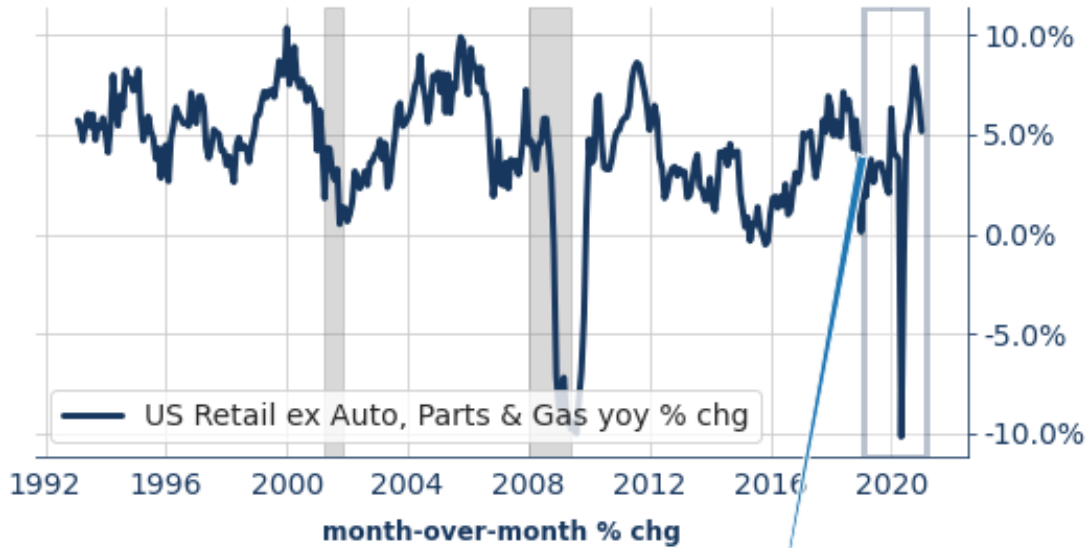
The November estimate was revised lower from -1.10% to -1.37%. Retail sales are now 2.9% ABOVE their year-ago level; just a year ago, the year-over-year growth rate was 5.7%. Spending at motor vehicle dealers climbed by 1.9%.

Core Retail Sales FELL by -1.4%, compared with the market consensus for an increase 1.0%. The November estimate was revised lower from 0.21% to -1.32%. Core retail sales are now 1.1% ABOVE their year-ago level; just a year ago, the year-over-year growth rate was 6.2%.

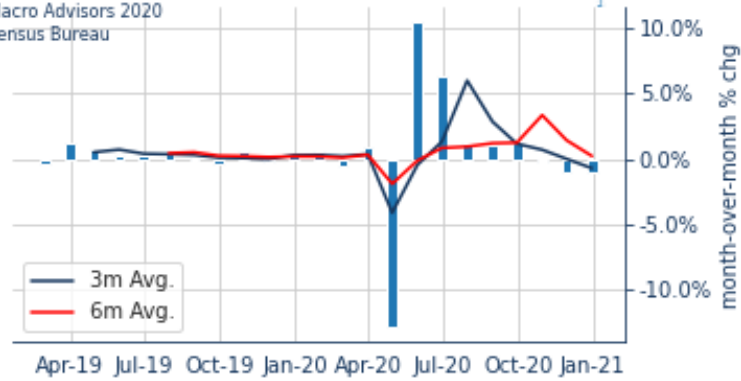
- In December, gains at gasoline stations, primarily due to high gasoline prices (+6.6%), clothing stores (+2.4%), health and personal care (+1.1%), and building materials (+0.9%) were more than offset by declines in nonstore retailers (-5.8%), grocery stores (-1.4%), general merchandise stores (-1.2%), electronic and appliance stores (-4.9%).

Core Retail Sales ex Gasoline FELL by 2.07% and are now 2.6% ABOVE their year-ago level; just a year ago, the year over year growth rate was a solid 5.9%.

US Retail ex Auto, Parts & Gas

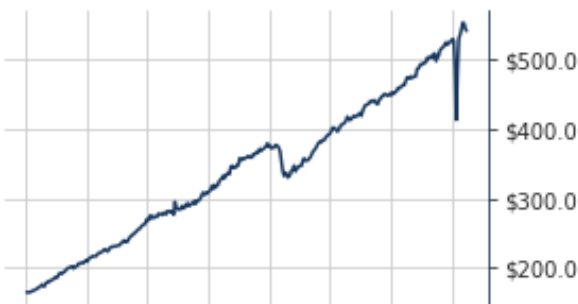


Contingent Macro Advisors 2020
source: US Census Bureau

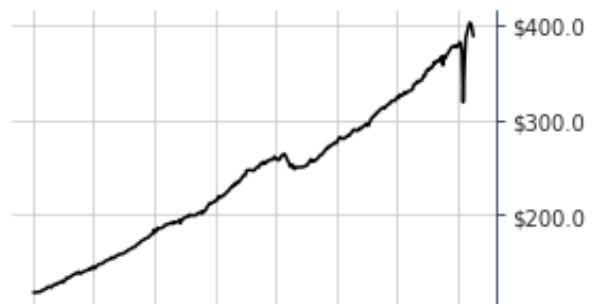


Retail Sales (billions of USD) - All Major Segments

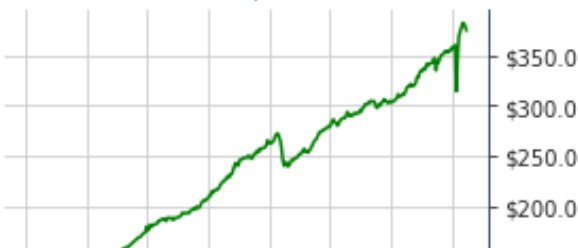
Retail Sales & Food Service



Retail ex Auto & Parts



Retail ex Auto, Parts & Gas

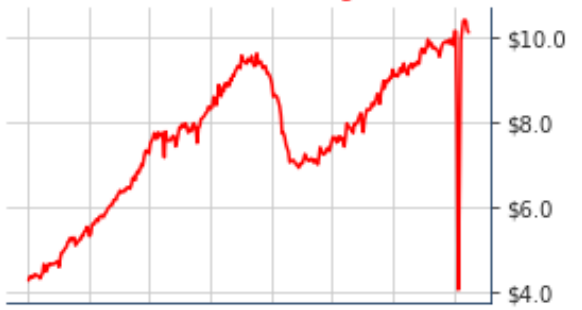


Autos & Parts

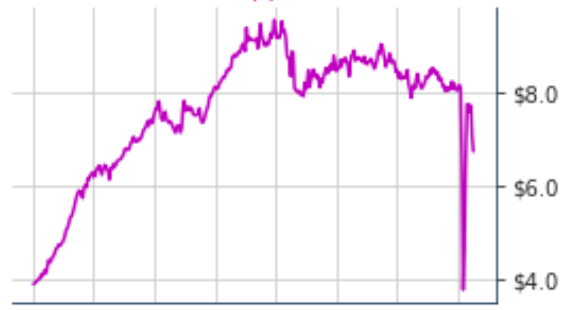




Home Furnishing



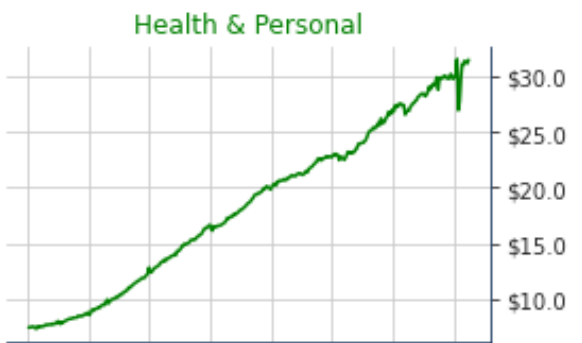
Electronics & Appliance Stores



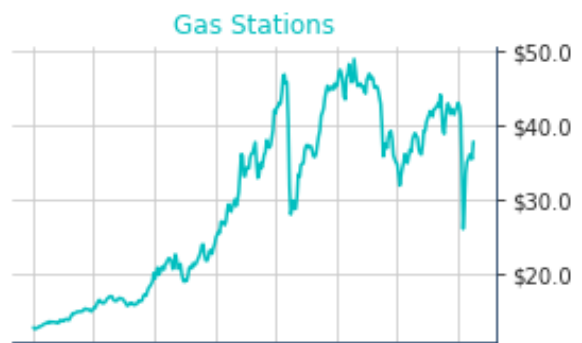
Building & Garden Supply



Food & Beverage Stores



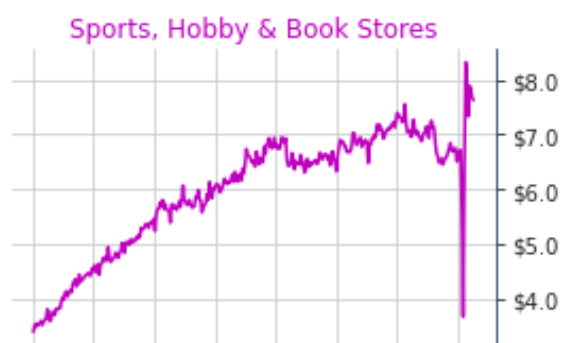
Health & Personal



Gas Stations



Clothing Stores



Sports, Hobby & Book Stores



General Merchandise Stores



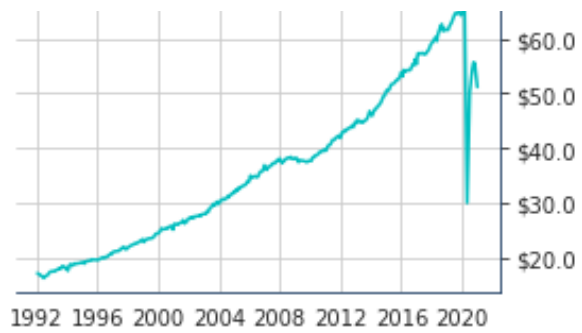
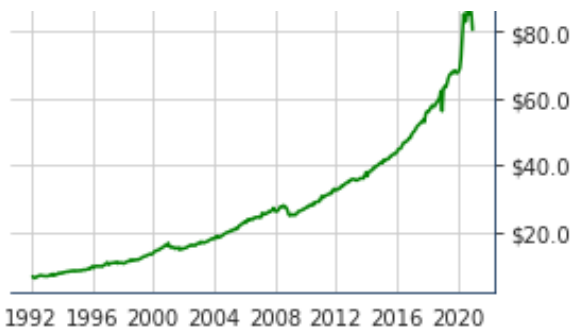
Miscellaneous Retail Stores



Nonstore (Online) Retail



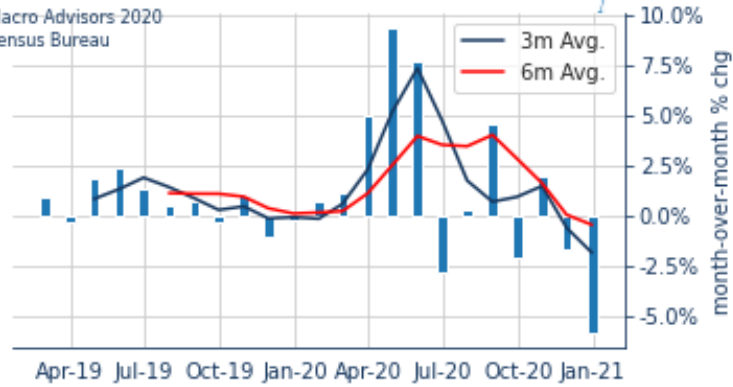
Eating & Drinking Places



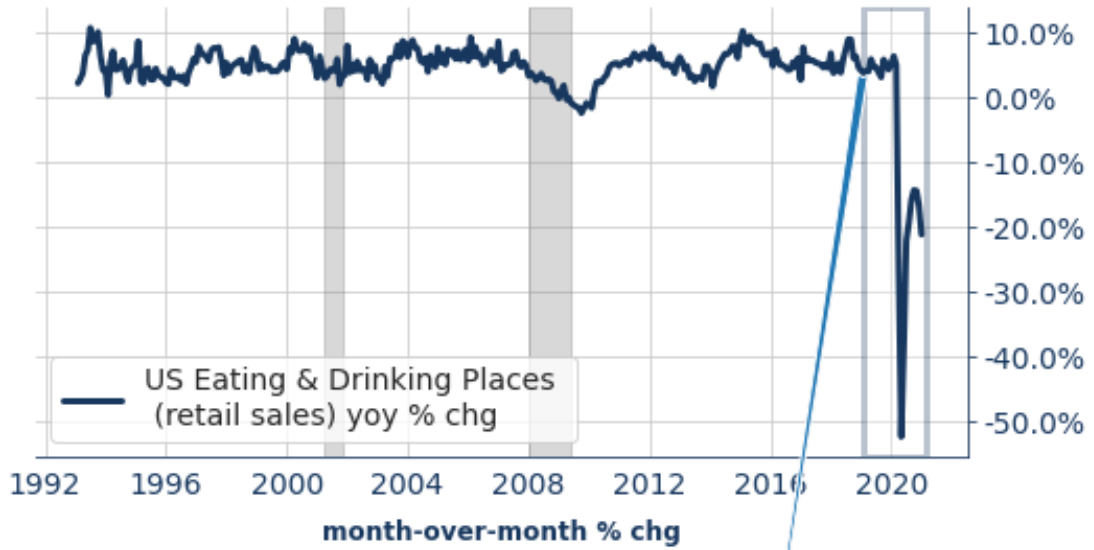
US Nonstore (Online) Retail



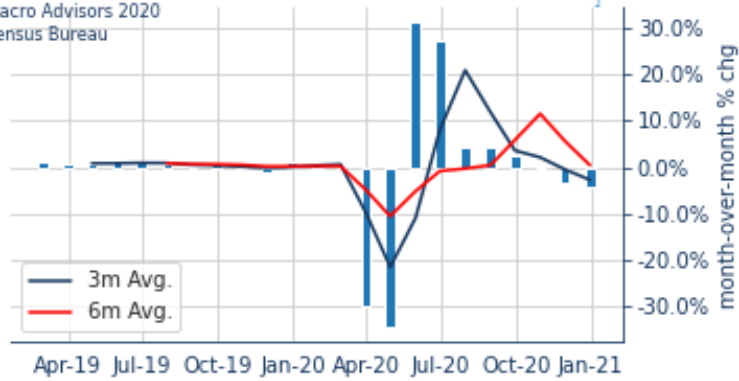
Contingent Macro Advisors 2020
source: US Census Bureau



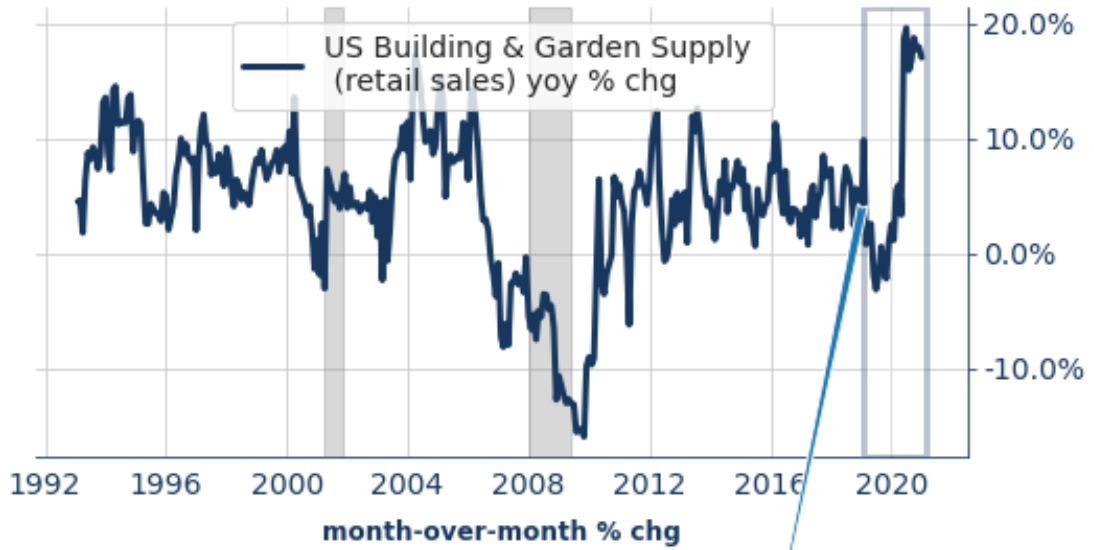
US Eating & Drinking Places (retail sales)



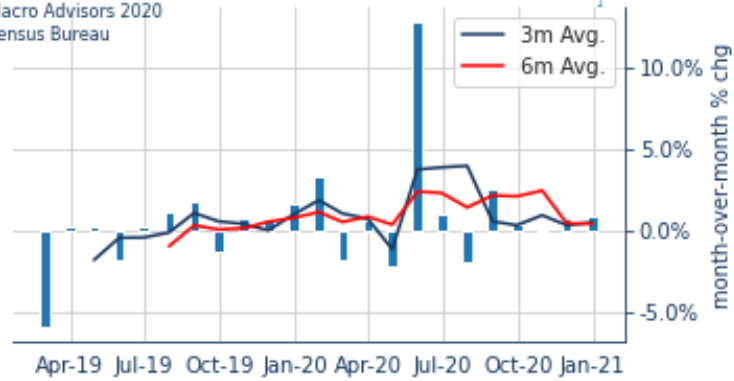
Contingent Macro Advisors 2020
source: US Census Bureau



US Building & Garden Supply (retail sales)



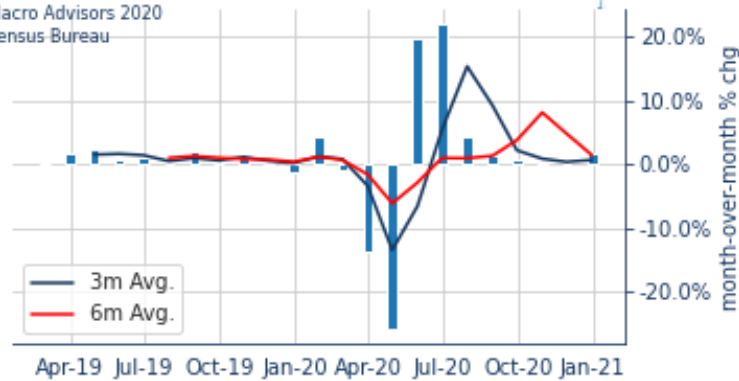
Contingent Macro Advisors 2020
source: US Census Bureau



US Miscellaneous Retail Stores



Contingent Macro Advisors 2020
source: US Census Bureau



US Retail Sales	Dec-20	Nov-20	3m ann % chg	6m ann % chg	12m ann % chg	2019	2018	5y
Retail Sales & Food Service	-0.7%	-1.4%	-8.3%	4.2%	2.9%	5.7%	0.9%	4.0%
Retail ex Auto & Parts	-2.1%	-1.3%	-13.3%	1.2%	2.6%	5.9%	1.2%	4.0%
Retail ex Auto, Parts & Gas	-0.9%	-1.0%	-7.9%	3.0%	5.2%	6.3%	0.1%	4.6%
Autos & Parts	1.9%	-1.5%	1.7%	8.3%	10.1%	3.6%	1.7%	4.9%
Home Furnishing	-0.6%	-2.1%	-10.8%	3.6%	3.1%	1.5%	-0.6%	1.9%
Electronics & Appliance Stores	-4.9%	-8.3%	-38.3%	7.9%	-16.6%	-0.7%	-2.3%	-4.1%
Building & Garden Supply	0.9%	0.8%	6.6%	5.4%	17.0%	2.5%	1.8%	6.6%
Food & Beverage	-1.4%	1.5%	-2.6%	-3.3%	8.9%	3.7%	0.7%	4.6%

Stores								
Health & Personal	1.1%	-0.4%	1.2%	11.8%	5.8%	3.4%	1.5%	3.3%
Gas Stations	6.6%	-1.6%	21.0%	26.8%	-12.1%	9.1%	-3.8%	1.7%
Clothing Stores	2.4%	-6.1%	-26.3%	27.3%	-16.0%	1.9%	2.1%	-2.2%
Sports, Hobby & Book Stores	-0.8%	-1.7%	-13.0%	-16.1%	15.2%	2.7%	-9.1%	0.6%
General Merchandise Stores	-1.2%	-1.3%	-14.6%	-2.6%	1.1%	1.4%	1.2%	1.3%
Miscellaneous Retail Stores	1.7%	-0.1%	7.6%	17.6%	4.7%	5.7%	1.1%	4.4%
Nonstore (Online) Retail	-5.8%	-1.6%	-20.2%	-5.6%	19.2%	20.3%	0.2%	16.9%
Eating & Drinking Places	-4.5%	-3.6%	-28.8%	4.1%	-21.2%	5.4%	4.2%	-1.0%

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.