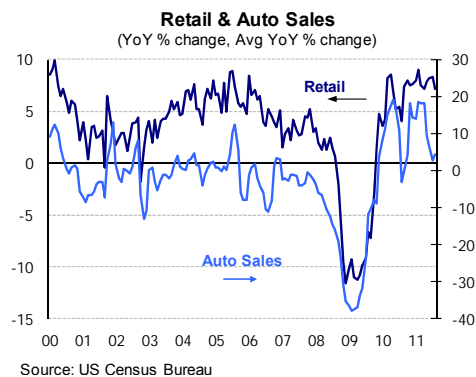


14 September 2011 | **PREMIUM** | Economic Analysis

## U.S.: Headline retail sales flat in August, YoY growth still robust

- Retail sales were unchanged in August, although sales excluding autos grew 0.1% MoM
- On a YoY basis, total retail sales remain strong at 7.2%

August retail sales were unchanged from July, failing to meet consensus expectations for 0.2% MoM growth. Apparel and auto sales dragged down headline figures, declining 0.7% and 0.3%, respectively, while gasoline and merchandise sales increased slightly. Retail sales excluding autos increased 0.1%, mostly due to contributions from sporting goods, electronics, non-store retail, and building materials. The discouraging monthly figures are in line with recent declines in business and consumer confidence, in addition to various weather-related issues that have dampened economic activity throughout the country. Furthermore, the modest 2.1% growth seen throughout the past three months is much lower than the double-digit growth in 4Q10 and 1Q11. Despite this obvious weakness, total retail sales remain strong at 7.2% on a YoY basis. Overall, it appears that weak economic activity may continue to weigh on the recovery in the coming months.



Best Regards,

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