

## Occupy The Shopping Mall

Something got lost in translation. Cable television told the American consumer to burrow deep in a hidey hole...a double-dip recession was on its way. After all, we have no stimulus bill, the Super Committee failed and there is about to be a complete collapse of Europe. But the bazillion people in those shopping mall lines decided to ignore the pouting pundits of pessimism. They came out in numbers that make Occupy Wall Street look like a bunch of amateurs.

As they have over the past two years, US consumers are still blowing away expectations. Sales for the full first weekend of holiday shopping – Thursday through Sunday – are up 16.4% versus a year ago according to the National Retail Federation. On average each customer spent about 9% more than a year ago, while 7% more shoppers hit the stores.

ShopperTrak, which has monitoring devices at 40,000 retail outlets and malls around the country, reported a 6.6% gain in Black Friday sales. This blows away last year's reported gain of a tiny 0.3%. ComScore says Black Friday sales online were up 26% from a year ago. The strength was confirmed by Coremetrics, another online data-gatherer, which says Black Friday internet sales were up 24% and Thanksgiving Day sales were up 39%.

On Thursday afternoon we will get figures on auto sales in November and it looks like they were up for the third month in a row and about 9 - 10% above last year.

So the question is, what have all the pouting pundits missed? First, it seems they want to focus on the overall unemployment rate, rather than the trend. Last November, the unemployment rate was 9.8%...now, it's 9.0%. Private payrolls are up an average of 152,000 per month in the past year.

Total private wages and salaries are up 4% from a year ago. Meanwhile, consumers have whittled down their debts, so that monthly financial obligations – mortgages, rent, car loans/leases, and other debt service – are now the lowest share of after-tax income since the early 1990s.

No one knows exactly what the near future holds for Europe. We still think the odds favor tough austerity programs that reduce the size of government – a long-term plus. But more sovereign defaults are entirely possible and problems with European banks have yet to be thoroughly addressed.

What we do know is that US consumers are ignoring the experts, appear more confident about their future and want to spend their hard-earned income. Instead of panic, we've seen a lot of joy...on both sides of the cash register.

Date/Time (CST)	U.S. Economic Data	Consensus	First Trust	Actual	Previous
11-28 / 9:00 am	New Home Sales - Oct	0.315 Mil	<b>0.307 Mil</b>	<b>0.307 Mil</b>	0.313 Mil
11-29 / 9:00 am	Consumer Confidence - Nov	44.0	<b>45.6</b>		39.8
11-30 / 7:30 am	Q3 Non-Farm Productivity	+2.5%	<b>+2.2%</b>		+3.1%
7:30 am	Q3 Unit Labor Costs	-2.1%	<b>-3.2%</b>		-2.4%
11-31 / 8:45 am	Chicago PMI - Nov	58.5	<b>60.0</b>		58.4
12-1 / 7:30 am	Initial Claims - Nov 26	390K	<b>391K</b>		393K
9:00 am	ISM Man. - Nov	51.7	<b>51.4</b>		50.8
9:00 am	Construction Spending - Oct	+0.3%	<b>-0.1%</b>		+0.2%
<i>sometime</i>	Domestic Auto Sales - Nov	4.5 Mil	<b>4.5 Mil</b>		4.4 Mil
<i>during the day</i>	Domestic Truck Sales - Nov	5.9 Mil	<b>5.9 Mil</b>		5.8 Mil
12-2 / 7:30 am	Non-Farm Payrolls - Nov	120K	<b>70K</b>		80K
7:30 am	Private Payrolls - Nov	146K	<b>95K</b>		104K
7:30 am	Manufacturing Payrolls - Nov	9K	<b>0K</b>		5K
7:30 am	Unemployment Rate - Nov	9.0%	<b>9.0%</b>		9.0%
7:30 am	Average Hourly Earnings - Nov	+0.2%	<b>+0.2%</b>		+0.2%
7:30 am	Average Weekly Hours - Nov	34.3	<b>34.3</b>		34.3