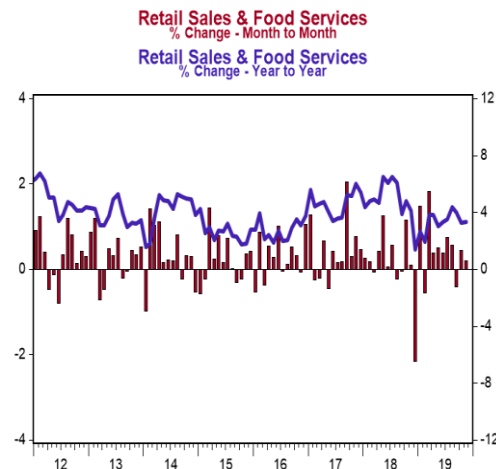


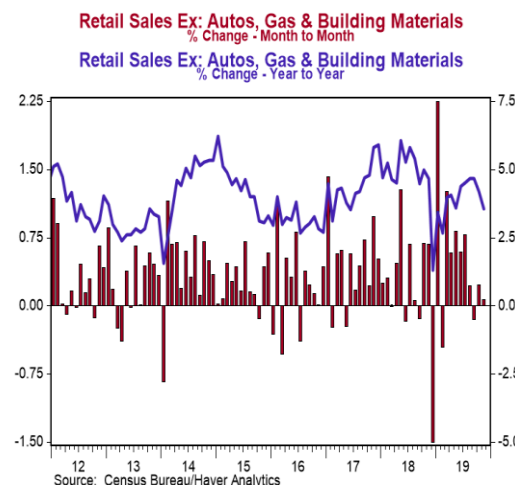
# November Retail Sales

Brian S. Wesbury – Chief Economist  
 Robert Stein, CFA – Dep. Chief Economist  
 Strider Elass – Senior Economist

- Retail sales rose 0.2% in November (+0.3% including revisions to prior months) versus a consensus expected 0.5%. Retail sales are up 3.3% versus a year ago.
- Sales excluding autos increased 0.1% in November, falling short of the consensus expected 0.4% gain. These sales are up 3.0% in the past year. Excluding gas, sales rose 0.1% in November and are up 3.6% from a year ago.
- The rise in sales in November was led by non-store retailers (internet & mail order), autos, and gas stations. The largest decline was at health & personal care stores.
- Sales excluding autos, building materials, and gas increased 0.1% in November (-0.1% including revisions to prior months). If unchanged in December, these sales will be up at a 0.9% annual rate in Q4 versus the Q3 average.



Source: Census Bureau/Haver Analytics



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**Implications:** An OK report out of the retail sector today; not strong, not weak. Retail sales rose 0.2% in November, falling a little short of the consensus expected 0.5%. However, part of the consensus miss may be due to a late Thanksgiving, which pushed Cyber Monday to December 1. Still, overall sales are up a respectable 3.3% from a year ago and the year-ago comparison should move up substantially for December. In November, sales rose in eight of the thirteen major retail categories. Non-store retailers (think internet & mail order) and autos led the way rising 0.8% and 0.5%, respectively. Non-store sales are up 11.5% from a year ago, sit at record highs, and now make up 12.9% of overall retail sales, also a record. The largest decline in sales in November was for health and personal care stores, which dropped 1.1%. “Core” sales, which exclude autos, building materials, and gas stations (the most volatile sectors) grew 0.1% in November, are up 3.5% from a year ago, and up 7.0% annualized since the start of 2019, the fastest eleven-month pace of growth since 2006. Jobs and wages are moving up, companies and consumers continue to benefit from tax cuts, consumer balance sheets look healthy, and serious (90+ day) debt delinquencies are down substantially from post-recession highs. For these reasons, expect continued solid gains in retail sales in the year ahead. In inflation news today, import prices rose 0.2% in November, driven by an increase in fuel prices. Export prices also rose 0.2% primarily due to higher agricultural prices. In the past year, both import and export prices are down 1.3%, but we expect a turnaround to at least modest price gains in the year ahead.

Retail Sales <i>All Data Seasonally Adjusted</i>	Nov-19	Oct-19	Sep-19	3-mo % Ch. <i>Annualized</i>	6-mo % Ch. <i>annualized</i>	Yr to Yr <i>% Change</i>
<b>Retail Sales and Food Services</b>	<b>0.2%</b>	0.4%	-0.4%	0.9%	3.8%	3.3%
<b>Ex Autos</b>	<b>0.1%</b>	0.3%	-0.2%	0.8%	3.2%	3.0%
<b>Ex Autos and Building Materials</b>	<b>0.0%</b>	0.4%	-0.1%	1.5%	3.2%	3.2%
<b>Ex Autos, Building Materials and Gasoline</b>	<b>0.1%</b>	0.2%	-0.2%	0.5%	3.5%	3.5%
<b>Autos</b>	<b>0.5%</b>	1.0%	-1.1%	1.2%	6.4%	4.9%
<b>Building Materials</b>	<b>0.0%</b>	-0.3%	-1.7%	-7.7%	3.8%	0.4%
<b>Gasoline</b>	<b>0.7%</b>	1.7%	-0.1%	9.9%	0.6%	0.5%

Source: Bureau of Census