

## Retail Sales for May

June 12, 2014

Monthly U.S. Retail Sales Data						
	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14
<b>Retail Sales</b>	-0.1%	-0.9%	0.9%	1.5%	0.5%	0.3%
<b>Ex-Autos</b>	0.3%	-0.5%	0.4%	0.9%	0.4%	0.1%
<b>Ex-Auto, Gas, Build</b>	0.1%	-0.9%	0.6%	1.1%	0.2%	-0.1%
<b>Vehicles &amp; Parts</b>	-1.8%	-2.5%	2.6%	3.9%	0.9%	1.4%
<b>Building Materials</b>	-0.3%	0.9%	-0.3%	2.3%	1.9%	1.1%
<b>Gas Stations</b>	2.5%	0.8%	-0.2%	-1.0%	0.9%	0.4%
<b>Clothing &amp; GM</b>	-0.3%	-0.5%	0.0%	1.0%	0.9%	-0.6%
<b>Residual</b>	0.2%	-1.0%	0.8%	1.2%	-0.1%	0.1%

Retail sales rose 0.3 percent in May. Auto sales rose 1.4 percent. Building material sales rose 1.1 percent. Gasoline sales edged up 0.4 percent due to higher prices. However, the rest of retail sales was soft. April sales were revised up to much better 0.5 percent. May sales were weaker than expected, but April and May taken together showed healthy growth. The warmer weather helped to boost store traffic during the two months. Mother's day, the second most gift-giving season after Christmas, lifted sales. Apparel merchants engaged in heavy promotions to get rid of unsold goods after the lackluster spring selling season before the back-to-school and fall shipments arrive. Economic fundamentals were tailwinds for the sales. Job growth and rising consumer confidence have padded people's pocketbooks. The record high stock prices during the two-month period and rising home prices have been positive for retail sales. Auto sales were the best since 2007 helping retail sales. Discounts and zero-percent financings were used to attract the potential car buyers to show rooms. In addition, the average age of the cars on the road is still too high. Excluding cars, the rest of retail sales showed little gain indicating that consumers are still cautious about spending. If the current trend continues, economic growth for the second quarter could approach 3 percent at an annual rate.