

Economic Insights: May Retail Sales

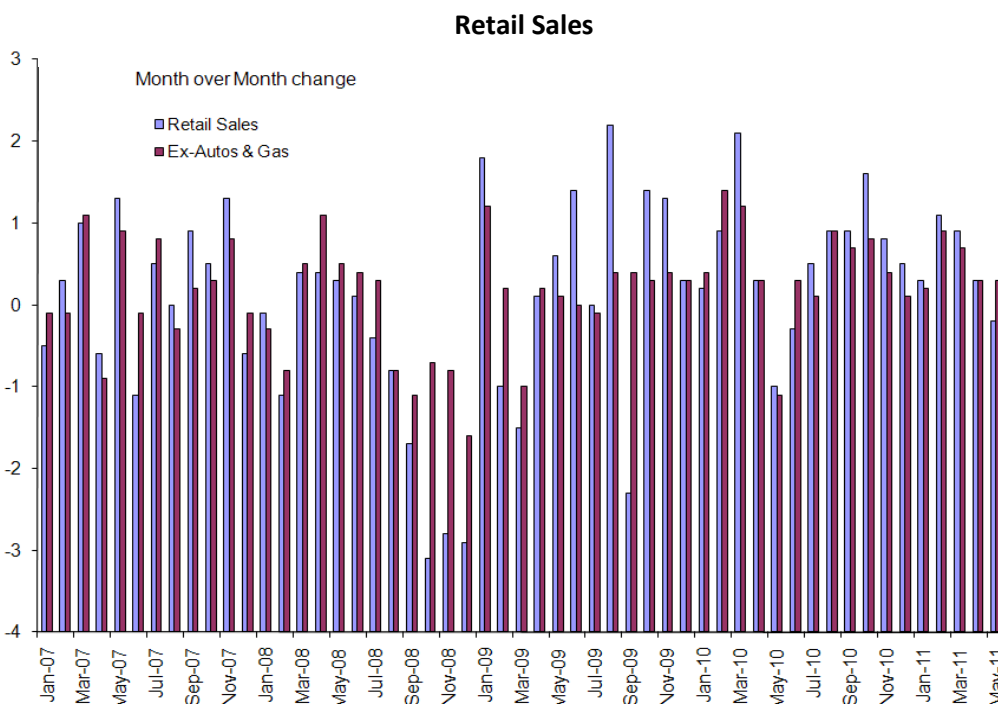
By: SEI Investment Management Unit

The U.S. Department of Commerce's Advance Monthly Sales for Retail and Food Services report revealed that May headline retail sales fell .2%, which was slightly better than market expectations. The report, which contains estimated monthly sales for retail and food services that are adjusted and unadjusted for seasonal variations, also showed that retail sales less gas and autos increased .3%, just above the market consensus of .2%. April's headline number was revised lower to .3%, while the ex-gas and autos statistic was revised higher to .3%.

Our View

May marked the first time that retail sales have dropped since June 2010. Although better than expectations, the number was still negative and took a minor step back. Falling sales in the auto sector created a drag; however, six of the 13 primary categories reported an increase, which signals that consumers are hanging tough through the current economic soft patch. Spending remains challenged, but consumers may soon feel some relief as gasoline prices are showing signs of easing.

Despite the recent string of negative economic releases, SEI believes that moderate growth will continue once we have moved beyond the temporary patch of weak economic data and results.



Source; Bloomberg, SEI

Release Frequency: Monthly

Data Breakdown

Headline Consensus **-.5%**

Headline Actual **-.2%**

Ex-gas and autos consensus .2%

Ex-gas and autos actual .3%

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