



## UNITED STATES

### Larger-than-expected rise in retail sales in November

#### HIGHLIGHTS

- Retail sales went up 0.7 % in November. This increase follows a 0.5% gain in October and a 0.1% decrease in September. Auto sales are up 1.7% after October's 0.8% increase. Excluding automobiles, sales are up 0.5%, the strongest monthly growth since June.
- Most retail categories have posted an increase in sales. The strongest advances stem from renovation centres, clothing stores and nonstore retailers.
- Gas stations saw their sales slow by 0.8% due to lower gas prices. Excluding autos and gas, sales increased 0.6%.

#### COMMENTS

Like other economic indicators, retail sales are experiencing renewed vigour. They were disappointing over the summer, but the results from October and November show a real improvement. Excluding automobiles and gas, the annual change in retail sales is 5.2%, the strongest since March 2012.

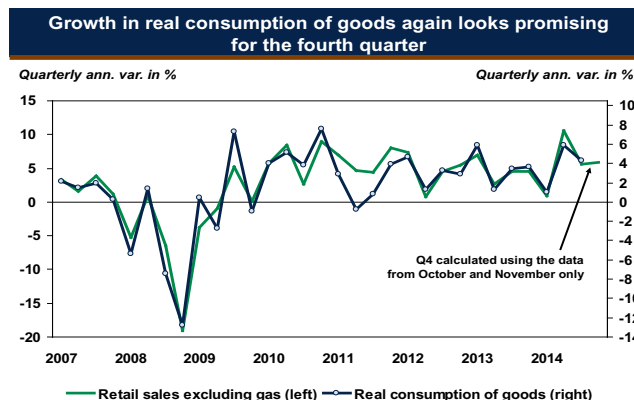
The increase in sales was fairly widespread in November. Only gas stations and the "miscellaneous" category posted retreats. For gas stations, the contraction is much less pronounced than expected given the significant drop in gas prices (-6.6%). Even department stores posted an increase of 1.0%, after slipping five times over the last six months. Clothing boutiques saw their best performance since April.

In the hopes that the results for October and November are not too representative of shopping brought forward, the 2014 holiday season promises to be good. Certain indicators on post-Thanksgiving traffic painted a gloomier picture, but this morning's data was undoubtedly more positive. In addition, continued falling gas prices will further boost consumption in December.

**Implications:** Real consumption growth in the fourth quarter should be stronger than could have been predicted



Sources: U.S. Census Bureau and Desjardins, Economic Studies



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recently. The mounting good news on the U.S. economy is something Federal Reserve leaders won't be able to ignore at their meeting next week.

**Francis Généreux**  
Senior Economist

**François Dupuis**  
Vice-President and Chief Economist

**Hélène Bégin**  
Senior Economist

**Benoît P. Durocher**  
Senior Economist

**Francis Généreux**  
Senior Economist

514-281-2336 or 1 866 866-7000, ext. 2336  
E-mail: [desjardins.economics@desjardins.com](mailto:desjardins.economics@desjardins.com)