



## UNITED STATES

### Disappointing growth in April sales

#### HIGHLIGHTS

- Retail sales marked time in April after increasing 1.1% in March (revised from 0.9%). Auto sales retreated 0.4% following a 2.9% gain. Excluding automobiles, sales were up 0.1%.
- Aside from autos, many retail categories have posted a decrease in sales. The worst contractions stem from department stores, furniture stores and electronics stores. Gas stations saw the value of their sales fall 0.7%. Excluding autos and gas, sales were up 0.2% following a 0.7% increase in March.
- There were notable increases in sales by nonstore retailers, sporting and leisure goods stores, personal care stores and in food services.

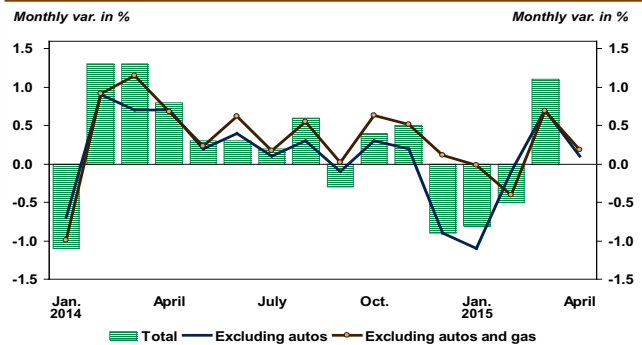
#### COMMENTS

The lack of growth in total retail sales in April is disappointing. After good March results (even better after the revision), there was hope that the arrival of spring would spur consumers on even more. Instead, we note a lacklustre but not completely mediocre result. We already expected auto sales to retreat, but the gains excluding vehicles and gas are not up to expectations: the consensus forecast was +0.6% and the results were three times less.

In many instances, the tepidness of April's data represents a pullback following a flashier March. As such, following a 1.8% gain, sales in furniture stores lost 0.9%. This situation is even more striking for department stores, which posted a decline of 2.2% (the worst since January 2014) after jumping 2.7% in March. For electronics stores, what we are seeing is a strong downward trend, with a seventh monthly pullback in a row.

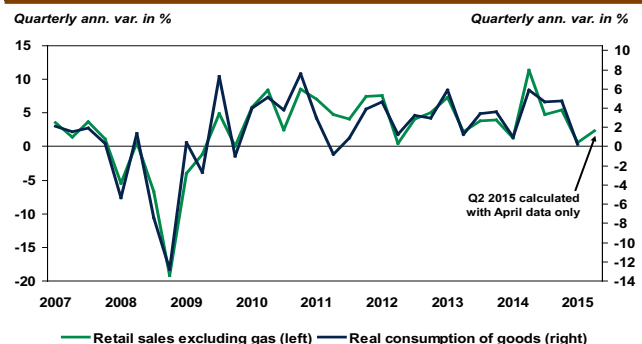
Some sectors are doing better, like food services, which should support consumption of services in the second quarter following a difficult winter.

#### The rebound in sales was short-lived



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

#### The rise in real consumption looks a little better for the second quarter



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

**Implications:** Owing even more to the carryover from revised March results than the more modest results for April, retail sales and consumption seem to be on track to post an improvement in the second quarter. However, it is still too early to talk about a rebound, and we must hope for a more convincing acceleration in May and June.

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