



UNITED STATES

Consumers are in a good position as the holiday season begins

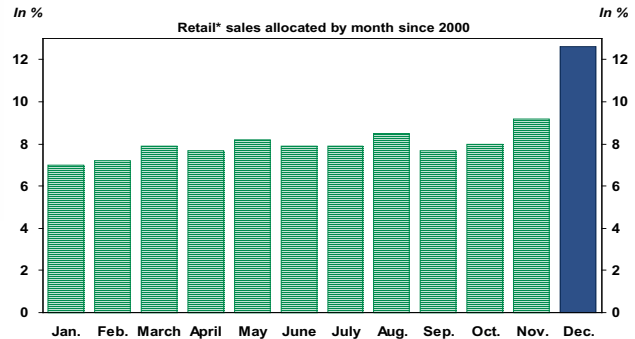
Thanksgiving kicks off the holiday season in the United States. The shopping period usually begins on the day after Thanksgiving, also known as Black Friday. However, seasonal consumption is increasingly picking up speed earlier, particularly thanks to online shopping. December is still the busiest month for merchants, although the contrast with other months is becoming less pronounced. The holiday season is still important for the economy, however. Note that U.S. consumption accounts for 68.5% of U.S. GDP and 11.3% of global GDP.

This year, surveys on the purchasing intentions of consumers (+3.0% over 2013) and on hiring by retailers (+11 %) show cautious optimism. Vigilance is still needed with these kinds of results as well as with those that will be released covering the enthusiasm of the weekend after Thanksgiving (including Cyber Monday). The much publicized scramble often does not reflect the actual retail sales results for the overall period. Similar to last year, it should also be noted that the weather could cause some distortions.

We can expect consumers to show up this year, as their situation is rather favourable. Job creation was very good in recent quarters, and consumer confidence indexes are trending up. One factor that feeds optimism is the significant drop in gas prices. At the end of June, the national average price for a gallon of gas was \$US3.63. This week, it was only \$US2.78. In a few months, Americans should therefore save over \$US50B, which can only be good for holiday shopping. The healthier state of household finances following years of debt reduction should also be taken into consideration. At the end of 2007, household debt as a proportion of disposable income fell to 140% from 170%.

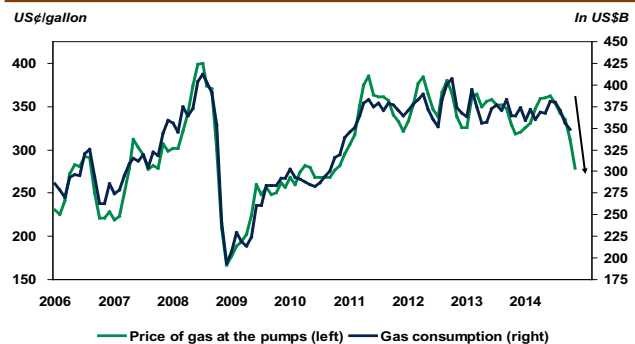
Implications: Everything is aligned for a good holiday season in the United States. Beyond the next month, real consumption should continue to accelerate in 2015, reflecting strong job creation in particular. Only faster wage growth is missing, but that should also materialize eventually.

The holiday season continues to be very important for U.S. retailers



* Furniture, electronics, clothing, sporting goods and hobby, general merchandise and department stores.
Sources: U.S. Census Bureau and Desjardins, Economic Studies

Lower gas prices benefit consumers



Sources: Energy Information Administration, Bureau of Economic Analysis and Desjardins, Economic Studies

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