

Retail Sales: April Increase, Below Expectations

eResearch Corporation is pleased to provide an article by Jill Misliniski of Advisor Perspectives.

Ms. Misliniski looks at today's release of the U.S. Retail Sales for April.

The article is reproduced below, on the following page, but it also can be sourced at the following link: <https://www.advisorperspectives.com/dshort/updates/2017/05/12/retail-sales-april-increase-but-below-expectations>

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Bob Weir, CFA: Director of Research

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April Retail Sales Increase, Below Expectations

May 12, 2017

By: Jill Mislinski

The Census Bureau's Advance Retail Sales Report for April, released this morning, showed an increase over the March figures. Headline sales came in at 0.4% month-over-month to one decimal and the March number was revised upward from -0.2% to 0.1%. Today's headline number was below the Investing.com consensus of 0.6%. Core sales (ex Autos) came in at 0.3% MoM and the March Core was revised upward.

Here is the introduction from today's report:

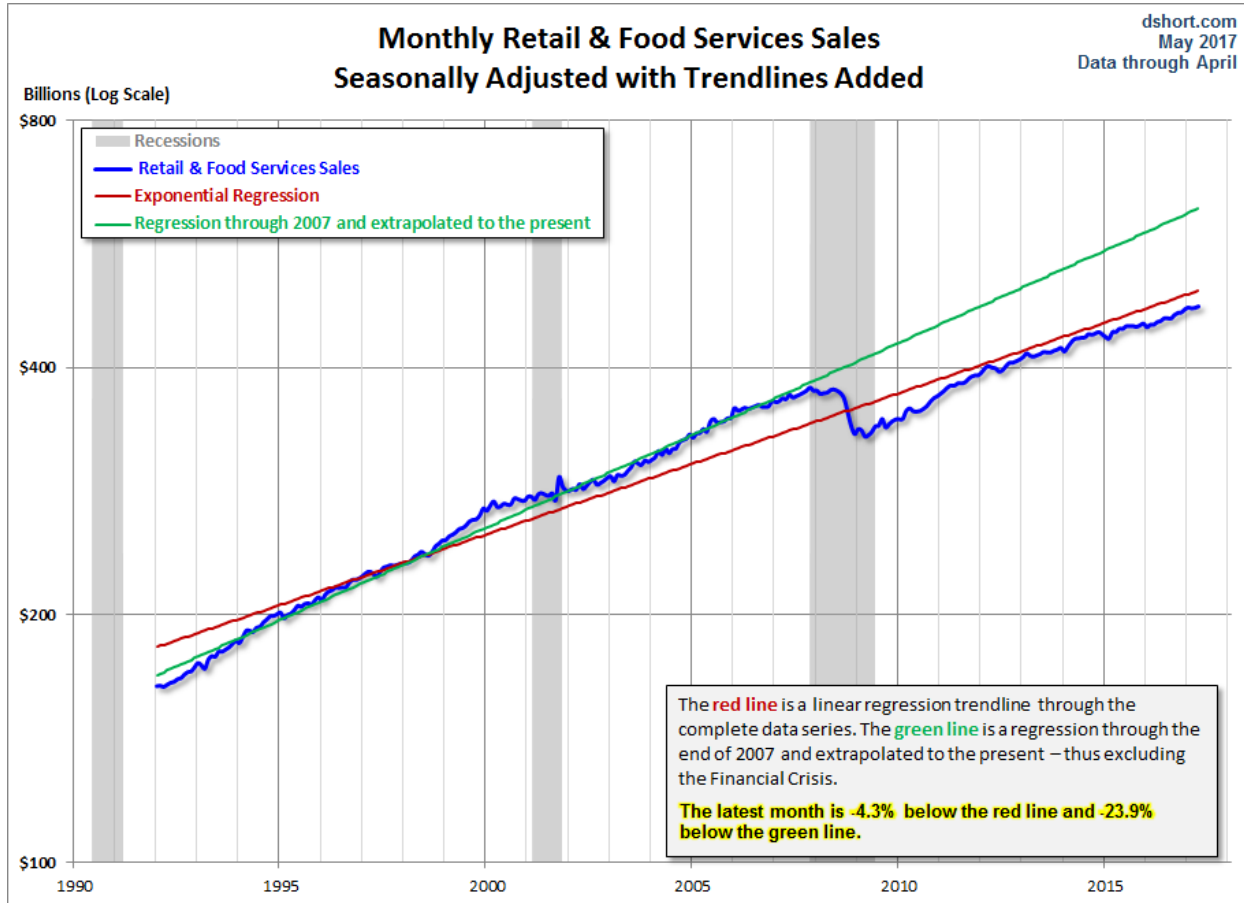
Advance estimates of U.S. retail and food services sales for April 2017, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were \$474.9 billion, an increase of 0.4 percent (± 0.5 percent)* from the previous month, and 4.5 percent (± 0.9 percent) above April 2016. Total sales for the February 2017 through April 2017 period were up 4.7 percent (± 0.7 percent) from the same period a year ago. The February 2017 to March 2017 percent change was revised from down 0.2 percent (± 0.5 percent)* to up 0.1 percent (± 0.2 percent)*.

Retail trade sales were up 0.4 percent (± 0.5 percent)* from March 2017, and up 4.5 percent (± 0.7 percent) from last year. Gasoline Stations sales were up 12.3 percent (± 1.4 percent) from April 2016, while Nonstore Retailers were up 11.9 percent (± 1.8 percent) from last year.

(* The 90 percent confidence interval includes zero. There is insufficient statistical evidence to conclude that the actual change is different from zero.) [\[view full report\]](#)

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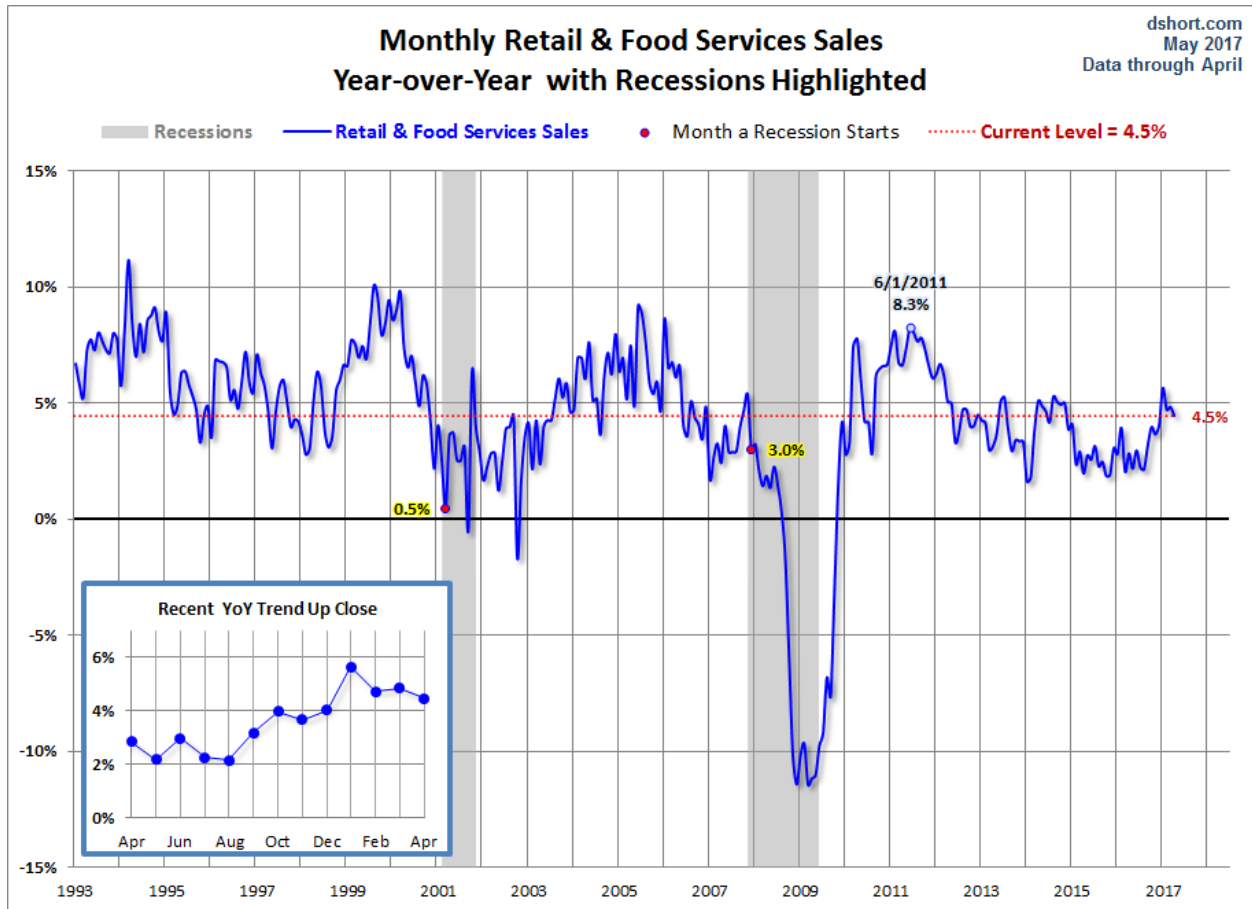
The chart below is a log-scale snapshot of retail sales since the early 1990s. The two exponential regressions through the data help us to evaluate the long-term trend of this key economic indicator.



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The year-over-year percent change provides another perspective on the historical trend.

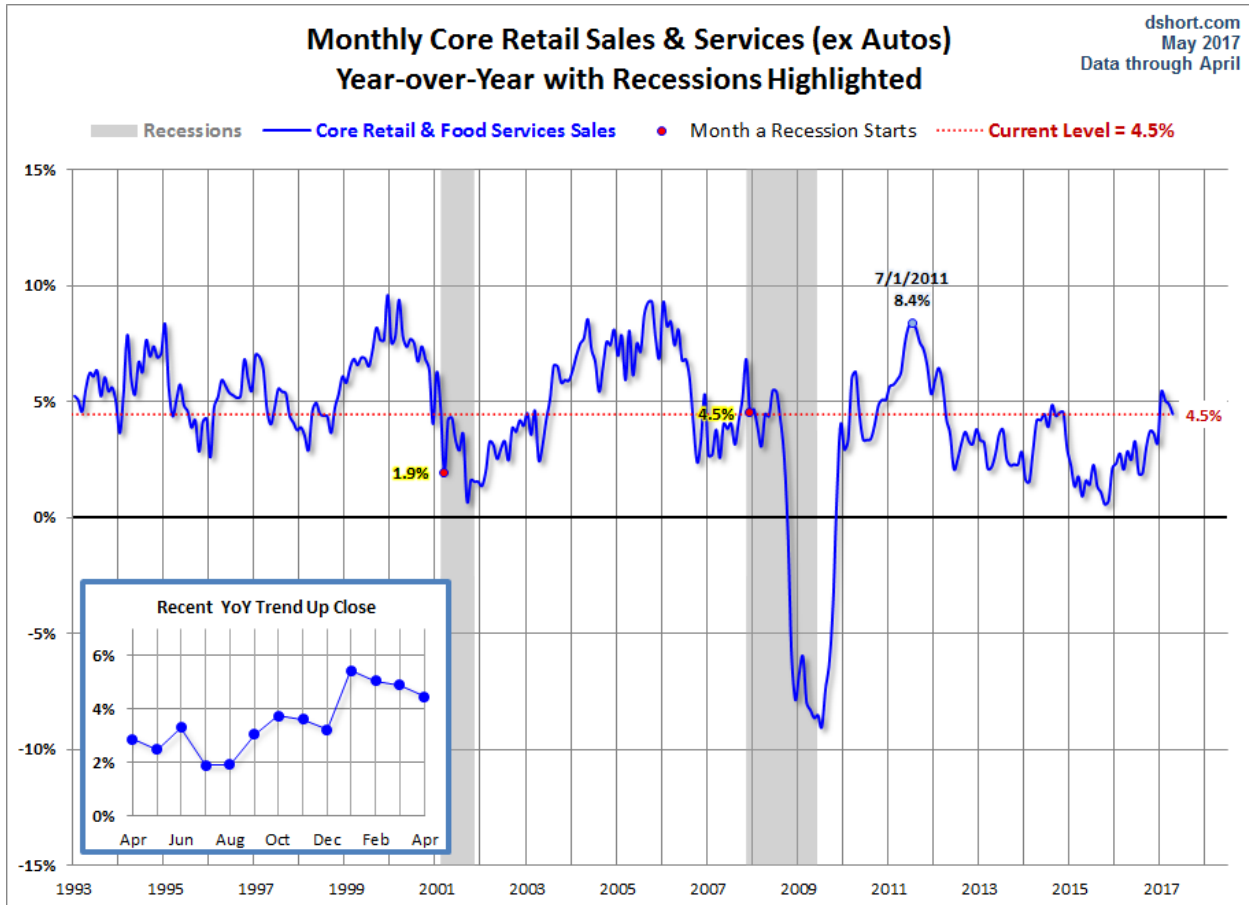
Here is the headline series.



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Core Sales

Here is the year-over-year version of Core Retail Sales.

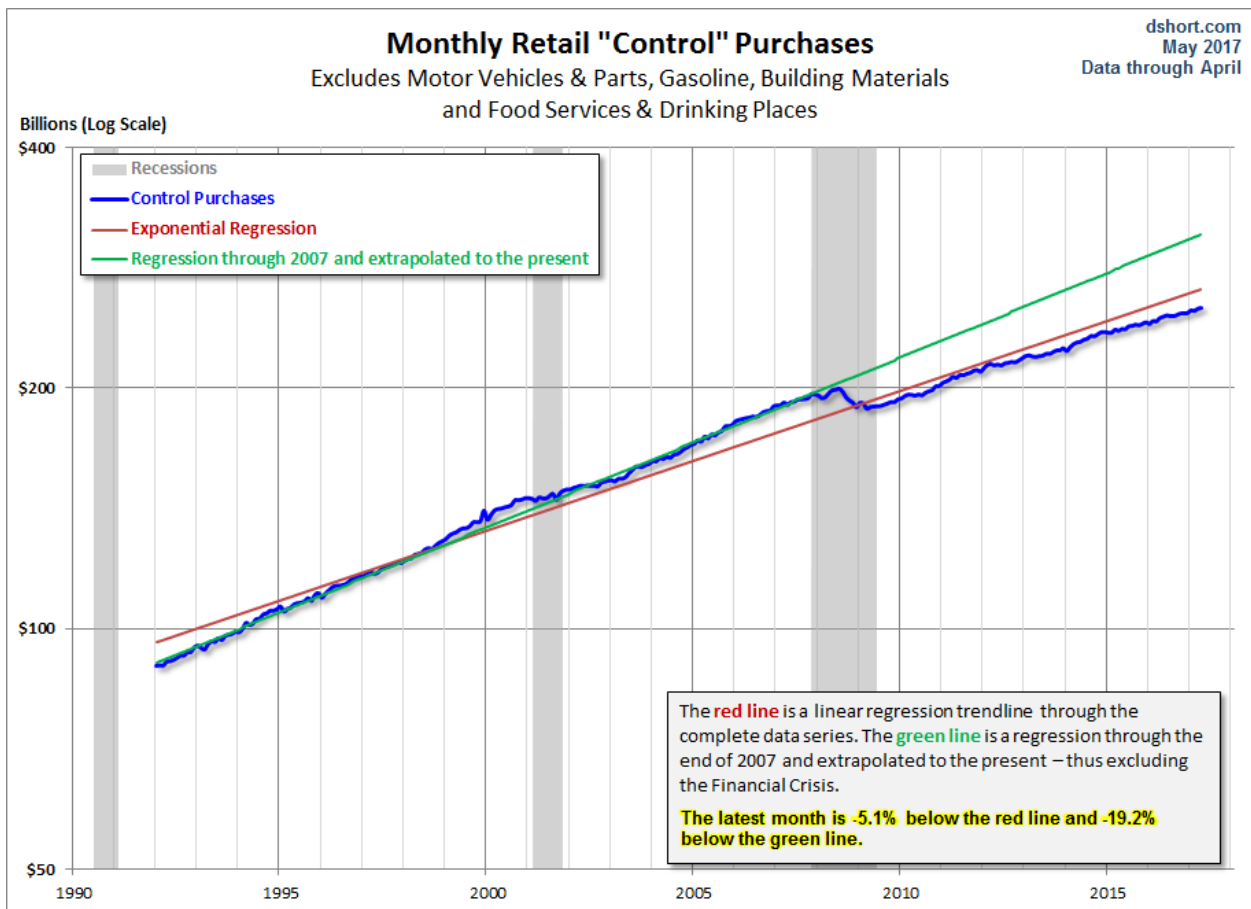


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"Control" Purchases

The next two charts illustrate retail sales "Control" purchases, which is an even more "Core" view of retail sales. This series excludes Motor Vehicles & Parts, Gasoline, Building Materials as well as Food Services & Drinking Places.

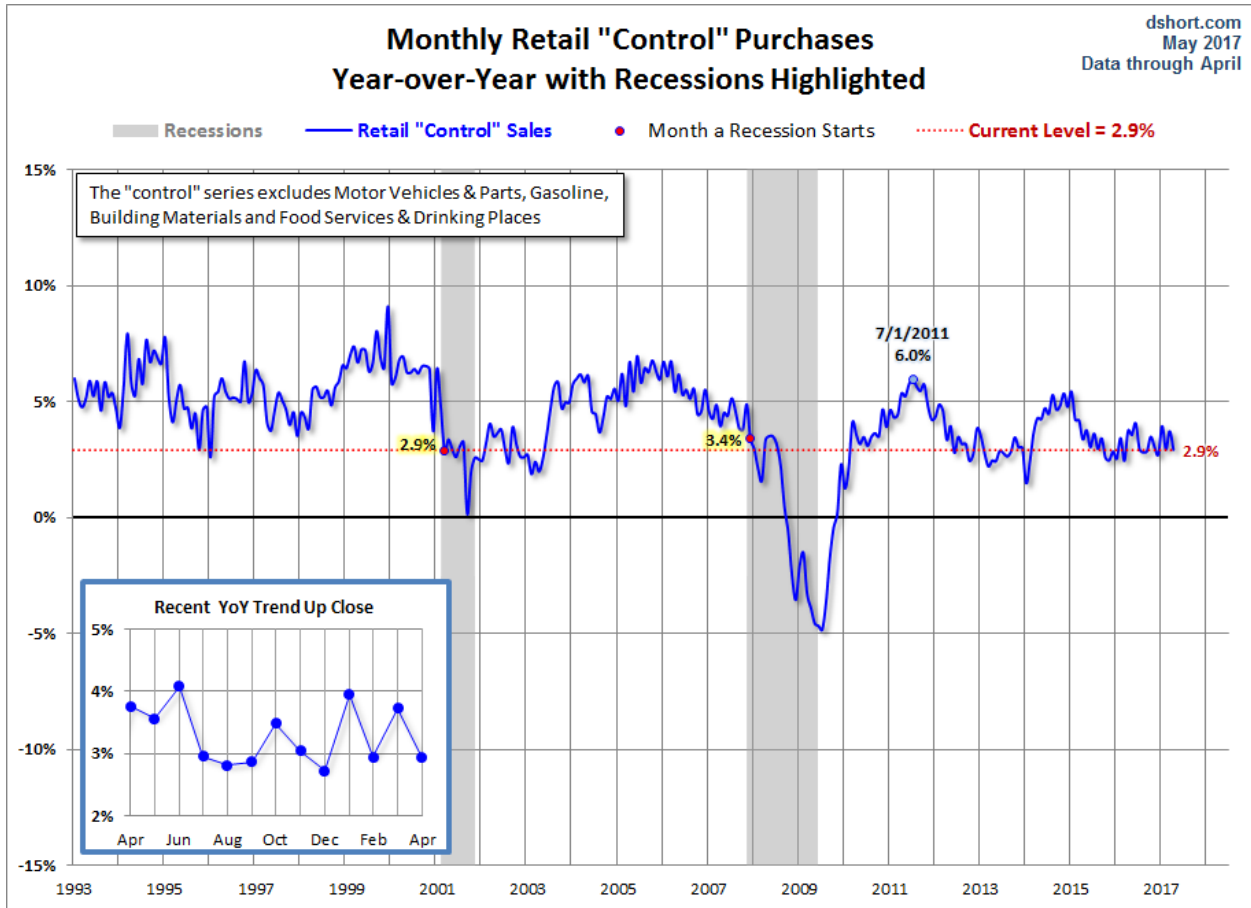
The popular financial press typically ignores this series, but it a more consistent and reliable reading of the economy.



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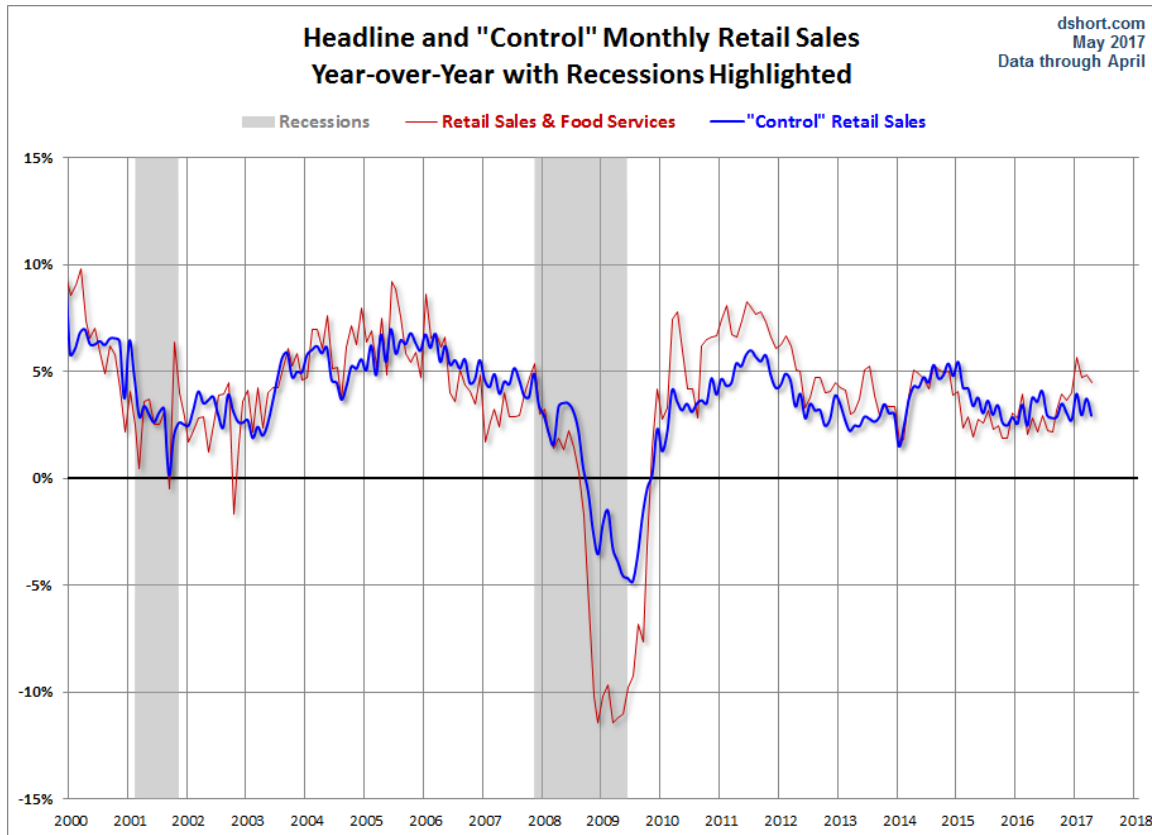
Here is the same series year-over-year.

Note that the current level is above the highlighted values at the start of the two recessions since the inception of this series in the early 1990s.



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For a better sense of the reduced volatility of the "Control" series, here is a YoY overlay with the headline retail sales.



Bottom Line: April sales showed an increase over the previous month, but figures were slightly worse than forecast.

BW: Information on the Author is provided below.



Jill Mislinski works for Advisor Perspectives, a leading interactive publisher for Registered Investment Advisors, as Research Director. She analyzes economic and market data for the “dshort” portion of its website, concentrating on short-term and long-term trends. She is a CFA candidate.

BW: Information on Doug Short, dshort.com, and Advisor Perspectives is provided on the following pages.

ABOUT THE AUTHOR AND DSHORT.COM



My original dshort.com website was launched in February 2005 using a domain name based on my real name, Doug Short. I'm a first wave boomer with a Ph.D. in English from Duke and a lifelong interest in economics and finance. In 2011 my website was acquired by Advisor Perspectives.

My first career was a faculty position at North Carolina State University, where I achieved the rank of Full Professor in 1983. During the early '80s I got hooked on academic uses of microcomputers for research and instruction. In 1983, I co-directed the [Sixth International Conference on Computers and the Humanities](#). An IBM executive who attended the conference made me a job offer I couldn't refuse.

Thus began my new career as a Higher Education Consultant for IBM — an ambassador for Information Technology to major universities around the country. After 12 years with Big Blue, I grew tired of the constant travel and left for a series of IT management positions in the Research Triangle area of North Carolina. I concluded my IT career managing the group responsible for email and research databases at GlaxoSmithKline. In mid-2006 economic analysis became my full-time occupation.

My interest in economics and financial planning was triggered by the bear market of 1973-74. My wife and I bought our first home in August 1973, a month after our second child was born. Two months later, the Oil Embargo tripled gas prices, and I began commuting to work on a bicycle. During the decade of stagflation, I became fascinated with economics, finance, and market behavior (my wife claims it's an addiction).

Charting financial data is something I've been doing for over thirty years. I was an early user of first-generation spreadsheet software (VisiCalc, SuperCalc, and Lotus 1-2-3), and I participated in the beta program for the original release of both Excel and Quicken.

I use the word "chart" for my visualizations of data rather than "graph", which has always struck me as a bit pretentious. I suppose my language preference was conditioned decades ago by the terminology used in spreadsheet software.

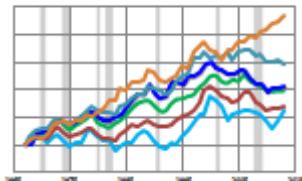
Contrary to what many visitors assume based on my last name, I'm not a bearish short seller. It's true that some of my content has occasionally been a bit pessimistic in recent years. But I believe this is a result of economic realities and not a personal bias. For the record, my efforts to educate others about bear markets date from November 2007, as this [Motley Fool](#) article attests.

Unless I've been coerced into a vacation to a remote location without Internet access, I'm usually at home in North Carolina watching the economy and markets on my handy Ultrabook or iPad.

Doug Short, Ph.D.
Advisor Perspectives

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