



# Economics Group

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## October Retail Sales Jumped on Strength in Auto Sales

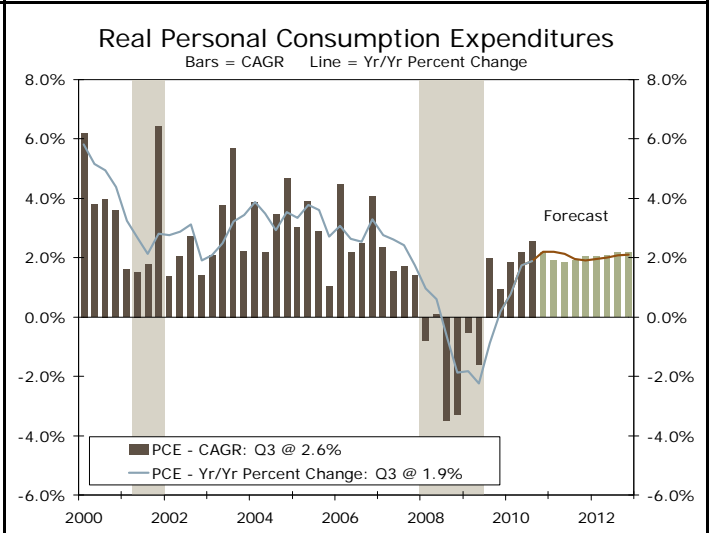
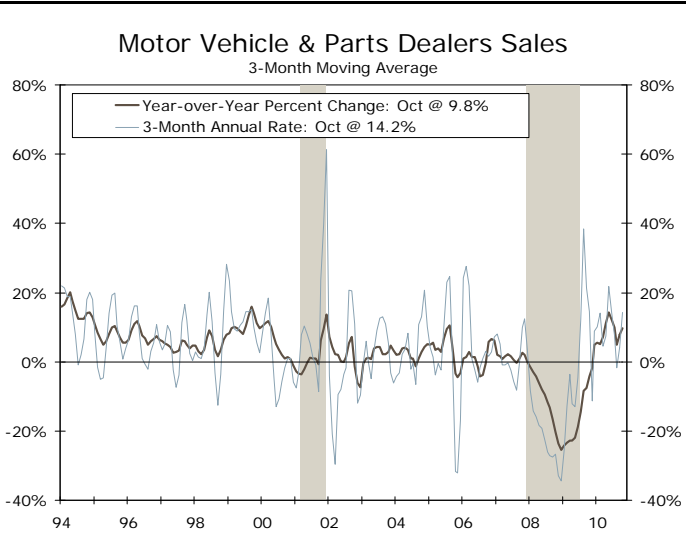
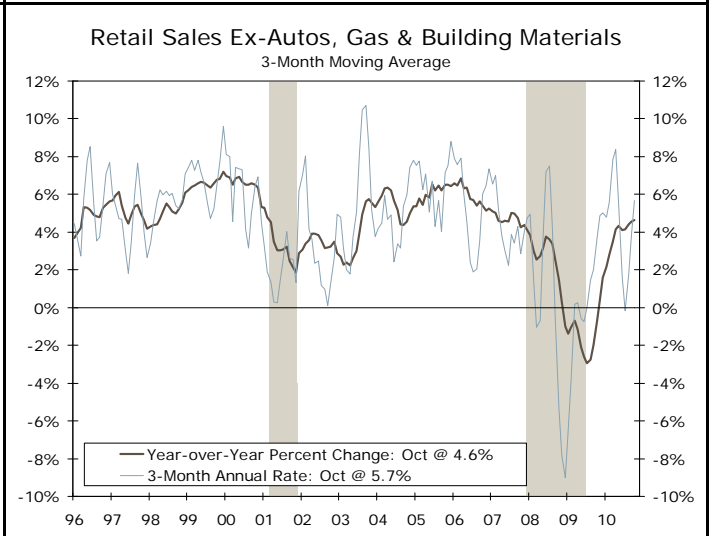
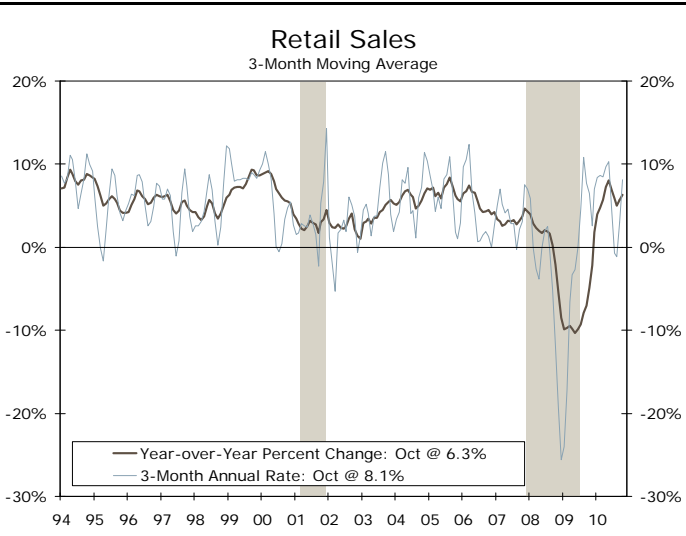
**Retail sales increased 1.2 percent in October, buoyed by a 5.0 percent surge in auto sales. While core spending was more modest, today's report is another positive sign hinting at a strong holiday shopping season.**

### Most of the Strength was in Autos

- The headline increase marked the fourth consecutive monthly gain and included a slight upward revision to September.
- The 5.0 percent jump in auto sales may not necessarily signal a resurgence in activity at the nation's auto dealerships. On a non-seasonally adjusted basis, auto sales fell in October. Perhaps milder-than-usual weather in October in many parts of the country provided a little extra boost to sales this October.

### "Core" Spending was Less Exciting

- Excluding sales of automobiles, gas and building materials, "core" retail sales rose a more modest 0.2 percent. This measure is more consistent with our longer term expectations for moderate growth in core spending. Still, today's number is welcome news and will likely result in higher expectations for what is shaping up to be the first solid holiday shopping season in three years.



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