



Economics Group

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Retail Sales Rose in November; Good Start to Holiday Season

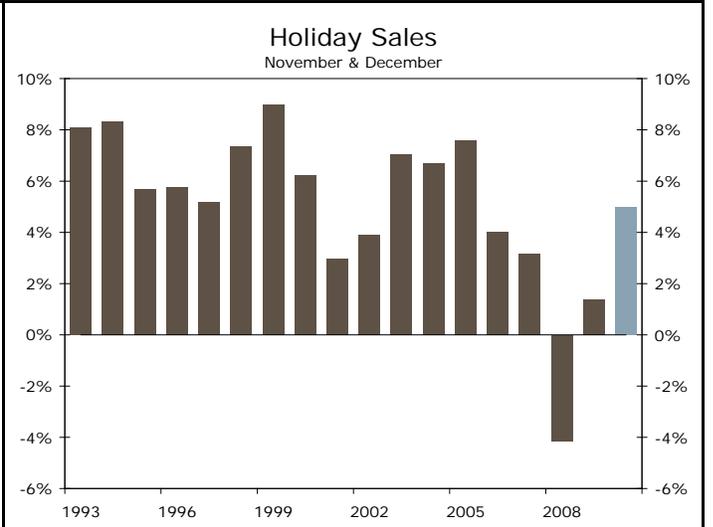
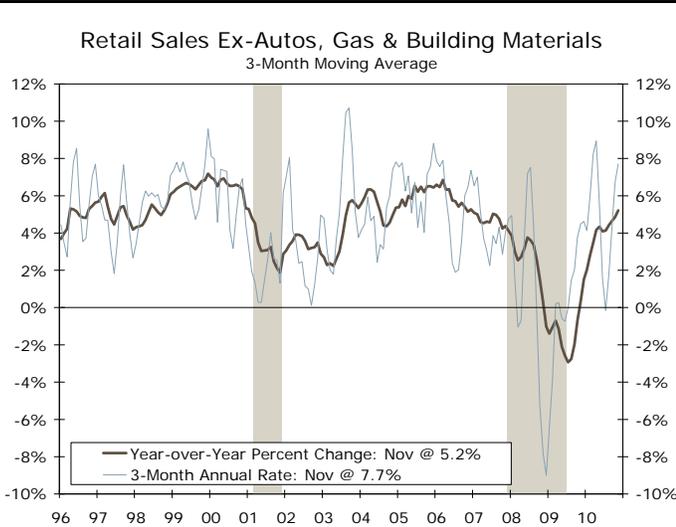
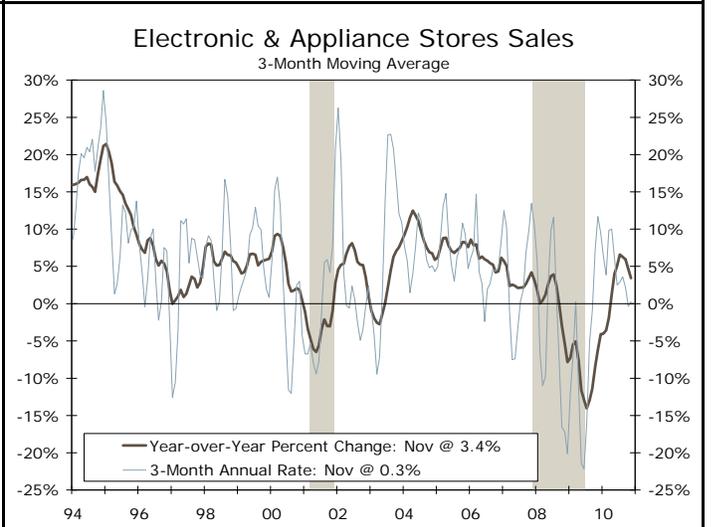
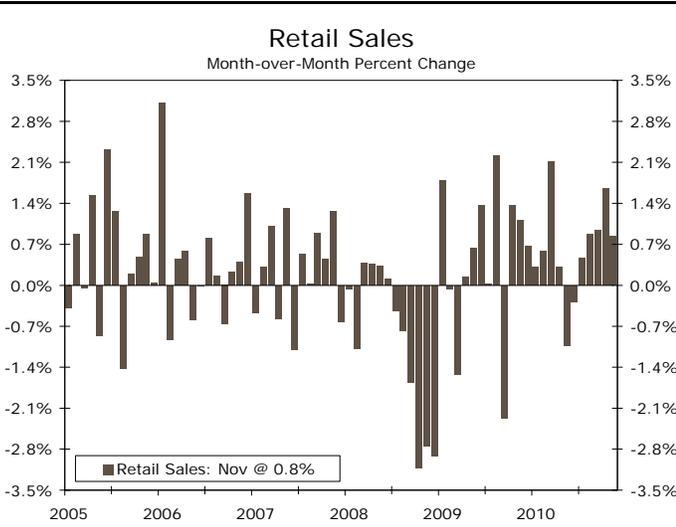
Sales at the nation's retailers rose 0.8 percent in November, largely due to increases in gasoline, clothing and sporting goods. "Core" sales, which exclude autos, gas and building materials, rose 0.9 percent.

"Core" Sales Remain Solid

- Despite declines in autos, furniture, electronics and building materials, retail sales rose 0.8 percent in November from an upwardly revised 1.7 percent in October. Outside of gasoline station sales, apparel saw the largest increase as holiday shoppers took advantage of bargains. Mall merchants also likely benefitted from colder weather across the country as department store sales rose 2.8 percent in November.

Holiday Season Off to a Good Start

- The holiday shopping season is off to a good start with sales in "holiday" categories strong with the exception of electronics, which fell 0.6 percent. Non-store retailers saw an increase of 2.1 percent as consumers made many purchases online. We continue to expect holiday season retail sales (November and December) to rise around 5 percent on a year-over-year basis, which suggests a solid fourth quarter for consumer spending.



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