

Retail Sales (March)

- Overall retail sales were stronger than expected, rising 0.2% in March. In addition, February retail sales were upwardly revised to -0.4% from an initially reported 0.6% decline. Nonauto retail sales rose 0.1% in March (February sales excluding autos were revised to -0.1% from -0.2%).
- Retail sales excluding autos, building materials, and gasoline (the component of this report that are source data for consumer spending estimates within GDP) rose 0.2% in March.
- Housing-related elements of retail sales were the hardest hit in recent months with building material sales declining at a 10.3% annualized pace since December, while furniture is down 12.5% on the same basis.

	<i>Mar</i>	<i>Feb</i>	<i>Jan</i>	<i>3-Month Change</i>	<i>12-Month Change</i>
Retail Sales	0.2%	-0.4%	0.4%	0.7%	2.0%
-Ex autos	0.1%	-0.1%	0.4%	1.8%	3.3%
-Ex autos & bldg. materials	0.3%	-0.1%	0.6%	3.1%	4.5%
-Retail Sales ex gasoline	0.0%	-0.3%	0.1%	-0.8%	0.3%
-Ex autos, gas, and bldg.	0.2%	-0.1%	0.2%	1.3%	2.4%
Building materials	-1.6%	-0.1%	-0.9%	-10.3%	-6.9%
Furniture	-0.3%	-1.2%	-1.7%	-12.5%	-7.1%
Autos	0.2%	-1.2%	0.2%	-3.4%	-3.2%
General merchandise	-0.6%	0.3%	-0.4%	-2.8%	0.0%
Dept. stores	0.0%	0.1%	-1.3%	-4.8%	-4.1%
Food stores	0.4%	0.0%	0.1%	1.7%	4.3%
Apparel	-0.5%	-0.9%	2.0%	2.5%	-1.6%
Gasoline	1.1%	-0.5%	2.9%	14.6%	18.9%
Eating and drinking	0.3%	-0.2%	-0.3%	-0.6%	3.9%

BOTTOM LINE: Despite the stronger-than-expected retail sales reading in March, consumer spending is only on pace to gain around 1% in the first quarter, which will be largely offset by a further decline in housing construction. These data in no way affect our judgment that the economy slipped into recession in December, which is largely based on labor market related data.

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