

Chart of the Day

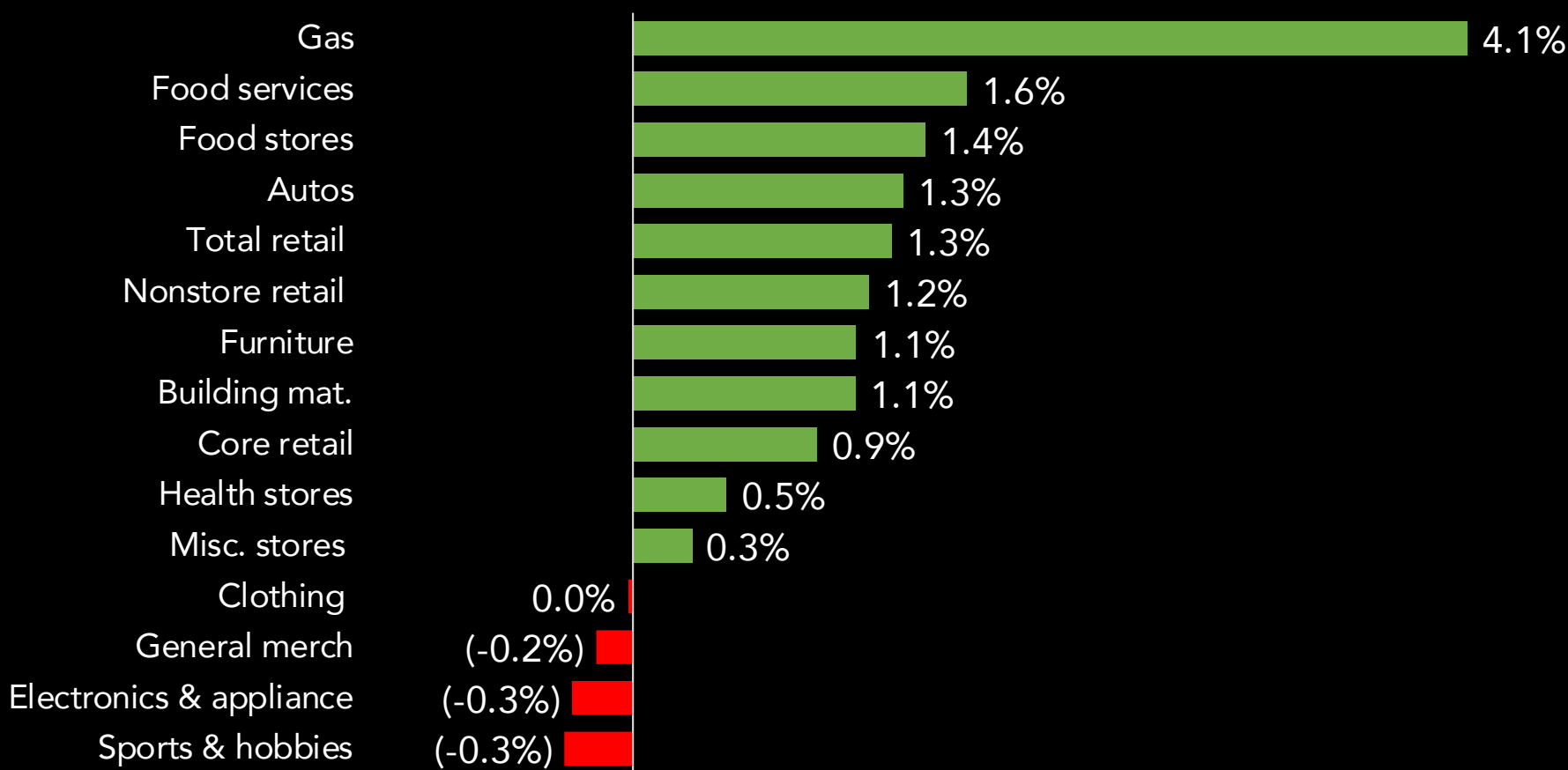


In October, 9 of 13 major US retail categories reported an increase in monthly sales from September. The broad-based strength in spending drove retail sales to an above consensus increase of 1.3% m/m and 8.3% y/y.

The resilience of the US consumer has been particularly notable in the face of higher inflation, rising rates and declining savings. While we expect US consumer spending to slow fairly rapidly in 2023, continued momentum in the months ahead would likely warrant upward revisions to US GDP growth expectations in Q4 2022 and Q1 2023, as well as a pushback in the timing of US recession (which we still believe is highly likely) to the 2H 2023.

In October, nine of 13 major US retail categories reported an increase in monthly sales from September

US retail sales by category, m/m change



Source: (1) Oxford Economics, "US Consumer Keeps Chugging Along" (November 16, 2022). US Census Bureau. October Retail Sales Report. SA.

Global Corporate & Investment Banking Capital Markets Strategy Team



Tom Joyce
Managing Director

Tom.Joyce@mufgsecurities.com
(212) 405-7472



Hailey Orr
Director

Hailey.Orr@mufgsecurities.com
(212) 405-7429



Stephanie Kendal
Associate

Stephanie.Kendal@mufgsecurities.com
(212) 405-7443

"Macro stability isn't everything, but without it, you have nothing."