



[www.corpny.com](http://www.corpny.com)

**Flash Macro Update (04/18/2019)**

March retail sales data was out today, and the data was significantly higher than expectations. Please note that the data in February was significantly lower than expectations. So, we could say that the retail sales data continues to be volatile. However, the data should result in some upward revisions in forecasts for 1Q19 GDP growth in the US. It is worth noting that there were minor upward revisions in the February retail sales data as well. The data suggests that a recession in the US economy is not near.

According to the data, retail sales rose by 1.6% m-o-m in March 2019 compared to the consensus of +0.9%. February retail sales were down by 0.2% m-o-m. In addition, March core retail sales that exclude autos posted a 1.2% m-o-m increase against the consensus forecast of +0.7%. Furthermore, core retail sales for February were revised up from -0.4% m-o-m to -0.2% m-o-m, which was another good news. Overall, March data looks strong.

When we look at the details of the data, we observe that motor vehicles (up by 3.1% m-o-m), furniture (+1.7%), groceries (+1.2%), clothing (+2.0%), gasoline stations (+3.5%) and online retail (+1.2%) sales did post sizeable m-o-m increases in March, while only sporting goods and department stores recorded a poor performance in March.

Recent data releases signal that in contrast to the start of the year consumers started to spend again. In fact, employment related statistics support this argument. Unemployment rate is very low, initial weekly jobless claims are almost at historically low levels and there is a decent salary increase going on.

Uncertainties regarding global economy and ongoing trade talks could still weigh on expenditure decisions of consumers and companies going forward but we do not think that a recession in the US looks imminent. Main growth-related problem seems to be on the European side rather than the US. For instance, today European PMI data including Germany were weak again. All seems USD positive now.

Ozgur ALTUG  
Chief Economist  
CONY Global Macro Strategy