

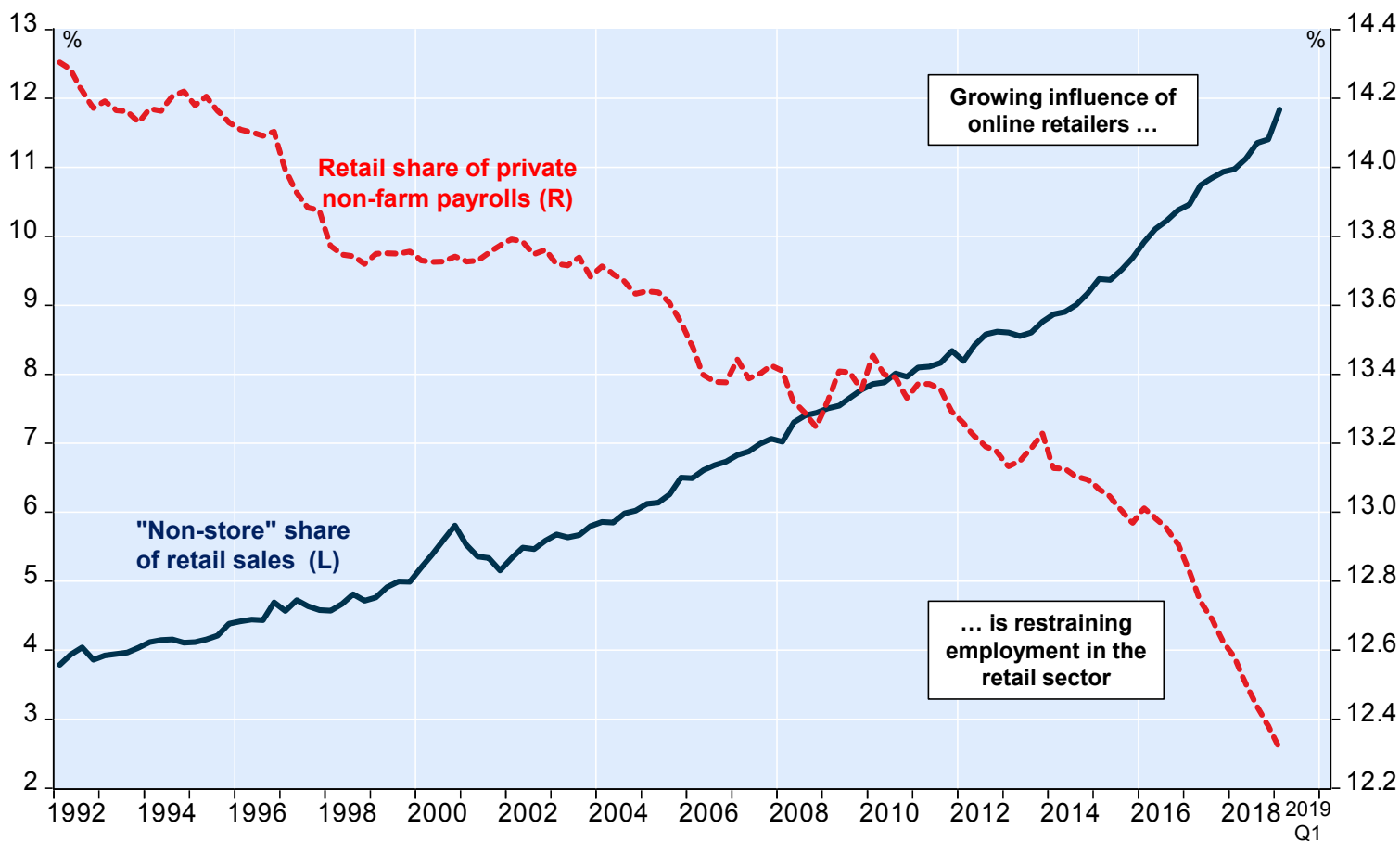
U.S. Watch

By Krishen Rangasamy

After a difficult start to the year, American consumers are now bouncing back. That's the message from this morning's consensus-topping U.S. retail report. What impressed most about March's results was not just the monthly increase of 1.6% (best since September 2017) but also the broad-based nature of gains. Autos led the charge for retailers with a 3.1% increase, more than erasing declines in the prior two months. But excluding autos, sales were also strong (+1.2%) with contributions from almost every broad category. Non-store sales, which include online retailers, continue to outperform. So much so that, as today's *Hot Chart* shows, the share of non-store sales in total retail sales jumped to a record 11.8% in the first quarter of 2019. In other words, brick and mortar stores are underperforming. And that's having negative repercussions on retail employment whose share of private non-farm payrolls sank to 12.3% in Q1, the lowest since 1967.

U.S.: The slow death of brick and mortar stores

"Non-store" share of retail sales versus Retail share of private non-farm payrolls



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