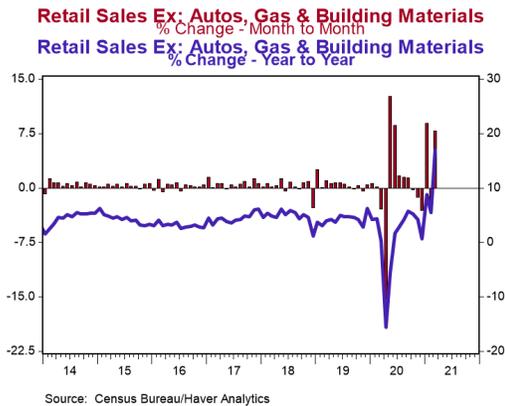
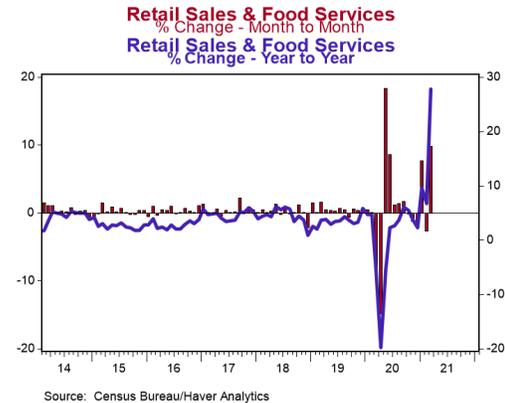


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## March Retail Sales

- Retail sales rose 9.8% in March (+10.2% including revisions to prior months), easily beating the consensus expected gain of 5.8%. Retail sales are up 27.7% versus a year ago.
- Sales excluding autos rose 8.4% in March (+8.7% including revisions to prior months), much higher than the consensus expected gain of 5.0%. These sales are up 19.4% in the past year. Excluding gas, sales boomed 9.7% in March, and are up 27.2% from a year ago.
- The increase in sales in March was led by autos, restaurants & bars, general merchandise stores, and non-store retailers (internet & mail-order).
- Sales excluding autos, building materials, and gas rose 7.8% in March. These sales were up at a 28.7% annual rate in Q1 versus the Q4 average.

**Implications:** Retail sales soared in March as Washington, DC was passing out checks like it's going out of style. Retail sales skyrocketed 9.8% for the month, crushing the consensus expectations of a 5.8% gain, and the underlying details of the report were strong as well. All thirteen major categories rose in March, with autos leading the way. The massive gain in sales was the result of several factors, including a rebound from the polar vortex that hit much of the midsection of the United States in February, tax refunds that went out a little later than normal, \$1,400 stimulus checks that arrived in March for many, plus the additional easing of lockdown restrictions nationwide. Notably, the level of retail sales in March was 17.1% higher than it was in February 2020 before COVID. In other words, retail sales in March were not just a V-shaped bounce back, but a check-mark  from prior weakness, up to a level they probably would not have reached in the absence of COVID. Now, as the vaccine continues to roll-out around the country, lockdowns and restrictions will continue to ease. More than 250 million vaccine doses have been distributed nationwide with 194.7 million administered. It has not been an even recovery for all major categories, though. For instance, sporting goods stores (+43.9%), non-store retailers (+35.0%), building materials (+29.3%), and auto sales (+26.8%) have all grown significantly faster than overall retail sales since February 2020. Although growing slower than overall sales, among those sectors that were massively impacted by the shutdowns early on, only restaurants & bars (-4.8%) remain below February 2020 levels. Gas stations (+12.6%) and clothing stores (+3.3%) have now recovered to their pre-COVID levels. "Core" sales, which exclude the most volatile categories of autos, building materials, and gas station sales, rose 7.8% in March, and are up 17.0% from a year ago. In other news today, initial jobless claims fell 193,000 last week to 576,000 while continuing claims rose 4,000 to 3,731 million. In other news yesterday on the inflation front, import prices jumped 1.2% in March, largely the result of a 6.3% surge in fuel prices. Meanwhile, export prices increased 2.1%, as agricultural export prices jumped 2.4%. In the past year, import prices are up 6.9%, while export prices are up 9.1%. Jumps like these indicate the rising inflation trend we are likely to witness in the year ahead.



<b>Retail Sales</b> <i>All Data Seasonally Adjusted</i>	<b>Mar-21</b>	<b>Feb-21</b>	<b>Jan-21</b>	<b>3-mo % Ch.</b> <b>Annualized</b>	<b>6-mo % Ch.</b> <b>annualized</b>	<b>Yr to Yr</b> <b>% Change</b>
<b>Retail Sales and Food Services</b>	<b>9.8%</b>	<b>-2.7%</b>	<b>7.7%</b>	<b>74.9%</b>	<b>25.4%</b>	<b>27.7%</b>
<b>Ex Autos</b>	<b>8.4%</b>	<b>-2.5%</b>	<b>8.4%</b>	<b>72.2%</b>	<b>22.6%</b>	<b>19.4%</b>
<b>Ex Autos and Building Materials</b>	<b>0.0%</b>	<b>-2.5%</b>	<b>8.5%</b>	<b>71.5%</b>	<b>21.3%</b>	<b>18.7%</b>
<b>Ex Autos, Building Materials and Gasoline</b>	<b>7.8%</b>	<b>-3.1%</b>	<b>8.8%</b>	<b>66.8%</b>	<b>17.4%</b>	<b>17.0%</b>
<b>Autos</b>	<b>15.1%</b>	<b>-3.5%</b>	<b>5.0%</b>	<b>85.1%</b>	<b>36.7%</b>	<b>71.1%</b>
<b>Building Materials</b>	<b>12.1%</b>	<b>-2.8%</b>	<b>5.6%</b>	<b>75.3%</b>	<b>35.2%</b>	<b>29.4%</b>
<b>Gasoline</b>	<b>10.9%</b>	<b>3.8%</b>	<b>5.9%</b>	<b>120.4%</b>	<b>65.9%</b>	<b>34.8%</b>

Source: Bureau of Census