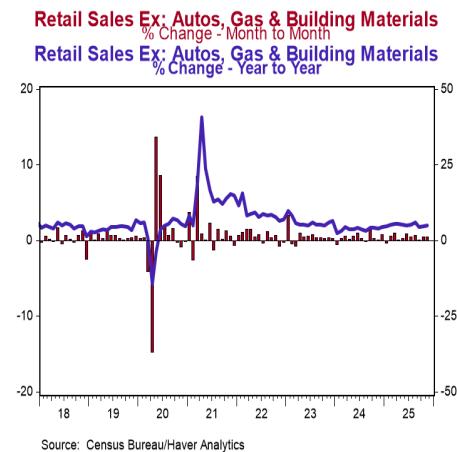
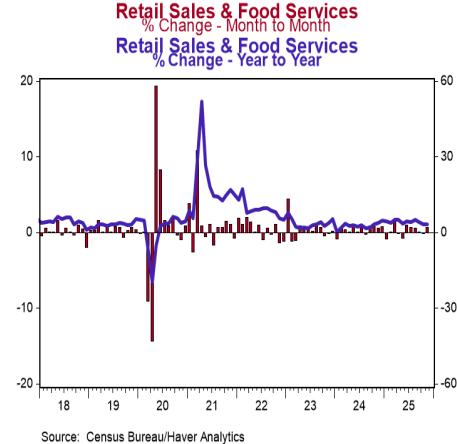


November Retail Sales

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- Retail sales rose 0.6% in November (+0.4% including revisions to prior months) versus a consensus expected +0.5%. Retail sales are up 3.3% versus a year ago.
- Sales excluding autos rose 0.5% in November (+0.3% including revisions to prior months), versus a consensus expected +0.4%. These sales are up 4.3% in the past year.
- The largest increase in November was for autos and gas stations. The largest declines were for department stores.
- Sales excluding autos, building materials, and gas rose 0.4% in November (+0.2% including revisions to prior months). If unchanged in December, these sales will be up at a 3.7% annual rate in Q4 versus the Q3 average.

Implications: Retail sales for November generated a strong headline, but softer details. Overall retail sales rose 0.6% for the month, but previous activity was revised lower, dropping the monthly gain to a 0.4% increase when factoring in revisions. Sales are up 3.3% from a year ago but have slowed recently, up at a 2.3% annualized rate in the last three months. While the gain in November was broad-based with ten out of the thirteen major categories rising, it was largely the result of a 1.0% rebound in the volatile autos category after an expiring tax credit for EVs temporarily held down the category in October. Meanwhile, the 1.4% gain at gas stations was the second biggest contributor to the headline increase, which can also swing from month to month. “Core” sales, which strip out the volatile categories for autos, building materials, and gas stations, increased by 0.4% in November, but was up 0.2% after factoring in revisions. The core number is crucial for estimating GDP, because when it calculates GDP the government uses other sources for autos, building materials, and gas, not the retail report. If unchanged in December, these sales will be up at a 3.7% annual rate in Q4 versus the Q3 average. The good news is that sales at restaurants & bars – the only glimpse we get at services in the report, which make up the bulk of consumer spending – rose 0.6% in November while previous months’ activity were revised higher. These sales are up at a 5.7% annualized rate through the first eleven months of the year versus a 2.8% annualized increase for overall sales. We will continue to watch this category closely in the months ahead. Finally, it’s important to remember the impact inflation has on retail sales. Overall sales are up 3.3% on a year to year basis, but “real” inflation-adjusted sales are up just 0.6% in the past year and still down from the peak in early 2022.



Retail Sales All Data Seasonally Adjusted	Nov-25	Oct-25	Sep-25	3-mo % Ch. Annualized	6-mo % Ch. annualized	Yr to Yr % Change
Retail Sales and Food Services	0.6%	-0.1%	0.1%	2.3%	5.6%	3.3%
Ex Autos	0.5%	0.2%	0.1%	3.5%	5.7%	4.3%
Ex Autos and Building Materials	0.5%	0.3%	0.1%	3.8%	5.9%	4.8%
Ex Autos, Building Materials and Gasoline	0.4%	0.5%	-0.1%	3.3%	5.6%	5.0%
Autos	1.0%	-1.6%	0.0%	-2.4%	5.3%	-0.7%
Building Materials	1.3%	-1.3%	0.0%	0.0%	1.6%	-2.8%
Gasoline	1.4%	-1.2%	2.0%	9.2%	9.3%	3.2%

Source: U.S. Census Bureau