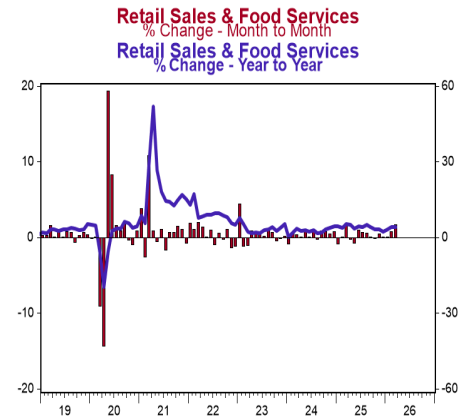


March Retail Sales

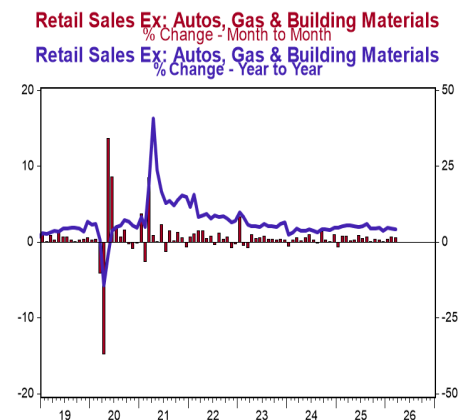
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- Retail sales rose 1.7% in March (+1.9% including revisions to prior months), beating the consensus expected +1.4%. Retail sales are up 4.0% versus a year ago.
- Sales excluding autos rose 1.9% in March (+2.2% including revisions to prior months), versus a consensus expected +1.4%. These sales are up 5.5% in the past year.
- The largest increase in March, by far, was for gas stations followed by smaller increases across most other categories. The only decline was for miscellaneous store retailers.
- Sales excluding autos, building materials, and gas rose 0.6% in March (+0.9% including revisions to prior months). These sales were up at a 3.9% annual rate in Q1 versus the Q4 average.

Implications: Retail sales generated a blowout headline for March with better than expected details. Looking at the headline, overall retail sales beat expectations and rose 1.7% for the month – the largest increase in a year – while previous activity was revised higher. However, as expected, much of that increase can be attributed to a 15.5% surge in sales at gas stations, as consumers felt the weight of higher prices at the pump after the outbreak of war in Iran. Surprisingly, despite more expensive fill-ups, overall sales growth was robust with every major sales category besides miscellaneous store retailers (-0.9%) rising in March. We like to follow “core” sales, which strip out the volatile categories for autos, building materials, and gas stations – important for estimating GDP. This measure rose 0.6% in March and was revised upward in previous months. These sales were up 3.9% in the first quarter of 2026, an acceleration from the 2.6% rate in Q4 2025. Looking at the details, the largest increase in the core grouping came from nonstore retailers (think internet and mail-order) which rose 1.0% in March. Sales in this category are up 10.1% in the past year, by far the highest of any core category. Meanwhile, the category for restaurants & bars – the only glimpse we get at services in this report – eked out a 0.1% gain in March after declining in two out of the three months prior. These sales are up 2.4% in the last year but were flat in the first quarter – something worth watching in the months ahead as a bellwether for the consumer's overall well-being. Taking a step back, overall retail sales have risen 4.0% in the past twelve months, but it’s important to remember the impact inflation has on these figures. “Real” inflation-adjusted sales are up just 0.7% in the past twelve months and still down from their peak in April 2022. No growth in four years. So despite the strong report in March, the broader picture remains soft. In the meantime, expect continued volatility in this report as the war with Iran evolves. In other news this morning, pending home sales, which are contracts on existing homes, rose 1.5% in March, following a 2.5% increase in February, suggesting a rise in existing home sales (counted at closing) in April.



Source: Census Bureau/Haver Analytics



Source: Census Bureau/Haver Analytics

Retail Sales <i>All Data Seasonally Adjusted</i>	Mar-26	Feb-26	Jan-26	3-mo % Ch. Annualized	6-mo % Ch. annualized	Yr to Yr % Change
Retail Sales and Food Services	1.7%	0.7%	0.0%	9.8%	5.5%	4.0%
Ex Autos	1.9%	0.7%	0.1%	11.4%	6.8%	5.5%
Ex Autos and Building Materials	2.0%	0.7%	0.1%	11.5%	6.6%	5.6%
Ex Autos, Building Materials and Gasoline	0.6%	0.6%	0.3%	6.3%	4.2%	4.3%
Autos	0.5%	1.0%	-0.7%	2.9%	0.1%	-2.1%
Building Materials	0.7%	0.6%	0.7%	8.6%	8.0%	2.6%
Gasoline	15.5%	1.3%	-2.2%	71.4%	31.7%	18.1%

Source: U.S. Census Bureau