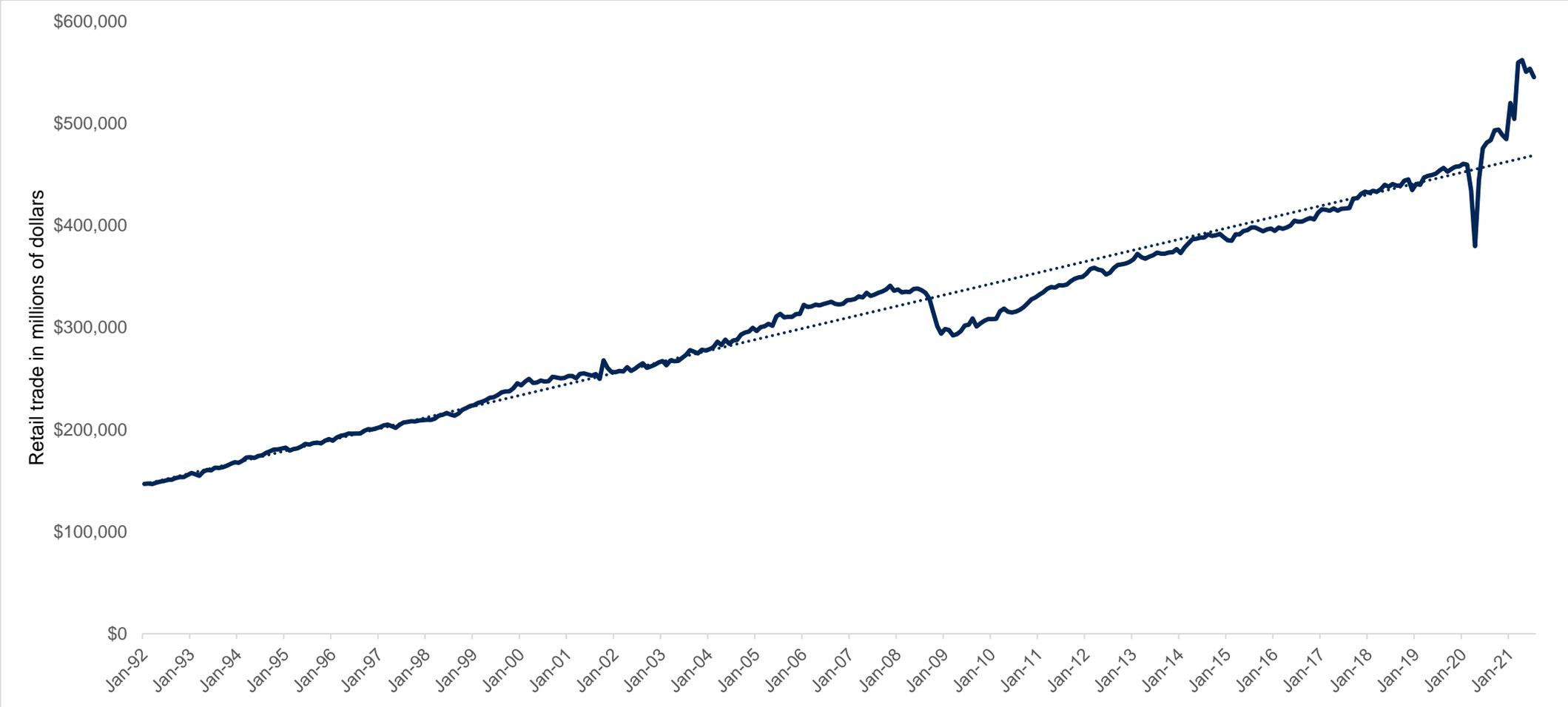


Recovery of retail sales



Source: <https://fred.stlouisfed.org>

- US retail sales slowed in July as retailers continued to face supply chain disruptions and a rise in COVID-19 vaccinations saw some consumers shift their discretionary spending from goods to activities like travelling and recreation.
- The US retail sales figure – a measure of purchases at shops, restaurants and online – fell 1.1% in July compared to June, with declining auto sales the biggest contributor.
- Restaurants and bars have done better over the summer months with sales rising 1.7% in July, while online retail sales, which have driven much of the recovery this year, fell 3.1% over the month. Retail sales in July rose by 8.5 percent when compared with the same month a year ago.
- However, retail sales can take years to recover as can be seen in the years following the GFC. US consumer confidence surveys would appear to back up this view, with one key index recording a dramatic drop in early August as the Delta variant of COVID-19 increased economic fears. The University of Michigan's consumer sentiment index tumbled to 70.2 in its preliminary August reading. That was the lowest reading since 2011.

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