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Weekly Store Sales: Upbeat normalcy

Chain store sales in the first of five retail-June weeks improved noticeably, as warm weather prevailed across enough of the country to give seasonal-merchandise sales a "normal" tone. Contrary to most recent updates, gasoline prices were not specifically mentioned as being a drag on activity.

Initial forecasts for full-month comparable-stores sales were consistent between the two surveys, with ICSC/Goldman Sachs looking for +3%-4% year-on-year, excluding fuel sales at discounters, while Redbook Research, where fuel sales do not seem to be so much of a factor among respondents, looks for +3.8%.

June is traditionally the last month for full-price selling of seasonal merchandise, before the July clearance sales in advance of fall-merchandise stocking. So far, the surveys report no whisper of any potential for accelerated discounting--something that would appear if chains were seeking to grab whatever share they could of a shrinking pie.

The indication of general stability in the reports relates to a single week, of course, and could be threatened as soon as next Tuesday. But, given the list of consumer-sector threats that are now back, ongoing stability is net good news.

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