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DECISION ECONOMICS, INC.
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New York: 212 884 9440
London: 011 44 20 7814 6706
Boston: 617 994 0500
Email: decisioneconomics@pdeeco.com

Pierre Ellis

December 28, 2011

Weekly Store Sales

Store sales in the fourth of five December weeks--the week before Christmas--met expectations, causing no adjustment to full-month forecasts from the two survey groups.

Notably, however, both surveys made allusion to heavy buying of gift cards, which are not formally booked as sales until redeemed--raising the possibility that reported sales in the current week could surprise to the upside.

Offsetting that positive factor, there were also mentions of "pockets of weakness," particularly in winter apparel, leading to greater-than-planned markdowns.

Altogether the tone of the month appears to be in line with the general consumer trend of recent months--running at the rate which would be consistent with GDP growth at potential, rather than at the above-potential, GDP-leading, rate that would be "normal" in an economic recovery.

Fed doves may be gaining incremental ground among FOMC swing voters, as whatever, if any, acceleration in economic growth underway proves extremely slow. Hawkish counsels of patience could be seeming increasingly threadbare.

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