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Weekly Store Sales: Optimistic Uncertainty

Store sales reports covering the first of five retail-March weeks deliver no striking messages--coming in a bit shy of expectations, but with no implications for the month, or for the underlying trend, being perceived.

The Redbook group saw a 3.0% year-on-year rise in the week, and lifted their full-month comparable stores estimate for the full industry to +3.3% year-on-year, from the +3.0% projection made last week, while the ICSC/Goldman Sachs group had a 1.7% gain in the week, but forecast +3.0% to +5.0% for the month--evidently emphasizing the potential for upside, after both surveys sharply underestimated the full industry result last month.

The weekend tornadoes were cited as a transient negative by Redbook, while ICSC/Goldman Sachs--despite its optimism--raised the specter of gasoline prices "increasingly curbing the degree of discretionary spending."

All in all, the message is one of some new uncertainty overlaid on fundamental optimism, with broad economic fundamentals seen as improving--a factor underlying the strongish ICSC monthly forecasts--but with retailer courage still tender, after the volatilty of recent years.

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