New York • London • Boston • Chicago
DECISION ECONOMICS, INC.
Information for Decisions™

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

Pierre Ellis

August 21, 2012

Weekly Sales: Neutral

Store sales reports for the third of four August weeks are mixed across the two surveys, with The Redbook group modestly upbeat and the ICSC/Goldman Sachs group mildly disappointed, but with optimism for the back-to-school season by no means broken.

This was the first week of serious school-related activity nationwide, so the tone is critical, and so far, the neutral drift of the ICSC results--with customer traffic up, but sales lagging modestly, can probably be attributed to the normal hesitation as teens grapple with fashion uncertainties early in the season.

Meanwhile, some of the Redbook group reported sales at the higher end of their target ranges, while most were well within the ranges--and note was made of apparently healthy bigger-ticket purchases, like computers and other electronics.

The ICSC group historically seems to be less upper-bracket oriented than the Redbook, so softness there would not be out of line with the trend of recent years--but bears serious watching as a threat to overall growth, should employment gains continue modest and gasoline prices keep rising.

Still, there is no new suggestion of a crack in the consumer trend in the results today. Fed officials, other than hard-core doves, are most unlikely to perceive any new threat to the outlook.

© 2012 Decision Economics, Inc. All rights reserved. Reproduction in whole or in part without the written permission of the copyright owner is prohibited.