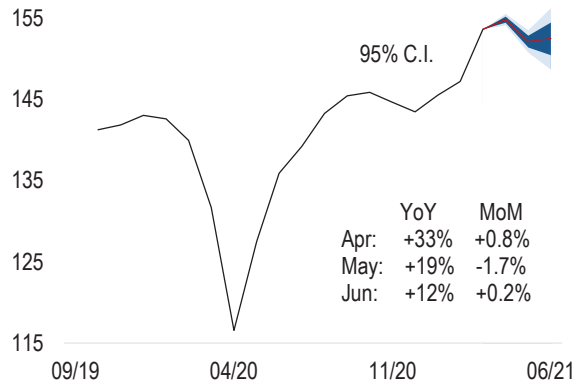
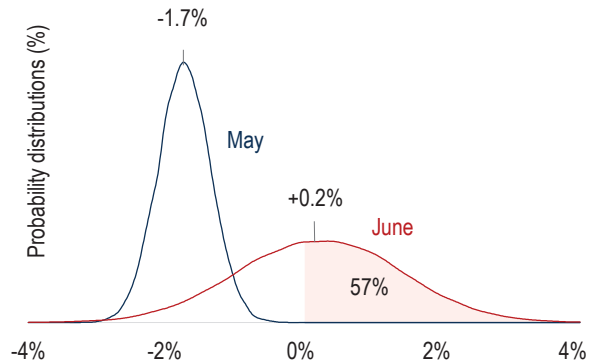


F1: Global Real Retail Sales
2010=100, SA



F2: Global Retail Sales Growth
Month-over-month (%)



Key takeaways

Numeria's *advance* estimates for global retail sales for May and June suggest spending on goods weakened from its reopening high in April. Specifically, our models point to a 1.7% month-over-month contraction in real retail spending in May, the steepest monthly drop since the 'second wave' of infections last November. In a context of strong consumer confidence and high excess savings, the May drop primarily reflects substitution away from goods and towards previously unavailable services. High frequency indicators suggest global retail spending expanded modestly in June, although the preliminary estimate carries a high degree of uncertainty (F2).

Following the May contraction, global retail sales are now 1.6% above their pre-pandemic trend. Despite strong economic growth, we expect goods consumption to decelerate and potentially contract in H2/21 as this substitution effect continues. Importantly, the realignment of demand with its long-term trend should cause inflationary pressures in goods-producing sectors to lessen (global goods inflation came in at 5.4% YoY in June, well above its long-term average).

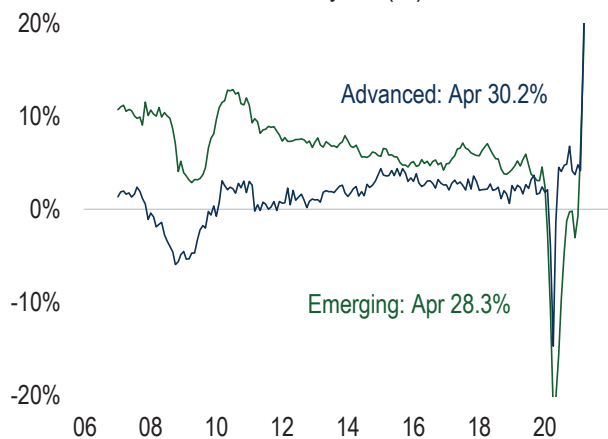
Advance estimates ¹	June		May		6 months	
	2021	% chg yoy	2021 (r)	% chg yoy	2021	% chg yoy
2010=100, SA						
Global real retail sales	152.5	12%	152.1	19%	151.0	14%

Final estimates ²	April		March		4 months	
	2021	% chg yoy	2021	% chg yoy	2021	% chg yoy
2010=100, SA						
World (at PPP)	154.8	33%	153.6	16.7%	150.3	13.3%
Equilibrium consumption ³	151.5	20.6%	150.4	10.2%	148.2	8.3%
Cyclical deviation (%)	2.1%	-	2.2%	-	1.4%	-
World CPI Inflation	-	-	139.2	3.4%	138.5	3.0%
Goods	124.6	5.4%	123.7	4.1%	123.3	3.8%
Core	-	-	134.7	2.7%	134.3	2.6%

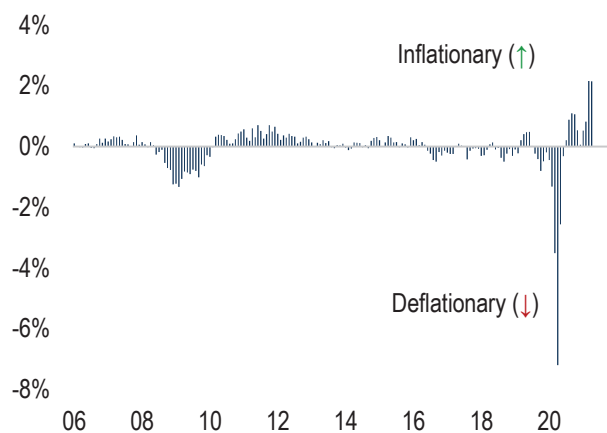
RETAIL SALES - GLOBAL TRACKER

Real retail sales, regional detail 2010=100, SA	April		March		4 months	
	2021	% chg yoy	2021	% chg yoy	2021	% chg yoy
World	154.8	32.8%	153.6	16.7%	150.3	13.3%
Advanced	134.2	30.2%	136.1	17.2%	131.5	13.4%
Emerging	173.7	28.3%	178.2	16.1%	174.1	11.5%
North America	157.6	38.2%	159.1	22.8%	152.9	19.0%
Canada	120.7	26.8%	130.7	10.7%	124.1	11.3%
United States	160.3	38.8%	161.2	23.5%	155.0	19.4%
Latin America ⁴	119.4	41.9%	119.1	7.1%	117.4	8.7%
Brazil	120.4	25.6%	118.3	0.2%	119.3	5.7%
Mexico	124.4	30.6%	121.2	1.4%	119.0	4.2%
Western Europe	114.2	26.7%	115.8	12.8%	112.0	7.3%
France	126.7	43.2%	134.8	25.4%	131.8	16.3%
Germany	119.5	7.2%	128.2	7.5%	119.6	1.7%
Italy	91.3	36.9%	91.1	22.5%	90.0	8.1%
Spain	90.1	38.0%	90.9	13.4%	88.6	6.4%
United Kingdom	135.0	42.5%	123.7	7.1%	123.1	8.1%
Eastern Europe	127.1	27.7%	125.4	1.9%	124.4	6.9%
Poland	140.8	15.3%	148.1	9.2%	144.9	6.0%
Russia	123.7	35.8%	118.8	-2.0%	118.7	8.0%
Asia ⁵	186.0	23.8%	190.6	19.1%	186.4	12.2%
China	249.9	16.3%	259.2	33.6%	254.3	22.2%
Indonesia	197.5	5.6%	190.1	-14.5%	189.8	-11.6%
South Korea	136.2	8.5%	133.1	11.0%	132.7	7.7%
Japan	102.9	12.9%	103.9	5.5%	103.3	6.6%
Turkey	169.5	40.6%	181.0	19.8%	172.0	15.4%

F3: Real retail sales by region
Year-over-year (%)



F4: Cyclical deviation
Actual versus equilibrium (%)



RETAIL SALES - GLOBAL TRACKER

CPI inflation, country detail 2010=100, SA	April		March		4 months	
	2021	% chg yoy	2021	% chg yoy	2021	% chg yoy
World	-	-	139.2	3.4%	138.5	3.0%
Advanced	-	-	117.3	1.8%	116.9	1.3%
Emerging	-	-	172.3	5.2%	171.2	4.8%
North America						
Canada	-	-	119.8	2.3%	119.4	1.5%
Core	-	-	117.8	1.0%	117.9	1.1%
Goods	115.6	5.6%	115.3	3.4%	114.8	2.5%
United States	122.4	4.2%	121.4	2.6%	121.2	2.5%
Core	123.7	3.0%	122.5	1.6%	122.6	1.8%
Goods	111.0	6.7%	109.8	4.1%	109.5	3.6%
Latin America						
Brazil	182.2	6.8%	181.3	6.0%	180.4	5.6%
Core	173.9	3.3%	173.1	2.9%	172.9	2.8%
Goods	176.8	10.7%	176.0	10.8%	175.6	10.7%
Mexico	152.9	6.1%	151.5	4.7%	150.9	4.5%
Core	143.9	4.1%	143.4	4.1%	143.1	4.0%
Goods	154.8	5.6%	154.1	5.8%	153.7	5.6%
Europe						
Eurozone	114.5	1.6%	114.3	1.3%	114.3	1.1%
Core	111.8	0.7%	111.8	0.9%	112.0	1.0%
Goods	112.9	2.1%	112.7	1.3%	112.6	1.1%
United Kingdom	123.1	1.5%	122.6	0.8%	122.6	0.9%
Core	122.3	1.3%	122.1	1.1%	122.1	1.2%
Goods	114.6	1.5%	113.8	0.0%	113.9	0.2%
Asia						
China	129.2	0.9%	129.0	0.3%	128.9	0.1%
Core	118.6	0.8%	118.2	0.5%	118.1	0.4%
Goods	119.9	1.6%	119.5	0.8%	119.3	0.4%
Japan	-	-	105.7	-0.1%	105.4	-0.4%
Core	-	-	102.4	0.3%	102.4	0.2%
Goods	108.0	-0.3%	107.9	-0.4%	107.7	-0.7%
South Korea	118.0	2.3%	117.6	1.5%	117.4	1.4%
Core	118.9	1.4%	118.7	1.0%	118.7	1.0%
Goods	117.1	3.7%	116.6	2.5%	116.3	2.2%
Turkey	298.8	17.1%	294.7	16.2%	292.5	16.0%
Core	284.7	17.9%	280.3	16.9%	278.0	16.6%
Goods	313.1	18.9%	308.8	17.7%	307.4	18.7%

Notes:

- ¹ The 'advance' estimates refer to preliminary figures for the current and previous month. Since many countries report retail sales data with a two month delay, these advanced estimates exhibit some degree of uncertainty. This uncertainty is captured by the 95% confidence intervals in F1, and by the probability distributions in F2. The shaded areas in F2 represent the probability of expansion versus the previous month.
- ² Global and regional indices built using fixed consumption weights adjusted for purchasing power parity. Monthly sample represents ~83% of global retail spending.
- ³ We define equilibrium consumption as the maximum level of spending on goods the global economy can sustain without incurring inflationary pressures. Transitory income shocks can cause consumption to deviate from this stable growth path, creating a consumption gap. Equilibrium consumption and the consumption gap are Kalman filter estimates of a multivariate state-space model in which global retail volumes are benchmarked against a Phillips curve equation for consumer goods.
- ⁴ Because consumer prices for Argentina are not available for the full sample period, the retail sales index is deflated with a disaggregated version of the implicit price deflator for total consumer spending.
- ⁵ Retail sales for India are not available at a monthly or quarterly frequency. Because India accounts for ~6% of global consumption in PPP terms (~2% at market exchange rates), we proxy real retail sales with real value added in domestic trade, available on a quarterly basis and disaggregated using standard statistical procedures.

Definitions:

Nominal retail sales deflated with disaggregated retail prices; if retail or goods prices are unavailable, the individual series are deflated using total consumer prices. Most retail series include motor vehicle sales and exclude food services. All series are seasonally and calendar adjusted. Core inflation excludes food and energy prices. Regional price indices are aggregated using fixed base Laspeyres formulas with PPP-adjusted consumption weights. (p): preliminary; (r) revised.

Source:

Numera Analytics calculations based on publicly available information; current month for regional aggregates is partly estimated.