



United States / États-Unis

Resilient consumption

Retail sales in April were strong. After the very good news from the labour market, it is additional evidence that the US economy avoided the spring swoon this year. Strong job creations seem to have offset the drag on households' disposable income from the rise in the payroll tax hike earlier this year. GDP growth is set to surprise (most, but not us...) on the upside

- Retail sales were up 0.1% in April with widespread strength, as only few retailers saw their sales declining over the month: gas stations (-4.7%), food and beverages (-0.8%) and health and personal care (-0.1%). Sales of everything else were up, from building materials (+1.5) and cars (+1.0%) to clothing (+1.2%).
- Excluding volatile items (cars), price-sensitive sectors (gas) and building materials (which are part of residential investment and not private consumption in US national accounts), retail sales were up a very solid 0.5% in April.
- In short, the soft patch did not spread beyond March. On a 3-month annualised basis, retail sales were up 4% in April, with the core index up 4.2%. Were core retail sales to grow at a monthly pace of 0.4% in both May and June (the average rate recorded between February and March), the Q2 performance would be in line with the Q1 one.
- Today's data are then consistent with a steady GDP growth over the first half of 2013.
- Admittedly, today's report is the very first set of hard data covering April (and thus Q2). Later this week, data for prices and more importantly industrial production in April will be released. On top of that, the New York and Philadelphia Federal Reserve Banks will publish survey results for May.
- However, the April labour market report was strong enough to support our optimism, while the recent declining trend in weekly initial claims keeps on illustrating an improvement in labour market conditions.
- It may still be too soon to be sure that the US economy did not suffer from a spring swoon this year. It is however more likely with the first April data that the slowdown was very limited in both magnitude and length.

Alexandra ESTIOT

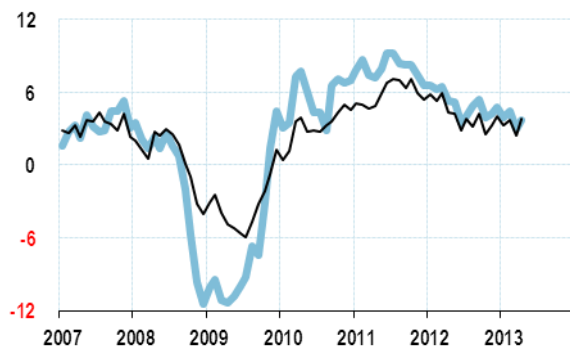
alexandra.estiot@bnpparibas.com

La consommation ne fléchît pas

En avril, les ventes de détail ont retrouvé le dynamisme. Il paraît de plus en plus probable que, cette année, l'économie américaine aura évité un ralentissement printanier. Les fortes créations d'emplois semblent avoir compensé les effets négatifs de la hausse des prélèvements sociaux sur le revenu disponible des ménages. La croissance du PIB devrait surprendre à la hausse

■ On the rise again

— Retail sales (y/y, %) ; — Core retail sales (y/y, %)



Source : US Department of Commerce

■ Data in details

Monthly nominal change (%)	Apr 13	Mar 13	Feb 13
Total (1)	0.1	-0.5	1.1
Total excl cars and build. Materials	-0.3	-0.4	1.1
Core (1)-(2)-(5)-(6)	0.5	-0.1	0.6
Durable goods	1.0	-0.7	0.9
Durable goods excl motor vehicles	1.1	-0.8	0.1
Motor vehicles (2)	1.0	-0.6	1.4
Building materials (3)	1.5	-1.0	0.4
Non-durable goods (4)	-0.6	-0.7	1.1
Core non-durable goods =(4)-(5)-(6)	0.2	-0.2	0.4
Gasoline (5)	-4.7	-3.2	5.3
Food services (6)	0.8	0.5	-0.5

Source : US Department of Commerce



ECONOMIC RESEARCH DEPARTMENT

- **Philippe d'ARVISENET** +33.(0)1.43.16.95.58 philippe.darvisenet@bnpparibas.com
Chief Economist

OECD COUNTRIES

- **Jean-Luc PROUTAT** +33.(0)1.58.16.73.32 jean-luc.proutat@bnpparibas.com
Head
- **Alexandra ESTIOT** +33.(0)1.58.16.81.69 alexandra.estiot@bnpparibas.com
Deputy Head – Globalisation, United States, Canada
- **Hélène BAUDCHON** +33.(0)1.58.16.03.63 helene.baudchon@bnpparibas.com
France, Belgium, Luxembourg
- **Frédérique CERISIER** +33.(0)1.43.16.95.52 frederique.cerisier@bnpparibas.com
Public finance – European institutions
- **Clemente De LUCIA** +33.(0)1.42.98.27.62 clemente.delucia@bnpparibas.com
Euro zone, Italy - Monetary issues - Economic modeling
- **Thibault MERCIER** +33.(0)1.57.43.02.91 thibault.mercier@bnpparibas.com
Spain, Portugal, Greece, Ireland
- **Caroline NEWHOUSE** +33.(0)1.43.16.95.50 caroline.newhouse@bnpparibas.com
Germany, Austria -Supervision of publications
- **Catherine STEPHAN** +33.(0)1.55.77.71.89 catherine.stephan@bnpparibas.com
United Kingdom, Switzerland, Nordic Countries – Labour market
- **Raymond VAN DER PUTTEN** +33.(0)1.42.98.53.99 raymond.vanderputten@bnpparibas.com
Japan, Australia, Netherlands - Environment - Pensions

- **Tarik RHARRAB** +33.(0)1.43.16.95.56 tarik.rharrab@bnpparibas.com
Statistics

BANKING ECONOMICS

- **Laurent QUIGNON** +33.(0)1.42.98.56.54 laurent.quignon@bnpparibas.com
Head
- **Julie ENJALBERT** +33.(0)1.43.16.95.41 julie.enjalbert@bnpparibas.com
- **Ekaterina MOLODOVA** +33.(0)1.43.16.95.54 ekaterina.molodova@bnpparibas.com
- **Laurent NAHMIA** +33.(0)1.42.98.44.24 laurent.nahmias@bnpparibas.com

EMERGING ECONOMIES AND COUNTRY RISK

- **François FAURE** +33.(0)1.42.98.79.82 francois.faure@bnpparibas.com
Head
- **Christine PELTIER** +33.(0)1.42.98.56.27 christine.peltier@bnpparibas.com
Deputy Head - Methodology, China, Vietnam
- **Stéphane ALBY** +33.(0)1.42.98.02.04 stephane.alby@bnpparibas.com
Africa, French-speaking countries
- **Sylvain BELLEFONTAINE** +33.(0)1.42.98.26.77 sylvain.bellefontaine@bnpparibas.com
Latin America - Methodology, Turkey
- **Pascal DEVAUX** +33.(0)1.43.16.95.51 pascal.devaux@bnpparibas.com
Middle East – Scoring
- **Anna DORBEC** +33.(0)1.42.98.48.45 anna.dorbec@bnpparibas.com
Russia and other CIS countries
- **Hélène DROUOT** +33.(0)1.42.98.33.00 helene.drouot@bnpparibas.com
Asia
- **Jean-Loïc GUIEZE** +33.(0)1.42.98.43.86 jeanloic.guieze@bnpparibas.com
Africa, English and Portuguese speaking countries
- **Johanna MELKA** +33.(0)1.58.16.05.84 johanna.melka@bnpparibas.com
Asia – Capital Flows
- **Sara CONFALONIERI** +33.(0)1.42.98.74.26 sara.confalonieri@bnpparibas.com
Latin America
- **Alexandre VINCENT** +33.(0)1.43.16.95.44 alexandre.vincent@bnpparibas.com
Central and Eastern Europe

- **Michel BERNARDINI** +33.(0)1.42.98.05.71 michel.bernardini@bnpparibas.com
Public Relations Officer



OUR PUBLICATIONS



CONJONCTURE

Structural or in the news flow, two issues analysed in depth



EMERGING

Analyses and forecasts for a selection of emerging economies



PERSPECTIVES

Analyses and forecasts for the main countries, emerging or developed



ECOFASH

Data releases, major economic events. Our detailed views...



ECOWEEK

Weekly economic news and much more...



ECOTV

In this monthly webTV, our economists make sense of economic news



ECOTV WEEK

What is the main event this week? The answer is in your two minutes of economy

You can read and watch our analyses on Eco news, our iPad and Android application



<http://economic-research.bnpparibas.com>

The information and opinions contained in this report have been obtained from, or are based on, public sources believed to be reliable, but no representation or warranty, express or implied, is made that such information is accurate, complete or up to date and it should not be relied upon as such. This report does not constitute an offer or solicitation to buy or sell any securities or other investment. Information and opinions contained in the report are published for the assistance of recipients, but are not to be relied upon as authoritative or taken in substitution for the exercise of judgement by any recipient, are subject to change without notice and not intended to provide the sole basis of any evaluation of the instruments discussed herein. Any reference to past performance should not be taken as an indication of future performance. To the fullest extent permitted by law, no BNP Paribas group company accepts any liability whatsoever (including in negligence) for any direct or consequential loss arising from any use of or reliance on material contained in this report. All estimates and opinions included in this report are made as of the date of this report. Unless otherwise indicated in this report there is no intention to update this report. BNP Paribas SA and its affiliates (collectively "BNP Paribas") may make a market in, or may, as principal or agent, buy or sell securities of any issuer or person mentioned in this report or derivatives thereon. BNP Paribas may have a financial interest in any issuer or person mentioned in this report, including a long or short position in their securities and/or options, futures or other derivative instruments based thereon. Prices, yields and other similar information included in this report are included for information purposes. Numerous factors will affect market pricing and there is no certainty that transactions could be executed at these prices. BNP Paribas, including its officers and employees may serve or have served as an officer, director or in an advisory capacity for any person mentioned in this report. BNP Paribas may, from time to time, solicit, perform or have performed investment banking, underwriting or other services (including acting as adviser, manager, underwriter or lender) within the last 12 months for any person referred to in this report. BNP Paribas may be a party to an agreement with any person relating to the production of this report. BNP Paribas, may to the extent permitted by law, have acted upon or used the information contained herein, or the research or analysis on which it was based, before its publication. BNP Paribas may receive or intend to seek compensation for investment banking services in the next three months from or in relation to any person mentioned in this report. Any person mentioned in this report may have been provided with sections of this report prior to its publication in order to verify its factual accuracy.

BNP Paribas is incorporated in France with limited liability. Registered Office 16 Boulevard des Italiens, 75009 Paris. This report was produced by a BNP Paribas group company. This report is for the use of intended recipients and may not be reproduced (in whole or in part) or delivered or transmitted to any other person without the prior written consent of BNP Paribas. By accepting this document you agree to be bound by the foregoing limitations.

Certain countries within the European Economic Area:

This report is solely prepared for professional clients. It is not intended for retail clients and should not be passed on to any such persons. This report has been approved for publication in the United Kingdom by BNP Paribas London Branch. BNP Paribas London Branch is authorised and supervised by the Autorité de Contrôle Prudentiel and authorised and subject to limited regulation by the Financial Services Authority. Details of the extent of our authorisation and regulation by the Financial Services Authority are available from us on request.

This report has been approved for publication in France by BNP Paribas SA, incorporated in France with Limited Liability and is authorised by the Autorité de Contrôle Prudentiel (ACP) and regulated by the Autorité des Marchés Financiers (AMF) whose head office is 16, Boulevard des Italiens 75009 Paris, France.

This report is being distributed in Germany either by BNP Paribas London Branch or by BNP Paribas Niederlassung Frankfurt am Main, a branch of BNP Paribas S.A. whose head office is in Paris, France. BNP Paribas S.A. – Niederlassung Frankfurt am Main, Europa Allee 12, 60327 Frankfurt is authorised and supervised by the Autorité de Contrôle Prudentiel and it is authorised and subject to limited regulation by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin).

United States: This report is being distributed to US persons by BNP Paribas Securities Corp., or by a subsidiary or affiliate of BNP Paribas that is not registered as a US broker-dealer to US major institutional investors only. BNP Paribas Securities Corp., a subsidiary of BNP Paribas, is a broker-dealer registered with the U.S. Securities and Exchange Commission and a member of the Financial Industry Regulatory Authority and other principal exchanges. BNP Paribas Securities Corp. accepts responsibility for the content of a report prepared by another non-U.S. affiliate only when distributed to U.S. persons by BNP Paribas Securities Corp.

Japan: This report is being distributed to Japanese based firms by BNP Paribas Securities (Japan) Limited or by a subsidiary or affiliate of BNP Paribas not registered as a financial instruments firm in Japan, to certain financial institutions defined by article 17-3, item 1 of the Financial Instruments and Exchange Law Enforcement Order. BNP Paribas Securities (Japan) Limited is a financial instruments firm registered according to the Financial Instruments and Exchange Law of Japan and a member of the Japan Securities Dealers Association and the Financial Futures Association of Japan. BNP Paribas Securities (Japan) Limited accepts responsibility for the content of a report prepared by another non-Japan affiliate only when distributed to Japanese based firms by BNP Paribas Securities (Japan) Limited. Some of the foreign securities stated on this report are not disclosed according to the Financial Instruments and Exchange Law of Japan.

Hong Kong: This report is being distributed in Hong Kong by BNP Paribas Hong Kong Branch, a branch of BNP Paribas whose head office is in Paris, France. BNP Paribas Hong Kong Branch is registered as a Licensed Bank under the Banking Ordinance and regulated by the Hong Kong Monetary Authority. BNP Paribas Hong Kong Branch is also a Registered Institution regulated by the Securities and Futures Commission for the conduct of Regulated Activity Types 1, 4 and 6 under the Securities and Futures Ordinance.

Some or all the information reported in this document may already have been published on <https://globalmarkets.bnpparibas.com>

© BNP Paribas (2013). All rights reserved.