

## Don't be fooled by weak Eurozone retail sales

October retail sales dropped by -1.1% compared to September, but these figures are volatile and we're still looking for healthy growth this quarter



# -1.1%

October Eurozone retail sales

Compared with September

Whether Eurozone shoppers were waiting on Black Friday to kick off their seasonal shopping or something else kept them away from the high-street, sure enough, October sales disappointed. With leading indicators all pointing towards improving spending, it is hard to believe that Christmas stockings will remain empty this year. Consumer confidence is near all-time highs at the moment, real wage growth has been improving and unemployment is at the lowest point in eight years. Consumers have seen their disposable income improve and are confident because of it.

Retail sales is a volatile economic indicator, which is subject to substantial revisions later on. It

could well be that November sales see a strong bounce-back or that the October number will be revised upwards. Sentiment among retailers improved in October according to the European Commission, not indicating a significant deterioration in business conditions yet. While November saw a correction in sentiment, confidence among retailers remains near cyclical highs. This leads us to believe that the Holiday sales will still come in strong despite the disappointing October data.

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