

Hungary: Black Friday boosts retail sales

Household finances are in good shape and consumers are not afraid to spend money, especially when Black Friday sales kick in. Retail sales soared in November



The biggest market in Budapest

7.3%

Retail sales (YoY, wda)

Consensus 5.8% / Previous 6.2%

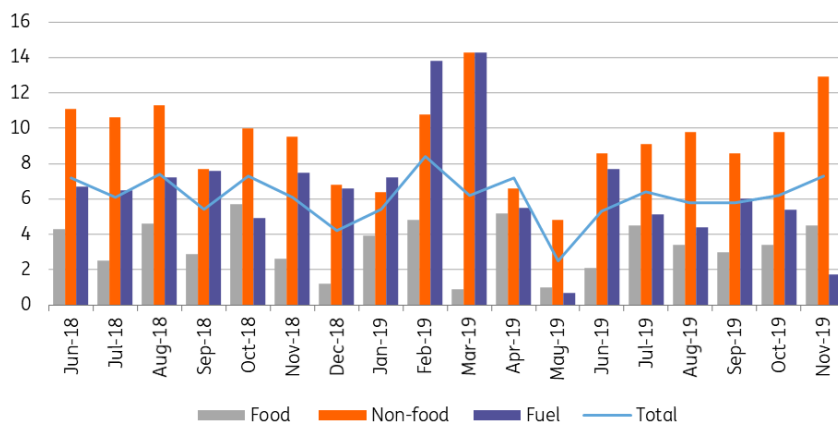
Better than expected

Retail sales increased by 7.3% year-on-year (calendar-adjusted) in November. While a strengthening was expected due to the Black Friday sales event, which took practically a whole month in Hungary (not just one day), the result still overshoot expectations. This monthly performance of the retail sector was the second best for 2019.

The details support our view that the Black Friday effect was significant. The volume of sales in non-food shops overall came in at 12.9% YoY in November, one of the best performances of recent years. Specifically, sales in furniture and electrical goods rose by 12.9% YoY in November, a clear outlier compared to the 2.2% performance in October. However, food shops also closed a

strong month with an above-average 4.5% year-on-year increase in turnover. The only weak performance among retail shops came from fuel retailers, where the hefty price increase dragged down the sales figures in November.

Breakdown of retail sales (% YoY, wda)



Source: HCSO

The big picture

While October was a good month for the retail sector, November was even better. As such, the Hungarian economy could well see strong consumption and GDP growth in the fourth quarter of 2019. This signals some positive economic momentum at the start of 2020, and our optimistic GDP outlook seems reasonable for the time being.

Author

Peter Virovacz

Senior Economist, Hungary

peter.virovacz@ing.com

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