

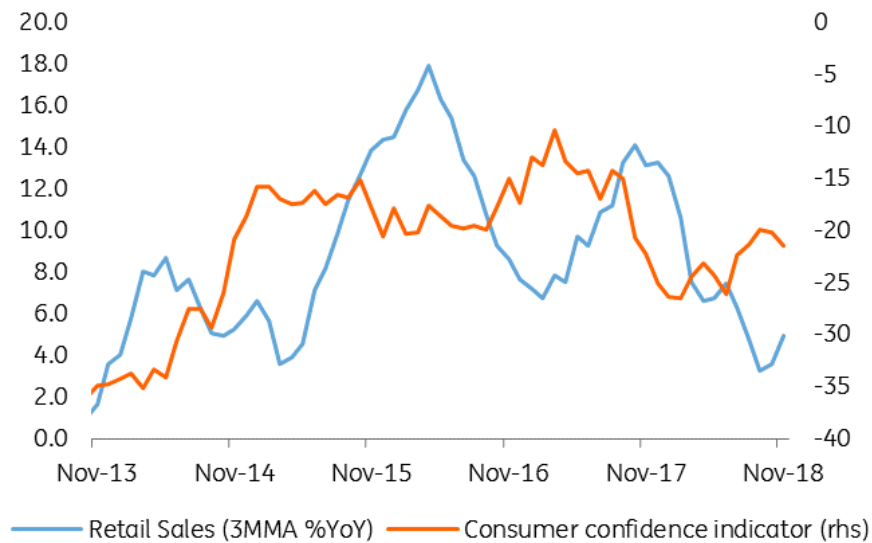
## Romania: Retail sales continue to accelerate

November 2018 marked the third consecutive month of acceleration, but we might be getting closer to a turning point as consumer sentiment deteriorates



Source: shutterstock

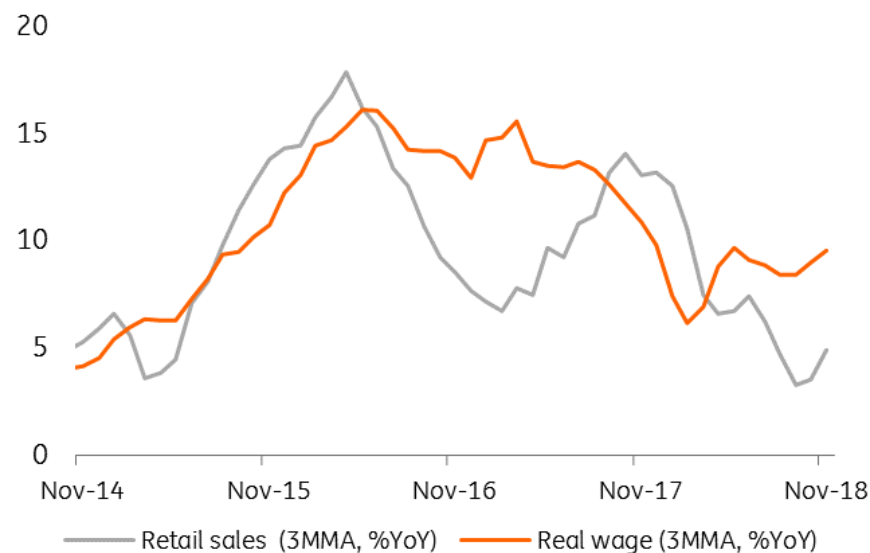
## Consumer confidence becoming less supportive



Source: EC, NIS, ING

Retail sales accelerated by 6.0% in November 2018 compared to November 2017. Non-food items pulled the November figure higher, accelerating by 7.7%, likely due to the increasingly popular Black Friday. Lower oil prices still supported fuel sales, which increased 5.7%, while food items grew in the low single digits, at 4.7%.

## Real wage growth moderating

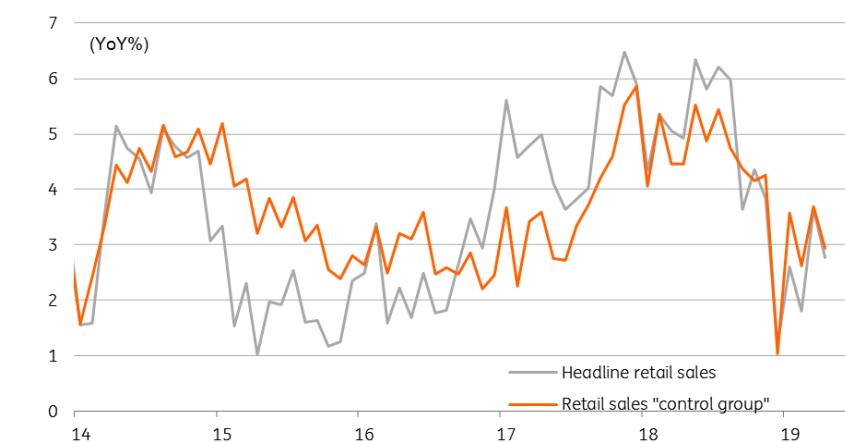


Source: NIS, ING

The news coming from consumer spending could remain positive for December 2018 as well, but the future looks challenging. Consumer sentiment declined in the first two months of the fourth quarter while real wage growth remained mostly in the single digit area throughout 2018.

Moreover, the newly enacted fiscal changes are yet to be reflected in consumer sentiment.

## Retail sales breakdown



Source: NIS, ING

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