

# Singapore: Retail sales surprise on the upside

Retail sales managed to grow much quicker than expected



Source: Shutterstock

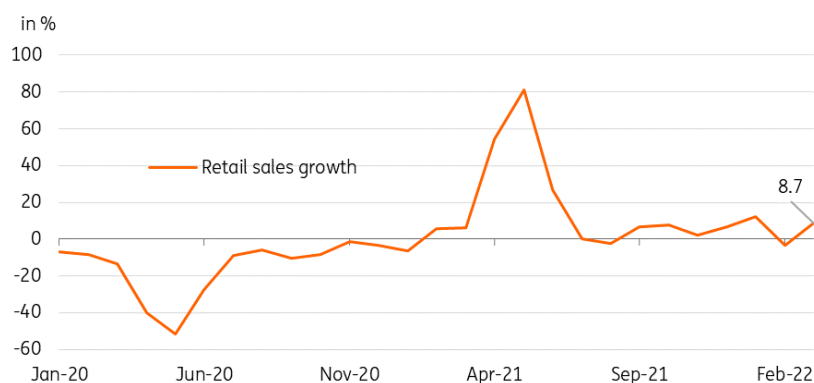
**8.7%** March retail sales growth (YoY)

Higher than expected

## March retail sales rise 8.7%

Singapore's retail sales grew much stronger than anticipated, posting an 8.7% increase. The market consensus pegged retail sales growth at just 0.7% with faster inflation expected to dent some demand, but sales remained brisk. Retail sales ex-auto grew 13.4%, helped by a strong showing for online sales, which grew 14.9% year-on-year.

## Surprise pickup in retail sales driven in part by online purchases



Source: Singapore Department of Statistics

### Positive surprise but concerns linger

Today's upside surprise suggests that 1Q GDP could be revised higher as sales remained robust despite a pickup in inflation. However, with inflation expected to accelerate in the near term (core inflation could hit 3.5%) we believe that retail sales growth may eventually lose some momentum. Furthermore, a projected slowdown in global trade could also weigh on consumer sentiment, yet another factor that could dampen retail sales in the near term.