

# Singapore: Retail sales surprise on the upside .. again

Singapore retail sales jump 17.8%, beating market expectations



Source: Shutterstock

**17.8%** Retail sales growth

Higher than expected

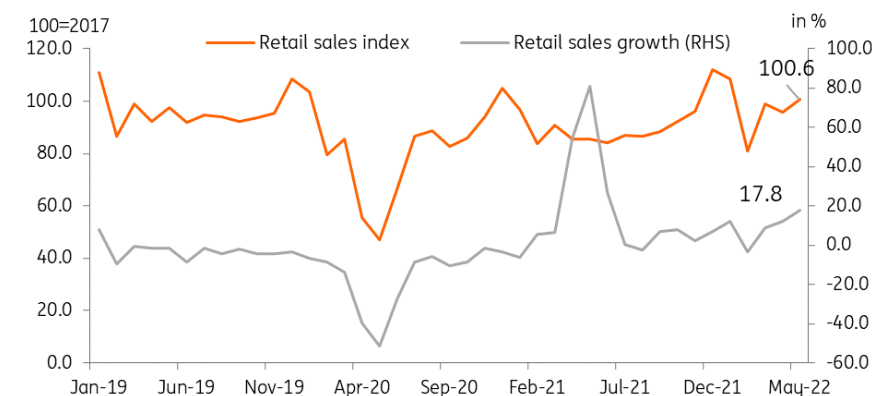
## Retail sales sustain robust expansion

Singapore retail sales came in higher than expected for a third straight month as sales recorded in May rose 17.8%. Market participants were looking for a 13.4% rise. Excluding automobile purchases, retail sales gained 22.% bolstered by a heavy dose of department store sales, which were up a notable 73.1%. As expected, spending on petrol service stations was up sharply, gaining 45.8% on more expensive fuel.

Laxer border controls and further easing of mobility restrictions helped provide a healthy backdrop for the robust performance of retail sales. Motor vehicle sales fell 10.2% while sales for

supermarkets dropped 10.3%, offsetting gains for all other subsectors.

## Retail sales prove resilient, but for how much longer?



Source: Singapore Department of Statistics

## Upside surprise for retail sales a positive for 2Q GDP

Retail sales have beaten market expectations for almost all of 2Q and the strong showing will translate to a robust GDP figure for the same quarter. Retail sales alongside fairly robust industrial production and non-oil domestic export have us retaining our 4.4% forecast for 2Q.

Despite the upside surprise however, we expect the healthy pace of retail sales growth to finally show some signs of moderation as both headline and core inflation edge higher. Headline inflation is above 5% while core inflation is now at 3.6%, which should be enough to sap some momentum from spending in the near term.