

GREEN SHOOTS IN RETAIL, JOBS AND PHILLY

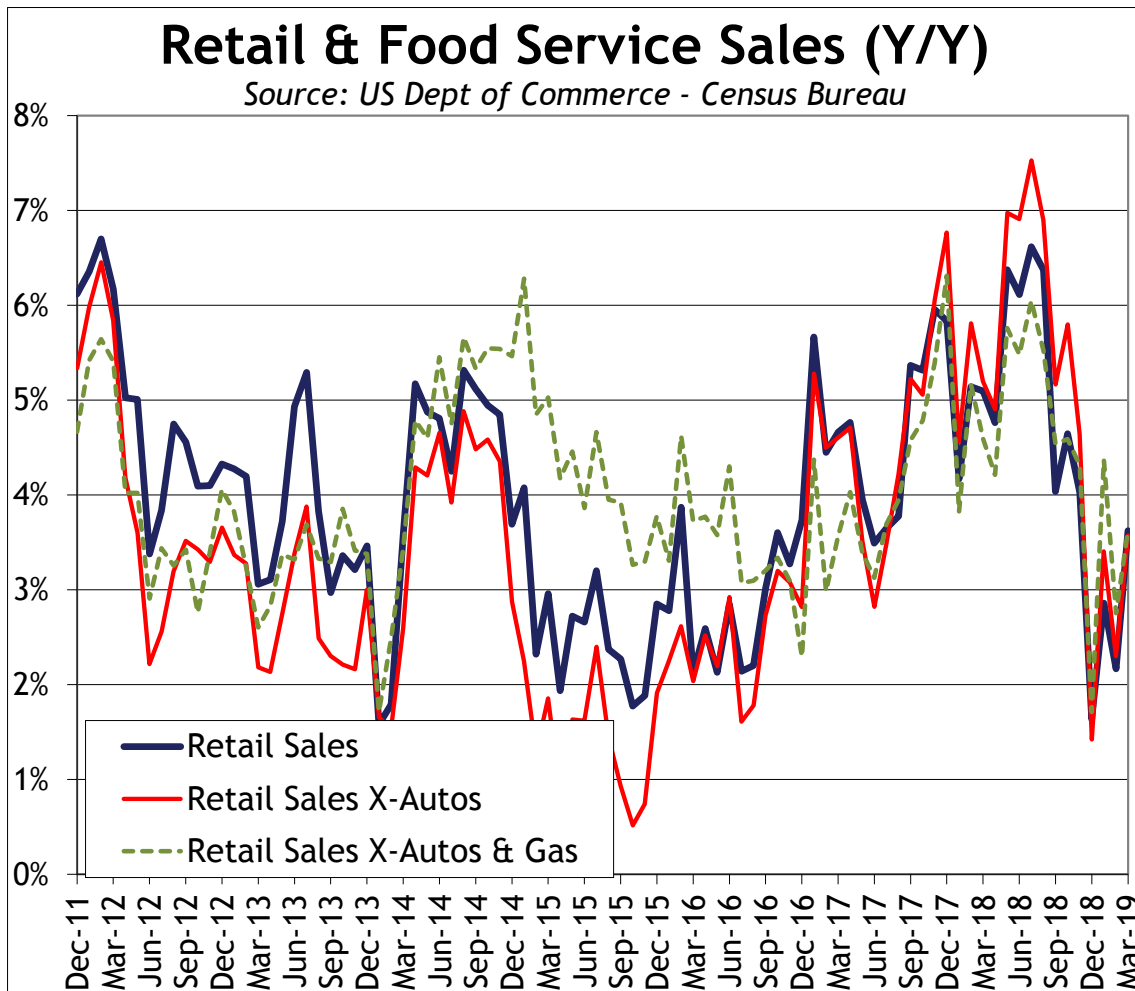
April 18, 2019

FAST FACTS ABOUT TODAY'S ECONOMIC DATA:

- * U.S. Retail Sales rebounded +1.6% in March and accelerated on Y/Y Basis.
- * Initial Jobless Claims fall for 5th week in a row.
- * Philly Fed Index shows sharp rebound in New Orders.
- * What Brexit? U.K. Retail Sales up +6.6% Y/Y.
- * No Green Shoots in EU and Japan as PMI's worsen.
- * Aussie Unemployment Rate increased to 5% despite pick-up in FT employment.

U.S. RETAIL SALES REBOUNDED +1.6% M/M IN MARCH:

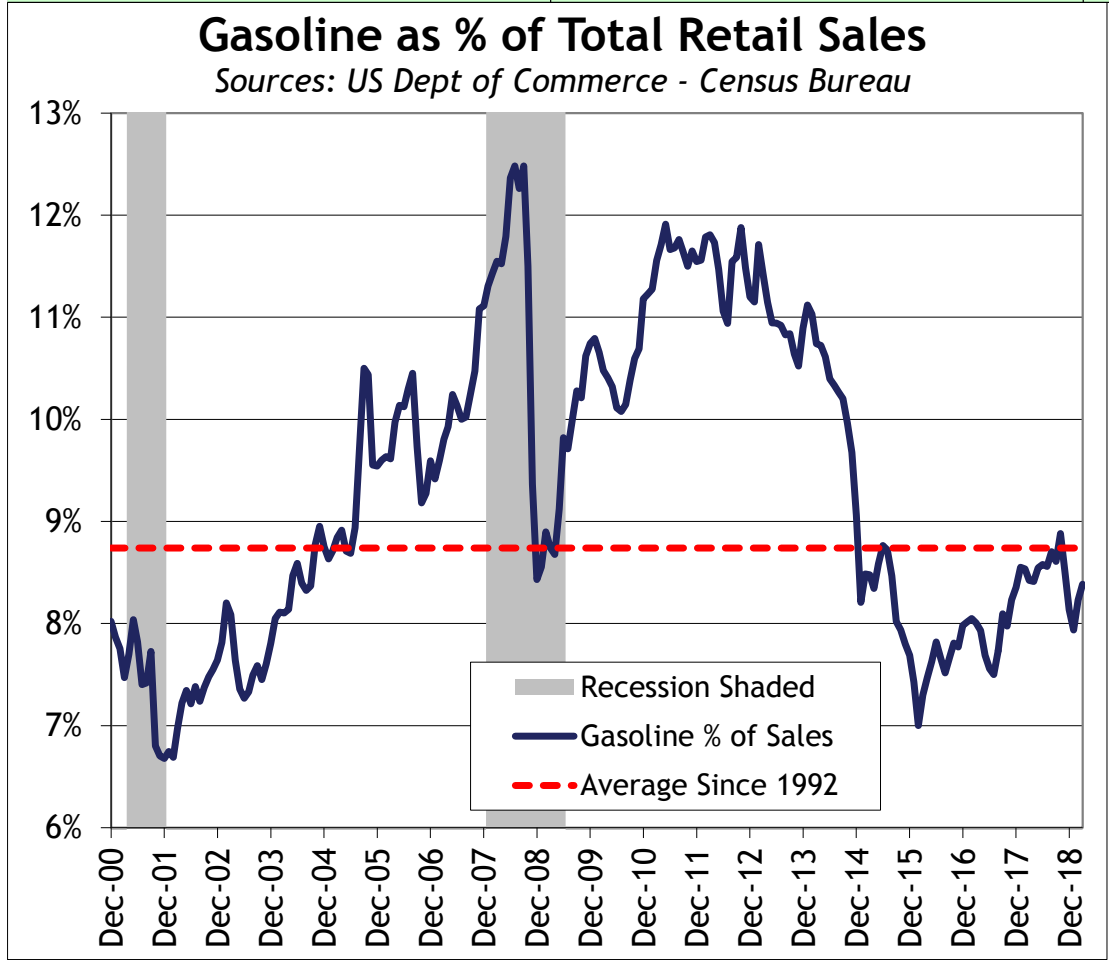
The U.S. Department of Commerce reported that **U.S. Retail Sales rebounded +1.57% M/M to a record high \$514.062 billion in March**. In fact, this is the highest monthly gain since September 2017 and on a Y/Y basis, retail sales accelerated to +3.62% Y/Y (versus +2.17% prior). Note that Auto Sales increased +\$3.216 billion or +3.14% M/M. **Thus, on an ex-Autos basis, Retail Sales increased +1.17% M/M and +3.57% Y/Y** (versus +2.30% prior).



THE 'HAVES' AND THE 'HAVE NOT' IN RETAIL SALES:

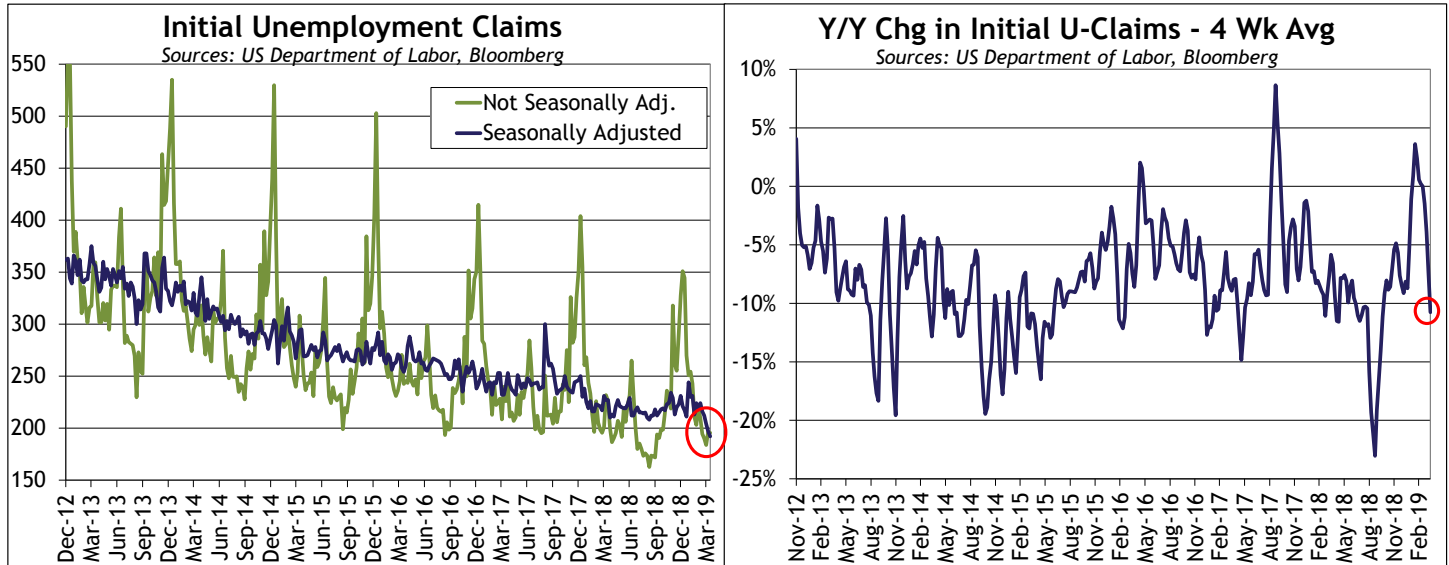
In March, Retail Sales increased in 11 of the 12 major categories (ex-Autos). There were notable improvements in Gasoline Station sales (+3.47% M/M), Clothing sales (+1.95% M/M), Miscellaneous sales (+1.81% M/M), Furniture sales (+1.72% M/M), Online sales (+1.24% M/M), and Food Store sales (+1.01% M/M). Note that gasoline sales as percentage of total sales increased to 8.38% versus 8.23% prior. Conversely, Sporting Goods sales slipped -0.32% M/M.

RETAIL SALES BY INDUSTRY (Ex-Autos, in Billions \$)						
Source: U.S. Census Bureau	Mar-19	Feb-19	\$ Chg	M/M %	Mar-18	Y/Y %
Gasoline Stations	43.10	41.65	1.45	3.47%	41.79	3.13%
Clothing & Clothing Accessory Stores	22.75	22.31	0.44	1.95%	22.41	1.48%
Miscellaneous Stores	10.72	10.53	0.19	1.81%	10.85	-1.19%
Furniture & Home Furnishing Stores	10.18	10.01	0.17	1.72%	10.07	1.07%
Non-Store Retailers	61.01	60.27	0.75	1.24%	54.66	11.62%
Food & Beverage Stores	62.64	62.01	0.63	1.01%	61.54	1.79%
Food Service & Drinking Places	61.08	60.61	0.48	0.78%	58.59	4.26%
General Merchandise	60.18	59.74	0.45	0.75%	59.04	1.93%
Electronics & Appliance Stores	8.02	7.98	0.04	0.49%	8.25	-2.73%
Building Materials & Supply Stores	33.07	32.97	0.11	0.32%	32.02	3.29%
Health & Personal Care	29.54	29.49	0.06	0.19%	28.31	4.35%
Sporting Goods & Music Stores	6.27	6.29	(0.02)	-0.32%	6.94	-9.65%
Total Retail Sales (Ex Autos)	408.57	403.85	4.72	1.17%	394.47	3.57%



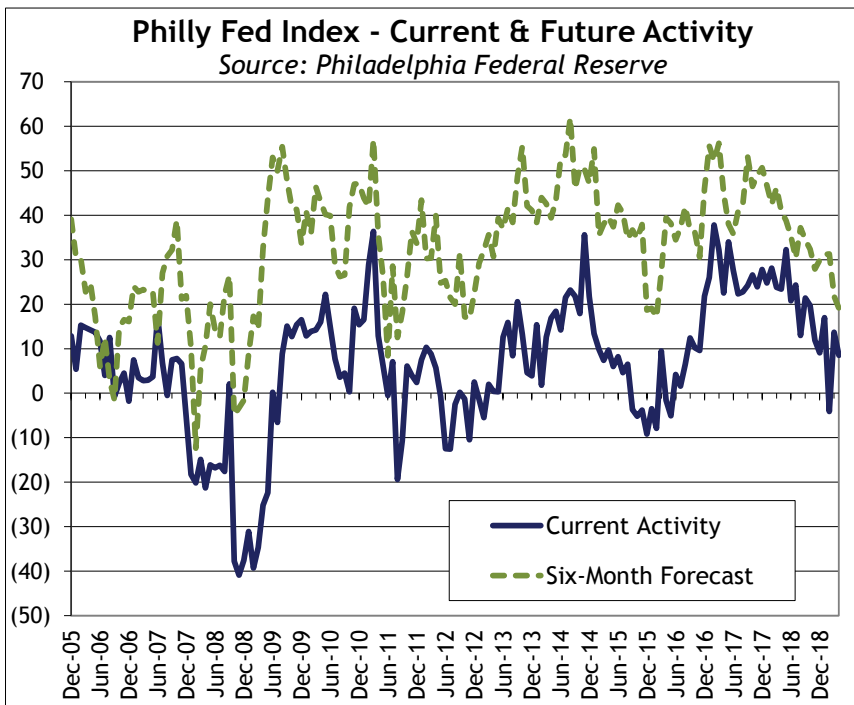
U.S. INITIAL JOBLESS CLAIMS FELL FOR 5TH WEEK IN A ROW:

The U.S. Department of Labor reported that **Initial Jobless Claims declined for the fifth consecutive week, down -5k to 192k** for the week ending April 12th. In fact, this is the **lowest level since September 1969!** Moreover, the four-week average declined -6k to 201k, now down -10.8% Y/Y (versus -7.5% Y/Y prior). Lastly, **Continuing Claims declined -63k to 1.653 million (lowest level since October 2018) and the 4-week average fell -23k to 1.713 million.** Continuing Claims are now down -9.4% Y/Y vs. -8.9% Y/Y prior.



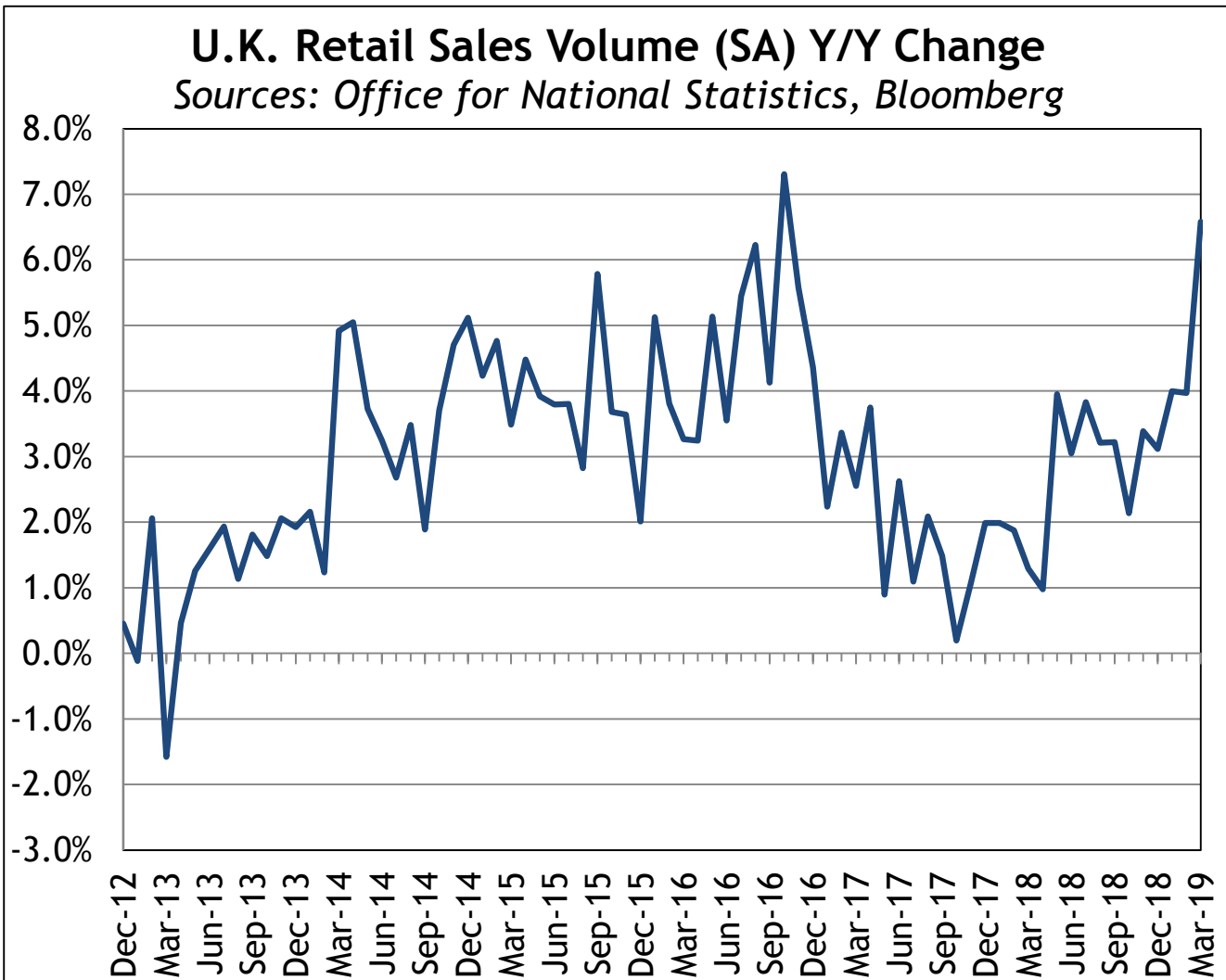
PHILLY FED INDEX SLOWED BUT NEW ORDERS SURGED IN APRIL:

The Philadelphia Fed's Current Activity Index fell -5.2 points to +8.5 in April, which indicates slower growth in the region. The slowdown in the month was led by Current Shipments (-1.6 points to +18.4), Unfilled Orders (-2.7 points to +0.4), Delivery Time (-13.9 points to -5.1), and Inventories (-14.6 points to +2.6). Furthermore, Prices Paid increased +1.9 points to +21.6 and Prices Received declined -34.7 points to +20.0. **Conversely, there were notable improvements in Current New Orders (+13.8 points to +15.7) and Number of Employees (+5.1 points to +14.7).** Lastly, the Future Activity index declined -2.7 points to +19.1, led lower slowdowns in by Future Unfilled Orders, Prices, and Employment.



U.K. RETAIL SALES UP +6.6% Y/Y IN MARCH:

According to the Office for National Statistics, **U.K. Retail Sales volume including auto fuel increased for the third consecutive month, up +1.02% M/M and +6.58% Y/Y in March** (versus +3.97% Y/Y prior). This is the highest Y/Y pace since October 2016. In the month, Food sales rebounded +1.18% M/M and Non-Food sales increased +0.57% M/M. Also, Non-Store Retailing increased +4.21% M/M and Clothing sales increased +1.03% M/M; however, Auto Fuel sales fell -0.28% M/M. Thus, Retail Sales excluding auto fuel increased +1.30% M/M and +6.26% Y/Y (+3.77% Y/Y prior). Lastly, **Retail Sales value including auto fuel increased +1.15% M/M and +7.34% Y/Y** (+4.35% Y/Y prior).



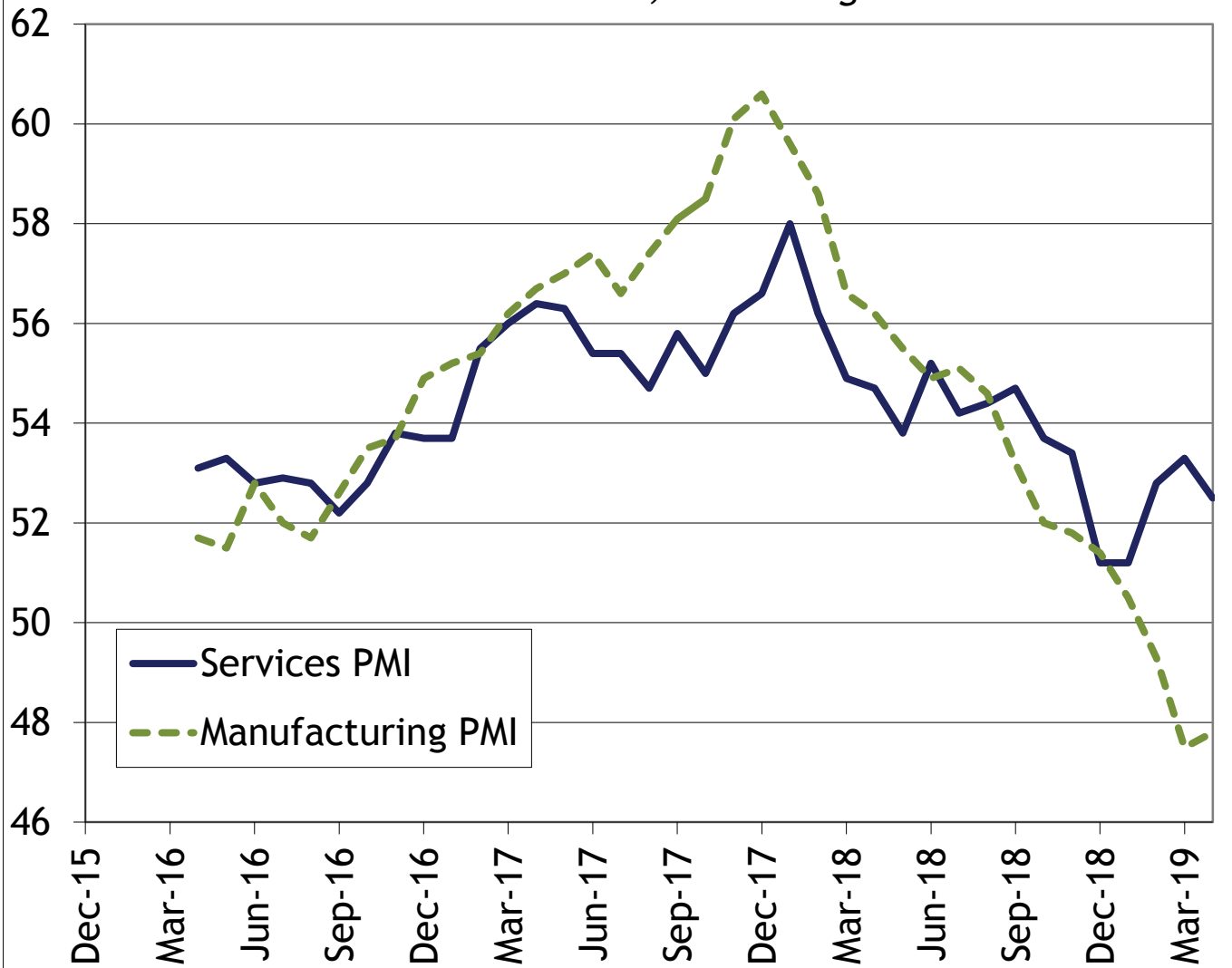
EUROZONE COMPOSITE PMI DOWN ONCE AGAIN IN APRIL:

The Markit Flash **Eurozone PMI Composite Index declined -0.3 points to 51.3 in April.** In fact, this is the seventh monthly decline in the past eight months; however, it still marks the 70th consecutive month of growth in the EU. In the month, the **Services PMI declined -0.8 points to 52.5, whereas the Manufacturing PMI 'improved' +0.3 points to 47.8.** In the month, New Orders increased slightly and Employment increased marginally, whereas, New Export Orders fell for the seventh consecutive month, Backlogs fell for the fourth time in the past five months, and Business Expectations were at the lowest level since late 2014.

However, data within the Eurozone's two largest economies improved in April. The **German Composite PMI increased +0.7 points to 52.1,** as the Services PMI increased +0.2 points to 55.6 and the Manufacturing PMI increased +0.4 points to 44.5. Also, the **French Composite PMI increased +1.1 points to 50.0,** as the French Services PMI rebounded +1.4 points to 50.5 and the French Manufacturing PMI slipped -0.1 points to 49.6.

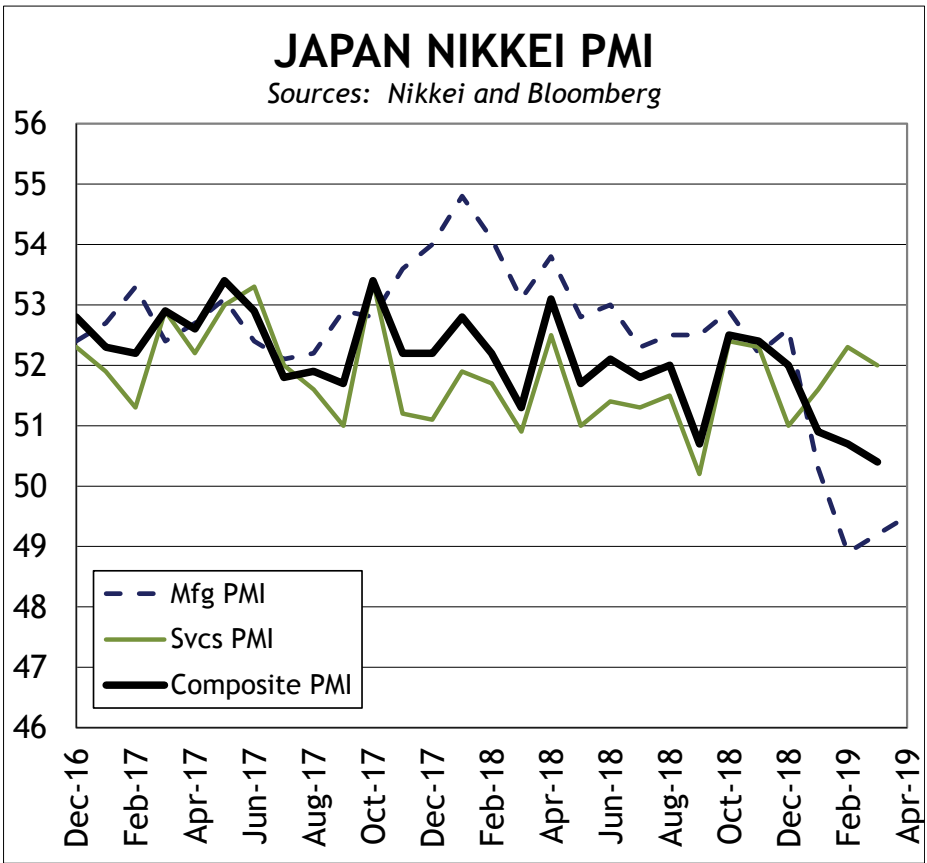
MARKIT EUROZONE PMI INDICES

Sources: Markit, Bloomberg



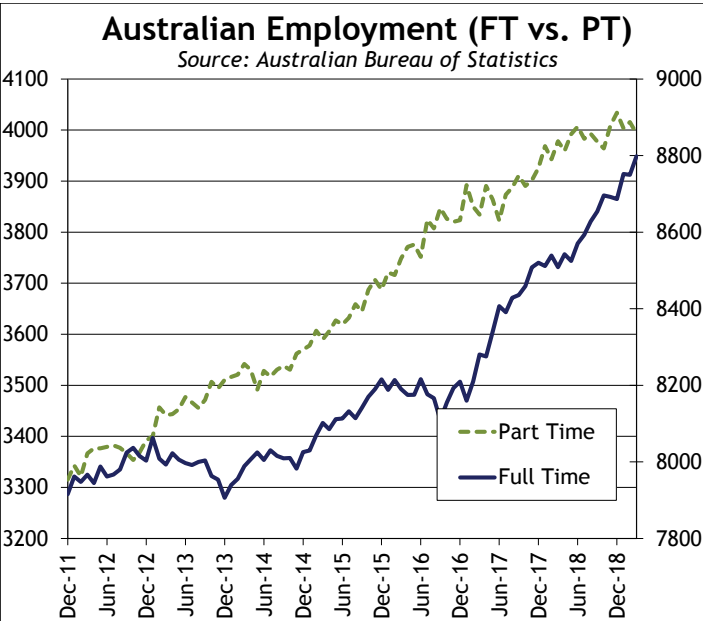
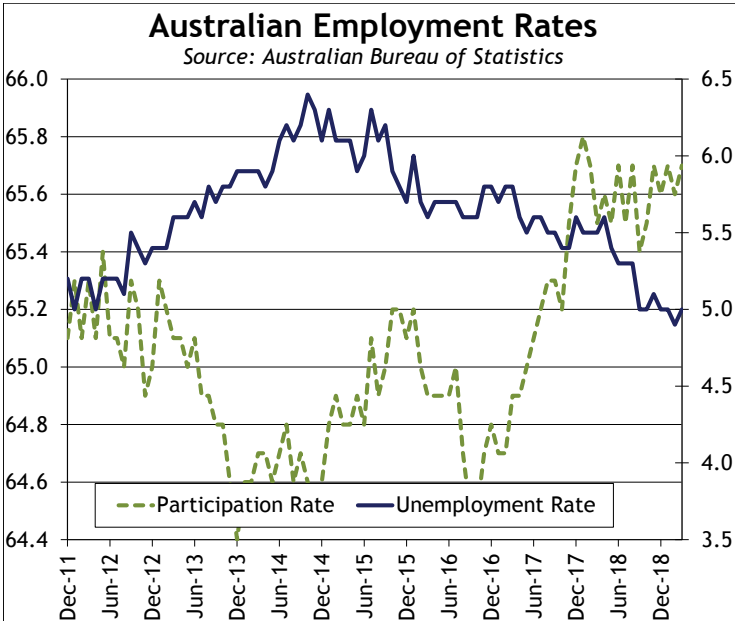
JAPAN MANUFACTURING PMI CONTRACTED FOR 3RD CONSECUTIVE MONTH IN APRIL:

The Flash Nikkei **Japan Manufacturing PMI improved +0.3 points to 49.5 in April.** Nonetheless, this still indicates contraction for the third consecutive month and it's the first three month losing streak since August 2016. In the month, there were declines nearly across the board, led by New Orders, Output, Backlogs, New Export Orders, and Inventories. Furthermore, there were increases in both Input and Output Prices and **Future Expectations rebounded despite the worsening data.**



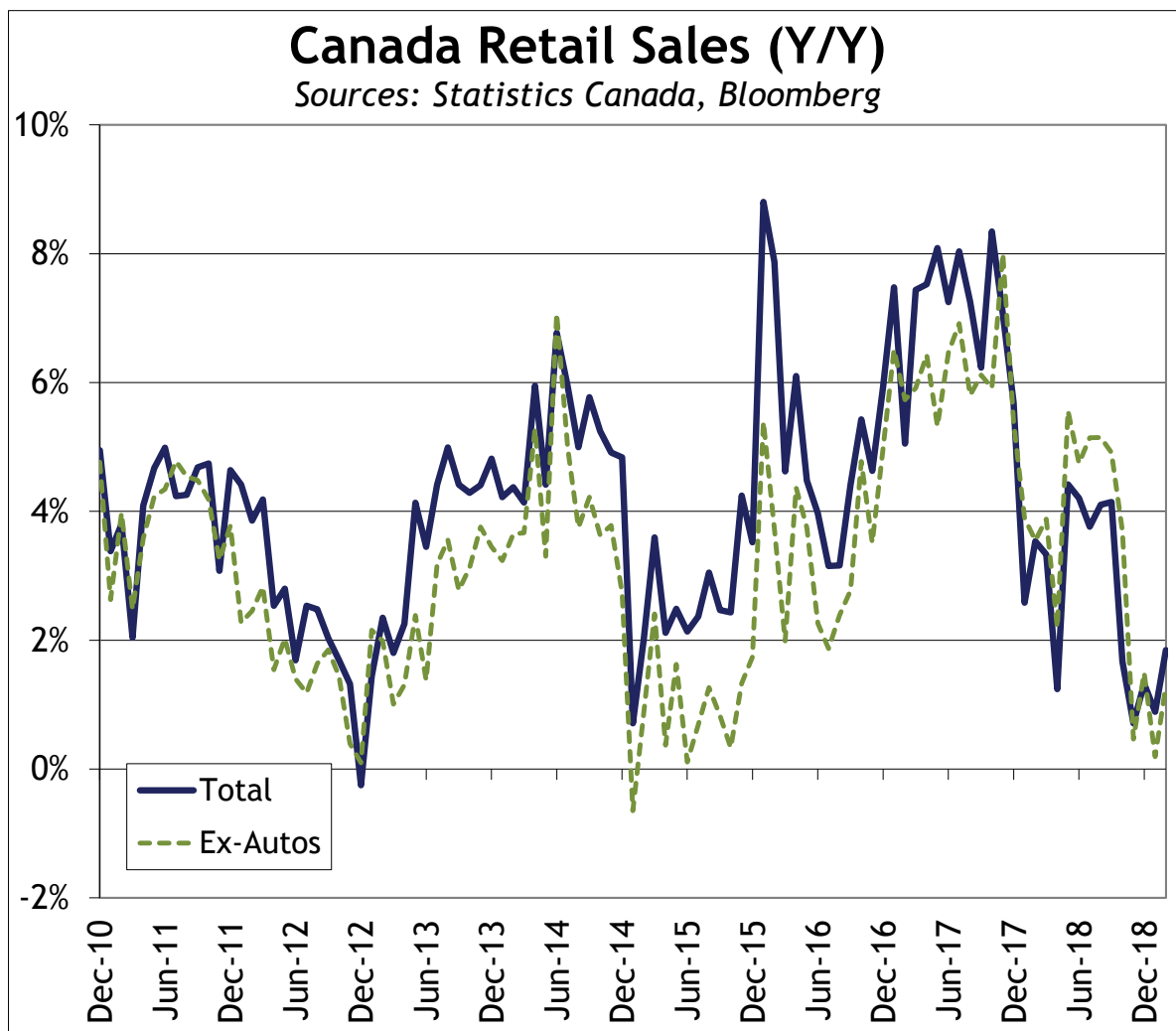
AUSTRALIAN UNEMPLOYMENT RATE INCREASED TO 5.0% IN MARCH:

According to the Australian Bureau of Statistics, **total employment increased +26k M/M to a record high 12.792 million in the month of March**. The good news is that the increase in the month was led entirely by full-time employment (+48k), whereas part-time employment fell -23k. However, the bad news is that total unemployed increased +17k to 680k in the month of March. Therefore, **the Australian Unemployment Rate increased to 5.0%** (versus 4.9% prior). Lastly, the total labor force increased +43k to 13.471 million and the **Participation Rate increased to 65.7%** (versus 65.6% prior).



CANADIAN RETAIL SALES REBOUNDED +0.8% M/M-LED BY AUTOS:

Statistics Canada reported today that **Canadian Retail Sales rebounded +0.82% M/M in February**. This is the first monthly increase in the past four months and on a year over year basis, **Retail Sales accelerated to +1.85% Y/Y** (vs. +0.89% Y/Y prior). The increase in the month was led by Auto sales, which increased +1.40% M/M. On an Ex-Autos basis, **'Core' Canadian Retail sales increased +0.60% M/M and +1.29% Y/Y** (+0.19% Y/Y prior). In February, there were notable increases in General Merchandise (+3.77% M/M), Gasoline Stations (+1.92% M/M), Food & Beverage (+0.82% M/M), and Furniture (+0.13% M/M); however, there were notable declines in Building Supplies (-1.58% M/M), Clothing (-1.55% M/M), Miscellaneous (-2.66% M/M), and Pharmacies (-0.05% M/M).



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