

U.K. Retail Sales

November 2007

	Mo/Mo % change	Yr/Yr % change	Avg. Weekly Value
Price Adjusted U.K. Retail Sales			
Seasonally Adjusted	▼ -1.0%	▲ 3.2%	£ 5,413.4
Not Seasonally Adjusted	▲ 9.2%	▲ 4.0%	£ 5,942.3
Nominal U.K. Retail Sales			
Seasonally Adjusted	▼ 0.6%	▲ 3.6%	£ 5,166.5
Not Seasonally Adjusted	▲ 9.8%	▲ 3.5%	£ 5,671.3
Implied Deflator	▲ 0.5%	▼ -0.1%	

U.K. Retail Sales Slip -1.0% in November

Strong October sales and a modest improvement in prices yielded weak month-to-month comparisons for retail sales in November, as seasonally-adjusted, constant-price (price-adjusted) sales dropped by -1.0% from October. November's loss follows a 0.3% gain in October and is the deepest month-to-month drop for seasonally-adjusted constant-price sales since January 2007.

Year-to-year growth of retail sales also slipped in November, falling to +4.0% for unadjusted sales. This is a bit shy of the growth rate of +4.5% October and the +4.4% year-to-year growth rate of the three months ended October 2007. Still, constant-price year-to-year growth rates are in keeping with their pace from earlier this year.

Modest price growth over the past couple of months may be weighing down constant-price sales numbers. Price deflation seems to have peaked in August at a rate of -1.0% year-to-year, shrinking, in the following months, to the -0.1% year-to-year decline of November.

In contrast, current-price (price-unadjusted) sales looked relatively robust in November. Seasonally-adjusted sales were up 0.6% month-to-month from October and unadjusted sales figures grew by 3.5% from a year ago. The month-to-month gain of current-price sales is the strongest such showing since August, while year-to-year numbers are down somewhat from October's 4.1% year-to-year growth. Year-to-year sales have certainly improved since the third quarter, but still lag behind the 4.5% growth of the first half of this year.

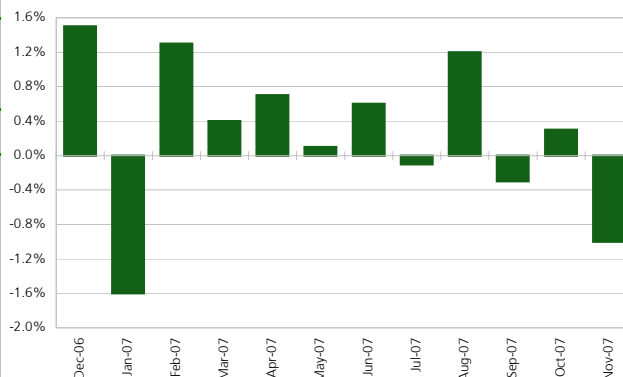
Driving November's growth has been an upsurge in 'specialty' retailer sales, especially electronics, grocery, personal care, music and book stores. Their gain around the Christmas shopping season has helped counteract the weakness of certain sectors, namely department stores, clothing stores and discount retailers.

The mild price gains of last month point to a softening of the ONS's official deflation rate to around -0.7% year-to-year in November. Furthermore, typical seasonal sales patterns imply a 10.0% current-price unadjusted month-to-month increase in November. Such a jump combined with the change in price growth would raise the ONS's unadjusted current-price sales by only 2.7% year-to-year and constant-price sales by around 3.3% year-to-year. Seasonally adjusted sales figures, meanwhile, would slip by -0.7% month-to-month for current-price data and by -0.9% month-to-month for constant-price data.

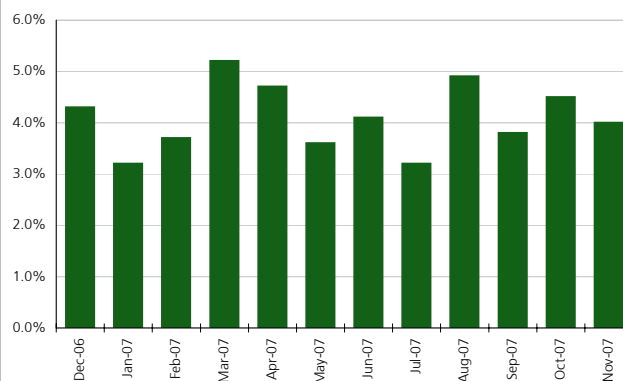
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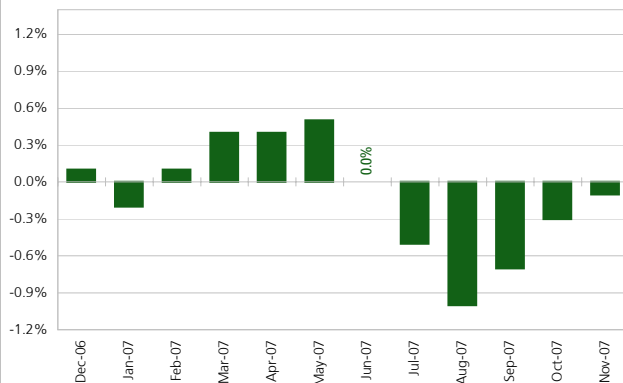
U.K. Price Adjusted Retail Sales Mo/Mo % Change Seasonally Adjusted



U.K. Price Adjusted Retail Sales Yr/Yr % Change Not Seasonally Adjusted



U.K. Implied Deflator Yr/Yr % Change Not Seasonally Adjusted



The SpendingPulse™ UK implied deflator is based on the average pound value of transactions within SpendingPulse™ data.

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Data Views in this Report: All data views in this report are based on the 4-4-5 calendar convention as defined by the UK's Office for National Statistics. In keeping with this convention, index values and pound volume sales are reported as weekly averages within a given month.

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		November-06							November-07								
Week		S	M	T	W	T	F	S	S	M	T	W	T	F	S	Week	
44		29	30	31	1	2	3	4	28	29	30	31	1	2	3	44	
45		5	6	7	8	9	10	11	4	5	6	7	8	9	10	45	
46		12	13	14	15	16	17	18	11	12	13	14	15	16	17	46	
47		19	20	21	22	23	24	25	18	19	20	21	22	23	24	47	