

Bulletin

U.S. Data

Advance April 2003 Retail Sales • Released May 14, 2003

LET'S HOPE Q2 IS BETTER THAN Q1

This month's retail sales bulletin provides some very interesting highlights. Not only does it include April's advance retail sales growth, but it also includes the more detailed picture for the first quarter 2003 – and the two tables show vastly different results.

QUARTER ONE

Quarter One 2003 was a disaster for most retailers. While sales growth for All Stores managed to sustain a 4.3% increase over last year, GAFO barely squeaked by at 1.3%. Everyone from Hardware Stores (-2.5%), to Shoes Stores (-5.3%), to Department Stores (-6.1%), bled somewhat during the first three months compared to last year. The only major growth vehicles were Gasoline Stations (20.7%) and Warehouse Clubs and Superstores (13.6%); otherwise the retail news was as dismal as the weather.

As mentioned, there are two stories to this bulletin. The first recounts the sorry state of retail during Quarter One, the second offers hope for the next nine months of 2003.

APRIL 03

April's advance retail sales offer a strong glimmer of anticipation for good things to come. The Consumer Confidence Index recorded a strong gain of almost 20 points, jumping from 61.4 in March to 81.0 in April. No doubt the end of the Iraqi War spurred some of that sentiment.

There are other noticeable changes as well. Gas prices have fallen dramatically since the beginning of the year. Retail sales growth at Gasoline Stations was only 7.2% compared to the near 20% range witnessed earlier this year.

Clothing and Accessories Stores felt a nice rush at the checkout counter. Retail sales grew by 4.0% in April due in part to nice weather and a late Easter. However, with stores like Gap rebounding quite nicely in 2003 it bodes well for future retail sales growth in this category. While there was a serious sales fallout last year at Gap and Old Navy, for Gap stores open one year or more sales increased by 23% and 20% for Old Navy during the month of April.

While overall Department Stores continued to suffer in April and there may be issues concerning surplus inventories at stores, such as Wal-Mart that will have to be sold at discounted prices, Target appears on target continuing to add new designers and pushing the bar within the industry.

Overall, retail sales in April gained 5.1% compared to last April. Even without Automotive and Gasoline Stations, Food and Drug Stores, Non-store Retailers, and Food Service retailers retail sales advanced 3.0% compared to last April. This is almost double compared to Quarter One (1.7%).

EVERYTHING SHOULD BE DIGESTED WITH A GRAIN OF SALT

While April's retail sales growth are in sharp contrast to what has been happening the previous three months it is important to remember that retail sales have been particularly weak for over a year and a half. For many retailers sales have not returned to their pre 9/11 levels. There is still much work to be done to get retail into a palatable condition.

RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN:

June 12, 2003

Please note:

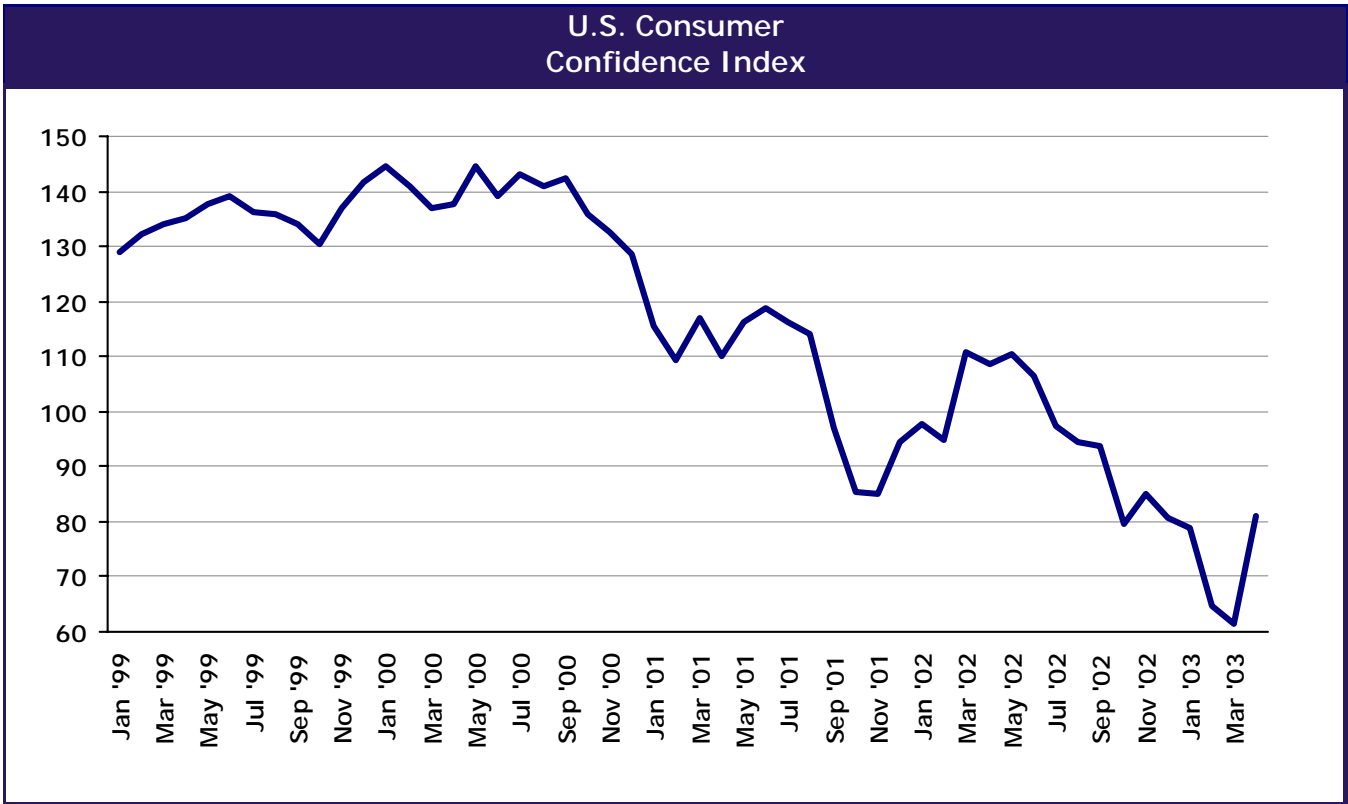
The J.C. Williams Group National Retail Bulletin compares the latest monthly release of "raw" (i.e., unadjusted for seasonality, holiday, and trading day) retail sales figures to those in the *same calendar month of the previous year*. The U.S. Census Bureau also reports seasonally adjusted sales that are compared to the *previous month within the current calendar year* to measure change in Gross Domestic Product (GDP). Although other sources use seasonally adjusted figures, J.C. Williams Group believes that using raw figures and making comparisons to the previous year's performance more accurately reflects the seasonality of the retail industry, and therefore, are more useful in analysis. Definitions can be found on the U.S. Census Web site: www.census.gov.

Advance Sales for the Month of April	2003	2002	% Change
All Stores	309,302	294,252	5.1%
Motor Vehicle and Parts Dealers	78,521	73,254	7.2%
Gasoline Stations	21,825	20,375	7.1%
Food and Beverage Stores	40,931	38,593	6.1%
Grocery Stores	37,004	34,959	5.8%
Health and Personal Care Stores	15,666	14,881	5.3%
Building Material and Garden Equipment Stores	29,823	29,040	2.7%
General Merchandise Stores	36,686	34,934	5.0%
Department Stores (excluding leased departments)	16,679	17,530	-4.9%
Clothing and Accessories Stores	13,729	13,201	4.0%
Furniture, Home Furnishings, Electronics and Appliance Stores	13,996	13,826	1.2%
Furniture and Home Furnishing Stores	7,543	7,418	1.7%
Electronics and Appliance Stores	6,453	6,408	0.7%
Sporting Goods, Hobby, Book and Music Stores	5,837	5,829	0.1%
Miscellaneous Store Retailers	8,196	8,238	-0.5%
Nonstore Retailers	15,198	14,415	5.4%
Food Services and Drinking Places	28,894	27,666	4.4%
Year-to-Date Sales Ending April	2003	2002	% Change
All Stores	1,163,720	1,113,103	4.5%
Motor Vehicle and Parts Dealers	286,003	273,017	4.8%
Gasoline Stations	85,051	72,750	16.9%
Food and Beverage Stores	161,119	156,609	2.9%
Grocery Stores	146,570	142,510	2.8%
Health and Personal Care Stores	61,367	58,498	4.9%
Building Material and Garden Equipment Stores	94,411	91,456	3.2%
General Merchandise Stores	138,443	133,469	3.7%
Department Stores (excluding leased departments)	62,236	66,035	-5.8%
Clothing and Accessories Stores	49,694	49,248	0.9%
Furniture, Home Furnishings, Electronics and Appliance Stores	57,016	56,862	0.3%
Furniture and Home Furnishing Stores	29,737	29,493	0.8%
Electronics and Appliance Stores	27,279	27,369	-0.3%
Sporting Goods, Hobby, Book and Music Stores	23,408	23,756	-1.5%
Miscellaneous Store Retailers	32,210	32,409	-0.6%
Nonstore Retailers	63,920	58,532	9.2%
Food Services and Drinking Places	111,078	106,497	4.3%

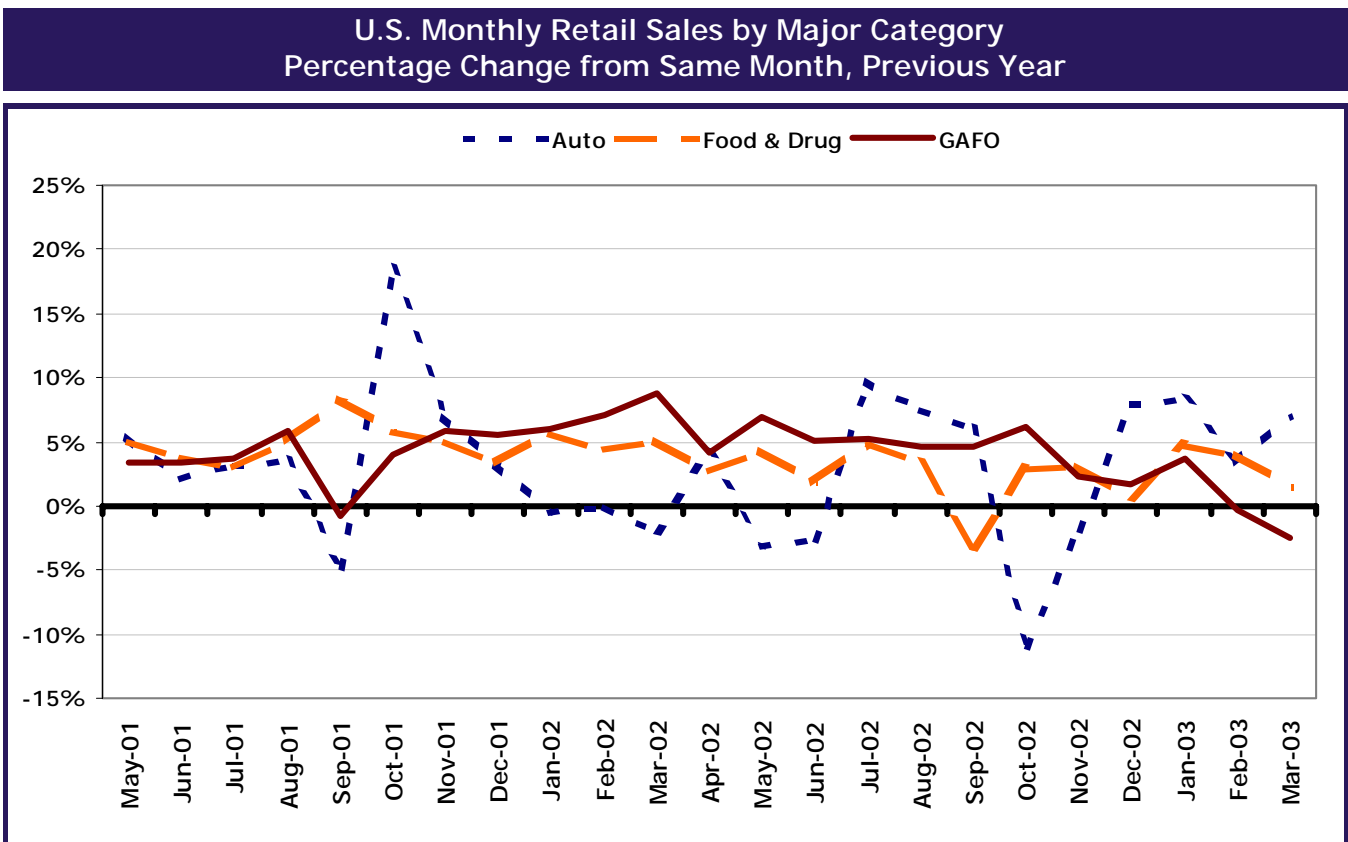
Source: US Census Bureau. All values are expressed in millions of US dollars and are not seasonally adjusted.

Revised Year-to-Date Sales Ending March	2003	2002	% Change
All Stores	854,418	818,851	4.3%
Motor Vehicle and Parts Dealers	207,482	199,763	3.9%
Gasoline Stations	63,226	52,375	20.7%
Food and Beverage Stores	120,188	118,016	1.8%
Grocery Stores	109,566	107,551	1.9%
Beer, Wine and Liquor Stores	6,849	6,842	0.1%
Health and Personal Care Stores	45,701	43,617	4.8%
Pharmacies and Drug Stores	39,262	37,092	5.9%
Building Material and Garden Equipment Stores	64,588	62,416	3.5%
Building Material and Supplies Stores	57,725	56,257	2.6%
Hardware Stores	3,156	3,238	-2.5%
GAFO (general merchandise, apparel, furniture, and other)	207,697	205,081	1.3%
General Merchandise Stores	101,757	98,535	3.3%
Department Stores (excluding leased departments)	45,557	48,505	-6.1%
<i>Discount Department Stores (excluding leased departments)</i>	28,371	30,046	-5.6%
<i>Conventional and National Dept. Stores (ex. leased depts.)</i>	17,186	18,459	-6.9%
Warehouse Clubs and Superstores	48,049	42,291	13.6%
All Other General Merchandise Stores	8,151	7,739	5.3%
Clothing and Accessories Stores	35,965	36,047	-0.2%
Men's Clothing Stores	2,002	2,111	-5.2%
Women's Clothing Stores	7,395	7,524	-1.7%
Family Clothing Stores	11,866	11,601	2.3%
Shoe Stores	4,638	4,900	-5.3%
Jewelry Stores	5,088	4,973	2.3%
Furniture, Home Furnishings, Electronics and Appliance Stores	43,020	43,036	0.0%
Furniture Stores	12,614	12,843	-1.8%
Home Furnishing Stores	9,580	9,232	3.8%
Household Appliance Stores	2,893	2,832	2.2%
Radio, TV and Other Electronics Stores	11,352	11,335	0.1%
Computer and Software Stores	6,035	6,240	-3.3%
Sporting Goods, Hobby, Book and Music Stores	17,571	17,927	-2.0%
Sporting Goods Stores	5,858	6,016	-2.6%
Book Stores	4,028	4,121	-2.3%
Miscellaneous Store Retailers	24,014	24,171	-0.6%
Nonstore Retailers	48,722	44,117	10.4%
Electronic Shopping and Mail-Order Houses	28,500	27,301	4.4%
Fuel Dealers	11,200	7,764	44.3%
Food Services and Drinking Places	82,184	78,831	4.3%

Source: US Census Bureau. All values are expressed in millions of US dollars and are not seasonally adjusted.



Source: U.S. Conference Board



Source: U.S. Census Bureau