J.C. WILLIAMS GROUP

NATIONAL RETAIL

Bulletin

January Retail Sales, Released March 23, 2000

Big Ticket Items keep Rolling Along

With January's retail sales advancing 5.1% over last January, it was still the big-ticket items that provided the largest boost. Sales for the Automotive Group and Furniture, Appliance, and Furnishings Stores sustained double-digit growth by increasing 11.5% and 11.2% respectively.

A good reflection of Canadians' willingness to spend on big-ticket items is the Canadian Consumer Confidence Index. One of the questions in the index includes a measure of whether consumers believe it is a good time to buy a big-ticket item. With a consistently high index, we expect Auto and Furniture sales to remain relatively stable.

Post-Millennial Blip

There was some speculation leading up to the Millenium as to whether consumers would be completely exhausted from the hype and take a retail break. This does not appear to be the case. The only commodities that appear to have been affected are the Food and Drug Group (-2.9%) as many consumers stocked up on supplies in the event of a Y2K emergency. We expect Food and Drug sales to rebound back to their usual levels in the coming months.

Post Eaton's

Eaton's sales accounted for approximately 10% of Department Store sales when they were operators. In the months since the closure of the 64 stores, the remaining Department Stores (including the Discount Department Stores) have picked up a significant share of Eaton's sales to increase sales overall for the group by 2.1% over this time last year.

Regional Equity

Retail sales gains throughout the country seem to be much more equal to one another as B.C. is pulling up after a period of negative growth and Ontario's growth is not as strong as it was last year.

CPI Worries

The CPI for February was 2.7% greater than last February. This is the fifth month where inflation has been over 2%. There are fears that if inflation continues it will adversely affect the sale of big-ticket items. However, the CPI for Household Operations and Furnishings and for Clothing and Footwear have only increased by 0.7% and 0.9% respectively. The high inflation figure is predominantly gas related.

Internet Tracking

The much anticipated e-commerce report by Statscan, measuring business transactions over the internet, is expected to be released in late April. This report will provide some official measure of the size of the digital economy. We will keep you informed on the results.

Please note:
The J.C. Williams Group National Retail Bulletin compares the latest monthly release of "raw" (i.e., unadjusted for seasonality) retail sales figures to those in the *same calendar month of the previous year*. Statistics Canada 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.

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Retail Sales by Store Category

Sales for the Month of: January	2000	1999	2000 / 1999
All Stores	**18,553.2**	**17,661.2**	**5.1%**
Automotive Group	7,160.5	6,419.4	11.5%
All Stores Less Automotive	11,392.7	11,241.8	1.3%
Food and Drug Group	5,696.2	5,864.1	-2.9%
All Stores Less Auto, Food and Drug	**5,696.5**	**5,377.7**	**5.9%**
General Merchandise Stores	**1,923.8**	**1,815.7**	**6.0%**
Department Stores (incl concessions)	1,010.5	989.6	2.1%
Furniture, Appliance, Furnishings Stores	**1,002.8**	**902.1**	**11.2%**
All Clothing and Shoe Stores	**906.6**	**868.8**	**4.4%**
Women's Clothing Stores	275.0	274.3	0.3%
Men's Clothing Stores	98.1	99.1	-1.0%
Shoe Stores	105.7	108.4	-2.5%
All Other Retail (except auto, food, drug)	**1,863.3**	**1,791.1**	**4.0%**

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ALL DOLLAR VALUES EXPRESSED IN MILLIONS OF CANADIAN DOLLARS; UNADJUSTED FIGURES; SOURCE: STATISTICS CANADA

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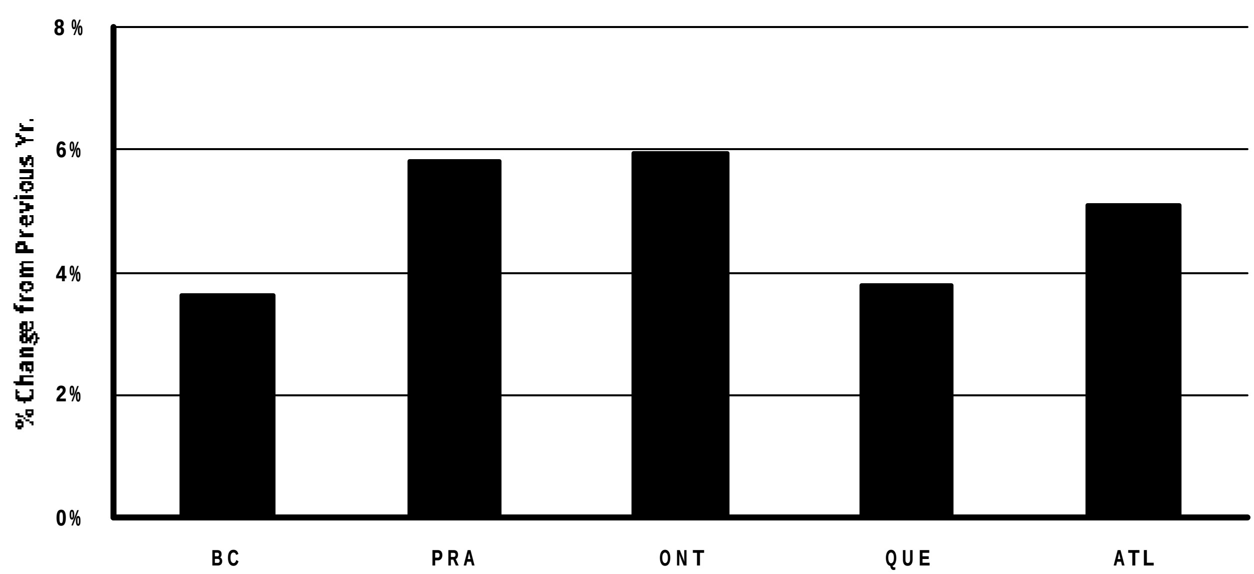
RETAIL TRADE, CANADA, ALL STORES, BY MAJOR REGION

	Year-to-Date 2000	Same Period 1999	Change 2000 / 1999
British Columbia	2,497.5	2,410.6	3.6%
Prairies	3,386.9	3,200.9	5.8%
Ontario	7,039.6	6,645.6	5.9%
Quebec	4,225.1	4,071.6	3.8%
Atlantic Canada	1,338.1	1,273.5	5.1%

Percentage Change in Retail Trade, All Stores, by Region
Year-to-Date Compared to Same Period Last Year



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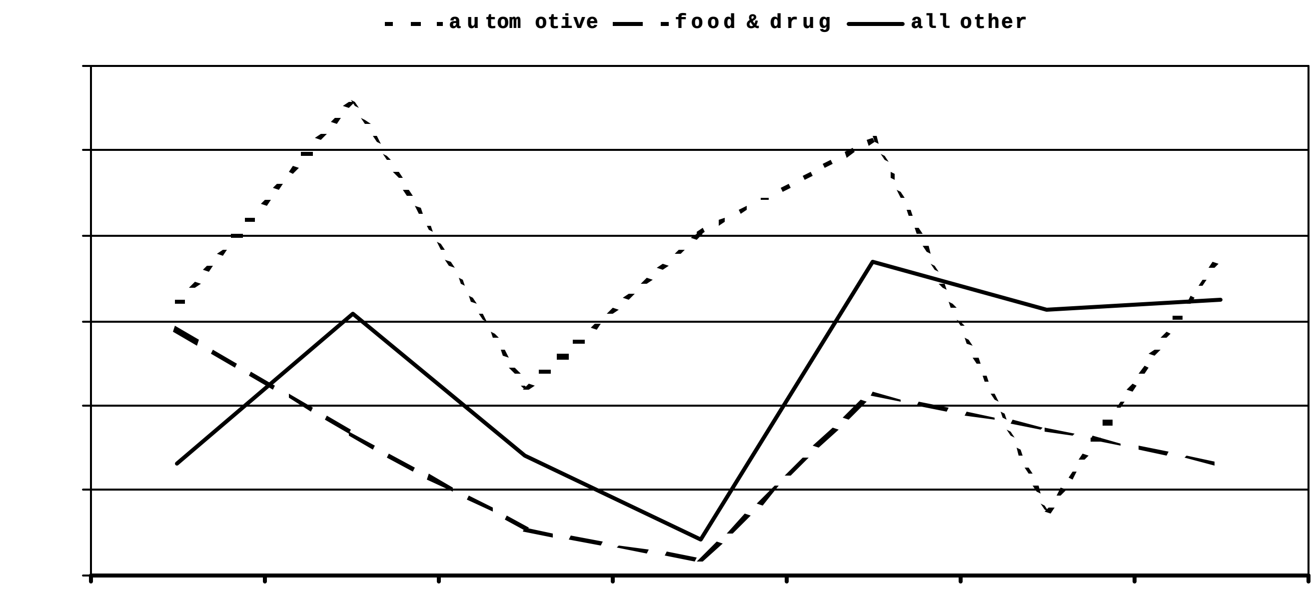
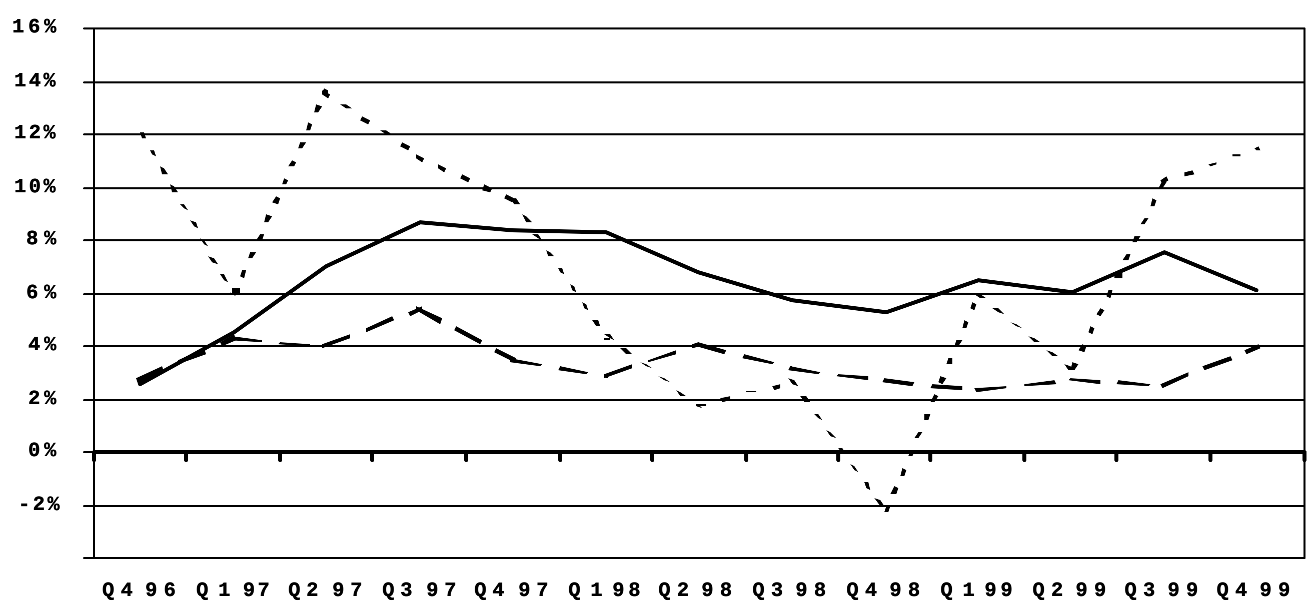
Canadian Retail Sales by Major Product Categories Year Over Year (1993 -1999)



Canadian Retail Sales by Major Product Categories From the Same Quarter A Year Earlier



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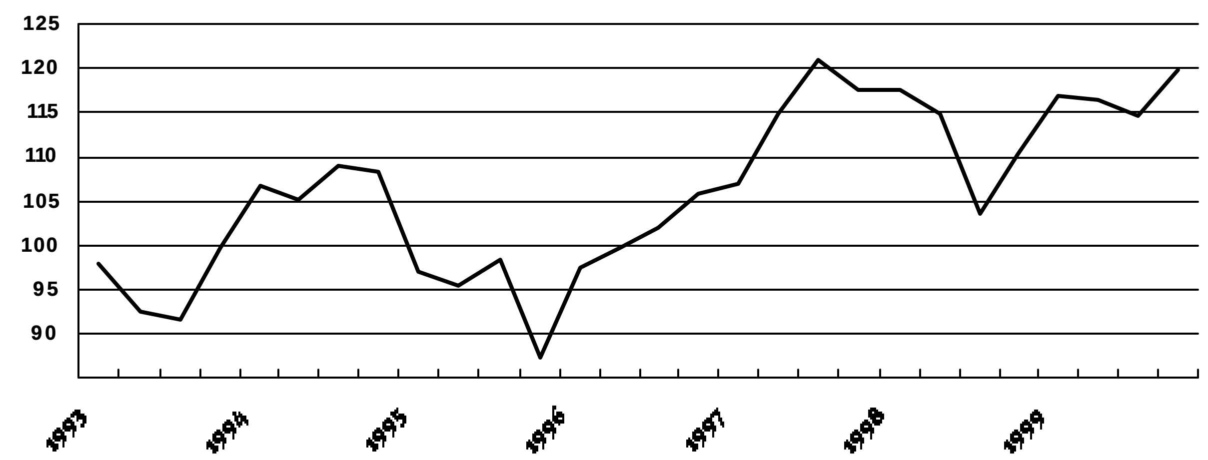
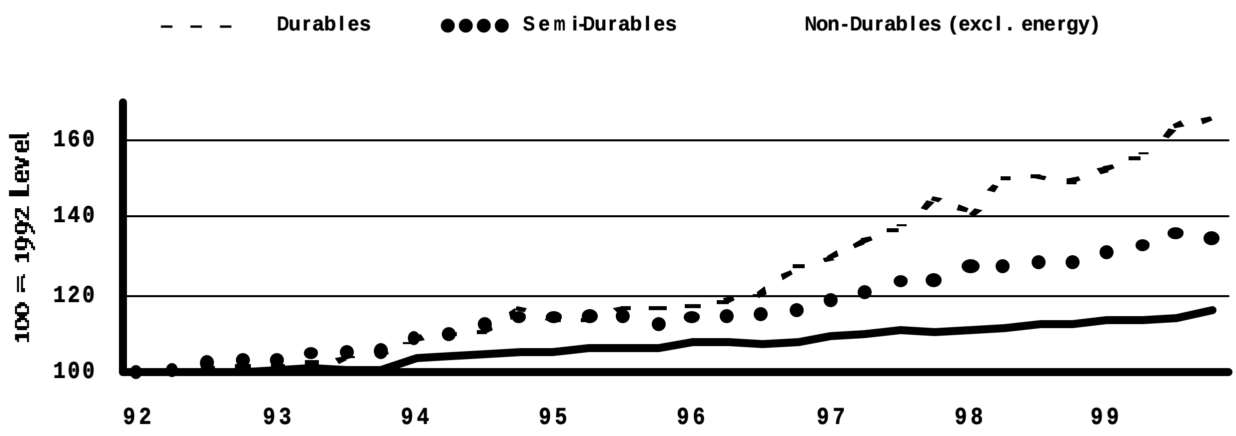
Consumer Price Index	February 2000 vs. February 1999	2.7%

Canadian Consumer Confidence Index 1993-1999



Canadian Consumer Expenditures Index 1992 - 1999



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