

## Retail Trends June 21, 2023

### **Retail Sales Rose 0.3% in May**

Americans increased their spending at retailers last month despite pressure from still-high inflation and rising borrowing costs. The report from the Commerce Department showed that retail sales rose 0.3% from April to May, boosted by stronger sales of auto and parts dealers. Economists had been expecting a decline in sales for the month. Americans are still facing surging prices for many items, including rent and used cars, though some of them are expected to slow or even decline in the coming months. [Read More](#)

### **As Back-To-School and Holiday Orders Begin, This May Be the New 'Normal' in Peak Retail Trade Season**

The COVID hangover of inventories continues to be a big headache for retailers and the logistics companies which make money moving their products. As peak retail trade order season nears — July is the official start of the back-to-school and holiday order inventory build that runs through October — executives in the shipping industry are keeping a watchful eye on order activity. Holiday orders are traditionally imported starting in August, with the manufacturing orders for these items made by retailers as much as six months in advance. [Read More](#)

### **Student Loan Resumption Could Stifle Consumer Spending**

When required payments on federally-held student loans resume this September, borrowers will have \$5 billion a month less to spend on other things, putting stress on an economy already facing the prospect of a recession. Borrowers with federal student loans will face an average of \$250 a month in extra payments when the pandemic relief pause on interest and required payments comes to an end, and could force many households to readjust their budgets and cut back on things that aren't necessities. [Read More](#)

### **Walmart Sales Up 7.6% as Shoppers Hunt for Low Prices**

Walmart's total global revenue for the first quarter was \$152.3 billion, up 7.6%, the retailer recently reported. In addition to its substantial amount of grocery revenue, GlobalData Managing Director Neil Saunders said Walmart is doing well because the cost-of-living crisis has driven more people to discount and big-box retailers. Higher-income shoppers are now increasingly turning to Walmart for groceries and household items. [Read More](#)

### **Target Sales Flat as Retailer Warns of \$500M Profit Hit**

Target reported flat sales for the first quarter, with growth of 0.5%. Comp store sales grew 0.7% but were offset by a decline in comparable digital sales, which were down 3.4%. Target said strength in its beauty, food and beverage and household essential categories offset softness in discretionary purchases. The retailer also said they could cut this year's profitability by more than \$500 million compared with last year. [Read More](#)

### **High Demand and More Cars in Stock Create a Big Increase in May Auto Sales**

Forecasters expect a substantial increase of around 20% in U.S. auto sales in May, vs. May 2022 — thanks to strong consumer demand and a bigger supply of new vehicles, and despite record-high new-vehicle prices, and rising interest rates. It's also important to point out, sales were down sharply in May 2022. Statistically, that exaggerates the increase in May 2023. LMC Automotive said last year that U.S. auto sales fell 29% in May 2022, vs. May 2021. [Read More](#)