



Basis Points – January 24th, 2024

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Retail and Food Services Sales Grew in 2023

Retail and food services sales rose 0.6% in December and 5.6% over the December 2022 rate. Total retail sales for 2023 increased 3.2%. Retail trade sales were up 0.6% from November 2023 and up 4.8% above last year. Non-store (online) retail sales were up 9.7% from last year, while sales at food services and drinking places increased 11.1% from December 2022.

Existing-Homes Sales Declined in December

Sales of existing homes declined 1.0% in December and 6.2% from December 2022. According to the latest report from the National Association of REALTORS®, despite the drop in December sales, activity is expected to pick up in 2024 as mortgage rates continue to decline and more inventory is expected to appear on the market. In December, unsold inventory sat at a 3.2-month

supply, down from 3.5 months in November but up from 2.9 months a year ago. The median existing-home sales price was \$382,600 in December, down from \$387,700 in November, but 4.4% above the December 2022 price of \$366,500.

Eye on the week ahead

Reports focusing on several different sectors of the economy are available this week. The manufacturing sector is represented by the report on durable goods orders for December. New orders for durable goods rose 5.4% in November. The latest information on sales of new single-family homes is out this week. Sales fell 12.2% in November and look to rebound in December. The advance estimate of gross domestic product for the fourth quarter of 2023 is out this week. Gross domestic product expanded at an annualized rate of 4.9% in the third quarter. The report on personal income and expenditures for December is released this week. This report includes the personal consumption expenditures price index, a key inflation guide for the Federal Reserve. The PCE price index slid 0.1% in November. However, other inflation indicators increased in December, and it is likely that the PCE price index will follow suit.

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