CIBC

CIBC CAPITAL MARKETS

Economics

ECONOMIC FLASH!

economics.cibccm.com

January 14, 2026

US retail sales (Nov): Can't stop, won't stop

by **Ali Jaffery** ali.jaffery@cibc.com

Retail Sales (monthly % chg, unless otherwise noted)	Nov	Oct	Sep	Aug	Jul	Nov YoY SA
Retail & food service	0.6%	-0.1%	0.1%	0.5%	0.6%	3.3%
• Ex-autos	0.5%	0.2%	0.1%	0.6%	0.4%	4.3%
Control Group[1]	0.4%	0.6%	-0.2%	0.7%	0.5%	5.1%
Motor vehicles, parts	1.0%	-1.6%	0.0%	0.4%	1.6%	-0.7%
Furniture	-0.1%	1.8%	-2.4%	-2.6%	0.9%	-1.4%
Electronics	0.0%	0.1%	-0.6%	-0.1%	1.4%	2.7%
Building materials	1.3%	-1.3%	0.0%	0.2%	-0.8%	-2.8%
Food, beverages	0.1%	0.2%	-0.2%	0.6%	0.3%	2.4%
Health, personal care	0.3%	-0.2%	1.3%	-0.2%	1.7%	6.7%
Gasoline stations	1.4%	-1.2%	2.0%	0.3%	1.3%	3.2%
Clothing	0.9%	1.2%	-0.8%	0.6%	1.7%	7.5%
Sporting goods	1.9%	1.9%	-1.0%	1.4%	1.5%	7.8%
General merchandise	0.0%	0.5%	0.0%	0.1%	0.3%	2.1%
• Department stores	-2.9%	4.9%	-0.6%	0.4%	0.8%	0.3%
Miscellaneous	1.7%	1.5%	2.4%	-2.7%	-0.5%	16.3%
Non-store retailers	0.4%	1.0%	-0.7%	2.0%	0.2%	7.2%
Eating, drinking	0.6%	-0.1%	0.2%	0.6%	0.1%	4.9%

Source: Haver Analytics.

- Retail sales continued to be strong through November. Headline sales rose by 0.6% month over month, a tick above expectations, while the control group of sales, which feeds more directly into non-auto goods consumption in GDP, rose 0.4% in the month, matching expectations. Prior month figures for both were revised down slightly. There was broad-based strength across categories, as 11 of 13 categories saw increases, and the largest contributions came from car sales, gas stations, and restaurants. Within the control group, online sales were again the main driver, following a very strong October. The prior month for both were revised down a few ticks. There was broad-based strength across categories as 11 of 13 saw increases, and the largest contributions came from car sales, gas stations, and restaurants. Within the control group, the main driver was online sales again, and that follows after a very strong October. The main takeaway from this report is the US consumer can't stop, won't stop. Solid income gains and greater sensitivity to wealth effects, combined with post-pandemic structural shifts in consumption and healthy balance sheets, are outweighing a cooling job market and uncertainty around trade policy.
- Our estimates point to consumption growth tracking close to 3% annualized in Q4 yet again, which would put consumption slightly above 2% on a Q4/Q4 basis. Our GDP growth tracking is 1.5-2% in Q4 which includes the

[1] This calculation removes food services, gas, building materials & autos from total retail & food service sales.

impact of the government shutdown. For all the attention on AI investment, household demand for goods and services anchors the economy.

- The underlying detail of today's report is broadly consistent with patterns seen through most of 2025. Retail spending remained strong on discretionary items, including clothing, sporting goods, online shopping, and miscellaneous categories. Interest-sensitive categories improved, namely cars and building materials, supported by the gradual decline in long-term rates in the second half of this year.
- At some point, the Fed will have to reassess whether the conventional wisdom still holds: that the job market is a better leading indicator than readings of domestic demand or GDP. While its mandate centers on the labor market, the future of the job market depends on labor demand, which, to a large extent, reflects how much consumers are able and willing to spend. Of course, there is more to it than that, with hiring decisions depending on the pool of available labor, and the productivity of labor and capital.
- But the big picture suggests that the economy continues to hum along, AI investment should remain strong in the near term, and broad-based tariffs may be less of a concern for businesses. Taken together, this points to an improvement in job growth in 2026, especially with some support from the Fed.

Implications & actions

Re: Economic forecast — GDP growth will be softer in Q4 around 1.5-2% annualized (including the impact of government shutdown), and on the Fed, we expect two Fed cuts in 2026, one in March and one in June.

Re: Markets — Bond yields are little changed while the dollar fell this morning, which may have more to do with the upside surprise in the year-over-year measure of PPI.

CIBC Capital Markets is a trademark brand name under which Canadian Imperial Bank of Commerce ("CIBC"), its subsidiaries and affiliates (including, without limitation, CIBC World Markets Inc., CIBC World Markets Corp. and CIBC Capital Markets (Europe) S.A.) provide different products and services to our customers around the world. Products and/or services offered by CIBC include corporate lending services, foreign exchange, money market instruments, structured notes, interest rate products and OTC derivatives. CIBC's Foreign Exchange Disclosure Statement relating to guidelines contained in the FX Global Code can be found at www.cibccm.com/fxdisclosure. Other products and services, such as exchange-traded equity and equity options, fixed income securities and futures execution of Canadian securities, are offered through directly or indirectly held subsidiaries of CIBC as indicated below.

Distribution

This report is written by the economics team at CIBC Capital Markets and is not the product of a CIBC Capital Markets research department. This report is issued and approved for distribution: (a) in Canada, by CIBC World Markets Inc., a member of the Canadian Investment Regulatory Organization, the Toronto Stock Exchange, the TSX Venture Exchange and a Member of the Canadian Investor Protection Fund; and (b) in the United States, by either: (i) CIBC World Markets Inc. for distribution only to U.S. Major Institutional Investors ("MII") (as such term is defined in SEC Rule 15a-6) or (ii) CIBC World Markets Corp., a member of the Financial Industry Regulatory Authority. U.S. MIIs receiving this report from CIBC World Markets Inc. (the Canadian broker-dealer) are required to effect transactions (other than negotiating their terms) in securities discussed in the report through CIBC World Markets Corp. (the U.S. broker-dealer).

This report is provided, for informational purposes only, to institutional investor and retail clients of CIBC World Markets Inc. in Canada and does not constitute an offer or solicitation to buy or sell any securities discussed herein, including (without limitation) in any jurisdiction where such offer or solicitation would be prohibited.

The distribution of this report in the United Kingdom is being made only to, or directed only at, persons falling within one or more of the exemptions from the financial promotion regime in section 21 of the UK Financial Services and Markets Act 2000 (as amended) ("FSMA") including, without limitation, to the following:

- authorised firms under FSMA and certain other investment professionals falling within article 19 of the FSMA (Financial Promotion) Order 2005 ("FPO") and directors, officers and employees acting for such entities in relation to investment;
- high value entities falling within article 49 FPO and directors, officers and employees acting for such entities in relation to investment; and
- persons who receive this presentation outside the United Kingdom.

The distribution of this report to any other person in the United Kingdom is unauthorised and may contravene FSMA. No person falling outside such categories should treat this report as constituting a promotion to them or rely or act on it for any purposes whatsoever. This report is distributed solely to eligible counterparties or professional clients and not retail clients as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018.

For all other jurisdictions, this report is distributed solely to institutional clients and not retail clients as defined by the applicable securities legislation and regulation to which CIBC Capital Markets may be subject in any jurisdiction.

Miscellaneous

This report does not take into account the investment objectives, financial situation or specific needs of any particular client of CIBC. Before making an investment decision on the basis of any information contained in this report, the recipient should consider whether such information is appropriate given the recipient's particular investment needs, objectives and financial circumstances. CIBC suggests that, prior to acting on any information contained herein, you contact one of our client advisers in your jurisdiction to discuss your particular circumstances. Since the levels and bases of taxation can change, any reference in this report to the impact of taxation should not be construed as offering tax advice; as with any transaction having potential tax implications, clients should consult with their own tax advisors. Past performance is not a guarantee of future results.

The information and any statistical data contained herein were obtained from sources that we believe to be reliable, but we do not represent that they are accurate or complete, and they should not be relied upon as such. All estimates and opinions expressed herein constitute judgments as of the date of this report and are subject to change without notice.

This report may provide addresses of, or contain hyperlinks to, Internet web sites. CIBC has not reviewed the linked Internet web site of any third party and takes no responsibility for the contents thereof. Each such address or hyperlink is provided solely for the recipient's convenience and information, and the content of linked third-party web sites is not in any way incorporated into this document. Recipients who choose to access such third-party web sites or follow such hyperlinks do so at their own risk.

Unauthorized use, distribution, duplication or disclosure without the prior written permission of CIBC World Markets Inc. is prohibited by law and may result in prosecution.

CIBC Capital Markets and the CIBC Logo Design are trademarks of CIBC, used under license.

CIBC Capital Markets – PO Box 500, 161 Bay Street, Brookfield Place, Toronto, Canada M5J 2S8 – Bloomberg @ CIBC