# Holiday Retail Sales – 2019 Outlook

**NABE Webinar**

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# James Bohnaker, CBE

**James Bohnaker** is an Associate Director in the US Macro and Consumer Economics services for IHS Markit. He is a leading member of the US Macro team and is responsible for forecasting consumer prices, spending, and private income. He also is the lead analyst for the IHS Markit US and Global Consumer Markets services.
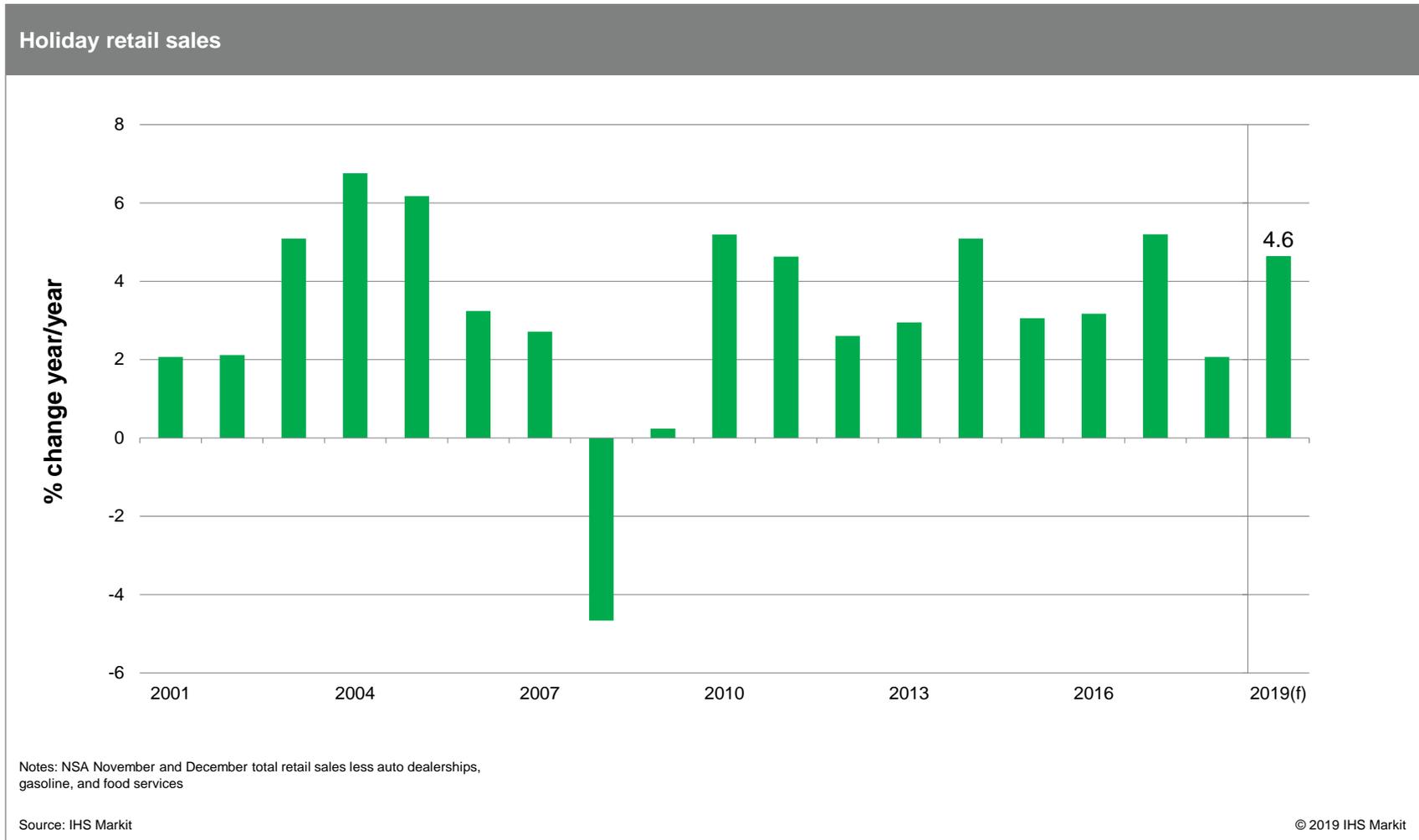
Prior to joining IHS Markit, James worked as a Senior Economist for CBRE, the world's largest commercial real estate services firm. He was a lead contributor to the firm's US macroeconomic outlook, with forecasting ownership over employment, interest rates, and inflation variables. James was also responsible for forecasting commercial real estate metrics at both a national and regional level. His experience focused on retail and logistics real estate, addressing topics such as the role of e-commerce in commercial real estate and supply chain decisions. He also provided thought leadership and specialized guidance on real estate capital markets trends through analysis of Federal Reserve policy and global financial market events.

Prior to joining the commercial real estate industry, James worked as a US regional and macroeconomist for Moody's Analytics. His responsibilities included analyzing trends in inflation, financial markets, and monetary policy. James worked closely with large financial institutions to build econometric models used for stress testing and regulatory compliance. Prior to Moody's, James worked as a financial analyst in the corporate sector for a consumer electronics firm. He also has public sector experience working for the US Department of Agriculture.
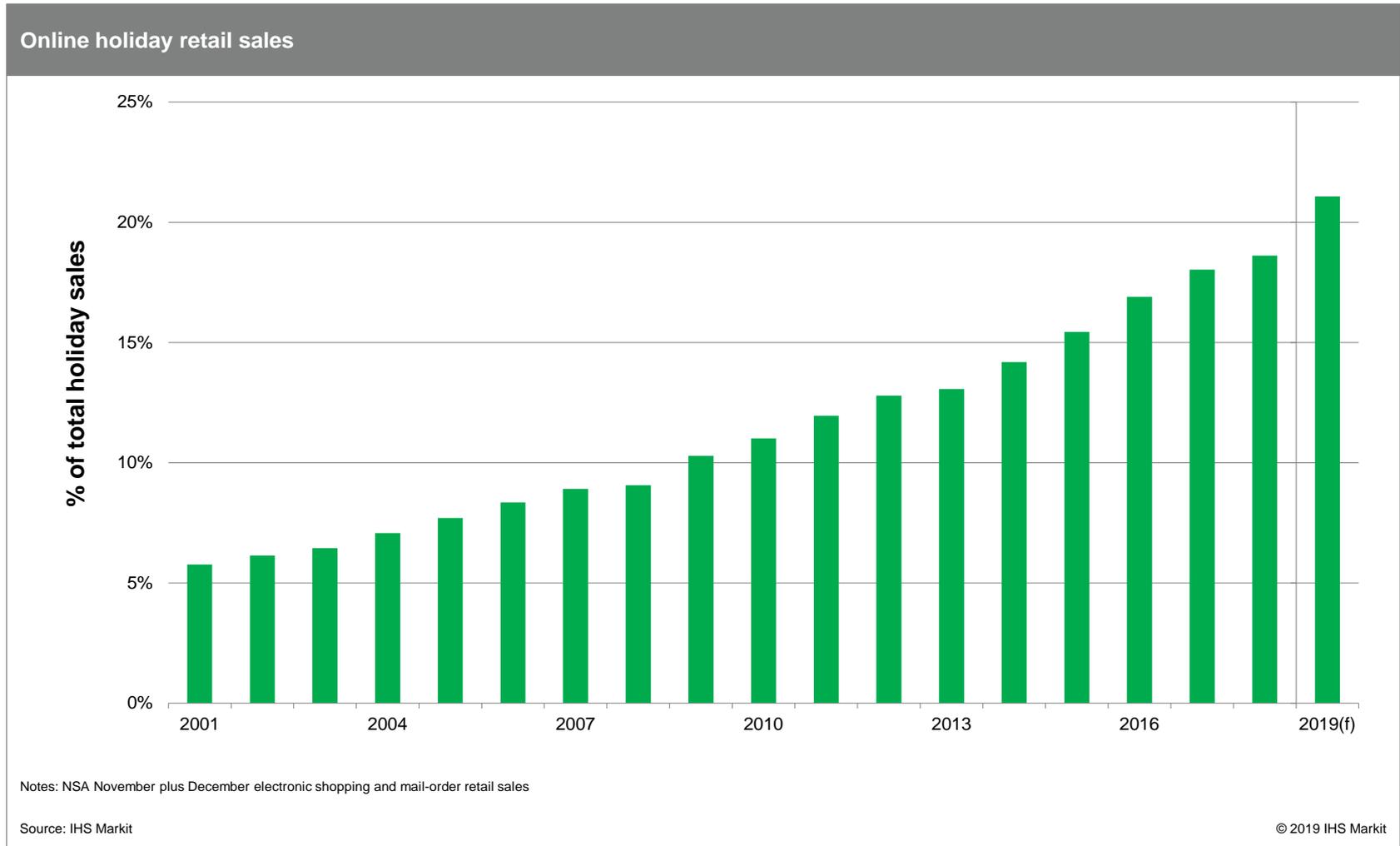
James holds a Bachelor of Arts in Mathematical Economics from Hampden-Sydney College, and a Master of Arts in Economics from Old Dominion University. His graduate concentrations are in macroeconomics, econometrics, and international development. His graduate research analyzed the effects of educational quality on economic growth in developing countries.

James' analysis of the US economy has been featured in prominent news outlets such as the *Wall Street Journal, Washington Post*, *New York Times*, and *Marketplace*. He is an active member of the National Association of Business Economists (NABE) and is a designated Certified Business Economist (CBE).
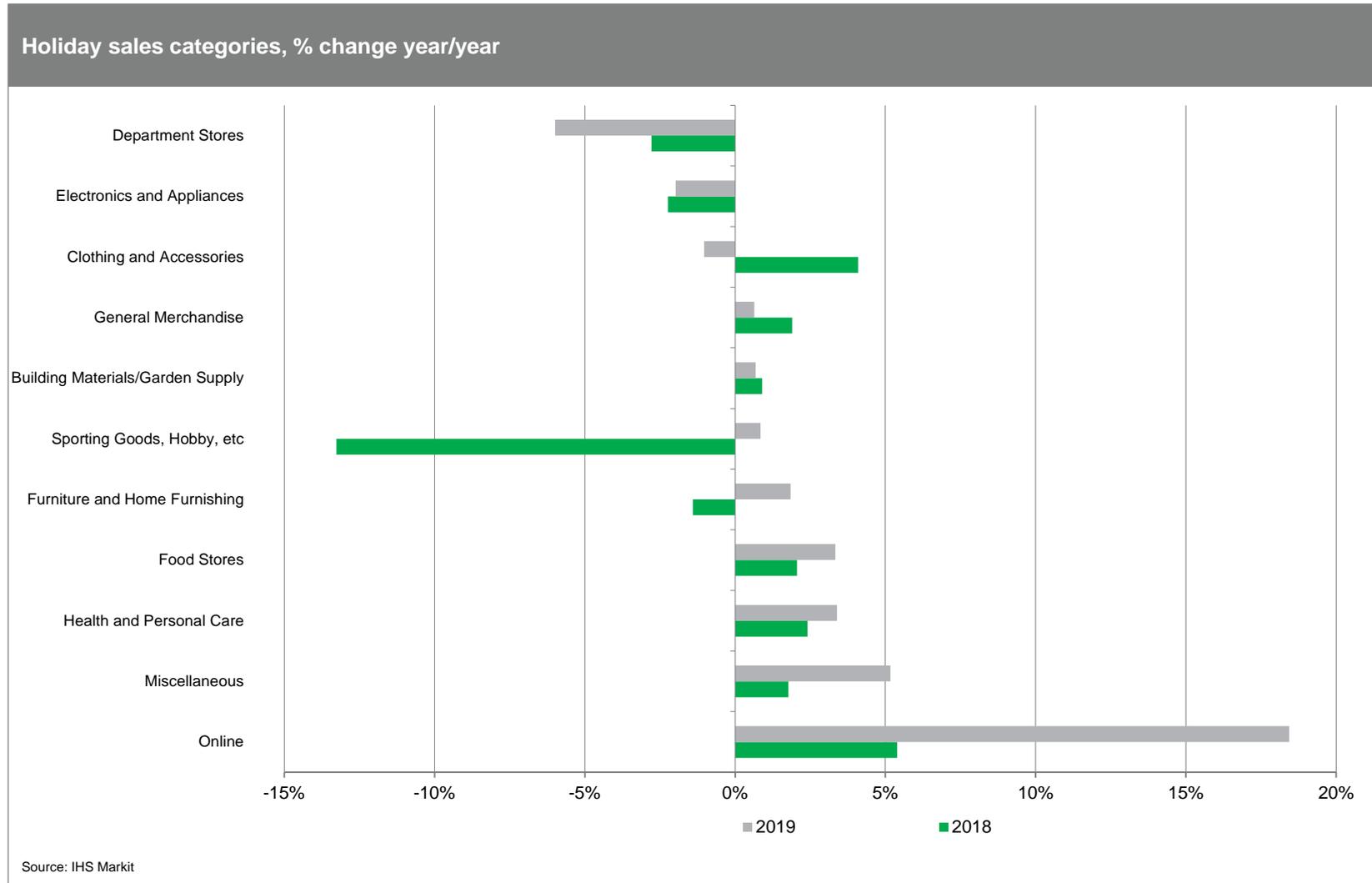
# Holiday sales will be an improvement on last year's flop

**Holiday retail sales**



Notes: NSA November and December total retail sales less auto dealerships, gasoline, and food services

Source: IHS Markit

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# Over one-fifth of holiday sales will occur online

**Online holiday retail sales**



Notes: NSA November plus December electronic shopping and mail-order retail sales

Source: IHS Markit

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# Holiday cheer will not reach all retailers



Holiday sales categories, % change year/year

Source: IHS Markit

# Trade policy uncertainty is a risk factor



**Trade policy uncertainty**

Index, 1985-2000 avg. = 100

Legend: Monthly | Six-month moving average
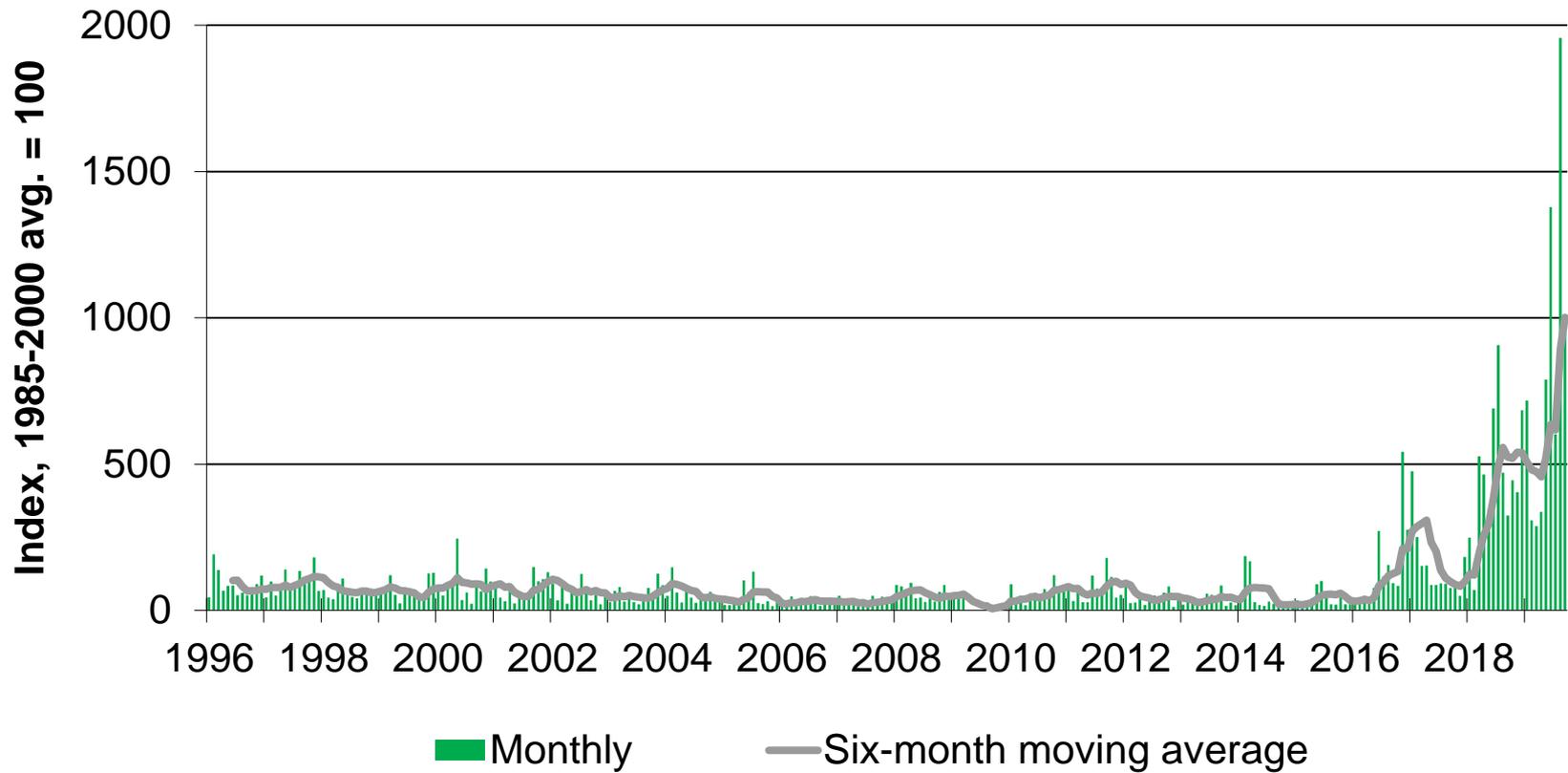
Source: Policyuncertainty.com

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# Special factors for holiday sales in 2019

- Calendar quirks: Fewer shopping days between Thanksgiving and Christmas. Cyber Monday occurs at the latest possible date (December 2) compared with the earliest possible date in 2018 (November 26).

- Low-base effect: 2018's holiday sales were a major disappointment due to large sales declines last December. The bar is very low; even another disappointing year would likely yield "good" year-on-year growth figures.

- Risk factors: Last year, the stock market spiraled down 15% in the 3 weeks before Christmas. Government shutdown, Fed rate hikes and trade policy all contributed to the market volatility. What are the X-factors this year? (trade policy, impeachment inquiry, geopolitics...???)

- Off-season shopping: the winter holiday shopping season (~24% of annual sales) is in greater competition with off-season shopping promotions such as Prime Day. Consumers are no longer restricted by the calendar.