

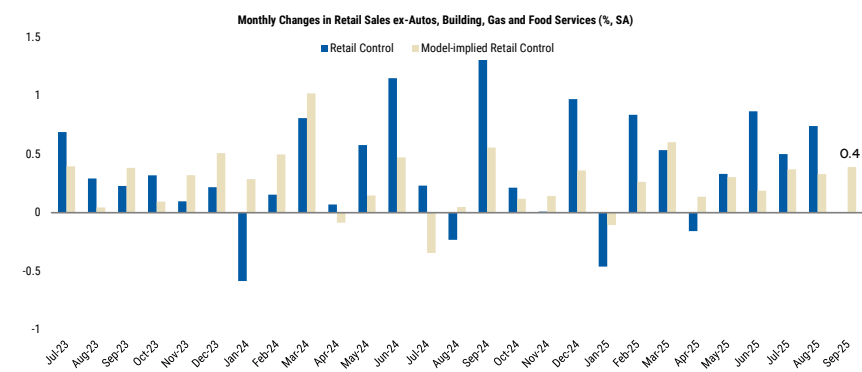
October 13, 2025 08:00 AM GMT

US Economics | North America

US Retail Sales Tracker: Moderate Spending in September

With the employment report delayed, we are still missing forecast inputs. Given our forecast for September payrolls, we forecast both headline and control sales rose 0.4% m/m. We expect weak restaurant sales. A print in line with our forecasts is consistent with September real consumption 0.0% m/m.

Exhibit 1: Monthly changes in retail control sales



Source: Census Bureau, Morgan Stanley Research

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Moderate Spending in September

We are still missing inputs to our forecast given the delay in the employment report. If the report surprises to the upside or downside versus our expectation ([we expect payrolls rose 50k in September](#)), that would imply risks to the retail sales forecast. The retail sales report will likely be delayed from the original Oct 16th release date because of the shutdown (in the 2013 shutdown, the report was released 2.5 weeks after the shutdown ended). [We do not expect any impact](#) on the data quality for retail sales due to the shutdown.

We expect both headline and control group sales rose 0.4% m/m in September. Within the control group, given our forecast for payroll growth, we expect that the proxy for labor market income showed similar m/m increases as in August. While the transactions data has been weak, we are expecting [continued firmness](#) in goods prices, which will contribute to nominal spending. Seasonal factors are not significant in our forecast. A weaker-than-expected jobs report for September which puts downward pressure on labor market income would lead to downside risks to our forecasts.

In the other components, we expect auto sales rose by a modest 0.1% m/m. Sales at gas stations are expected to be strong (+2.5%) as we expect strength in gas prices. We expect restaurant sales declined 0.5% m/m in September. Restaurant sales have been volatile this year and transaction data indicate a weak September. Building material sales are expected to be flat on the month.

Given our current forecast for retail sales, real consumption for this month is expected to be unchanged, with both goods and services spending flat as well. For the quarter, real spending is on track to rise at approximately 3% (q/q saar), in-line with our previous tracking.

Exhibit 2: Retail Sales Dashboard (Monthly changes, %SA)

	Jan	Feb	Mar	April	May	June	July	August	September	
									MS	Consensus
Retail & food services	-0.9	0.0	1.5	-0.1	-0.8	1.0	0.6	0.6	0.4	0.4
ex autos	-0.3	0.4	0.6	0.0	-0.1	0.9	0.4	0.7	0.4	0.3
Control-group	-0.5	0.8	0.5	-0.2	0.3	0.9	0.5	0.7	0.4	0.3
Motor vehicles and parts	-3.3	-1.4	5.3	-0.7	-3.8	1.2	1.7	0.5	0.1	
Gasoline	1.1	-0.7	-2.8	-0.4	-0.7	0.7	0.9	0.5	2.5	
Building materials	-1.8	-0.2	2.0	0.5	-2.7	1.4	-0.9	0.1	0.0	
Restaurants	0.2	-0.5	2.5	0.8	-0.2	0.8	-0.1	0.7	-0.5	

Source: Census Bureau, Morgan Stanley Research

"Control" Retail Sales & GDP Tracking

Control-group retail sales, which is retail sales excluding food services, autos, gas, and building materials, includes all of the retail sales components that feed through into the spending estimates for goods consumption in GDP. Also, food services affects our services consumption tracking. Revisions to retail sales data also feed through into our current-quarter tracking of consumption.

Other US Economics Research

[CPI Preview: Still elevated \(10 Oct 2025\)](#)

[US Economics Weekly: Lower data quality because of the federal shutdown \(10 Oct 2025\)](#)

[US Economics Weekly: What's going on? \(Hint: Tariffs have been a tax on capital, so far\) \(03 Oct 2025\)](#)

[Employment Report Preview: A little less slow \(30 Sep 2025\)](#)

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