

Treasury Advisory
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GT Institutional Sales

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Retail sales lifted by motor sales**Friday, 15 July 2016**

- Retail sales rose more than expected by 3.0% yoy (+1.1%b mom sa) in May, up from a downwardly revised +3.2% yoy (+0.4% mom sa) in April. The key driver was motor vehicle sales which surged 35.9% yoy but slipped 1.9% mom sa.
- Excluding autos, however, retail sales actually continued to contract by 3.3% yoy in May, albeit this was milder than the revised 3.8% decline in April. Across the board, retail sales were also generally lower on-year except for furniture & household equipment (+3.1% yoy) and medical goods & toiletries (+1.9% yoy).
- With the Great Singapore Sale and the recent loosening of the car loans, retail sales are likely to stay in positive on-year growth territory, but it is likely that motor vehicle sales will remain the key driver of retail sales in the near-term.
- Meanwhile, private residential sales fell from a revised 1,058 in May to 536 units in June, the lowest since February, amid a lull in new project launches even as prices declined for the 11th straight quarter (longest slump). We expect that the private residential property market is likely to remain soft in 2H16.

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