

## Singapore

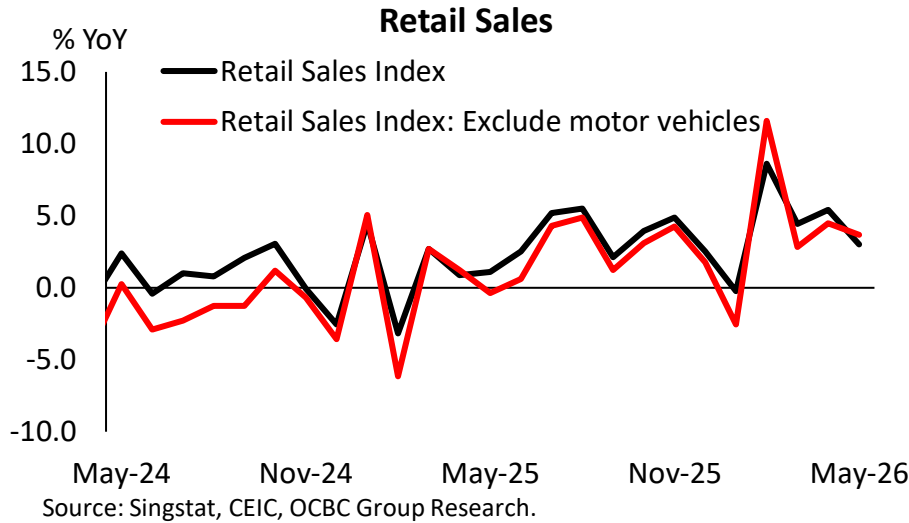
### Singapore's May retail sales rose 3.0% YoY (-2.3% MoM SA), missing expectations

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- May retail sales decelerated to 3.0% YOY (-2.3% MoM SA), slower than April's reading of 5.4% YoY (0.4% MoM SA) and missing the Bloomberg consensus and our forecast of 4.7% YoY and 4.2% YoY (-1.2% MoM SA) respectively. The May retail sales print marked the 4th straight month of YoY expansion, but is also the weakest since December 2025 (2.5% YoY) if we exclude the January 2026 contraction of -0.5% YoY which was skewed by the timing of the Chinese New Year holidays (due to the high base in January 2025).
- Excluding motor vehicles, parts & accessories, retail sales also moderated from 4.5% YoY in April to 3.7% YoY (-1.8% MoM SA) in May, but still marked its fourth consecutive month of YoY growth. In particular, the motor vehicles, parts & accessories sales fell 0.8% YoY (-4.8% MoM SA), even as COE premiums for categories B (above 1600cc or 97KW) and E (open) rose for the two tenders in May.
- Singapore's retail scene should stay supported on the demand side, albeit unevenly, given the strength of 2Q26 GDP growth (which we estimate to be close to the 1Q26's 6.0% YoY print due to the AI-related outperformance) and the resilient domestic labour market. Looking ahead, beyond the upcoming F1 race, there is also growing excitement over the BTS concerts in December as they are widely anticipated to boost tourism, hospitality and retail sectors.

## Highlights:

- **May retail sales decelerated to 3.0% YOY (-2.3% MoM SA)**, slower than April's reading of 5.4% YoY (0.4% MoM SA) and missing the Bloomberg consensus and our forecast of 4.7% YoY and 4.2% YoY (-1.2% MoM SA) respectively. The May retail sales print marked the 4th straight month of YoY expansion, but is also the weakest since December 2025 (2.5% YoY) if we exclude the January 2026 contraction of -0.5% YoY which was skewed by the timing of the Chinese New Year holidays (due to the high base in January 2025). The key drags were sales of food & alcohol (-3.7% YoY) and department stores (-3.3% YoY). In contrast, discretionary spending for recreational goods (23.6% YoY), watches & jewellery (11.7% YoY) as well as computer & telecommunications equipment (7.7% YoY) remained healthy, which suggests that the Singaporean households' purchasing power remains strong amid a resilient domestic labour market and continued visitor arrivals, especially from China, Indonesia and other regional markets. In addition, sales at petrol service stations also rose for the third consecutive month by 9.5% YoY in May, likely aided by elevated energy prices due to the Middle East tensions. Note Brent prices peaked at US\$113.33 per barrel on 4 May 2026, but had since subsided to around the US\$72 per barrel region, albeit still above the US\$50-60 per barrel region seen in early 2026 prior to the start of the US-Iran war.
- **Excluding motor vehicles, parts & accessories, retail sales also moderated from 4.5% YoY in April to 3.7% YoY (-1.8% MoM SA) in May**, but still marked its fourth consecutive month of YoY growth. In particular, the motor vehicles, parts & accessories sales fell 0.8% YoY (-4.8% MoM SA), even as COE premiums for categories B (above 1600cc or 97KW) and E (open) rose for the two tenders in May. For June, COEs may have hit a near-term peak of \$126,009 (category A) in early June, and ditto for \$129, 501 (category B) and \$130,000 (open category) in late May. That said tanker traffic in the Strait of Hormuz is slowly recovering while OPEC+ has agreed to hike 188,000 barrels a day for its August quota, which bodes well for global energy prices to stay benign. While the US-Iran peace talks will continue during the 60-day interim ceasefire, markets have sharply reduced the geopolitical risk premiums attached to global energy prices as many major Persian Gulf producers have ramped up their oil output.
- **Singapore's retail scene should stay supported on the demand side, albeit unevenly**, given the strength of 2Q26 GDP growth (which we estimate to be close to the 1Q26's 6.0% YoY print due to the AI-related outperformance) and the resilient domestic labour market. That said the strength of the SGD also means room for some leakage as Singaporean consumers travel more, especially with the upcoming June school holidays. Department stores and F&B may continue to face challenges from e-commerce and business costs as consumer remain selective on their purchases. Looking ahead, beyond the upcoming F1 race, there is also growing excitement over the BTS concerts in December as they are widely anticipated to boost tourism, hospitality and retail sectors.



Change in Retail Sales By Industry					
<b>Department Stores</b> Year-on-Year: <b>-3.3%</b> Month-on-Month: <b>-0.1%</b>	<b>Supermarkets &amp; Hypermarkets</b> Year-on-Year: <b>+1.1%</b> Month-on-Month: <b>-2.9%</b>	<b>Mini-marts &amp; Convenience Stores</b> Year-on-Year: <b>+1.4%</b> Month-on-Month: <b>-3.7%</b>			
<b>Food &amp; Alcohol</b> Year-on-Year: <b>-3.7%</b> Month-on-Month: <b>-4.6%</b>	<b>Motor Vehicles, Parts &amp; Accessories</b> Year-on-Year: <b>-0.8%</b> Month-on-Month: <b>-4.8%</b>	<b>Petrol Service Stations</b> Year-on-Year: <b>+9.5%</b> Month-on-Month: <b>-2.8%</b>			
<b>Cosmetics, Toiletries &amp; Medical Goods</b> Year-on-Year: <b>+4.9%</b> Month-on-Month: <b>+0.5%</b>	<b>Wearing Apparel &amp; Footwear</b> Year-on-Year: <b>+0.1%</b> Month-on-Month: <b>-4.9%</b>	<b>Furniture &amp; Household Equipment</b> Year-on-Year: <b>+4.5%</b> Month-on-Month: <b>+3.2%</b>			
<b>Recreational Goods</b> Year-on-Year: <b>+23.6%</b> Month-on-Month: <b>+11.6%</b>	<b>Watches &amp; Jewellery</b> Year-on-Year: <b>+11.7%</b> Month-on-Month: <b>-4.3%</b>	<b>Computer &amp; Telecommunications Equipment</b> Year-on-Year: <b>+7.7%</b> Month-on-Month: <b>+0.8%</b>			
<b>Optical Goods &amp; Books</b> Year-on-Year: <b>+4.6%</b> Month-on-Month: <b>+1.3%</b>	<b>Others</b> Year-on-Year: <b>-4.1%</b> Month-on-Month: <b>-2.6%</b>				

Month-on-Month values are seasonally adjusted.  
 Source: Singstat, OCBC Group Research.

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