

MasterCard SpendingPulse™

# U.K. Retail Sales

## October 2007

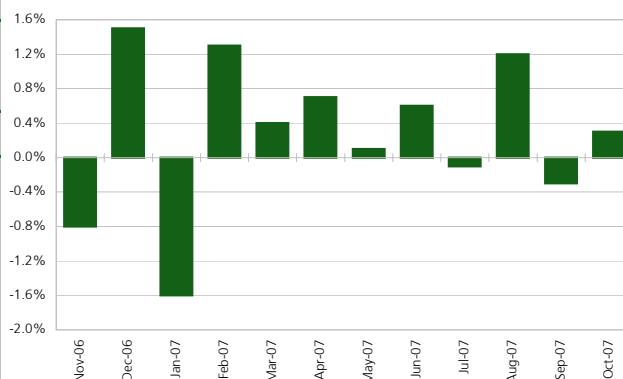
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	Mo/Mo % change	Yr/Yr % change	Avg. Weekly Value
<b>Price Adjusted U.K. Retail Sales</b>			
Seasonally Adjusted	▲ 0.3%	▲ 3.3%	£ 5,466.9
Not Seasonally Adjusted	▲ 6.3%	▲ 4.5%	£ 5,440.3
<b>Nominal U.K. Retail Sales</b>			
Seasonally Adjusted	▲ 0.0%	▲ 3.1%	£ 5,137.5
Not Seasonally Adjusted	▲ 6.7%	▲ 4.1%	£ 5,165.1
<b>Implied Deflator</b>	▼ -0.5%	▼ -0.3%	

### U.K. Price Adjusted Retail Sales Mo/Mo % Change

Seasonally Adjusted



## U.K. Retail Sales Rise 0.3% in October

UK retail sales gained ground in October, posting an increase of 0.3% month-to-month for seasonally- and price-adjusted sales. This modest rise in sales helps reverse the -0.3% decline of September, but is still a slowdown from the pace of growth seen earlier this year. After all, sales grew by 1.1% last quarter and by 1.6% in the second quarter.

Year-to-year growth enjoyed a rebound as well, as price-adjusted sales climbed to a 4.5% year-to-year growth rate last month. This was a notable acceleration from September's 3.8% year-to-year growth and from the 3.9% year-to-year growth rate of last quarter. The three-month year-to-year growth rate for price-adjusted sales is now 4.4%, its strongest showing since May.

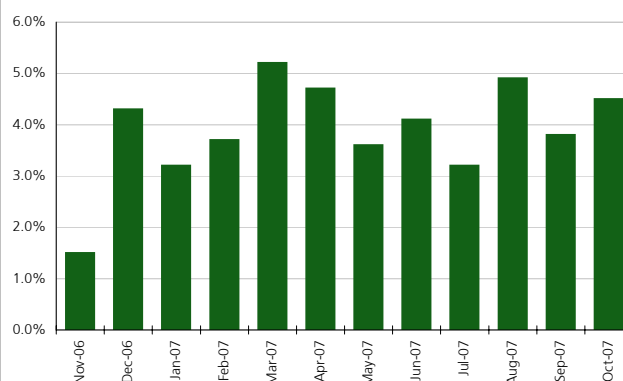
Retail prices slipped by -0.3% year-to-year in October, and have reported year-to-year declines since July. Some sectors did see year-to-year price growth, but the gains in electronics and grocery prices were offset by weaker prices from furniture and general retailers. Our price information is not seasonally adjusted so normal seasonal variations may also be a factor in the changes of prices for any given sector.

Price declines are definitely driving some of the gains seen in price-adjusted sales though. As a consequence of a weaker price environment, nominal growth rates of sales are a little more modest than inflation-adjusted figures. The year-to-year growth rate for unadjusted retail sales was 4.1% in October, which is a marked improvement from the 2.6% year-to-year gain of last quarter. However, nominal sales do look a bit sluggish compared to the 4.8% year-to-year growth of the second quarter of this year.

Some sectors are performing better than others as the Christmas shopping season gets underway. Housing-related retailers such as furniture and home improvement stores showed signs of slowing sales, as did apparel stores. In contrast, electronics, grocery, personal care and specialty retailers all seemed to gain ground last month. Again, our sector data is not seasonally adjusted, so normal seasonal variations have not been taken into account when measuring relative sector performance.

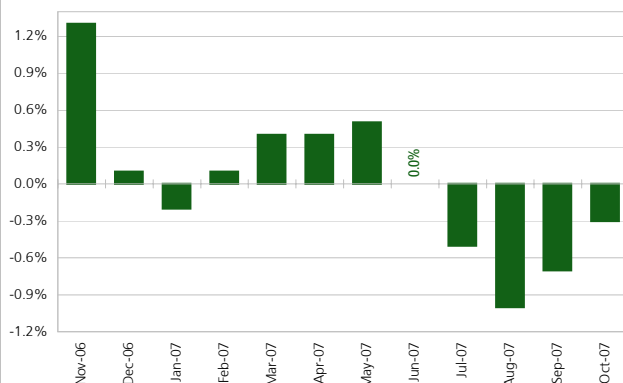
### U.K. Price Adjusted Retail Sales Yr/Yr % Change

Not Seasonally Adjusted



### U.K. Implied Deflator Yr/Yr % Change

Not Seasonally Adjusted



The SpendingPulse™ UK implied deflator is based on the average pound value of transactions within SpendingPulse™ data.

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		October-06							October-07								
Week		S	M	T	W	T	F	S	S	M	T	W	T	F	S	Week	
40		1	2	3	4	5	6	7	30	1	2	3	4	5	6	40	
41		8	9	10	11	12	13	14	7	8	9	10	11	12	13	41	
42		15	16	17	18	19	20	21	14	15	16	17	18	19	20	42	
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