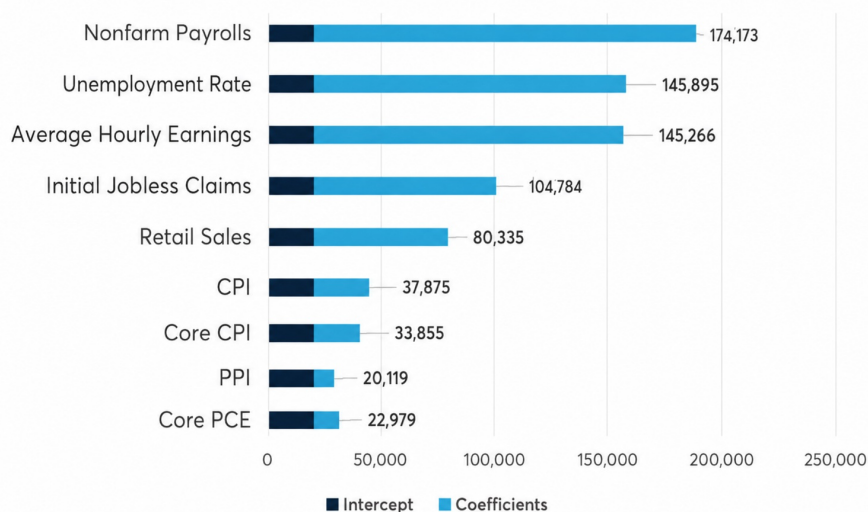


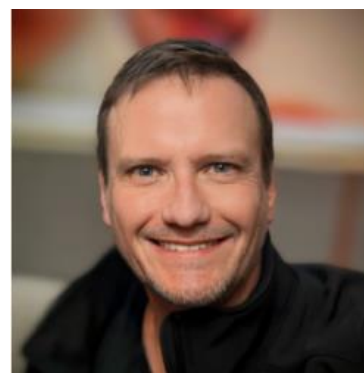
## The Day Ahead: Good Luck Making Sense of Retail Sales Reaction

Based on a few research papers that have attempted to quantify the impact of various economic reports as well as the general consensus among economic calendar purveyors, Retail Sales is allegedly a top tier market mover. In fact, a somewhat recent attempt by CME to rank econ data has in 5th place ahead of CPI, PPI, and PCE.

**CME Rankings of Econ Data by 1st Minute Futures Volume  
Additional Volume Traded (8:30:00 - 8:30:59)**



But in our experience, it is a report that has decent potential to cause market movement only when there's an open question as to the health of the economy. It is also easy for the market to look past when there are temporary factors in play. Fuel price volatility qualifies as one of those disqualifiers (even the calendar timing of Amazon Prime Day is often cited as a reason to tune out month-to-month discrepancies), and the market is trading accordingly. Specifically, bonds ignored the data and are going about their business (which apparently involves booking profits ahead of the weekend, and/or continuing to steepen the yield curve as Fed Funds Futures lead the way).



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