

Is there light in the economic tunnel?

Retail sales rise unexpectedly

WASHINGTON (AP) — U.S. retail sales jumped 1 percent in January, reversing a six-month trend and defying economists' expectations by posting the biggest increase in 14 months.

But higher gasoline prices and sales, and buyers snapping up other items on post-holiday discounts appeared to aid last month's results. Analysts cautioned that the relief may not last.

The Commerce Department reported Thursday that January retail sales rose 1 percent from December after having fallen for six straight months. Wall Street economists surveyed by Thomson Reuters had expected January sales to show a drop of 0.8 percent. They plunged a revised lower 3 percent in December, which marked the weakest holiday selling season since at least 1969.

"This is a big surprise, though the net rise in sales is less impressive than it looks because (December and November) were revised down by 0.3 percent each," Ian Shepherdson, chief U.S. economist at High Frequency Economics, wrote in a research note. "The headline relief today is welcome but it is unlikely to last."

The January report shows strong increases in sales of automobiles and in general merchandise stores — the "big box" outlets. Wal-Mart Stores Inc., the world's largest retailer, is an example of a discounter that has benefited from strapped consumers' focus on necessities like groceries and on bargains for other items.