Retail sales log biggest gain in 18 months

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Retail sales rose 1.1% last month, signaling consumers' eagerness to spend as a harsh winter faded to spring.

The gain was the largest since September 2012 and exceeded economists' consensus forecast of 0.8%, according to Action Economics' survey.

Excluding the volatile category of motor vehicles and parts, February's retail sales were revised up to a gain of 0.7% from January, the Commerce Department said Monday, more than twice the original estimate. Sales fell in December and January.

RISING SALES
Change in March retail and food service sales compared with February:

TOTAL	AUTO SALES AND PARTS
1.1%	3.1%
EXCLUDING AUTOS	**GENERAL MERCHANDISE**
0.7%	1.9%

SOURCE CENSUS BUREAU

Auto sales rose 3.1%. Sales at general-merchandise stores, which include retailers such as Wal-Mart, jumped 1.9% — their highest single-month gain since March 2007. Non-store retailers, which include Internet retailers, were up 1.7%.

Gas stations showed a 1.3% decline because of lower gas prices compared with January.

"The consumer is on the move, and the warmer weather is improving attitudes and sales," says Joel Naroff of Naroff Economic Advisors.

Monday's report comes amid signs of a brightening outlook for the economy in coming months.

March auto sales reached an annual sales level of 16.3 million, a seven-year high, according to IHS Global Insight.

The Reuters/University of Michigan Consumer Sentiment Index this month hit its highest level since July.

Job growth has rebounded to an average of 194,000 for the past two months, matching last year's average and much stronger than the December-January average of 114,000.

Unemployment benefit claims have been trending down, a sign of declining layoffs. The Labor Department reported last week that initial claims fell to 300,000 — the lowest in seven years.

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