

Retail sales up in July

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WASHINGTON — Consumers spent more on autos, furniture, clothing and gas in July, pushing up retail sales by the largest amount in four months. The gain signaled that Americans are a little more confident in the economy and could help dispel fears that the country is headed for another recession.

Retail sales rose 0.5 percent last month, the Commerce Department said Friday. It was the best showing since March. The government also revised sales higher in the previous two months.

Even after excluding sales at gas stations, which were influenced by



an increase in gas prices, sales rose 0.3 percent last month.

The better-than-expected retail sales report is the second strong signal on the economy in as many days. Stocks rose in early trading. The Dow Jones industrial average

gained 120 points.

On Thursday, the Dow closed up 423 points for the day after the government said the number of people applying for unemployment benefits dropped below 400,000 for the first time since early April.

"Don't write off the American consumer or economy just yet," said Sal Guatieri, senior economist at BMO Capital Markets. "The solid July retail sales report should help allay recession fears."

A batch of poor data and a gloomy outlook from the Federal Reserve this week have made investors more nervous that the economy could fall back into a recession. But data for July suggest the economy may be in better shape than some had feared.



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In this August 2011 photo, shoppers, carrying their purchases, pass H&M, in New York. Consumers spent more on autos, furniture and gasoline in July, pushing up retail sales by the largest amount in four months.