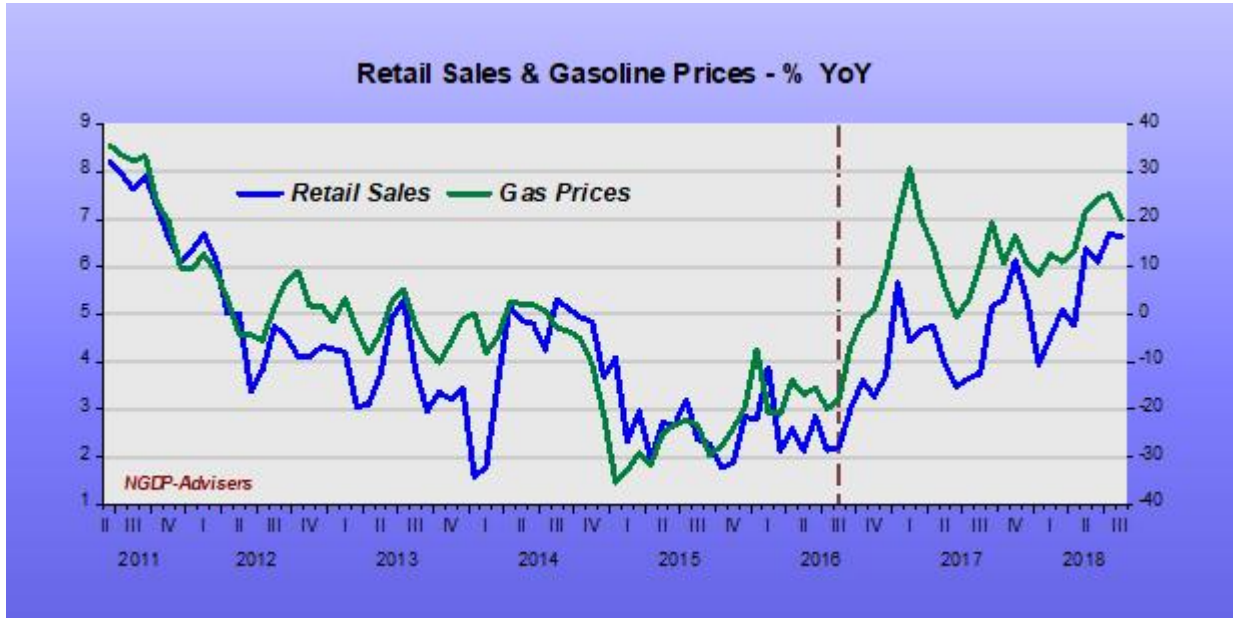
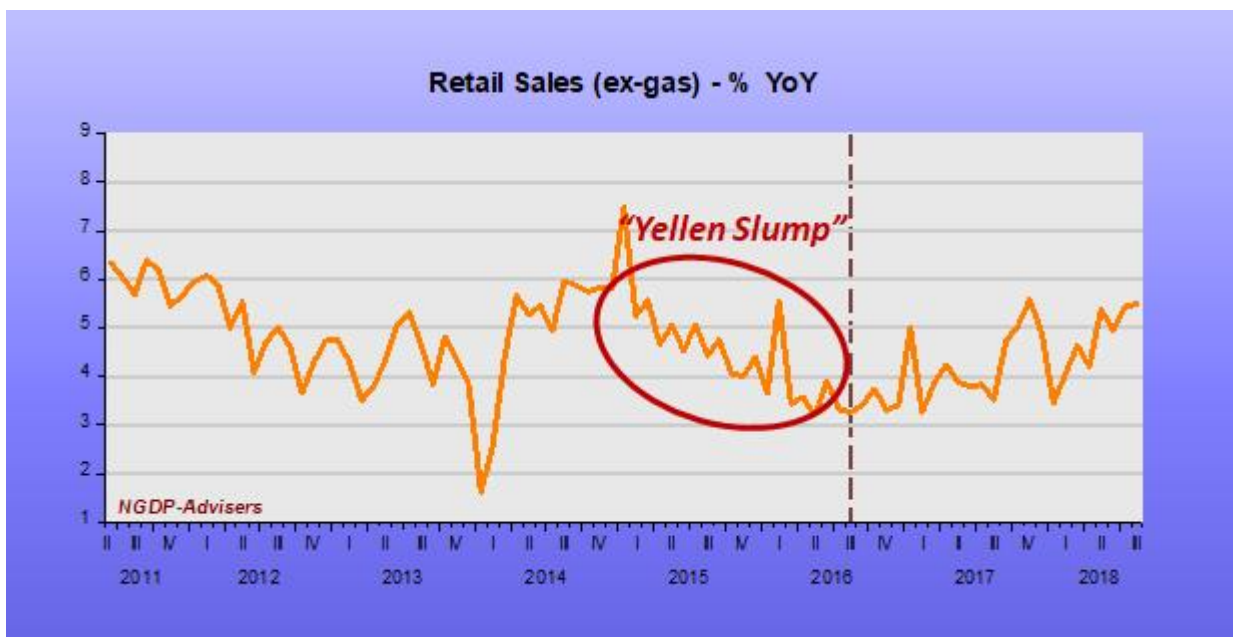


## Retail Sales, rising on “gas fumes”

The chart shows that overall retail sales swings to the tune of gasoline prices. The pick-up in overall sales for the past two years shows the close connection between the two.



If you take away the gasoline price factor, the US consumer does not look so good. Retail sales are materially worse now than during 2014, before the “Yellen slump” set in. The economy is better than it was in 2015 and 2016, but that is not saying much.



The reality is the economy is in depression mode. Early moves to “reflate” were quickly aborted. If you take Lael Brainard’s recent [speech](#) seriously, the Fed will abort any and all tendency to

reflate.

