

## Singapore

4 October 2024

### Singapore's August retail sales surprised on the upside at 0.6% YoY (0.7% MoM sa)

Selena Ling  
Head of Research and Strategy  
[lingssselena@ocbc.com](mailto:lingssselena@ocbc.com)

- August retail sales surprised on the upside at 0.6% YoY (0.7% MoM sa). However, retail sales excluding autos fell for the third straight month by 1.5% YoY (+2.0% MoM sa).
- With retail sales clocking up 1.8% YoY for the first eight months of this year, we should be on track to see full year 2024 growth at 2-3% YoY growth.
- That said, key factors to watch would include the health of the domestic labour market, the COE premium trends, as well as the escalation in the geopolitics tensions in the Middle East which had contributed to the uptick in crude oil prices of late.

August retail sales surprised on the upside at 0.6% YoY (0.7% MoM sa), beating our and Bloomberg consensus forecast of 0.2% YoY (0.7% MoM sa). Motor vehicle sales surged 17.0% YoY due to a higher COE quota. However, retail sales excluding autos fell for the third straight month by 1.5% YoY (+2.0% MoM sa), suggesting that retail sentiments while an improvement from July is actually not much to shout about at this juncture.

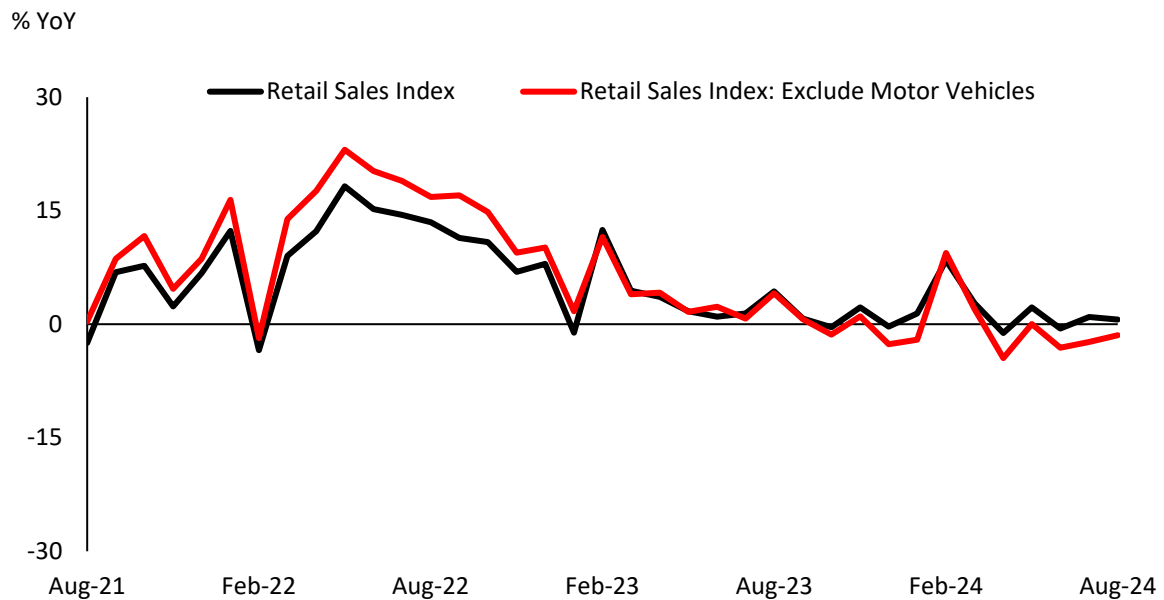
Many retail industries saw a YoY decline in sales in August, dragged down by wearing apparel & footwear (-6.7% YoY), department stores (-6.2% YoY) and petroleum service stations (-5.1% YoY). Note that visitor arrivals had eased from 1.602m in July 2024 to 1.539m in August, mainly due to a moderation of key inbound markets like China, Indonesia, and Malaysia compared to July. The key exceptions were sales of food & alcohol (8.1% YoY), cosmetics, toiletries & medical goods (3.1% YoY), supermarkets (2.2% YoY) and watches & jewellery (1.8% YoY).

With retail sales clocking up 1.8% YoY for the first eight months of this year, we should be on track to see full year 2024 growth at 2-3% YoY growth. Given that the September-December 2023 base is relatively low at 0.5% YoY, it should not be difficult to see retail sales expand by 2.5% - 3.8% YoY in the remaining four months of this year. That said, key factors to watch would include the health of the domestic labour market, the COE premium trends, as well as the escalation in the geopolitics tensions in the Middle East which had contributed to the uptick in crude oil prices of late. COE premiums had crept higher in recent bidding cycles, with category B rising to \$110,001 in the week of 18 September, while category A stood at \$98,524.

Moreover, the global Singapore PMI had moderated slightly from a two-year high of 57.6 in August to 56.6 in September, suggesting that private sector sentiments remain positive overall, with firms in the wholesale and retail sectors experiencing the sharpest rise in new work and activity. On the inflation front,

input prices continue to climb for raw materials, transport and labour. The latest developments in the Middle East have heightened market uncertainties, especially if retaliation risks could include targeting Iranian oil facilities, and translated to upward pressure on crude oil prices. If sustained, this could potentially reignite upside inflation risks and possibly constrain the global monetary policy cycle. For the upcoming MAS policy decision, the status quo is likely to be maintained given current two-sided inflation risks, but an easing window is likely to open up amid greater conviction that MAS core inflation will ease towards the 2% handle in 2025.

### Singapore Retail Sales



Source: Bloomberg, OCBC

## Macro Research

**Selena Ling**  
Head of Research & Strategy  
[lingssselena@ocbc.com](mailto:lingssselena@ocbc.com)

**Tommy Xie Dongming**  
Head of Asia Macro Research  
[xied@ocbc.com](mailto:xied@ocbc.com)

**Keung Ching (Cindy)**  
Hong Kong & Macau Economist  
[cindyckeung@ocbc.com](mailto:cindyckeung@ocbc.com)

**Herbert Wong**  
Hong Kong & Taiwan Economist  
[herberhtwong@ocbc.com](mailto:herberhtwong@ocbc.com)

**Lavanya Venkateswaran**  
Senior ASEAN Economist  
[lavanyavenkateswaran@ocbc.com](mailto:lavanyavenkateswaran@ocbc.com)

**Ahmad A Enver**  
ASEAN Economist  
[ahmad.enver@ocbc.com](mailto:ahmad.enver@ocbc.com)

**Jonathan Ng**  
ASEAN Economist  
[jonathanng4@ocbc.com](mailto:jonathanng4@ocbc.com)

**Ong Shu Yi**  
ESG Analyst  
[shuyiong1@ocbc.com](mailto:shuyiong1@ocbc.com)

## FX/Rates Strategy

**Frances Cheung, CFA**  
Head of FX & Rates Strategy  
[francescheung@ocbc.com](mailto:francescheung@ocbc.com)

**Christopher Wong**  
FX Strategist  
[christopherwong@ocbc.com](mailto:christopherwong@ocbc.com)

## Credit Research

**Andrew Wong**  
Head of Credit Research  
[wongqvkam@ocbc.com](mailto:wongqvkam@ocbc.com)

**Ezien Hoo, CFA**  
Credit Research Analyst  
[ezienhoo@ocbc.com](mailto:ezienhoo@ocbc.com)

**Wong Hong Wei, CFA**  
Credit Research Analyst  
[wonghongwei@ocbc.com](mailto:wonghongwei@ocbc.com)

**Chin Meng Tee, CFA**  
Credit Research Analyst  
[mengteechin@ocbc.com](mailto:mengteechin@ocbc.com)

This publication is solely for information purposes and general circulation only and may not be published, circulated, reproduced or distributed in whole or in part to any other person without our prior written consent. This publication should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities/instruments mentioned herein. Any forecast on the economy, stock market, bond market and economic trends of the markets provided is not necessarily indicative of the future or likely performance of the securities/instruments. Whilst the information contained herein has been compiled from sources believed to be reliable and we have taken all reasonable care to ensure that the information contained in this publication is not untrue or misleading at the time of publication, we cannot guarantee and we make no representation as to its accuracy or completeness, and you should not act on it without first independently verifying its contents. The securities/instruments mentioned in this publication may not be suitable for investment by all investors. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate. This publication may cover a wide range of topics and is not intended to be a comprehensive study or to provide any recommendation or advice on personal investing or financial planning. Accordingly, they should not be relied on or treated as a substitute for specific advice concerning individual situations. Please seek advice from a financial adviser regarding the suitability of any investment product taking into account your specific investment objectives, financial situation or particular needs before you make a commitment to purchase the investment product. Oversea-Chinese Banking Corporation Limited ("OCBC Bank"), its related companies, their respective directors and/or employees (collectively "Related Persons") may or might have in the future interests in the investment products or the issuers mentioned herein. Such interests include effecting transactions in such investment products, and providing broking, investment banking and other financial services to such issuers. OCBC Bank and its Related Persons may also be related to, and receive fees from, providers of such investment products. There may be conflicts of interest between OCBC Bank, Bank of Singapore Limited, OCBC Investment Research Private Limited, OCBC Securities Private Limited or other members of the OCBC Group and any of the persons or entities mentioned in this report of which OCBC Bank and its analyst(s) are not aware due to OCBC Bank's Chinese Wall arrangement. This report is intended for your sole use and information. By accepting this report, you agree that you shall not share, communicate, distribute, deliver a copy of or otherwise disclose in any way all or any part of this report or any information contained herein (such report, part thereof and information, "Relevant Materials") to any person or entity (including, without limitation, any overseas office, affiliate, parent entity, subsidiary entity or related entity) (any such person or entity, a "Relevant Entity") in breach of any law, rule, regulation, guidance or similar. In particular, you agree not to share, communicate, distribute, deliver or otherwise disclose any Relevant Materials to any Relevant Entity that is subject to the Markets in Financial Instruments Directive (2014/65/EU) ("MiFID") and the EU's Markets in Financial Instruments Regulation (600/2014) ("MiFIR") (together referred to as "MiFID II"), or any part thereof, as implemented in any jurisdiction. No member of the OCBC Group shall be liable or responsible for the compliance by you or any Relevant Entity with any law, rule, regulation, guidance or similar (including, without limitation, MiFID II, as implemented in any jurisdiction).

Co.Reg.no.: 193200032W

Follow our podcasts by searching 'OCBC Research Insights' on Telegram!