



With the release of the latest retail sales data from Statistics Canada, we have our first look at detailed June sales by industry sector, including shoe store sales.

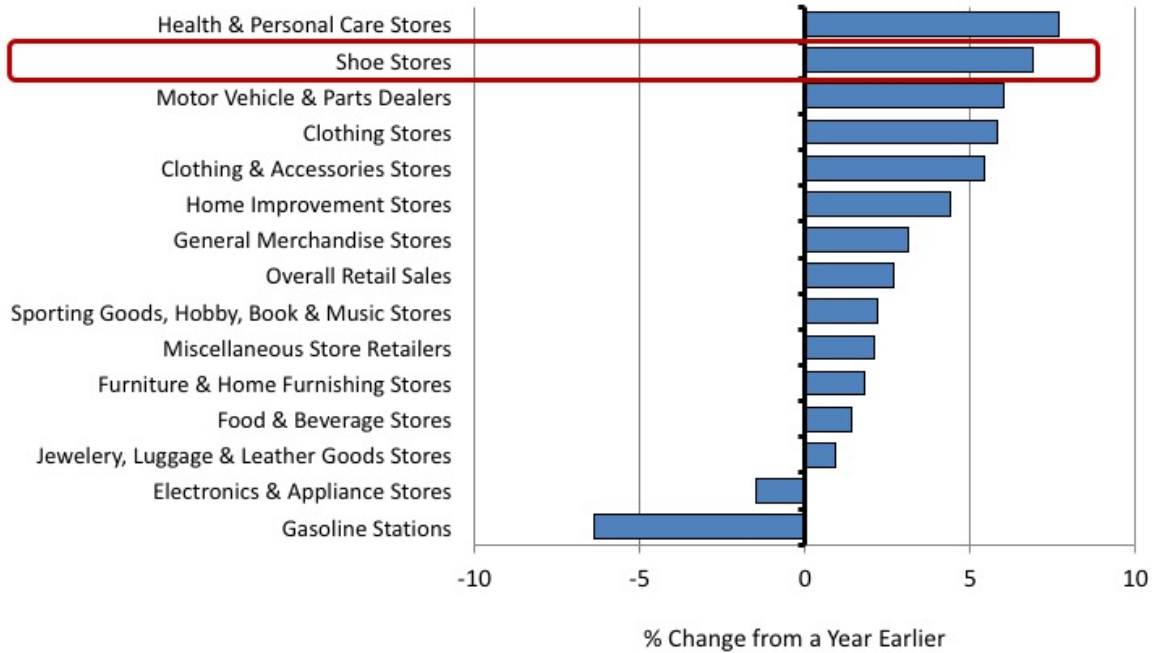
Starting from a broader perspective, growth in overall seasonally-adjusted retail demand grew a year-over-year 2.7% in this latest month, the slowest rate so far this year. The increase is broad-based across geography and retail sector, with retail demand most provinces and territories growing and nine of eleven sectors expanding from a year earlier. Overall retail sales were driven primarily by health & personal care stores (up 7.7%) and sales at clothing and clothing accessories stores (up 5.4%). Gasoline station sales continue to sputter (off -6.4%), owing to lower yr/yr gas prices, partially offsetting growth rates witnessed in other retail sectors (chart 1).

Within the broader sector of clothing and clothing accessories stores, **sales at Canadian shoe stores expanded a year-over-year 6.9% in June**, the 27th straight expansion. At a seasonally-adjusted CAD307.0 million, this latest reading marks **the biggest June on record** for the sub-sector (chart 2). What's more, this gain in shoe store sales outperformed the expansion in the broader retail market again in June, extending this streak to eighteen straight months (chart 3).

This latest reading reinforces our earlier outlook that the Canadian shoe store sector will see sales growth **accelerate for the fourth straight year** in 2016 (chart 5) to **a record performance**, roughly CAD3.8 billion (chart 4). In fact, the sub-sector is poised to enjoy its **fastest year of growth** since at least 2005 (chart 5). By comparison, only once in the last eleven years did annual sales for the sector shrink (2008), with annual sales since 2005 instead growing an average 3.3%--this year growth in shoe store sales may be **triple that rate**.

There are five charts below. The first shows how the gain in shoe store sales outpaced all main sectors in June. The second shows monthly Canadian shoe store sales and the year-over-year rates of expansion or contraction. The third shows a comparison of trends in overall retail sales with trends in shoe store sales, a component. The fourth shows annual shoe store sales over the last twelve years plotted against year-to-date sales over this period. The fifth shows the year-over-year % change of the sales data in chart 4.

### June Canadian Shoe Store Sales Gain Outpaces most Other Sectors



Source: Statistics Canada. All series in current, seasonally-adjusted Canadian dollars.



### Canadian Shoe Store Sales Extend Growth Streak in June



Source: Statistics Canada



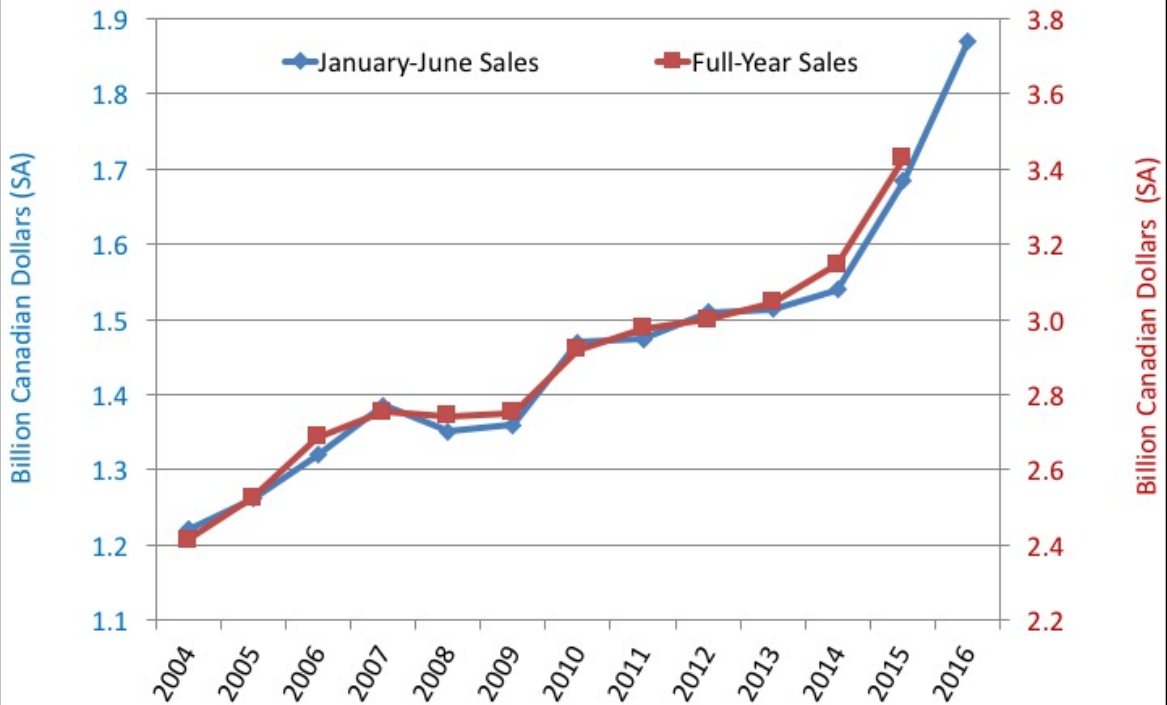
### June Shoe Store Sales Growth Outperforms Total Retail Sales Gain for 18<sup>th</sup> Straight Month



Source: Statistics Canada. Both series in current, seasonally-adjusted Canadian dollars.



### Year-to-Date Shoe Store Sales Point to another Record Year in 2016



Source: Statistics Canada



### Growth in Year-to-Date Shoe Store Sales Foreshadows Robust Growth in 2016



Source: Statistics Canada



