

# BUSINESS

## DIGEST

### 30-year mortgage rate is highest in 8 weeks

The average rate on a 30-year mortgage in the U.S. rose for the third week in a row, reaching its highest level in eight weeks.

The rate rose to 6.44% from 6.32% last week, mortgage buyer Freddie Mac said Thursday. A year ago, the rate averaged 7.63%.

The last time the average rate was higher was on August 22, when it was 6.46%.

Mortgage rates are influenced by several factors, including how the bond market reacts to the Federal Reserve's interest rate policy decisions.

The average rate on a 30-year mortgage has been rising since reaching its lowest level in two years — 6.08% — three weeks ago. The rate remains well below the 7.22% it hit in May, its 2024 peak.

Mortgage rates have been climbing in recent weeks following a spate of encouraging reports on the U.S. economy, including a hotter-than-expected September jobs report and a snapshot of consumer prices.

**UNIVERSAL:** Universal Orlando Resort will open its fourth theme park in central Florida just in time for Memorial Day next year, upping the competition against Disney in the theme park capital of the United States. Universal Epic Universe will open to visitors on May 22 with themed areas based on Harry Potter, Super Nintendo and “How to Train Your Dragon.”

**AIRBUS:** European aircraft maker and Boeing rival Airbus said this week that it's laying off 2,500 workers as it tries to turn around its struggling defense and space division. Airbus said it would make other changes as it faces challenges including disrupted supply chains, changing warfare tactics and cost pressures.

## SHOPPING

# Slower growth in holiday sales?

Retailers still expect increased spending

ANNE D'INNOCENZIO  
Associated Press

NEW YORK — The largest retail trade group in the United States says that it expects consumers to spend more during the upcoming holiday shopping season but that the growth in sales will be slower than last year due to concerns over persistent inflation and policy decisions.

The National Retail Federation said its 2024 forecast indicates that shoppers will make \$979.5 billion to \$989 billion worth of purchases in November and December, which would represent a 2.5% to 3.5% increase over the same two-month period a year ago.

However, the \$955.6 billion spent during the 2023 holiday shopping season was 3.9% more than in 2022.

This year's predicted pace is consistent with the average increase of 3.6% from 2010 to 2019. During the coronavirus pandemic, Americans ramped up their spending. Holiday season sales rose 9% in 2020 from the year before, and they soared 12.4% in 2021, according to the National Retail Federation.

The trade group makes its calculations based on government figures. The numbers exclude sales at automobile dealers, gasoline stations and restaurants.

The forecast considers economic indicators such as employment, wages, consumer confidence, disposable income, consumer credit, previous retail sales and weather.

“Interest rates are still a little higher than they were in recent memory,” National Retail Federation CEO and President Matt



DAVID ZALUBOWSKI, ASSOCIATED PRESS  
A shopper passes by a Christmas tree on display in a Costco warehouse Sept. 12 in Thornton, Colo.

Shay said during a call with reporters. “Consumers do have those interest rates and the lingering inflation on their minds. So we expect that consumers will continue to be more price-conscious and pragmatic in their spending decisions.”

The retail federation issued its look-ahead Tuesday as the data shows U.S. consumers continuing to spend, powered by sturdy hiring, low unemployment and healthy household finances.

Moreover, gas prices are coming down, leaving a little extra money for shoppers to spend on gifts. The national average price for a gallon of unleaded gasoline was \$3.20 on Tuesday; a year ago, it was \$3.60, according to auto club AAA.

But there are plenty of challenges this season, including a presidential election that could create a big distraction from shopping in November. NRF officials said it was nearly impossible to measure the election's impact

on current or future spending.

With Thanksgiving falling on Nov. 28, there also will be six fewer days between the holiday and Christmas Day compared to last year. Other factors that could hurt holiday sales: the economic impact of hurricanes Helene and Milton, NRF officials said.

Walmart, the nation's largest retailer, plans to advertise savings on Thanksgiving meal products starting Oct. 14, about two weeks earlier than last year.

NRF's forecast was in line with the predictions of other analysts, which also point to a more restrained mood among shoppers.

Management consulting firm Bain & Co. said it anticipated November and December retail sales to rise by 3% as opposed to the 4.2% growth seen last year. AlixPartners, another consulting firm, expects sales for October through December to be up anywhere from 2% to 5%, lower than last year's 6% increase. Consulting and research firm Customer

Growth Partners predicted sales to grow 4% during the holiday period, just slightly below its figure from last year.

Meanwhile, Adobe Analytics predicts online sales will surge 8.9%, marking the highest spending pace since 2021 when it was 8.6%. A year ago, online sales were up 4.9%, compared with the previous year. Vivek Pandya, lead analyst, Adobe Digital Insights, noted that shoppers' bigger interest in discounts will drive spending. Discounts should average about 30%, the same as a year ago, he said.

While the inflation rate is coming down, it's still a big pocket-book issue for shoppers as many food items still cost considerably more than they did a few years ago.

James Zahn, editor-in-chief of industry trade publication The Toy Book, thinks shoppers are even more price-conscious than they were last year when it comes to buying toys. Toys under \$20 are resonating with parents, he said.

Kohl's executives said last week that shoppers, particularly those in lower income brackets, will feel more squeezed than a year ago.

Christie Raymond, Kohl's chief marketing officer, said the cumulative impact of high prices on food and other essentials is eating into people's savings. As part of its holiday strategy, Kohl's plans to be aggressive with offering discounts. As for the presidential race, Kohl's executives said they were not sure if consumers will hold back their buying ahead of the Nov. 5 election but it's something they are monitoring.

“We're just trying to follow the consumer, and we know that they're going to feel squeezed once that Thanksgiving time frame hit,” Raymond told reporters.

# WEEK IN REVIEW

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## IN THE NEWS

### Meat recall expands after listeria found

A nationwide recall of meat and poultry products potentially contaminated with listeria expanded this past week to nearly 12 million pounds and now includes ready-to-eat meals sent to U.S. schools, restaurants and major retailers, federal officials said.

The updated recall includes prepared salads, burritos and other foods sold at stores including Costco, Trader Joe's, Target, Walmart and Kroger. The meat used in those products was processed at a Durant, Oklahoma, manufacturing plant operated by BrucePac, which sells pre-cooked meat and poultry to industrial, foodservice and retail companies.

Routine testing found listeria bacteria in samples of BrucePac chicken, officials with the U.S. Agriculture Department said.

**US ECONOMY:** Retail sales rose 0.4% from August to September, the Commerce Department said Thursday, up from 0.1% the previous month and the third straight increase. Also on Thursday, the Labor Department reported that applications for jobless claims fell 19,000 to 241,000 for the week of Oct. 12, below the 262,000 analysts were expecting.

**HURRICANE AID:** The federal government approved nearly \$2 billion in assistance across six states to help people hit hard by hurricanes Helene and Milton, the White House said Wednesday.

**DRUGSTORE CLOSURES:** Walgreens announced Tuesday that it will close about 1,200 locations over the next three years as the drugstore chain seeks to turn around a struggling U.S. business that contributed to a \$3 billion quarterly loss.



KEVIN WOLF, ASSOCIATED PRESS

### PANDAS ARRIVE FROM CHINA, GET POLICE ESCORT TO ZOO

The National Zoo's long, dark panda drought ended Tuesday. Eleven months after the zoo sent its three wildly popular pandas back to China, a new pair of bears has arrived. The 3-year-old giant pandas, named Bao Li and Qing Bao, were flown from China to Washington, D.C., then loaded into a special FedEx truck and delivered to the zoo just before noon. The zoo set Jan. 24 as the public debut of the pandas. Above, police vehicles escort the FedEx truck carrying the bears to the National Zoo from Dulles International Airport in Sterling, Va.

## BIG NUMBER

**2,471** Weight in pounds of the winning pumpkin in the 51st World Championship Pumpkin Weigh-Off on Monday in Half Moon Bay, California. Grower Travis Gienger, 44, of Anoka, Minnesota, has won the competition four years in a row.

## HE SAID ...

“Even in this day and age, what we just saw is magic. I am shaking right now.”

— **SpaceX spokesman Dan Huot, after the company launched its enormous Starship rocket last Sunday on a test flight, then directed the rocket booster to return to the launching pad, where the tower caught it with giant mechanical arms.**

## THE WATER COOLER

**LIAM PAYNE (1993-2024):** Former One Direction singer Liam Payne, 31, was found dead after falling from a third-floor balcony Wednesday at the CasaSur Palermo Hotel in Buenos Aires, local officials said. No information was available on whether Payne jumped from the balcony or fell. Prosecutors said they were treating the case as a “suspicious death,” given that evidence collected from the scene indicated Payne “was going through some kind of substance abuse outbreak” at the time.

**TOM BRADY:** Seven-time Super Bowl champion quarterback Tom Brady purchased a minority stake in the Las Vegas Raiders, in a deal unanimously approved by NFL team owners Tuesday at the league's annual fall meeting. In a statement on X, Brady said he was “incredibly humbled and excited” to receive approval.

**ASSAULT LAWSUITS:** Sean “Diddy” Combs was hit Monday with a new wave of lawsuits accusing him of raping women, sexually assaulting men and molesting a 16-year-old boy. At least six lawsuits were filed against Combs in federal court in Manhattan. The indicted hip-hop mogul denied all charges against him.

**LILLY LEDBETTER (1938-2024):** Lilly Ledbetter, a former Alabama factory manager whose lawsuit against her employer made her an icon of the equal pay movement and led to landmark wage discrimination legislation, died Oct. 12 at age 86. Ledbetter's lawsuit against Goodyear Tire & Rubber Co. ultimately failed but two years later, former President Barack Obama signed the Lilly Ledbetter Fair Pay Act, which strengthened the rights of workers.

## IN THE NEWS

### US to send air defense system, troops to Israel

WASHINGTON — The United States is sending a Terminal High Altitude Area Defense battery to Israel, along with the troops needed to operate it, the Pentagon said last Sunday, even as Iran warned Washington to keep American military forces out of Israel.

Maj. Gen. Pat Ryder, Pentagon spokesman, said in a statement that Defense Secretary Lloyd Austin authorized the deployment of the THAAD battery at the direction of President Joe Biden. He said the system will help bolster Israel's air defenses following Iran's ballistic missile attacks on Israel in April and October.

**HAMAS:** Israeli forces in Gaza killed Hamas' top leader Yahya Sinwar, a chief architect of last year's attack on Israel, the military said Thursday. Troops appeared to have run across him in a battle, only to discover afterward that a body in the rubble was the man Israel has hunted for over a year.

**NAVY CRASH:** The U.S. Navy found the wreckage Wednesday of a fighter jet that crashed Tuesday in Washington state near Mount Rainier during a routine training flight in mountainous terrain. There were two crew members on board.

**SECRET SERVICE:** A 52-page report issued Thursday by an independent panel investigating the attempted assassination of Donald Trump at a Pennsylvania campaign rally said the Secret Services needs “fundamental reform” and that “another Butler can and will happen again” without major changes in how candidates are protected.

— Associated Press