

HEDGEYE



4Q 2023 Retail Themes

Short Retail is Still The Play

October 11, 2023
12:30pm ET



Hedgeye Retail

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Please submit questions* to
qa@hedgeye.com

*Answered at the end of the call

1 Retail Optically Troughy, But Numbers Too High And Return Bar Is Higher

The XRT is at a cycle low PE (outside of march '20 Covid Crash). That might look like a buy signal, but expectations remain far too high over the coming 4Qs, and let's not forget that the risk free rate is also hitting cycle highs, meaning multiples need to be reset much lower vs what we saw over the last 10 years in a zero rate environment. Meanwhile after HD's management declared victory for the Fed at the Goldman conference, the 10yr yield ripped 50bps, oil/gas headed up, and retail visits slowed dramatically. With headwinds to consumption continuing to build, we think discretionary retail is still far from a bottom. We might not see a trough on earnings until management guides to 2024 (Feb to March), and that's if they guide to reality.

2 Consumer Could Deliver Strong Holiday By Cutting Savings & Levering Up To Spend

The savings rate has dropped for 3 months straight to 3.9% while the incentive to save is reaching generational highs. The government revised its savings numbers (which we flagged in 1Q as probably having misinformation in absolute \$) and excess savings has been tapped. There is arguably still a lot of room in spending via taking savings down, and leveraging up to consume when we compare to peak consumer debt levels in prior cycles. Lending standards are tightening rapidly, but we are still just barely moving off the bottom of all time highs in consumer credit quality. Credit will be an area to watch as it relates to the consumer spending cadence in the coming 3 to 6 months as we hit a critical time period relating to consumer macro rate of change.

3 Margins Headwinds Remain, With Demand Slowing, Expectations To Continue Lower

When 2023 started consensus had EPS up 12% YY on avg, now it is forecasting EPS closer to down 17%. The Street in 2024 has EPS rebounding to up 30%, with revenue and margins accelerating immediately. But now we have demand slowing, store level wages still inflating, structurally higher shrink rates, with freight having been down for a while (tailwind waning). Yet for some reason the consensus expectations still have about 2/3 of retail with operating margins in 2024 HIGHER than 2019. How much pricing does it take to keep the margins up, and how will the fed ever stop if the prices keep going higher? Why shouldn't we expect recessionary earnings levels and generational lows on valuation?

Hedgeye Retail Position Monitor – Best Idea List

HEDGEYE RETAIL POSITION MONITOR									
BEST IDEAS - LONG					BEST IDEAS - SHORT				
			TREND	TAIL				TREND	TAIL
Best Idea Longs		Mkt. Cap (\$MM)			Best Idea Shorts		Mkt. Cap (\$MM)		
RH	RH Inc	\$4,568	✓	✓	HELE	Helen Of Troy Limited	\$2,576	x	x
AMZN	Amazon.com	\$1,312,921	✓	✓	LOW	Lowe's	\$115,158	x	-
FL	Foot Locker	\$1,863	x	✓	JWN	Nordstrom	\$2,296	x	x
NKE	Nike, Inc	\$147,905	✓	✓	GOOS	Canada Goose	\$1,443	x	x
REAL	RealReal	\$173	✓	✓	WSM	Williams-Sonoma	\$9,970	x	x
GIL	Gildan	\$5,036	✓	✓	HD	Home Depot	\$292,841	x	-
DRVN	Driven Brands	\$1,957	-	✓	ULTA	Ulta Beauty	\$19,181	x	x
VVV	Valvoline	\$4,348	-	✓	TPR	Tapestry	\$6,459	x	✓
TCS	The Container Store	\$108	-	✓	RVLV	Revolve	\$1,028	x	x
DXLG	Destination XL Group	\$269	✓	-	BBY	Best Buy	\$14,965	x	x
TJX	TJX, Inc	\$101,320	✓	✓	W	Wayfair	\$6,620	x	x
WWW	Wolverine Worldwide	\$624	-	✓	RL	Ralph Lauren	\$7,421	x	x
MELI	MercadoLibre	\$61,991	✓	✓	PANDY	Pandora	\$9,600	x	x
SKX	Sketchers	\$7,519	✓	✓	CROX	Crocs	\$5,229	x	x
					ONON	On Holding	\$7,984	-	x
					GOLF	Acushnet Holdings	\$3,514	x	-
					ONEW	OneWater Marine	\$338	x	x
					FND	Floor & Décor	\$9,149	x	✓
					HZO	MarineMax	\$691	x	x
					CTC.A-CA	Canadian Tire	\$5,751	x	x
					MNRO	Monro, Inc.	\$845	x	x
					LOVE	The Lovesac Company	\$264	x	x
					POOL	Pool Corporation	\$13,126	x	x
					BGFV	Big 5 Sporting Goods	\$162	x	x
					HNNMY	H&M Hennes & Mauritz	\$19,764	x	x
					GME	GameStop	\$4,603	x	x
					IPAR	Inter Parfums	\$4,243	-	x
					FIGS	FIGS, inc.	\$1,063	x	x
					FRCOY	Fast Retailing	\$64,771	x	x
					SBH	Sally Beauty Holdings	\$854	x	x
					ADS-DE	Adidas	\$29,963	x	x

Hedgeye's "Bias" lists represent Hedgeye's outlook on companies currently under Hedgeye's review, or for which timing is not right for greater coverage. Hedgeye may or may not provide further commentary on any or all companies represented on this list and representation of a company on the bench does not forecast whether Hedgeye will or will not issue any additional material on that company

Hedgeye Retail Position Monitor – Long/Short Bias List

LONG BIAS			SHORT BIAS		
BBWI	Bath & Body Works	\$7,299	UAA	Under Armour	\$2,975
RMS-PAR	Hermes	\$193,499	ARHS	Arhaus	\$1,305
PRPL	Purple Innovation	\$147	SFIX	Stitch Fix	\$367
MCW	Mister Car Wash	\$1,659	BURL	Burlington Stores	\$8,006
CHWY	Chewy	\$8,069	OXM	Oxford Industries	\$1,461
DECK	Deckers Outdoors Corp	\$12,939	UPBD	Upbound	\$1,600
TDUP	ThredUp	\$331	URBN	Urban Outfitters	\$2,934
CWH	Camping World Hldgs	\$801	VSTO	Vista Outdoor	\$1,804
PRPL	Purple Innovation	\$147	MODG	TopGolf Callaway Brands	\$2,517
1913-HKG	Prada	\$15,226	BOOT	Boot Barn	\$2,408
DBI	Designer Brands	\$694	M	Macy's	\$3,040
VFC	VF Corp	\$6,319	HIBB	Hibbett Sports	\$578
RENT	Rent the Runway	\$47	PUM-DE	Puma	\$8,539
PLBY	PLBY Group	\$48	GPS	Gap, Inc	\$3,791
			BOSS-DE	Hugo Boss	\$4,399
			SIG	Signet	\$3,074
			BRBY-LON	Burberry	\$8,224
			MOV	Movado	\$625
			FIVE	Five Below	\$9,044
			COLM	Columbia Sportswear	\$4,353
			DKS	Dick's Sporting Goods	\$8,799
			BBBY	Bed Bath & Beyond	\$58
			KER-PAR	Kering	\$54,820
			CVNA	Carvana	\$4,011

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Home Depot at Goldman Marked The Near-Term Retail Top

*“As you say macro surprisingly strong. And we follow Goldman Sachs, obviously, and you're down to a **15% expectation of a recession**. And we started this year -- I think most people said it, but certainly a recession and whether it's going to be a hard landing or a soft landing, and **now we're maybe not a recession**. And **if we have one, it would be a softer landing**. So **kudos to the Fed**. They've just **done a remarkable job to manage through this inflation** and be bringing that down **without tanking the economy**.”*

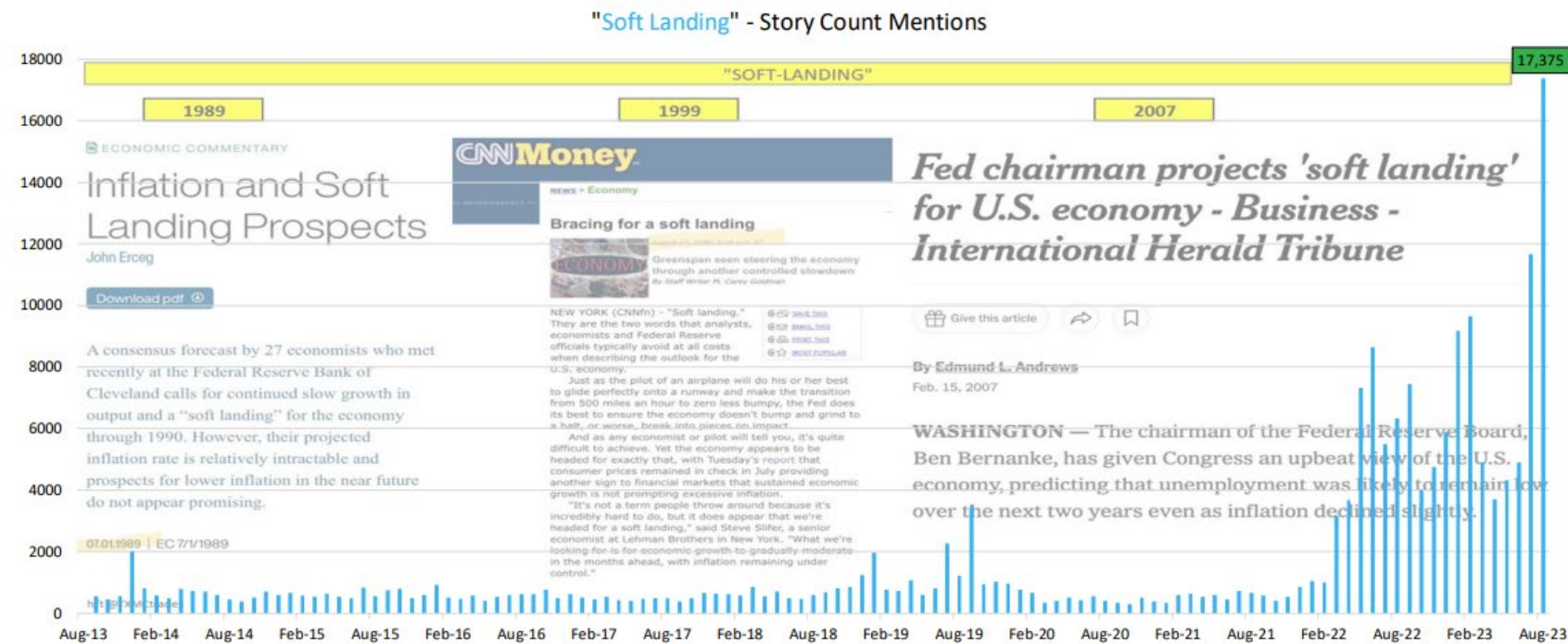
- HD CEO @ Goldman Retail Conference in September 2023.

It's Not New To Hear It, Before Things Get Worse

“Soft-Landing” → The Contra-Signal Timing Was Sublime!

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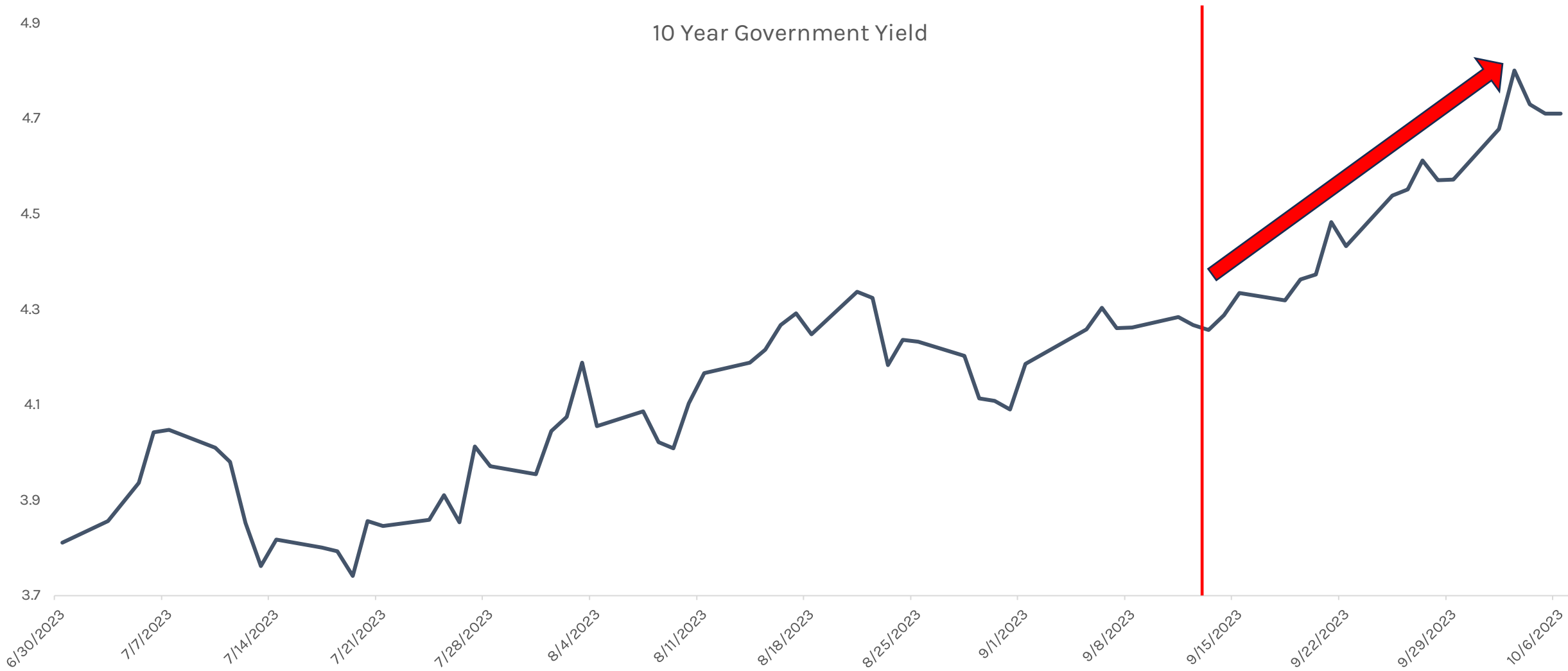
The latest amidst a storied history of soft-landing prognostications gone unrealized?



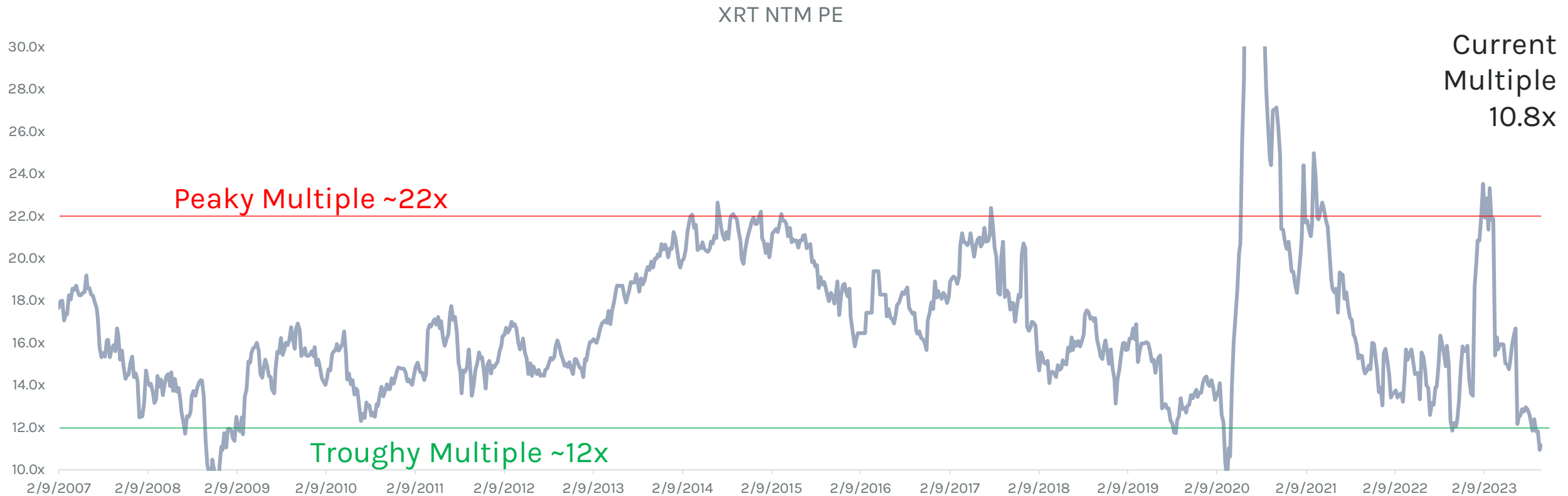
Data Source: CNN, Cleveland Fed, Bloomberg

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Rates Ripped Right After The HD Declared Fed Victory

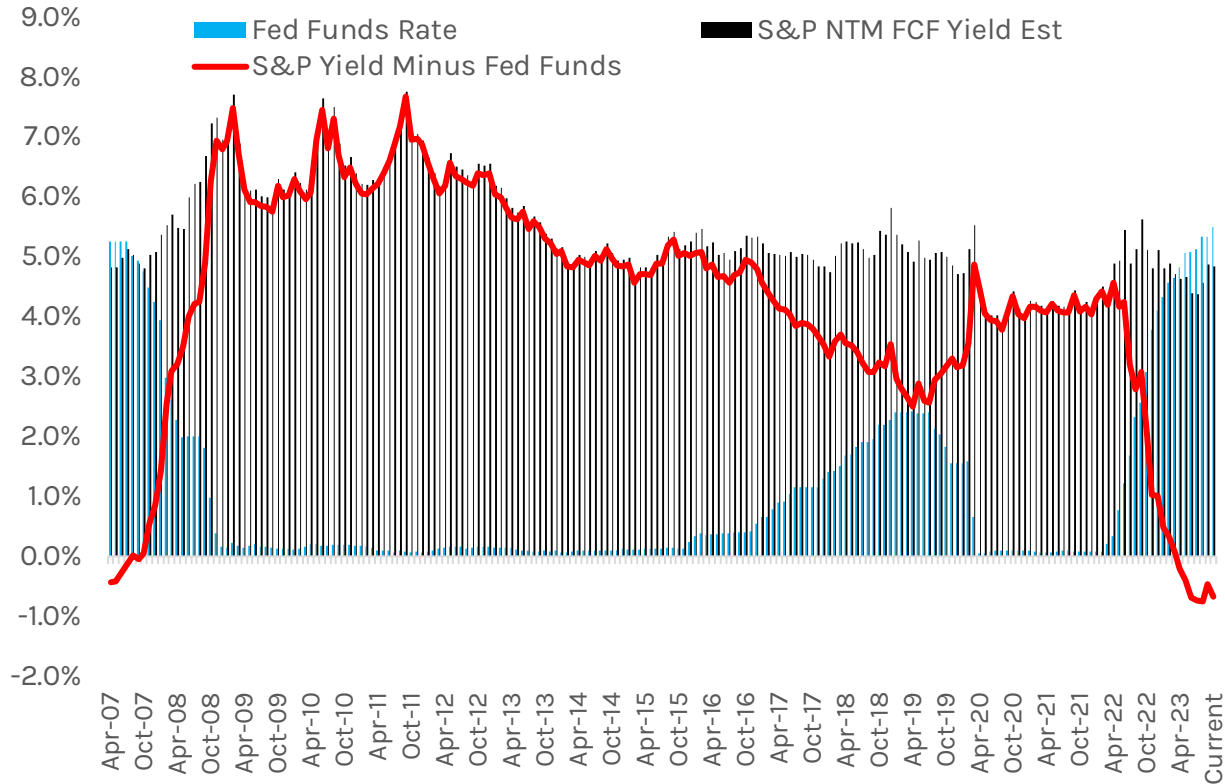


XRT Is At A Trough Multiple Though, Right?

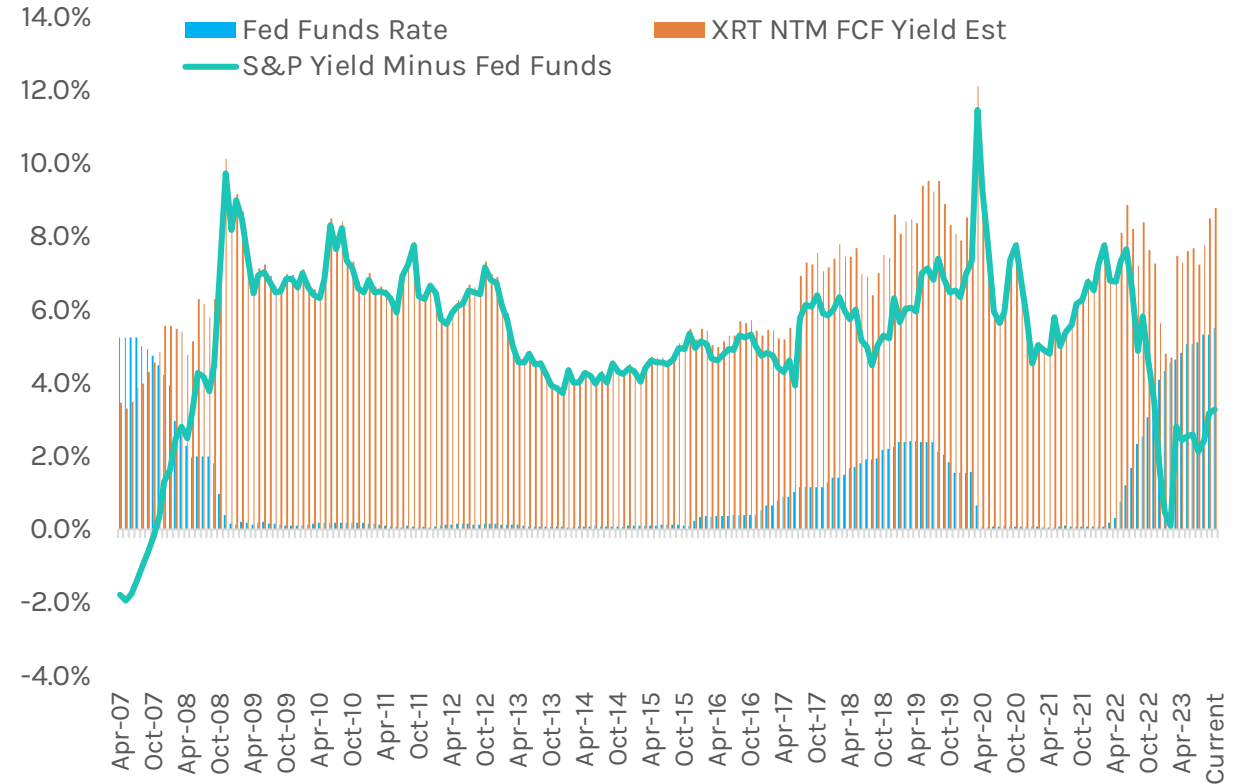


Well, Not If Thinking About The Cost Of Capital

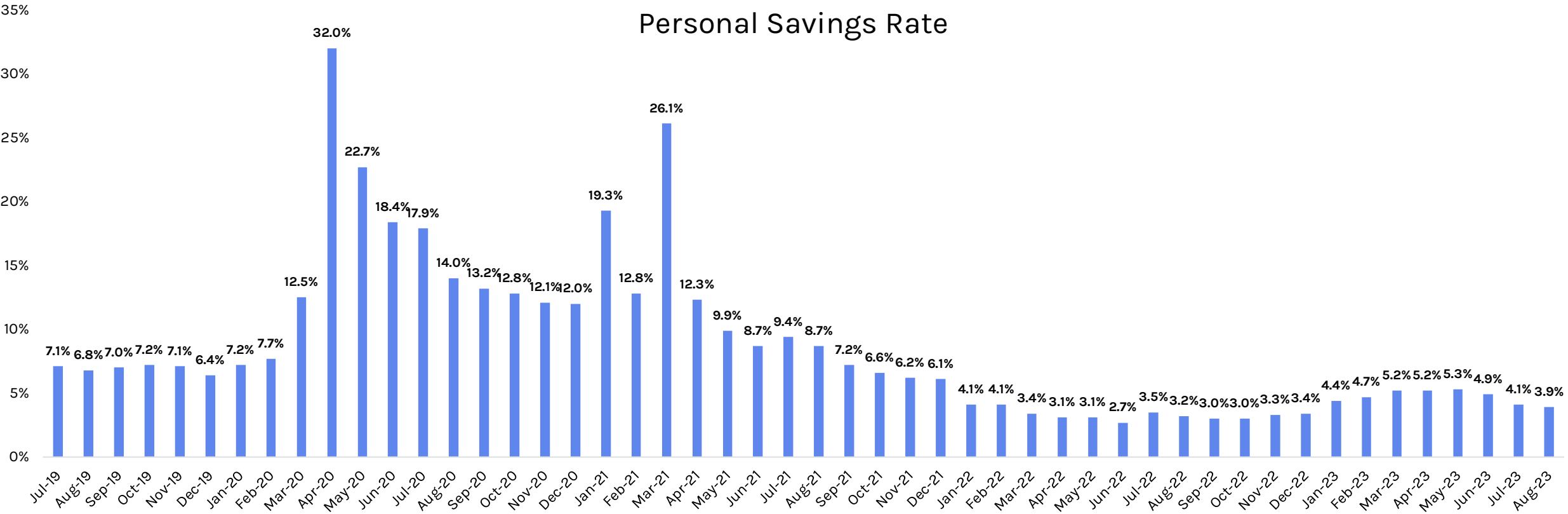
Fed Funds vs Market Yield



Fed Funds vs XRT Yield



Savings Rate Going Down, While Savings Incentive At Cycle Highs



Hit historically low level a year ago. Lowest seen except for the 03-07 housing bubble.

Savings rate down for 3 straight months. Consumers having to cut into saving to get what the need/want.

Excess Savings Narrative Changed Fast

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Bloomberg

US Edition

• Live Now Markets Economics Industries Tech AI Politics Wealth Pursuits Opinion Businessweek Equality Gree

Wealth

Americans Saved \$1.1 Trillion Less Than Previously Thought From 2017-2022

■ Revised data also show slower 2022 growth, faster inflation

'Excess savings' are just regular savings now

yahoo!finance

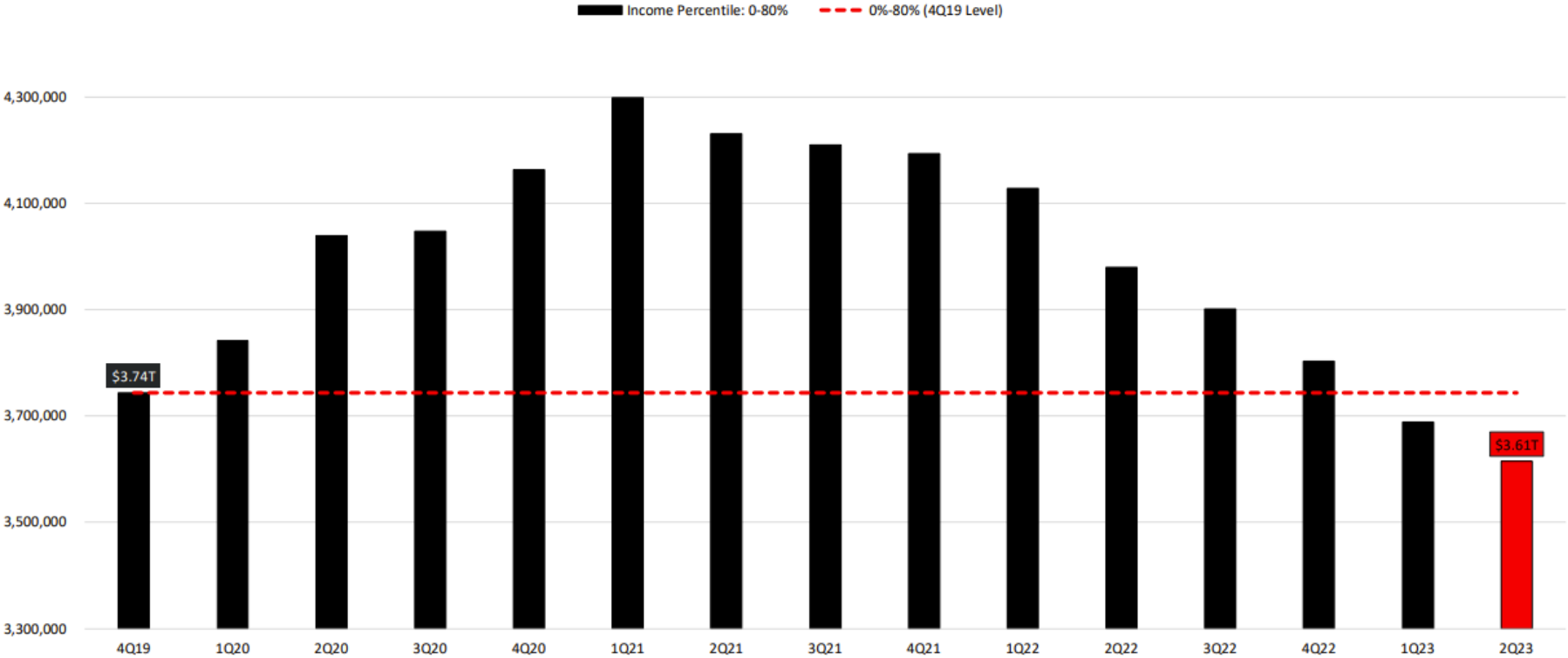
MYLES UDLAND

October 6, 2023 at 6:00 AM

The Impact Is Metastasizing

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Collectively, **The Bottom 80% of the Income Distribution Has Now More Than Exhausted Their Savings/Consumption Cushion.** The Purchasing Power associated with that savings is now -3.4% below 4Q19 levels.



Data Source: Federal Reserve DFA

How Much Spending Room On Savings Rate?

Billions of USD	Aug-23	% of PCE Ex Food & Energy	% of Total Retail Sales	% of Discretionary Retail Sales
Disposable Personal Income	\$20,270			
Personal Savings Rate (%)	3.9%			
Annualized Savings (\$)	\$ 791			
All-Time Low Savings Rate (%)	1.4%			
All-Time Low Consumption Tailwind (\$)	\$ 507	3.1%	7.1%	12.8%
Zero Savings Rate Consumption Tailwind (\$)	\$ 791	4.8%	11.0%	20.0%

Macro Considerations: Quad 3&4 Bearish

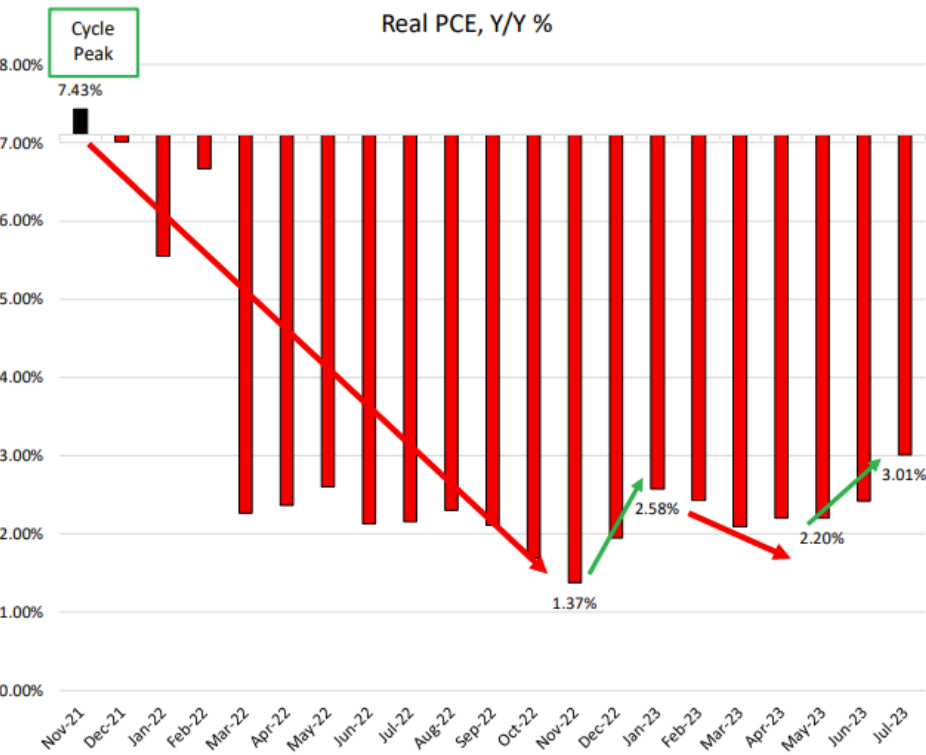


Reasons July Got Better, After June Easy Comps

REARVIEW REPORT: JULY = The Peak in the Countertrend Bounce

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Is July setting up as a January redux? Yes, (very) Probably



- Peak AI Euphoria
- Peak “Barbenheimer”
- Peak Summer Concert (Swift, Beyonce, etc)
- Sub 7% Mortgage Rates
- Trough In Gas Prices
- Peak in Equity Prices
- 12-month/cycle low in the Savings Rate

..... All of those are either nonrecurring or have since reversed

Reasons Things Are Getting Worse Now

STAG-TEMBER → SHOCK-TOBER!

The Income Shock & Discretionary Consumption Beatings Will Continue Until Morale (& Wage/Consumption Growth) Capitulate!

2023 SEPTEMBER						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28 YOU ARE HERE	29 1 Business Day Until You Get Here	30

The Morale Capitulation Calendar

- 1Q: SNAP Benefits End
- 2Q/3Q: Excess Savings Exhausted
- 2Q/3Q: SNAP Reduction pt. 2 (\$391/child → \$120/child)
- Sept 1st: Student Loan Interest Begins (re)Accruing
- Sept 14th: IRS Halts ERC Payments (\$250B)
- Sept 15th: UAW Strike Begins (Economic cost = \$200-600M/Day)
- Oct 1st: Student Loan Repayment Begins (\$10-15B/Mo)
- Oct 1st: Government Shutdown, Again! (-0.2% GDP/Wk)
- Oct 1st: Childcare-Cliff (\$24B Funding Expiring, ~3M Impacted)
- Oct 4th: Kaiser Permanente Worker Strike (75K HC Workers)
- Oct 15th: California Tax Extension Deadline - The Bill is (Finally) Due
- 4Q23: Health Insurance Premium Spike
- 4Q23-1H24: Continued Unwind of Pandemic Medicaid Coverage. (Coverage Loss for 8-24M people)
- 4Q23-3Q24: EIDL Pandemic Loan Repayment (\$380B in Loans)

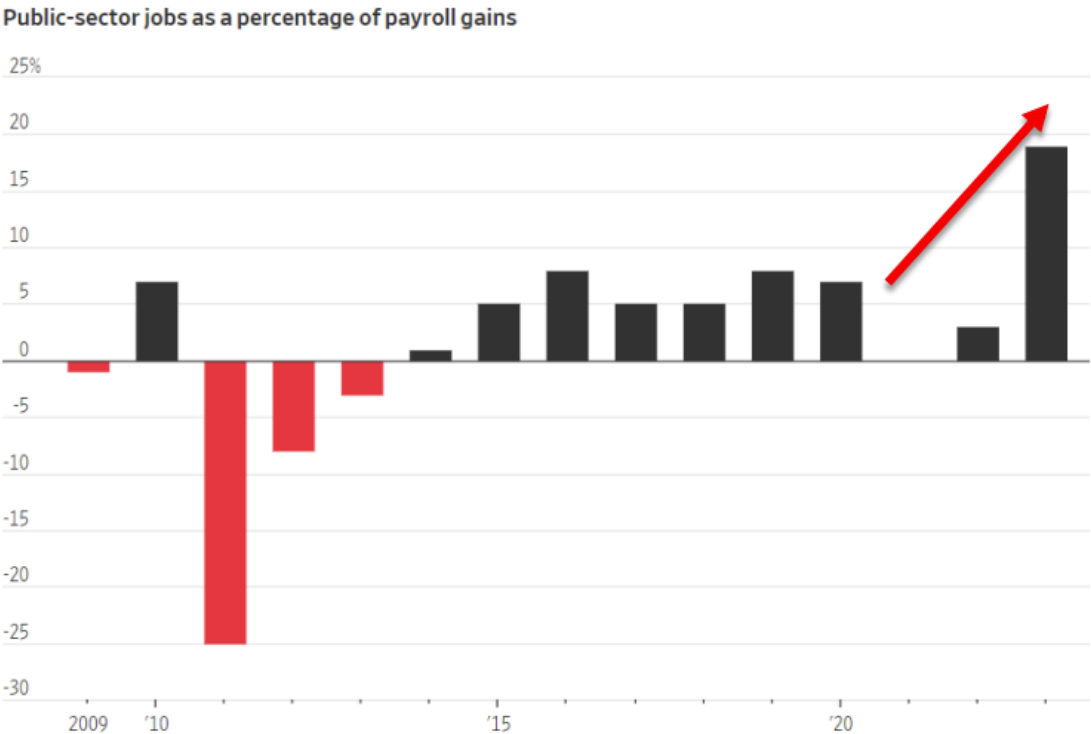
Government Hiring Has Been A Rocket In 2023

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It's Not Only GDP Growth that has benefitted from Govt Spending. Payroll gains have seen the 2023 lift as well.

Public sector jobs tend to average ~5% of total payroll growth over time.

2023 has seen almost 20% of payroll growth come from the public sector.

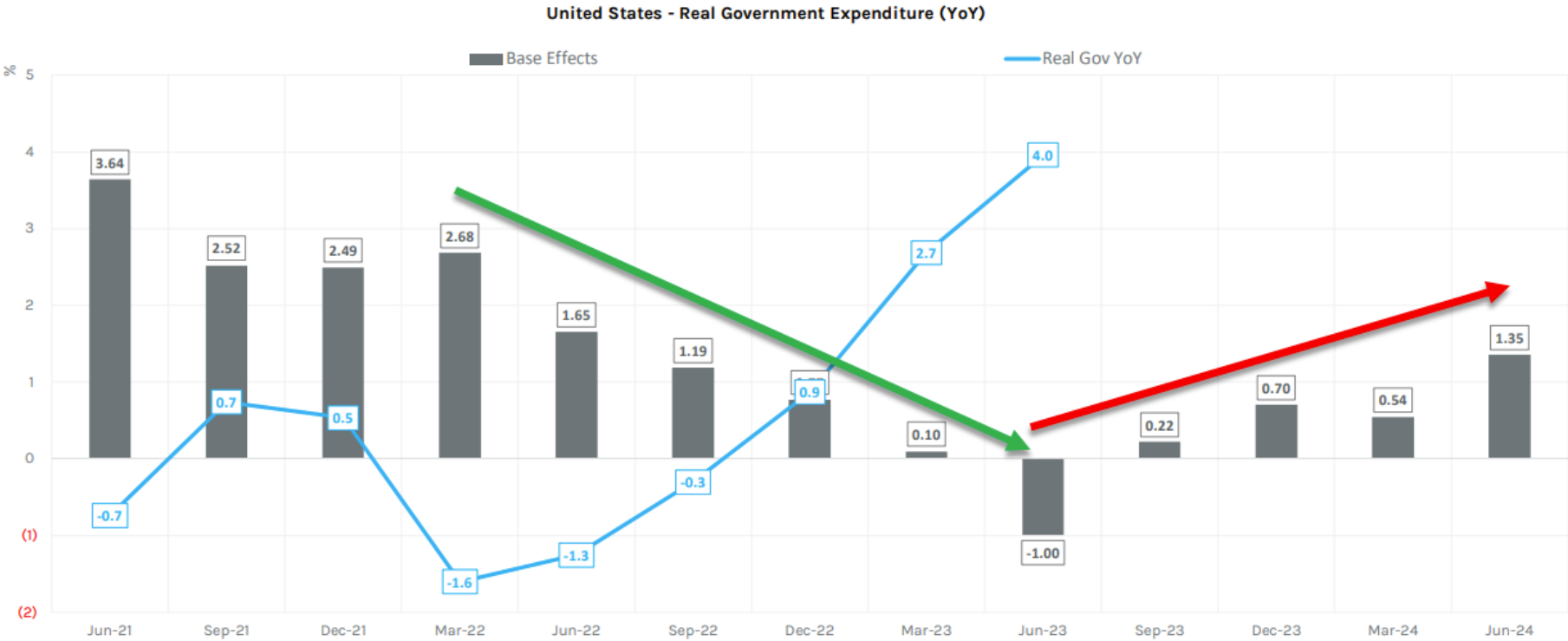


Source: U.S. Bureau of Labor Statistics, Current Employment Statistics, ZipRecruiter analysis

That's About To Hit Tough Comps Too

Tailwinds Turning to Headwinds Beginning This Quarter

Base Effects Broadly Steepen Through 2Q24



Data Source: BEA, FactSet

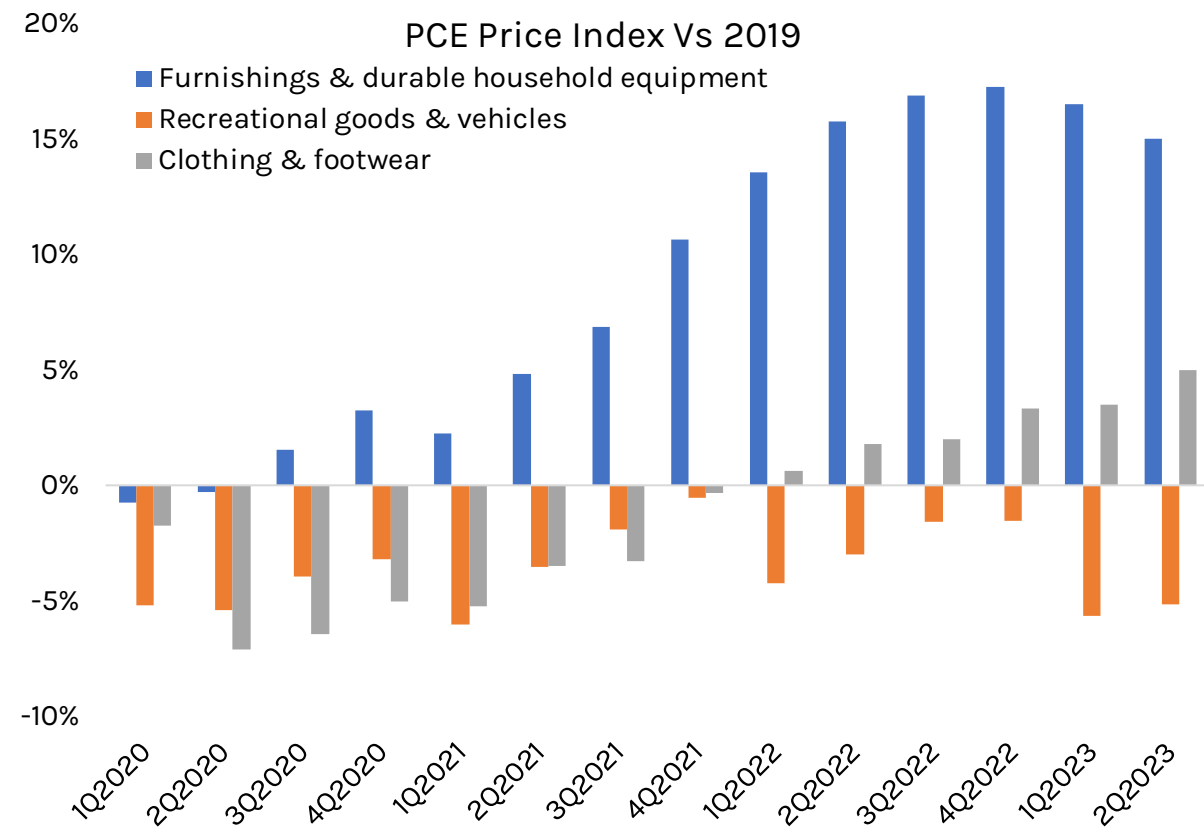
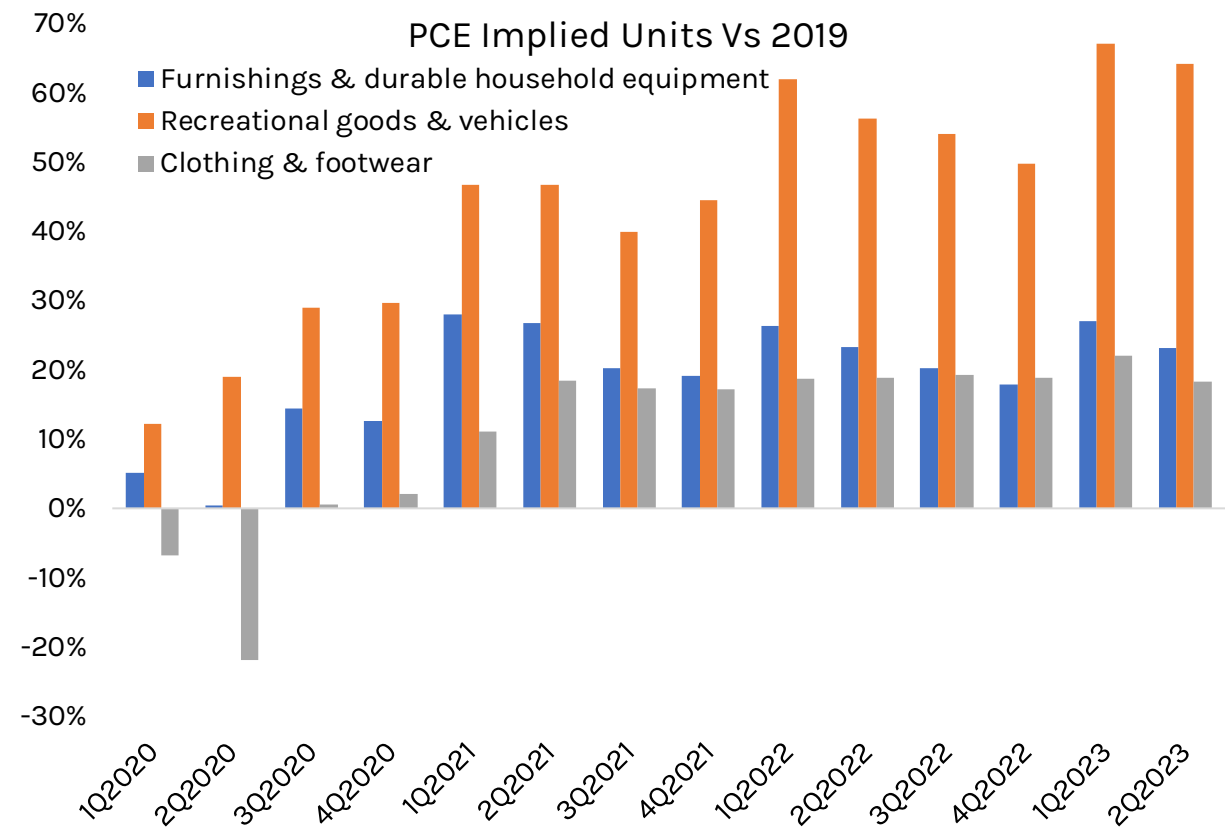
Discretionary Goods Inflation Still Running Well Above Norm

	YY CPI AVG 2003 to 2019	2023 YY CPI YTD Average	Excess Inflation
Furniture and bedding	-0.8%	-0.3%	0.4%
Appliances (1)	-1.0%	0.2%	1.2%
Tools, hardware, outdoor equipment and supplies (1)	-0.3%	9.5%	9.8%
Men's and boys' apparel	-0.1%	3.3%	3.5%
Women's and girls' apparel	-0.5%	4.2%	4.6%
Footwear	0.7%	0.0%	-0.8%
Jewelry and watches (5)	1.6%	6.7%	5.2%
Televisions	-17.2%	-11.9%	5.3%
Sporting goods	-0.2%	0.0%	0.2%
Cosmetics, perfume, bath, nail preparations and implements	0.5%	4.8%	4.2%

Even categories that have seen historical deflation are still running as inflationary despite the disinflation.

Fed likely to stay the course if we don't see big reversion here.

PCE Implied Units Still Far Ahead of 2019 Levels



Per PCE and PCE Price Index Data, implied units Running 20 to 50% ahead of 2019 levels as of 2Q23. Calculating Implied Units as spread between PCE Change and PCE Price Index Chage.

Recreation goods include entertainment electronics, PCs, boats, and sporting goods.

Key Category Summary, Hard To Fathom

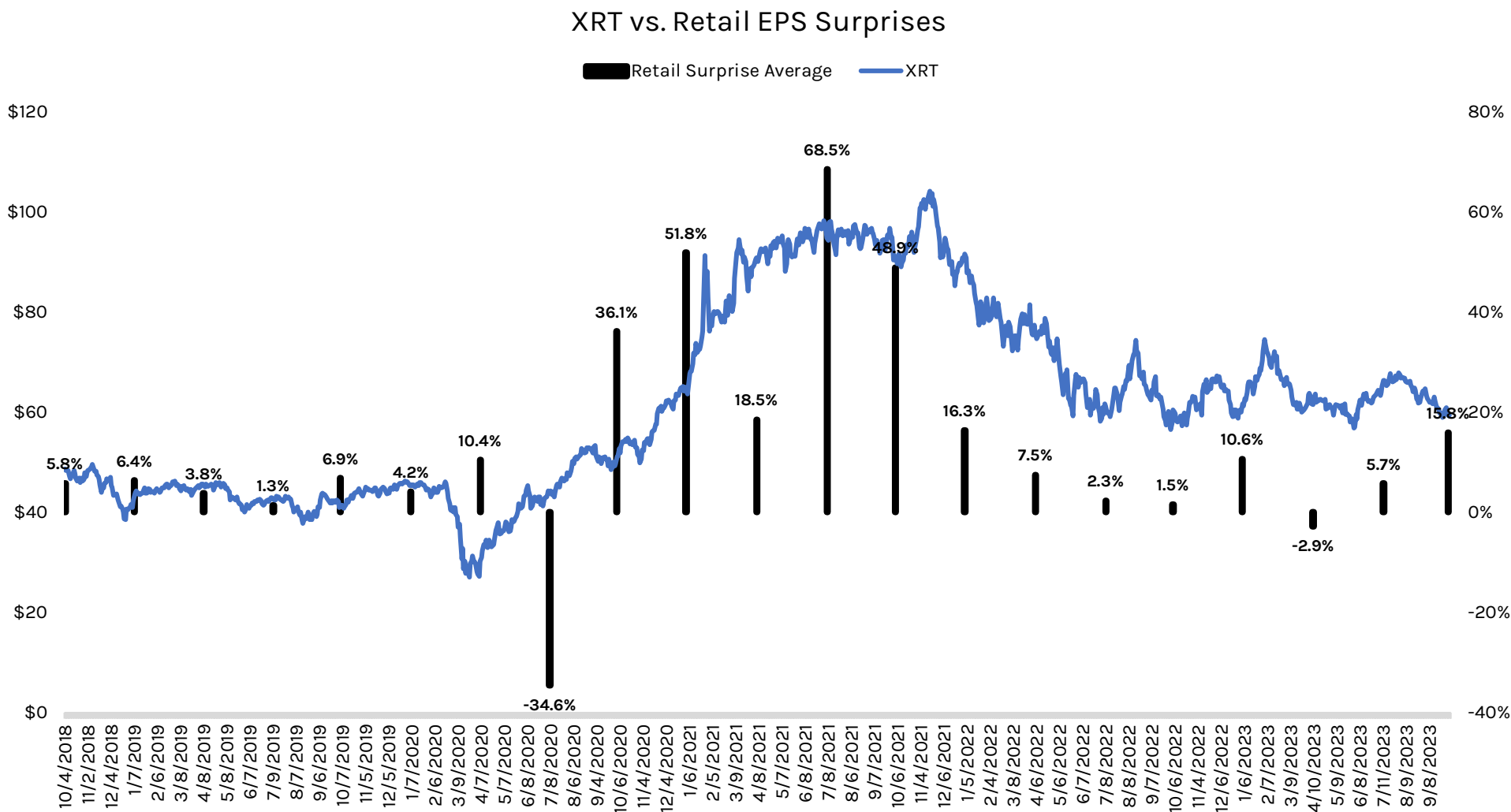
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	Q2 2023	PCE Change vs 2019	PCE Price vs 2019	Implied Units vs 2019
Motor vehicles & parts		42%	28%	14%
Furniture & furnishings		39%	17%	22%
Household appliances		33%	11%	22%
Televisions		36%	-28%	64%
Sporting equipment, supplies, guns & ammunition		71%	10%	62%
Jewelry & watches		42%	13%	29%
Clothing & footwear		23%	5%	18%
Cosmetic/perfumes/bath/nail preparations & implements		40%	4%	36%

2Q23 Earnings Rundown

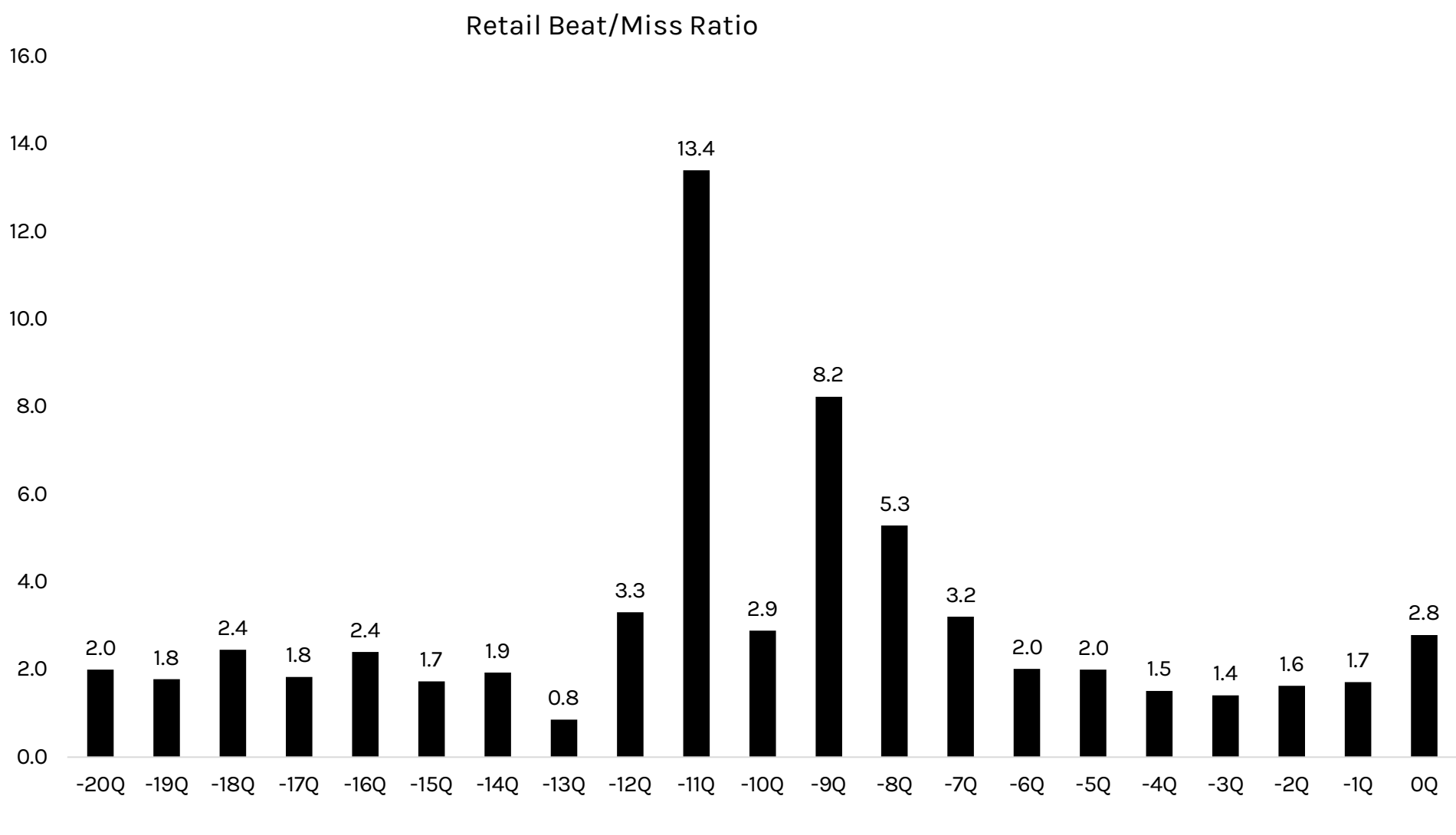


Net Beats Of The Lowered Numbers



2Q definitely shaped up better than guides as June and July saw accelerating trends

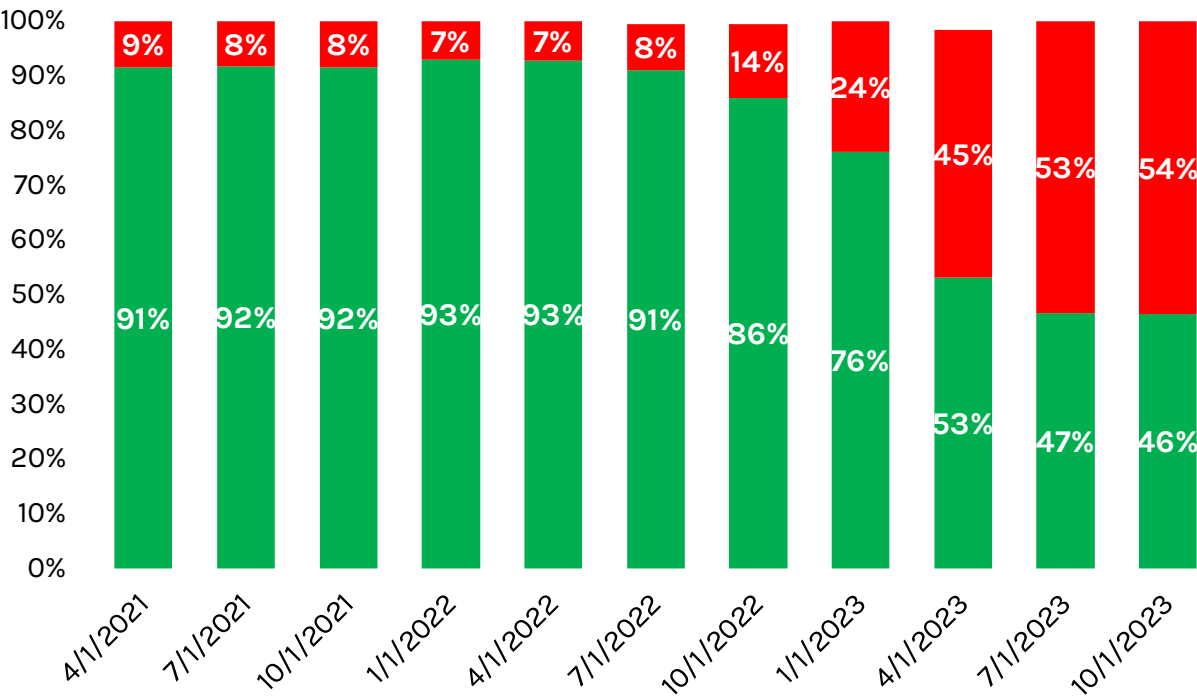
Retail Beat/Miss Ratio Ticked Up



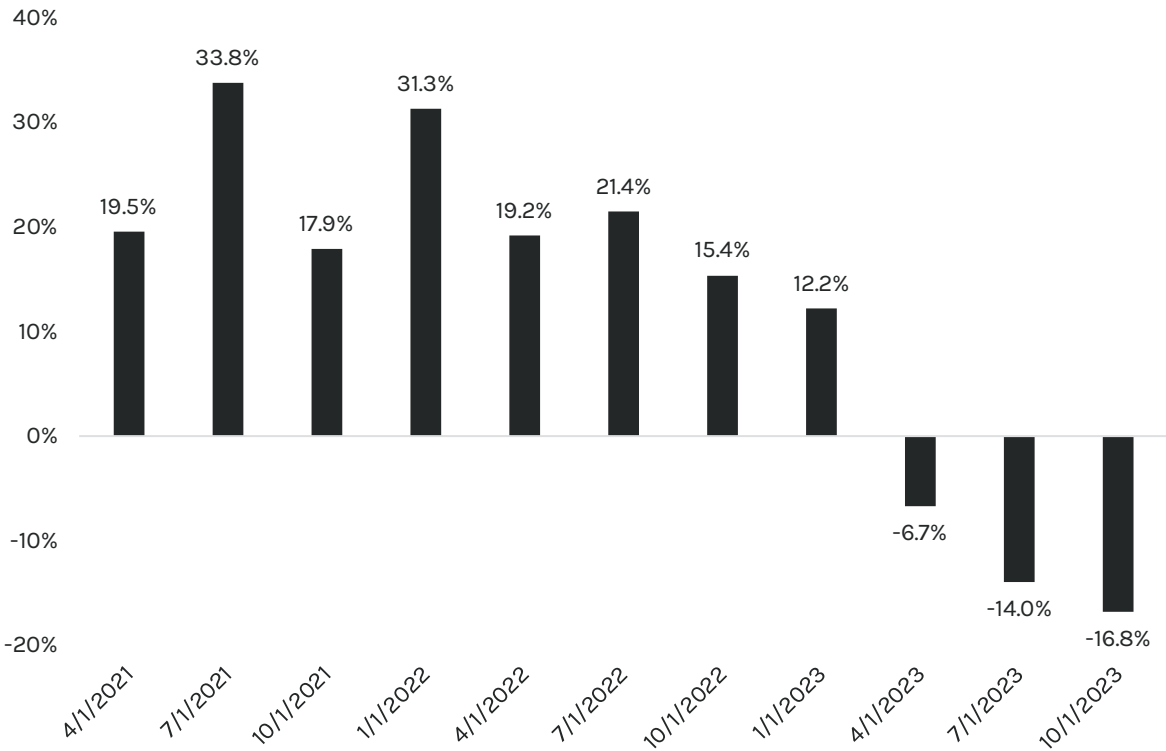
Net EPS Declines Expected, Average Down ~20%

2023 Earnings Above 2022 Earnings?

Greater Less



Average Growth in EPS 2023 vs 2022



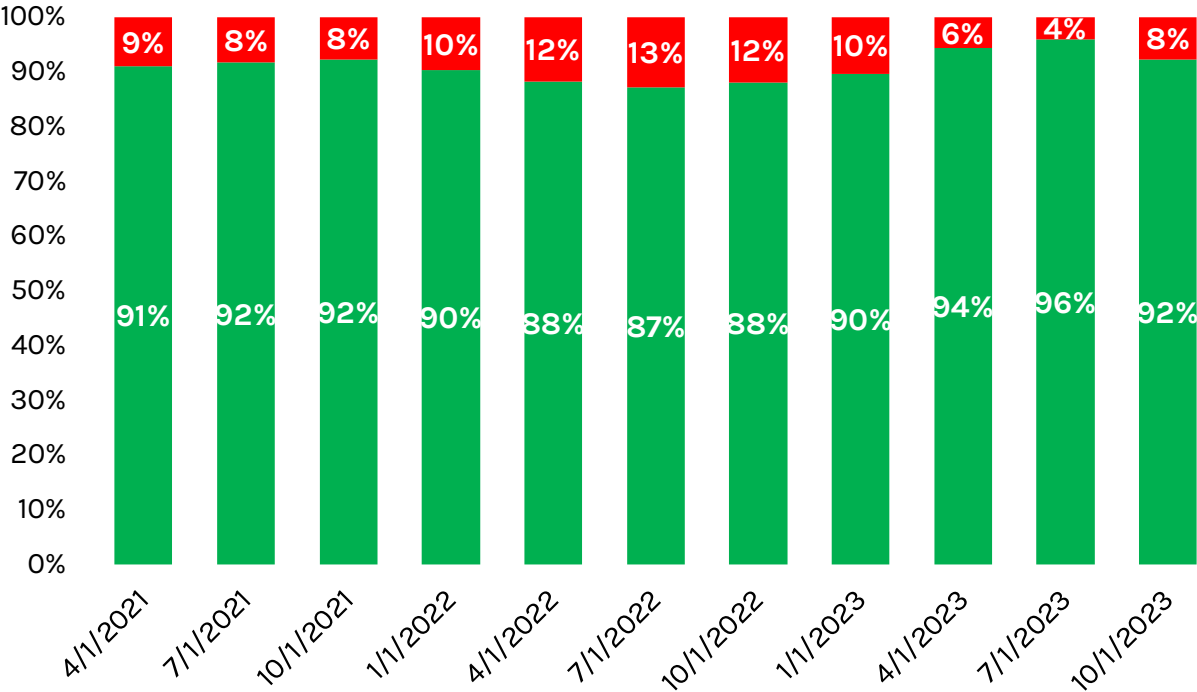
Consensus STILL has more companies growing EPS in 2023 than declining EPS.

Average includes the likes of Adidas (EPS down over 400%), just barely to negative YY expectation.

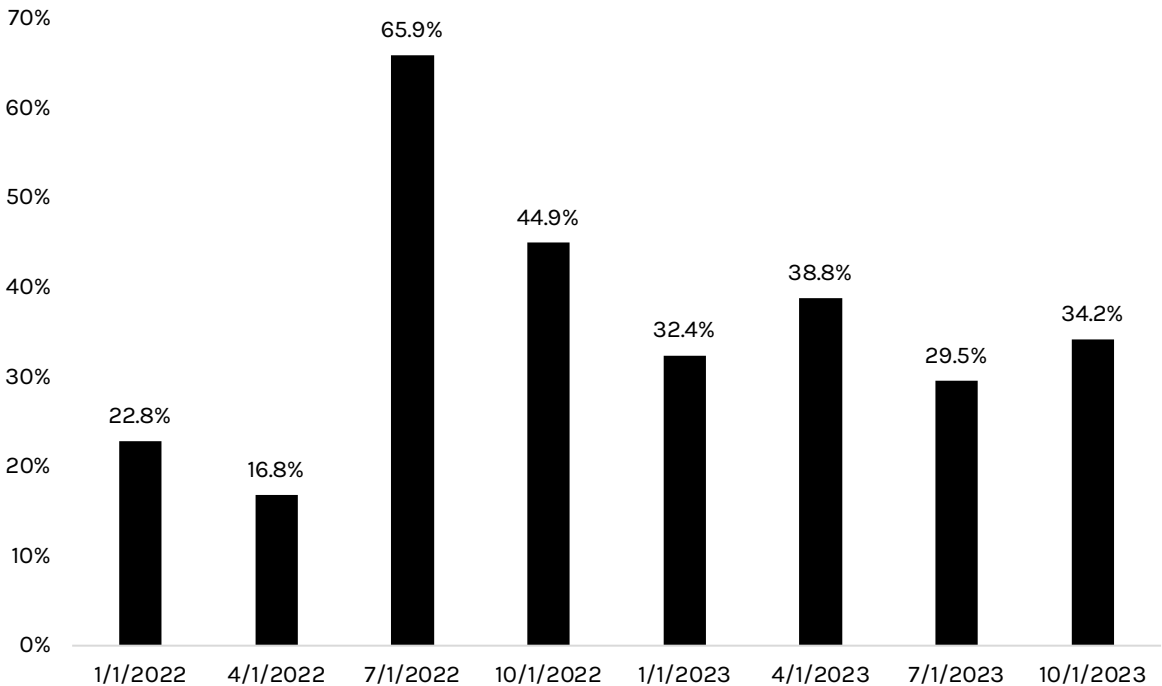
2024 Has Significant And Wide Spread EPS Growth

2024 Earnings Above 2023 Earnings?

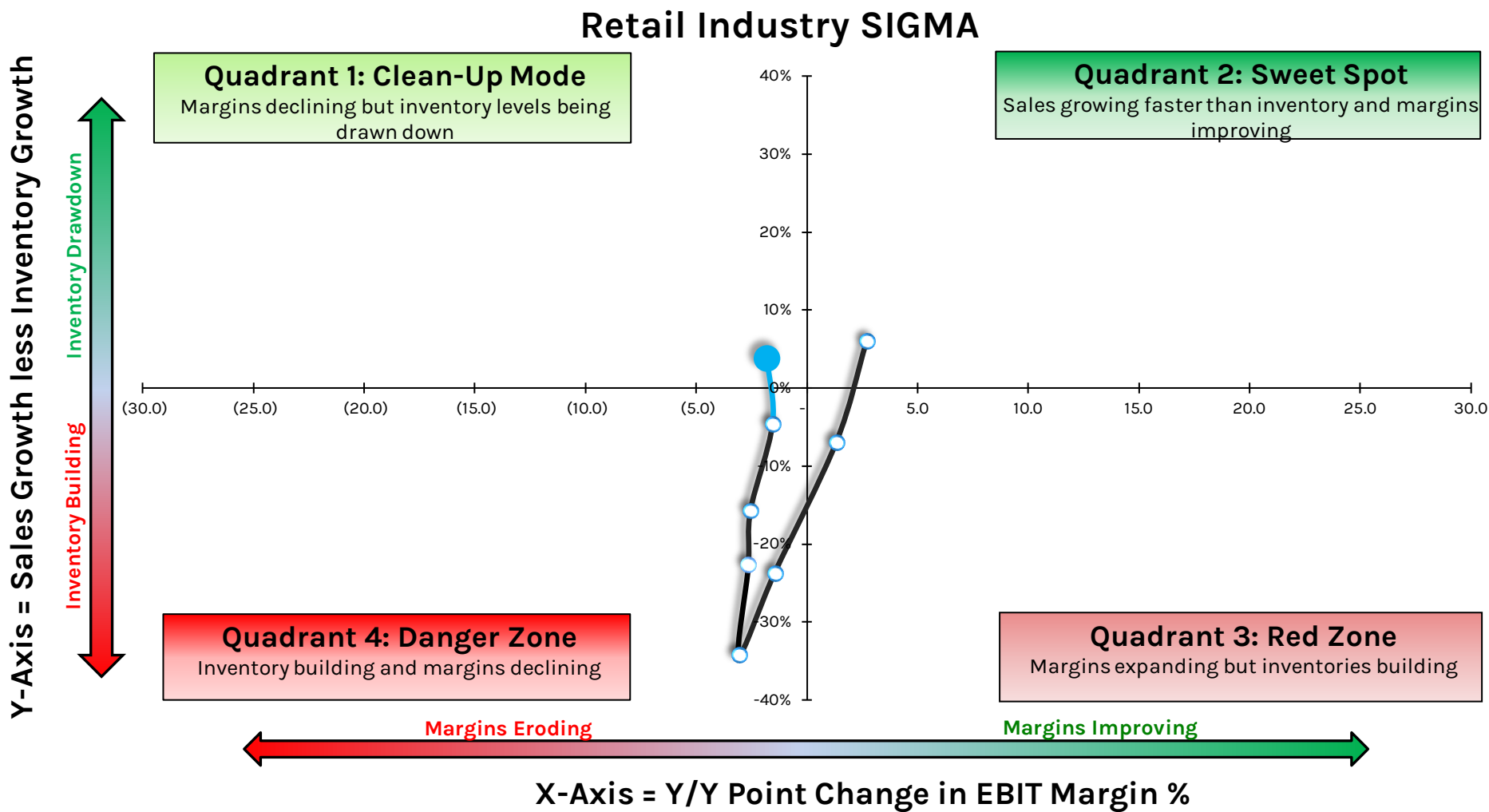
Greater Less



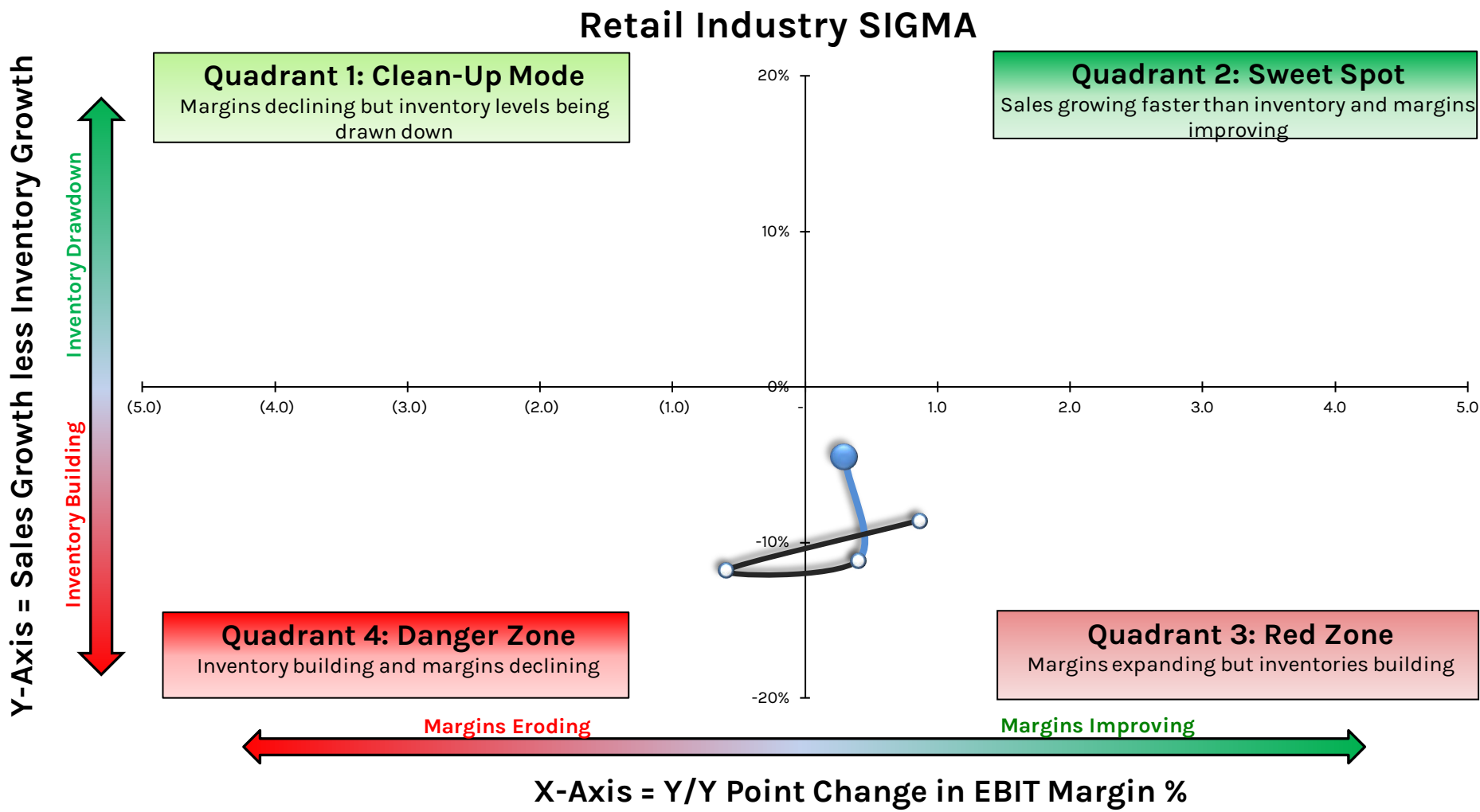
Average Growth in EPS 2024 vs 2023



Industry SIGMA Improving



Industry SIGMA Vs 2019



Retail P&L – Generational Peak EBIT Not Sustainable

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US Retail Industry P&L

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E
Retail Sales ex Food, Gas, Auto (Bn)	\$2,077	\$1,981	\$2,044	\$2,147	\$2,229	\$2,302	\$2,393	\$2,478	\$2,551	\$2,651	\$2,779	\$2,886	\$3,043	\$3,578	\$3,868	\$4,020	\$4,181
Revenue Growth vs 2019	-0.5%	-4.6%	3.2%	5.0%	3.9%	3.2%	4.0%	3.6%	2.9%	3.9%	4.8%	3.8%	5.5%	17.6%	8.1%	3.9%	4.0%
Gross Profit	\$602	\$588	\$614	\$639	\$659	\$678	\$700	\$724	\$738	\$759	\$793	\$821	\$820	\$1,064	\$1,114	\$1,158	\$1,208
Gross Margin	29.0%	29.7%	30.1%	29.8%	29.6%	29.5%	29.3%	29.2%	29.0%	28.7%	28.6%	28.5%	27.0%	29.8%	28.8%	28.8%	28.9%
Gross Margin YY	-75 bps	70 bps	35 bps	-30 bps	-20 bps	-10 bps	-20 bps	-5 bps	-25 bps	-30 bps	-10 bps	-10 bps	-150 bps	280 bps	-95 bps	0 bps	10 bps
SG&A	\$467	\$460	\$487	\$505	\$519	\$537	\$558	\$582	\$598	\$606	\$641	\$677	\$729	\$832	\$890	\$940	\$966
SG&A Rate	22.5%	23.2%	23.8%	23.5%	23.3%	23.3%	23.3%	23.5%	23.4%	22.9%	23.1%	23.5%	24.0%	23.3%	23.0%	23.4%	23.1%
EBIT	\$135	\$129	\$128	\$134	\$140	\$140	\$142	\$142	\$140	\$154	\$153	\$144	\$91	\$233	\$224	\$218	\$243
EBIT Growth	1.6%	-4.6%	-1.0%	4.8%	4.4%	0.6%	1.3%	0.0%	-1.3%	9.6%	-0.6%	-5.6%	-36.7%	154.7%	-3.5%	-2.7%	11.1%
EBIT Margin	6.5%	6.5%	6.2%	6.2%	6.3%	6.1%	5.9%	5.7%	5.5%	5.8%	5.5%	5.0%	3.0%	6.5%	5.8%	5.4%	5.8%

Consensus Expectations

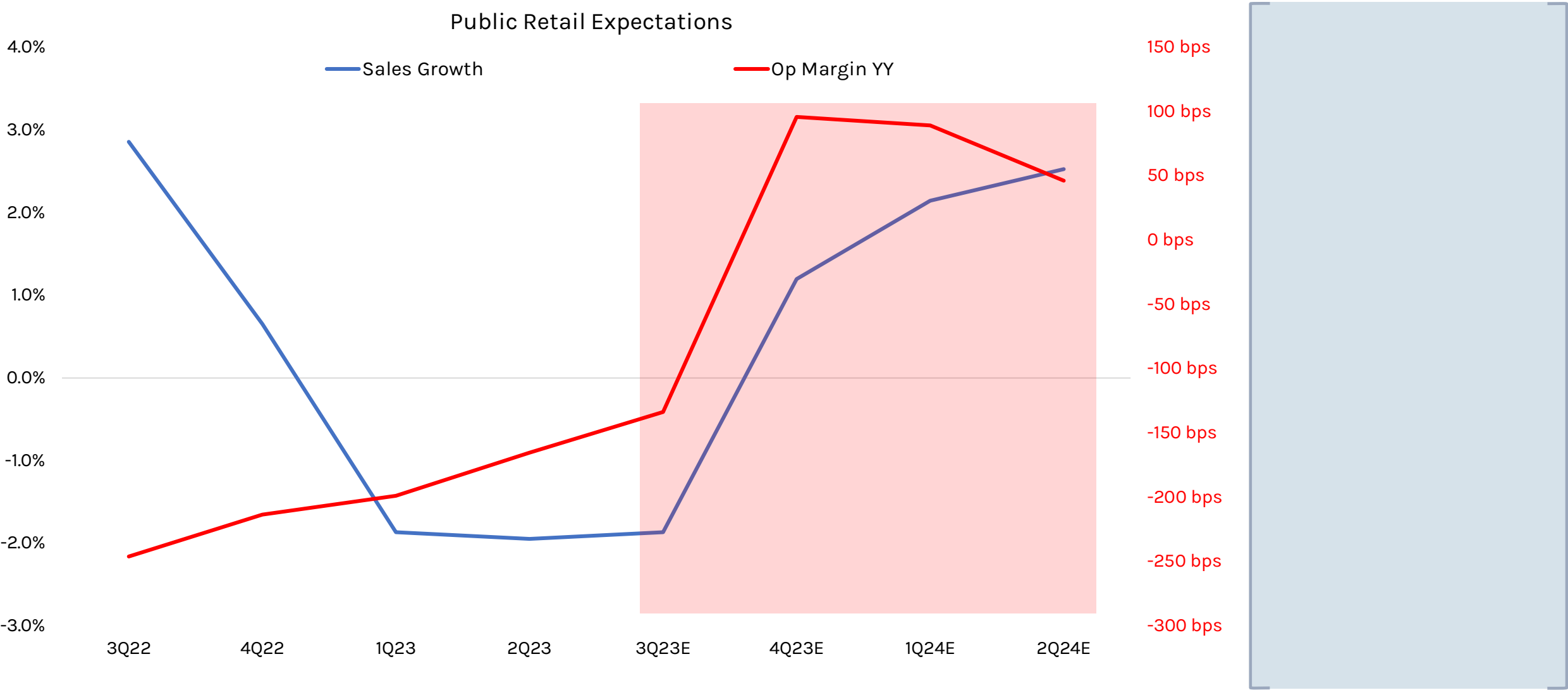
Retail P&L Quarterized – Consensus = Big Hockey Stick

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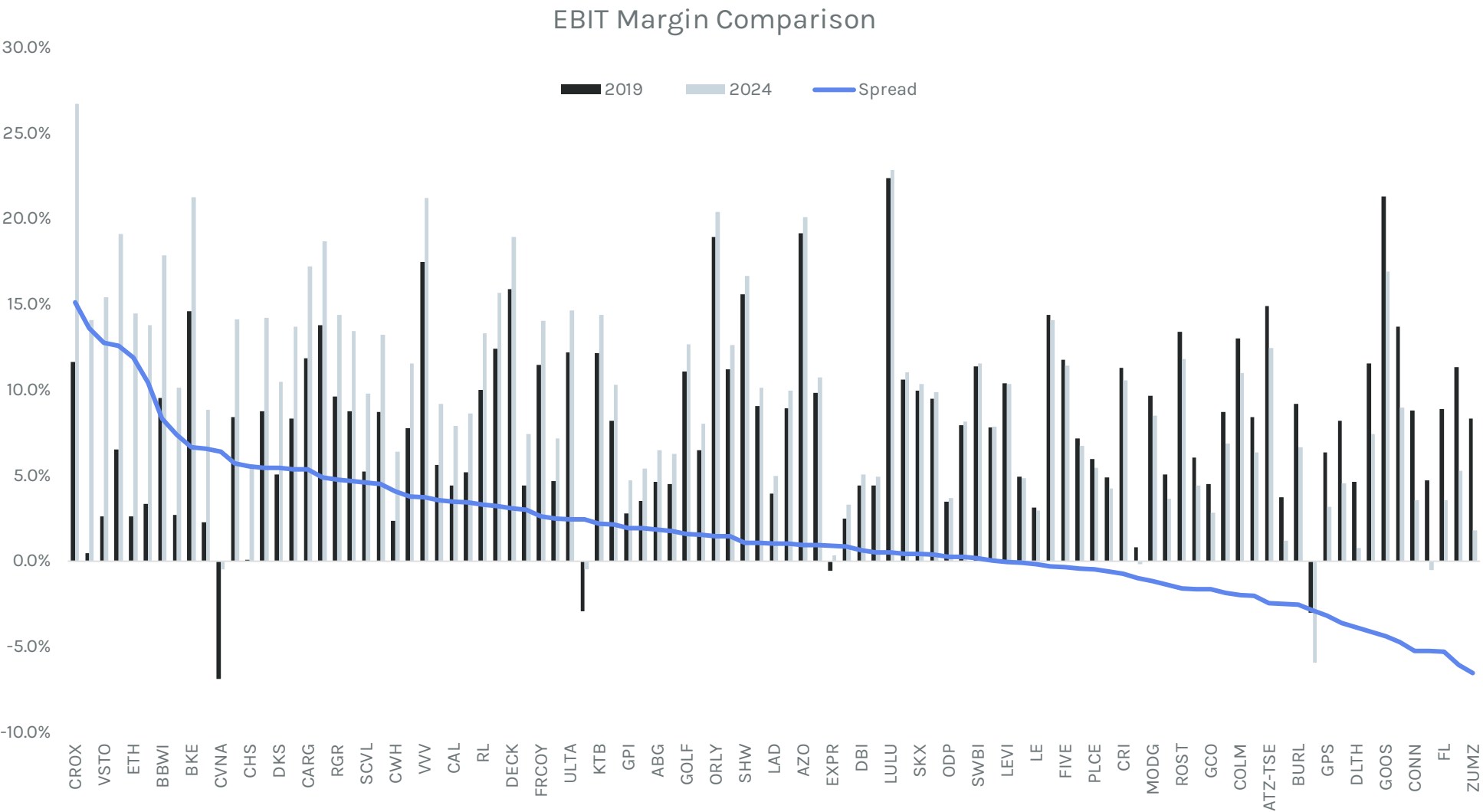
	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23E	4Q23E	1Q24E	2Q24E	3Q23E	4Q23E
Retail Sales ex Food, Gas, Auto (Bn)	\$860	\$900	\$895	\$922	\$946	\$967	\$978	\$978	\$992	\$996	\$1,008	\$1,022	\$1,031	\$1,040	\$1,054	\$1,063
Revenue Growth vs 2019	17.8%	24.8%	10.3%	12.2%	9.9%	7.5%	9.2%	6.0%	4.9%	3.0%	3.1%	4.5%	4.0%	4.4%	4.6%	4.0%
Gross Profit	\$241	\$265	\$278	\$277	\$261	\$277	\$294	\$283	\$268	\$283	\$302	\$303	\$283	\$299	\$318	\$316
Gross Margin	28.0%	29.5%	31.0%	30.0%	27.6%	28.7%	30.1%	28.9%	27.0%	28.5%	30.0%	29.7%	27.4%	28.8%	30.2%	29.8%
Gross Margin YY	50 bps	600 bps	300 bps	150 bps	-40 bps	-80 bps	-90 bps	-110 bps	-60 bps	-25 bps	-10 bps	75 bps	40 bps	30 bps	20 bps	10 bps
SG&A	\$192	\$210	\$213	\$212	\$202	\$229	\$235	\$224	\$215	\$242	\$246	\$236	\$222	\$251	\$255	\$245
SG&A Growth	20.5%	14.9%	3.7%	11.0%	5.5%	8.8%	10.4%	5.8%	6.3%	5.7%	4.6%	5.2%	3.0%	3.5%	3.7%	3.8%
SG&A Rate	22.3%	23.4%	23.8%	23.0%	21.4%	23.7%	24.1%	23.0%	21.7%	24.3%	24.4%	23.1%	21.5%	24.1%	24.2%	23.1%
EBIT	\$49	\$55	\$64	\$65	\$59	\$48	\$59	\$58	\$53	\$41	\$56	\$67	\$61	\$48	\$63	\$71
EBIT Growth					19.4%	-11.9%	-8.2%	-9.9%	-10.4%	-14.5%	-4.6%	15.0%	15.8%	17.0%	12.1%	6.4%
EBIT Margin	5.7%	6.1%	7.2%	7.0%	6.2%	5.0%	6.1%	6.0%	5.3%	4.2%	5.6%	6.6%	5.9%	4.7%	6.0%	6.7%
	0 bps	800 bps	450 bps	175 bps	50 bps	-110 bps	-115 bps	-105 bps	-90 bps	-85 bps	-45 bps	60 bps	60 bps	50 bps	40 bps	15 bps

Consensus Expectations

Total Industry Revenue and Margin Hockey Stick



Shouldn't Margins Be Lower?



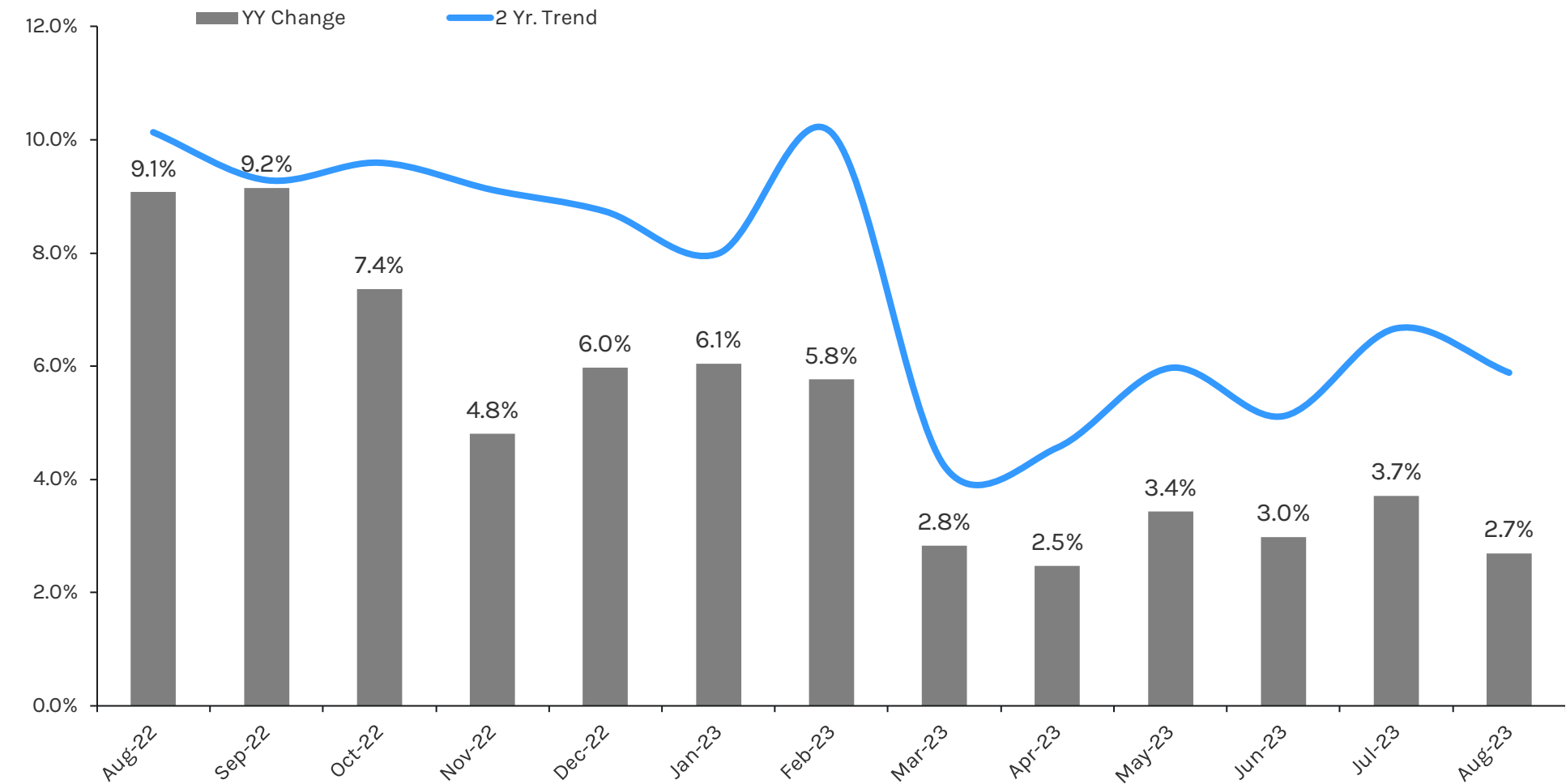
On a check of ~100 retail names... 2/3 have margins in 2024 above 2019.

Near Term Considerations

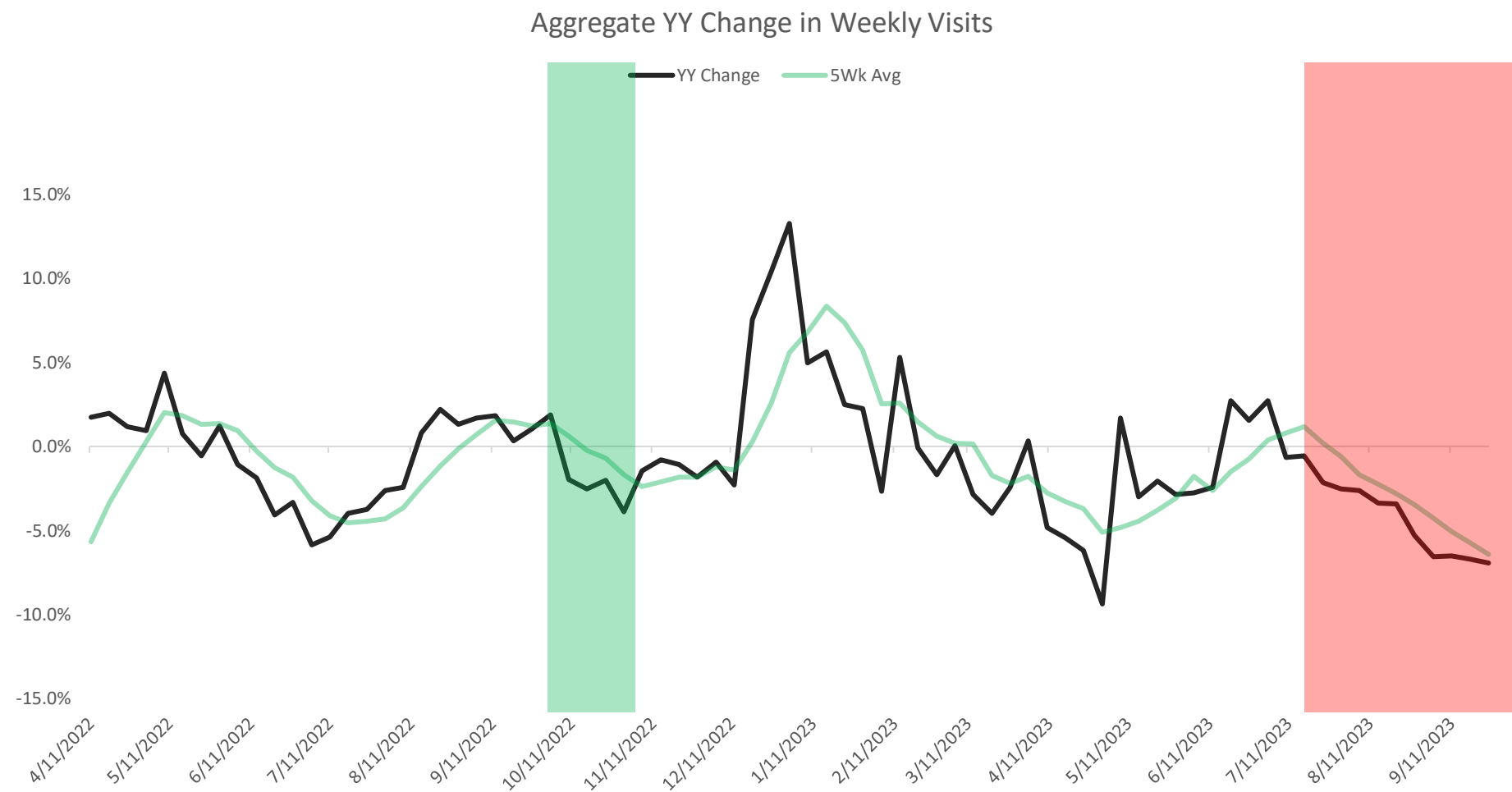


Discretionary Retail Sales Slowed In August

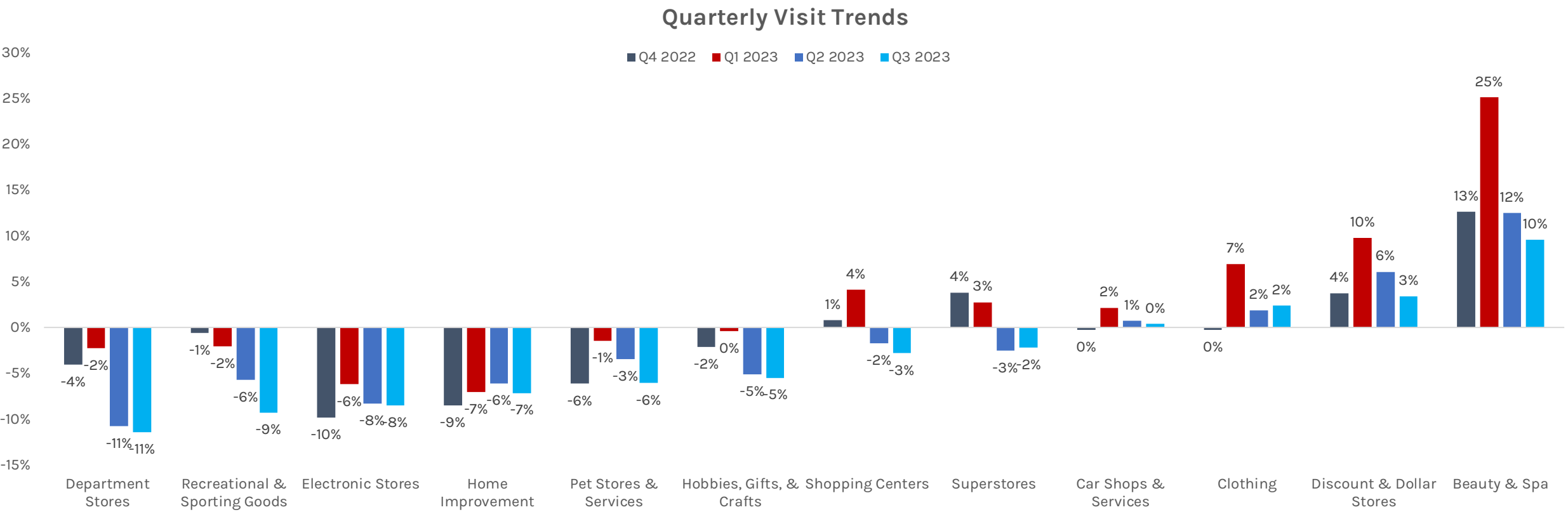
Total US Retail Ex Food, Gas, & Auto



3Q Visits Have Slowed Materially, Easier Comps To Come Near Term



Subcategory Visits Trends By Q



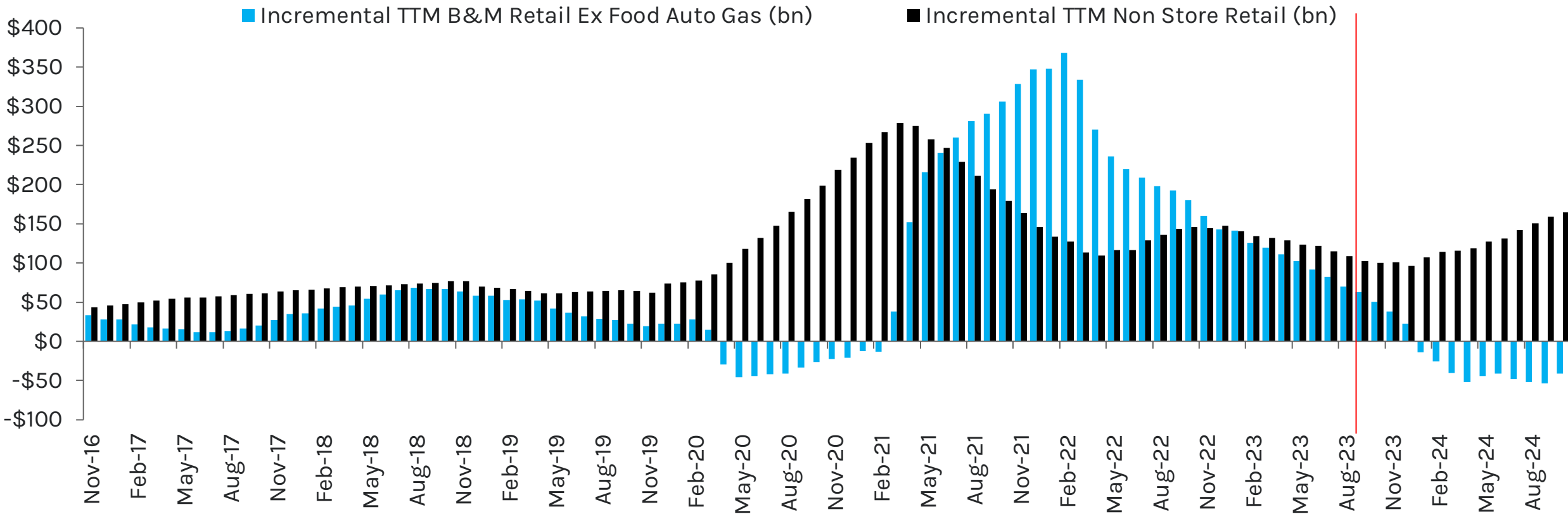
Total, not comp visits.

Ecommerce Penetration Is Back To Growing

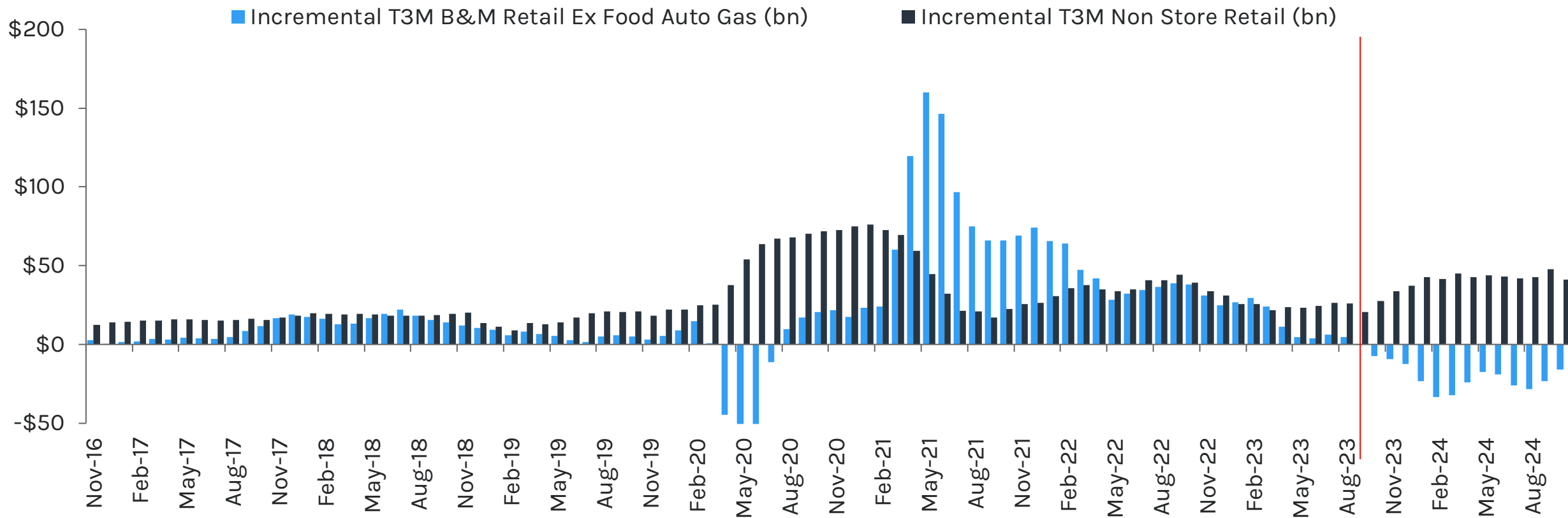


After contracting from 1Q21 to 3Q22, ecommerce penetration is ramping again, and staying ahead of pre-covid trend.

Brick And Mortar Dollars To Compress Rapidly



On the 3mo Look Near Term = Very Bearish



FICA Tax Eating Away at Higher Income Earners

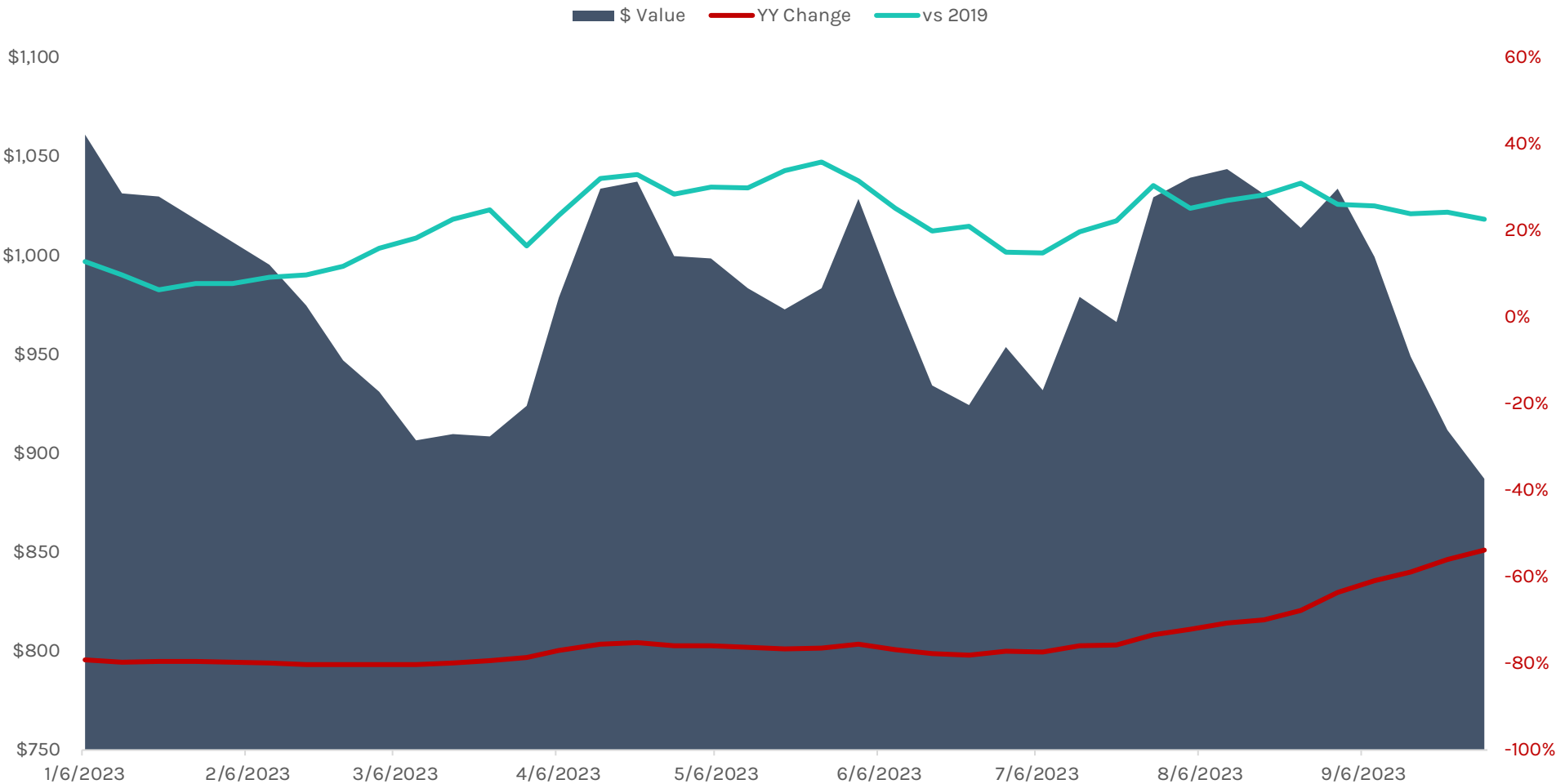
FICA Tax Changes		
	Income Limit 2022	Income Limit 2023
Social Security Tax (6.2%)	\$147,000	\$160,000
Results in Tax of:	\$ 9,114.00	\$ 9,920.00
Equals a Difference of :	--	\$ 806.00

Changes to the Federal Insurance Contributions Act (FICA) taxable income limit will result in lower discretionary income

Most people will see this headwind in 4Q.

Freight Been Down All Year, Tailwind Waning

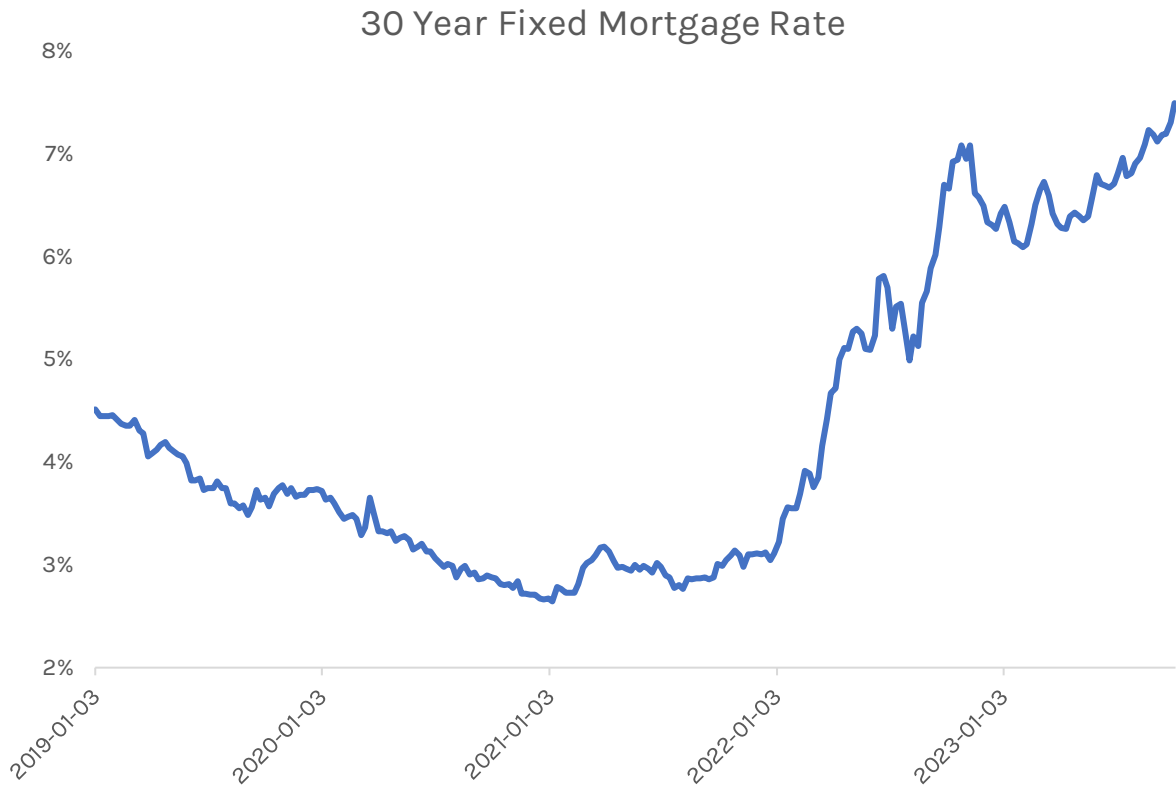
Shanghai Containerized Freight Index (SCFI) - China



Home Turnover In Depression: Bearish Home Improvement



30 Year Mortgage Rate To Generational Highs (23yr)

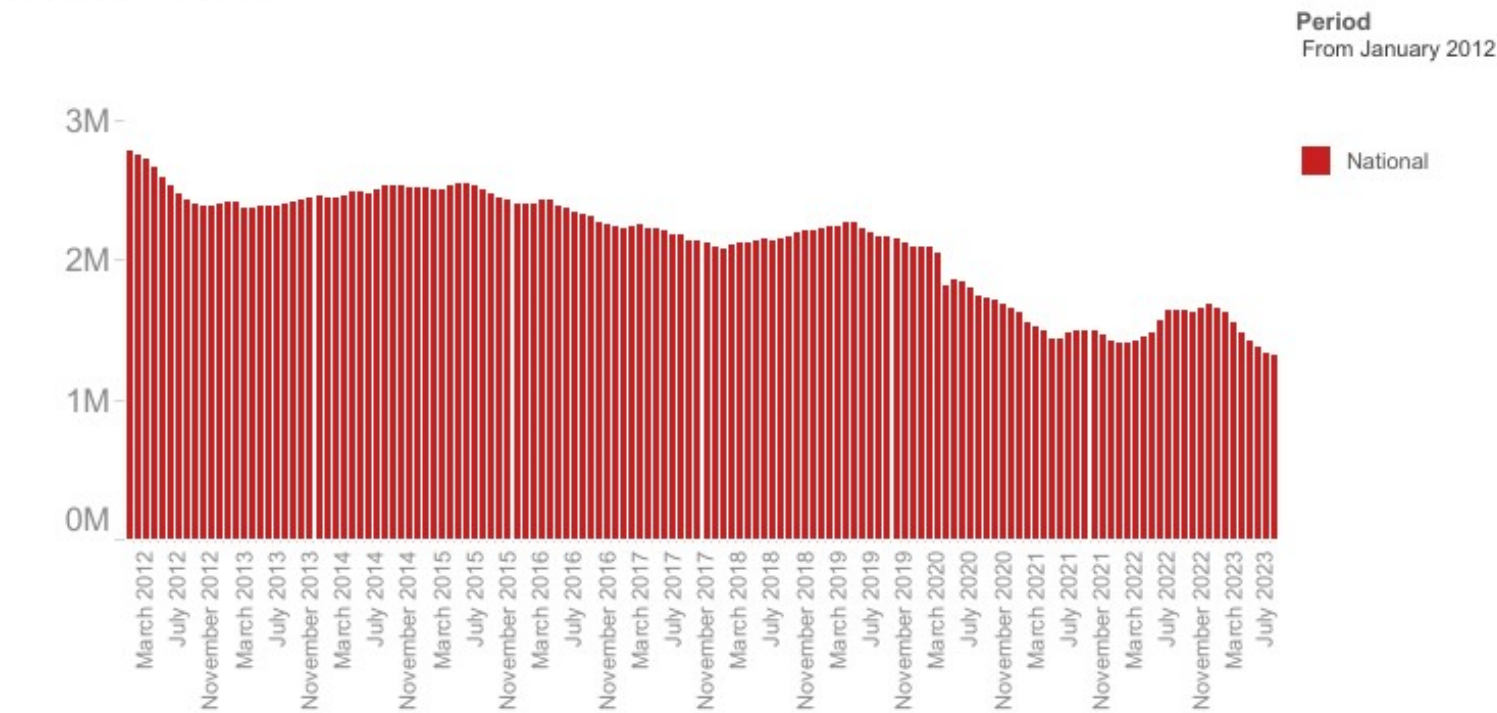


And still rising...

Active Listings To All Time Lows (That Data Is Available)

State: All Region Type: All Region: National Property Type: All Residential Show Values As: Value Seasonally Adjusted: True

Active Listings

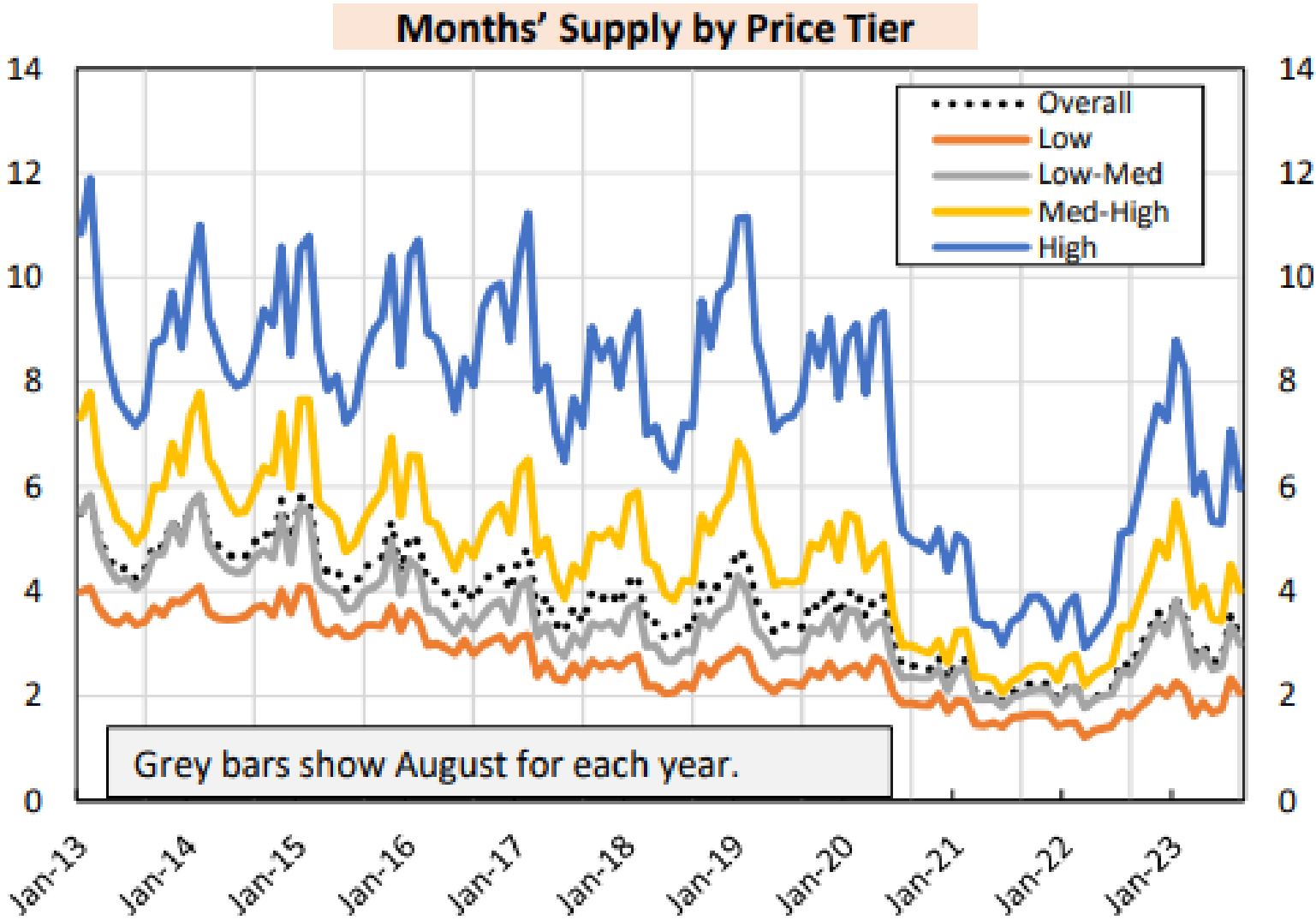


Toro With A Notable Warning

*“we experienced a sharp and accelerated reduction in **homeowner demand** for residential and professional segment lawn care products”*

-September 7th Earnings Press Release

Home Supply Still Tight

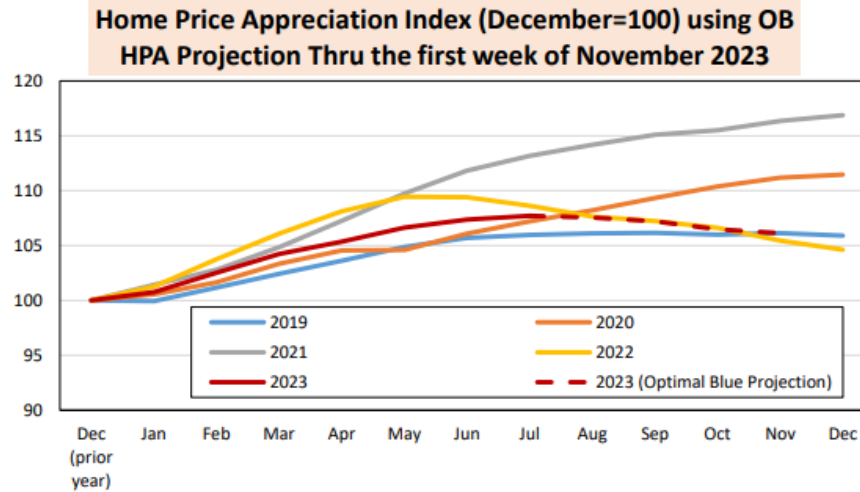


AEI Expects Prices To Stay Up, Pressuring Turnover

Home Price Appreciation: December 2023 and 2024 YoY HPA Projections

Given continuing tight supply notwithstanding rates now being at 7.44% (Mortgage News Daily), the mortgage rate boundaries have been raised by 0.25% for all projections, and 2024's HPAs have all been reduced:

- **Base Case HPA Projection** for Dec. 2023 and Dec. 2024 of +6% and +4%, respectively
 - Assumes mortgage rate at 6.00%-7.5%, unemployment rate $\leq 5.5\%$, and months' remaining inventory < 4.5 months.
- **Bullish Case Projection** for Dec. 2024 of +8%
 - Assumes mortgage rate at 4.50%-6.00%, unemployment rate $\leq 5.5\%$, and months' remaining inventory < 4.5 months.
- **Bearish Case Projection** for Dec. 2024 of -7%
 - Assumes mortgage rate at 7.50%-9.00%, unemployment rate $> 5.5\%$ and $\leq 7.5\%$, and months' remaining inventory > 6 months.
 - Note: These things might occur at different times over the projection period.



Note: Data are for the entire country. Data for August 2023 are preliminary. September, October and the first week of November 2023. HPA is projected based on Optimal Blue data.

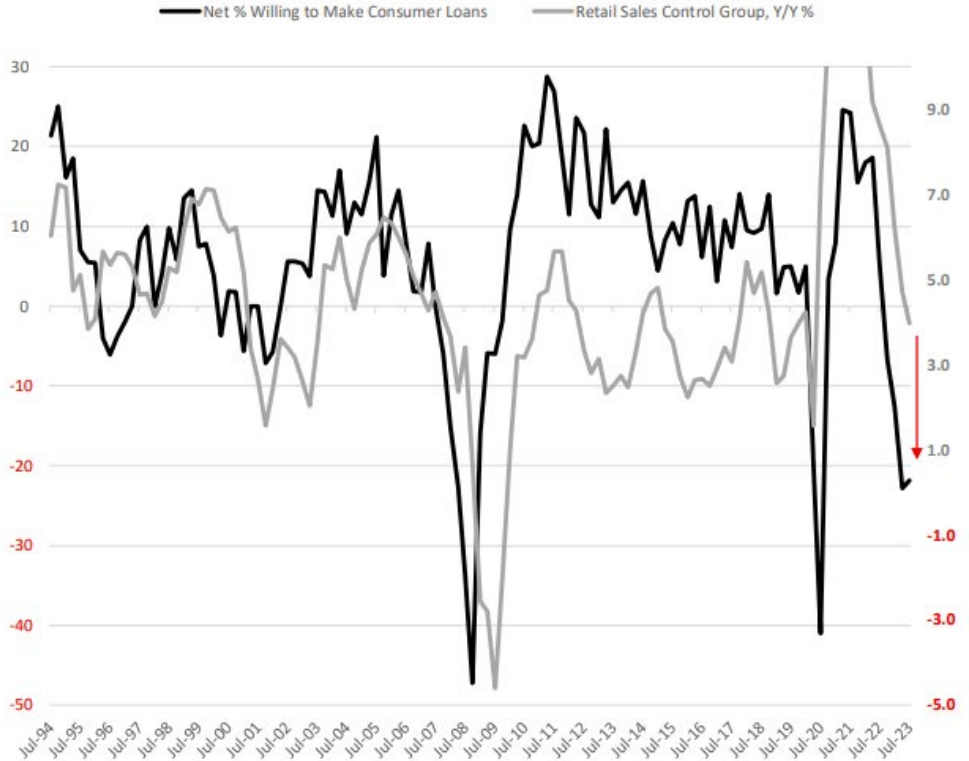
Credit Weakening, But Potential Room Left



Senior Loan Officer = Continued Tightening

The Cost & Availability of Consumer Credit Is Turbo Tightening

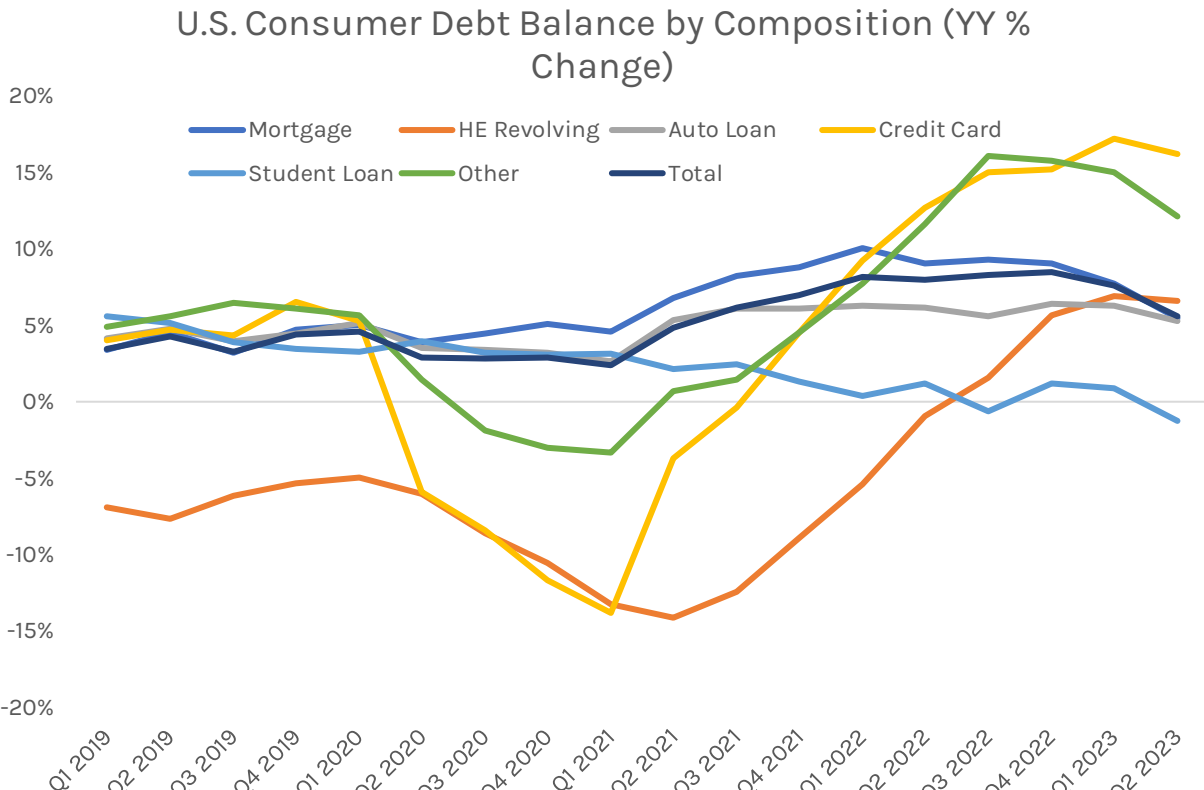
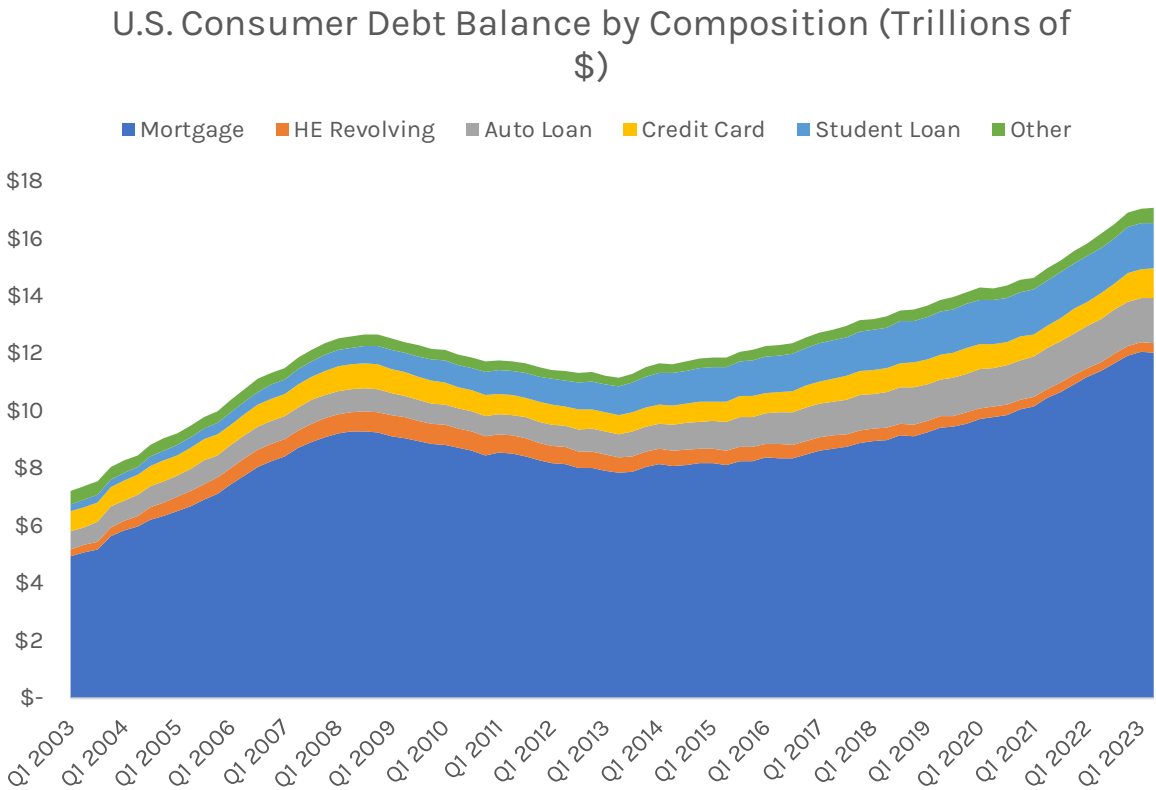
CONSUMER LENDING					
Residential Mortgage Loans ⁽⁴⁾					
	2Q22	3Q22	4Q22	1Q23	2Q23
Tightening Standards					
GSE-eligible	1.7	1.7	1.8	1.9	5.4
Government	-1.9	1.9	3.8	3.9	5.7
QM non-jumbo, non-GSE-eligible	0.0	-3.4	6.9	11.5	12.5
QM-jumbo	5.3	5.2	15.3	18.5	19.6
Non-QM jumbo	3.6	7.4	14.5	21.6	21.6
Non-QM non-jumbo	5.6	3.8	5.8	16.7	18.4
Subprime	12.5	11.1	14.3	33.3	16.7
Stronger Demand					
GSE-eligible	-60.3	-86.2	-93.0	-52.7	-27.3
Government	-53.7	-79.6	-86.8	-47.1	-28.3
QM non-jumbo, non-GSE-eligible	-50.9	-76.3	-87.9	-41.5	-33.9
QM-jumbo	-54.4	-81.0	-88.1	-57.4	-33.9
Non-QM jumbo	-57.1	-79.6	-85.5	-56.9	-38.8
Non-QM non-jumbo	-59.3	-72.2	-84.6	-50.0	-44.9
Subprime	-50.0	-50.0	-85.7	-50.0	-9.1
Household Loans					
	2Q22	3Q22	4Q22	1Q23	2Q23
Tightening Standards					
Credit Cards	0.0	18.8	28.3	30.4	36.4
New and Used Autos	1.9	2.0	17.3	27.5	14.6
Consumer Loans Excl. Credit Cards and Autos	1.7	13.6	10.2	23.6	20.8
Stronger Demand					
Credit Cards	18.2	10.6	-11.1	-2.2	0.0
Auto	-15.7	-28.0	-39.2	-26.5	-21.3
Consumer Excl. Cards and Auto	6.9	-3.4	-25.9	-14.5	-23.1
Increased Willingness to make Installment Loans	5.2	-6.8	-12.5	-22.8	-21.8



Data Source: Factset, Bloomberg

© Hedgeye Risk Management LLC.

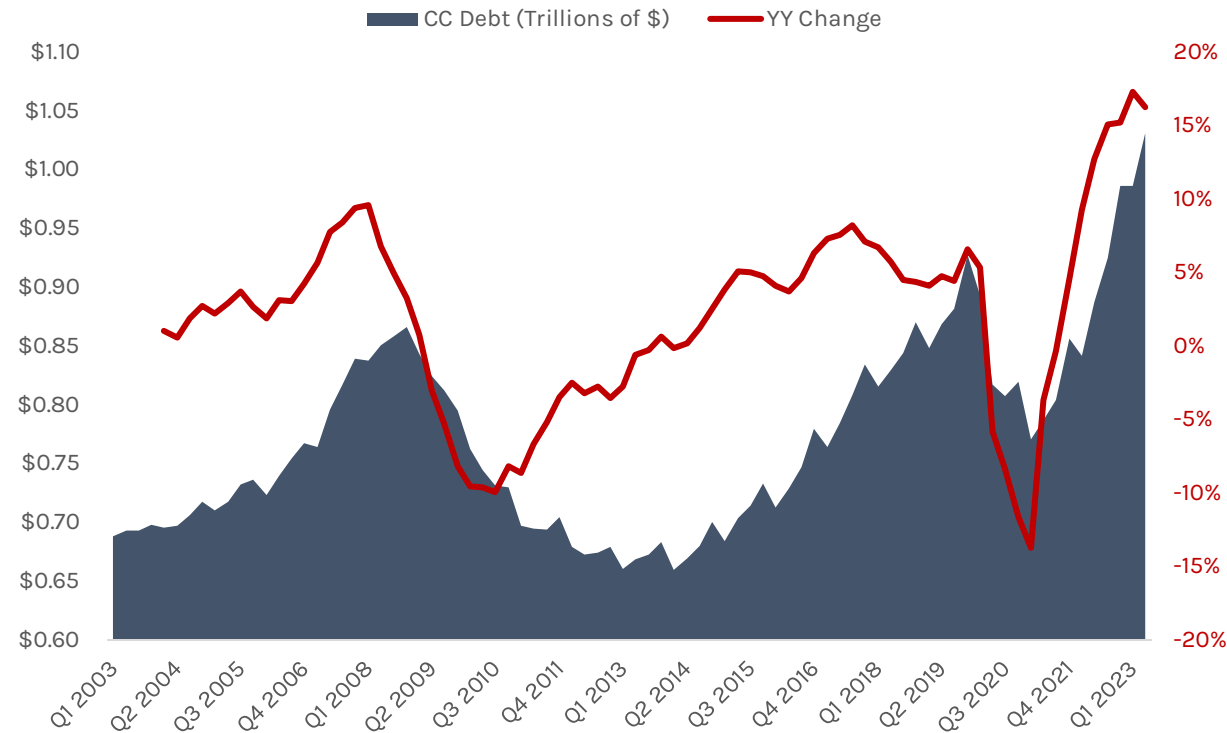
Consumer Debt Composition



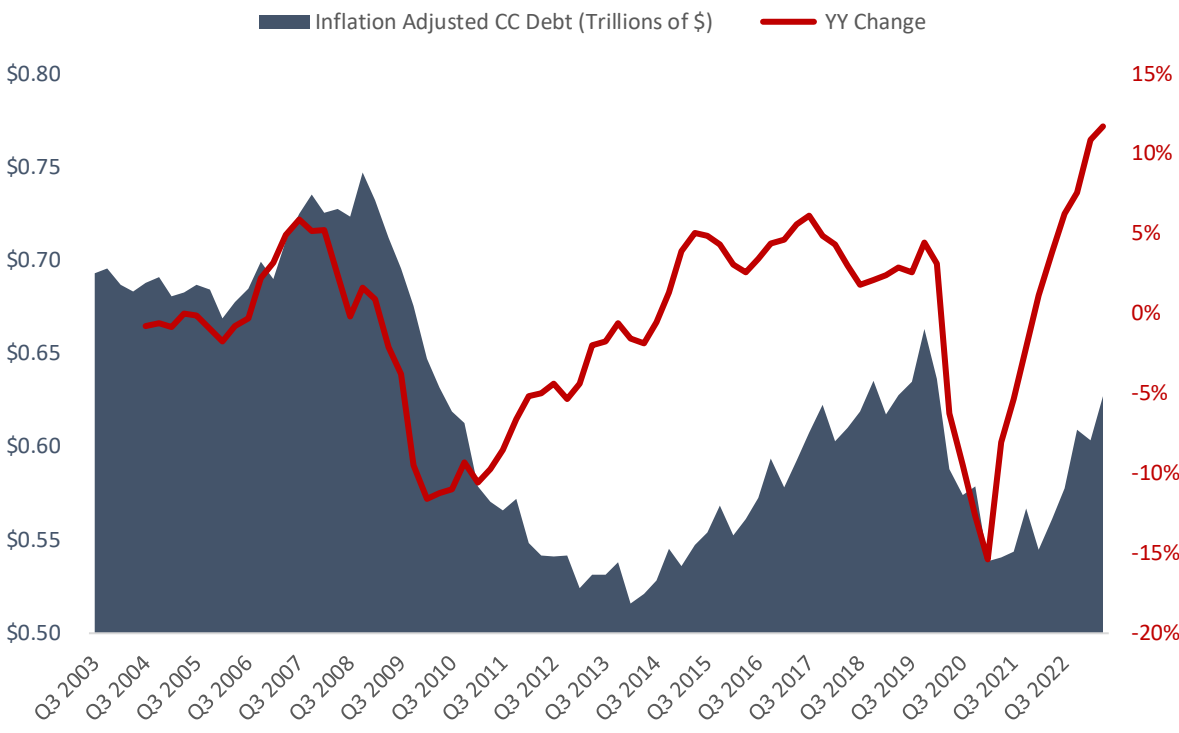
Credit cards and HELOCs rising

CC Debt Ripping, Though Not Quite At 19 Adjusting For Inflation

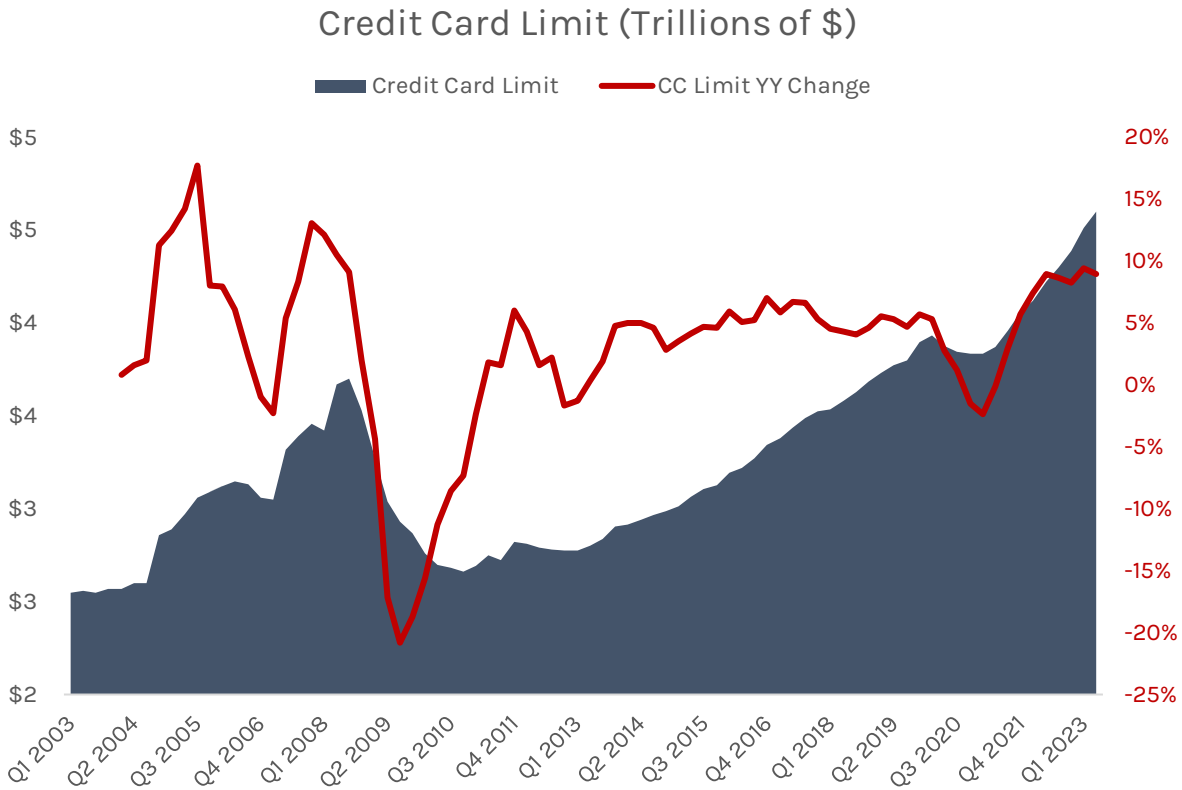
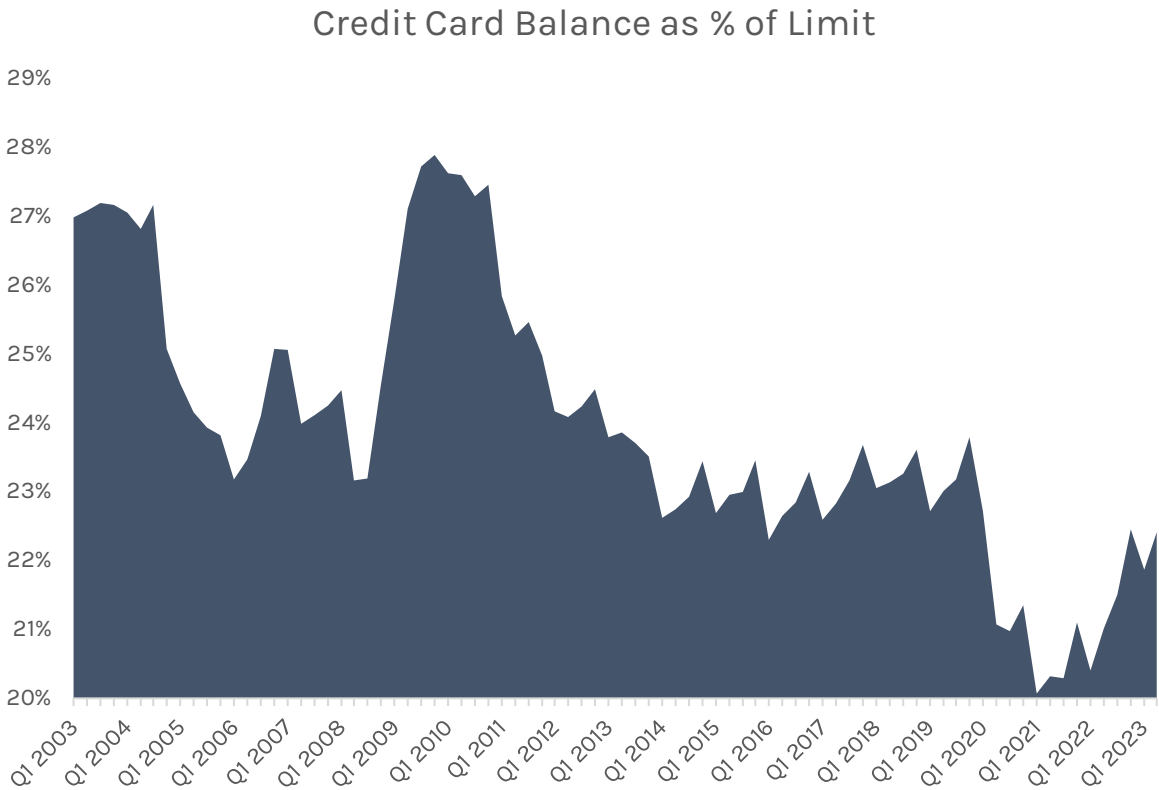
Consumer Credit Card Debt Balance



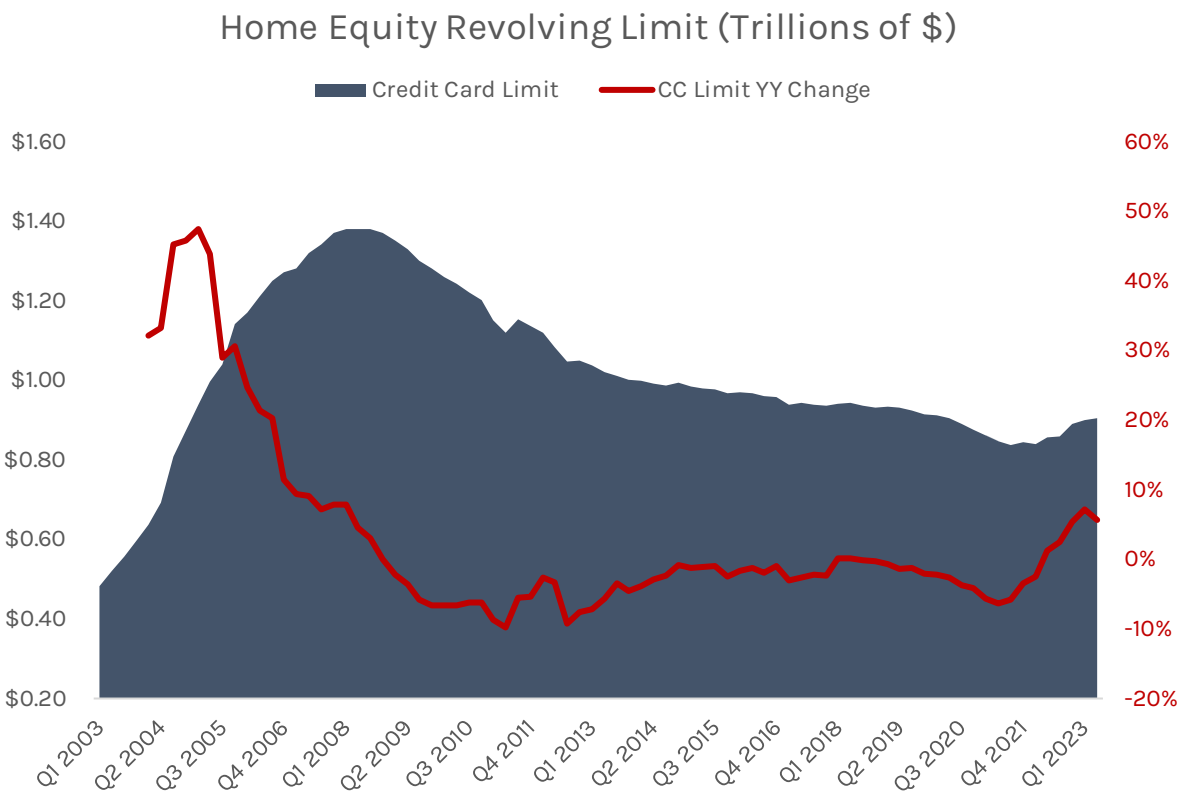
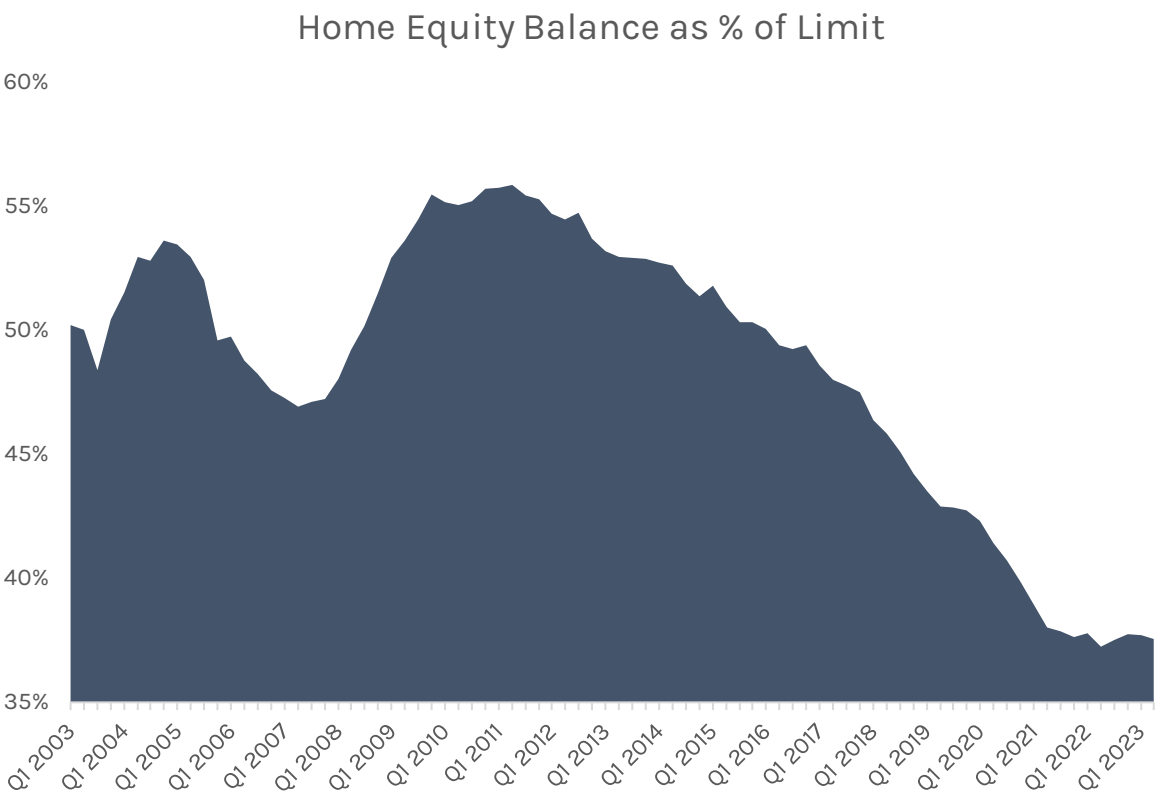
Inflation Adjusted Consumer Credit Card Debt Balance



Arguably Lots Of Room To Lever Up Cards Still



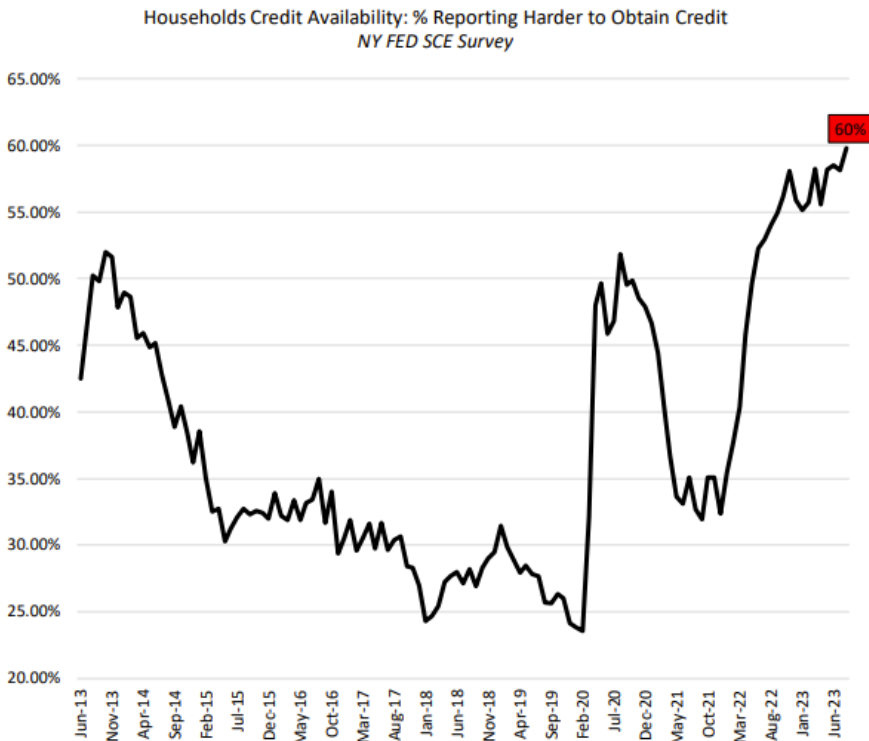
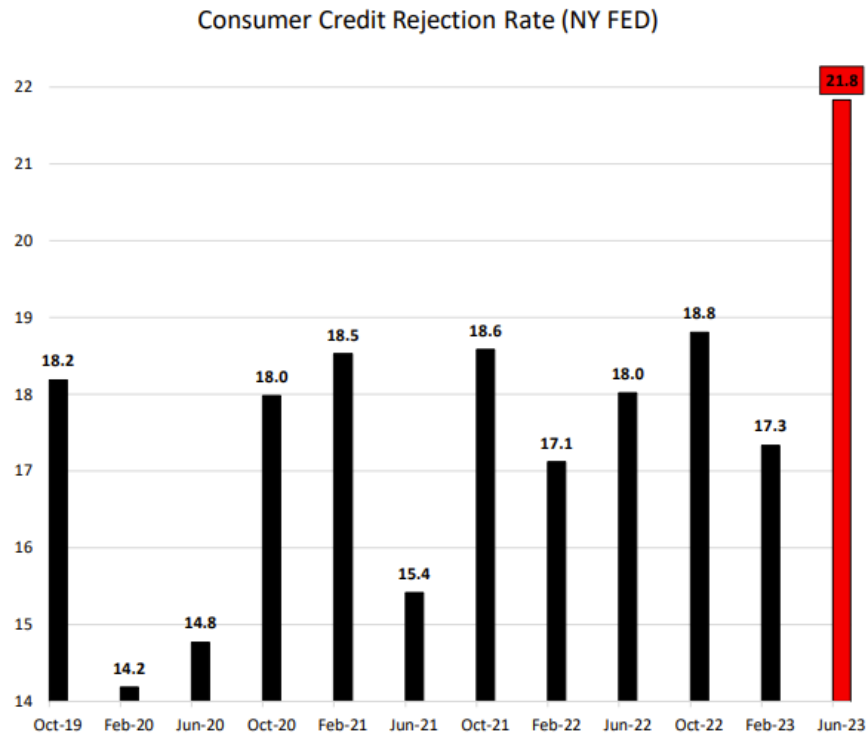
Same On HELOCs, Though Relative Rates Are Deterrent



Harder To Get Credit, Rejections Ramping

Consumer Loan Rejection Rates ↑↑, Availability of Credit ↓↓

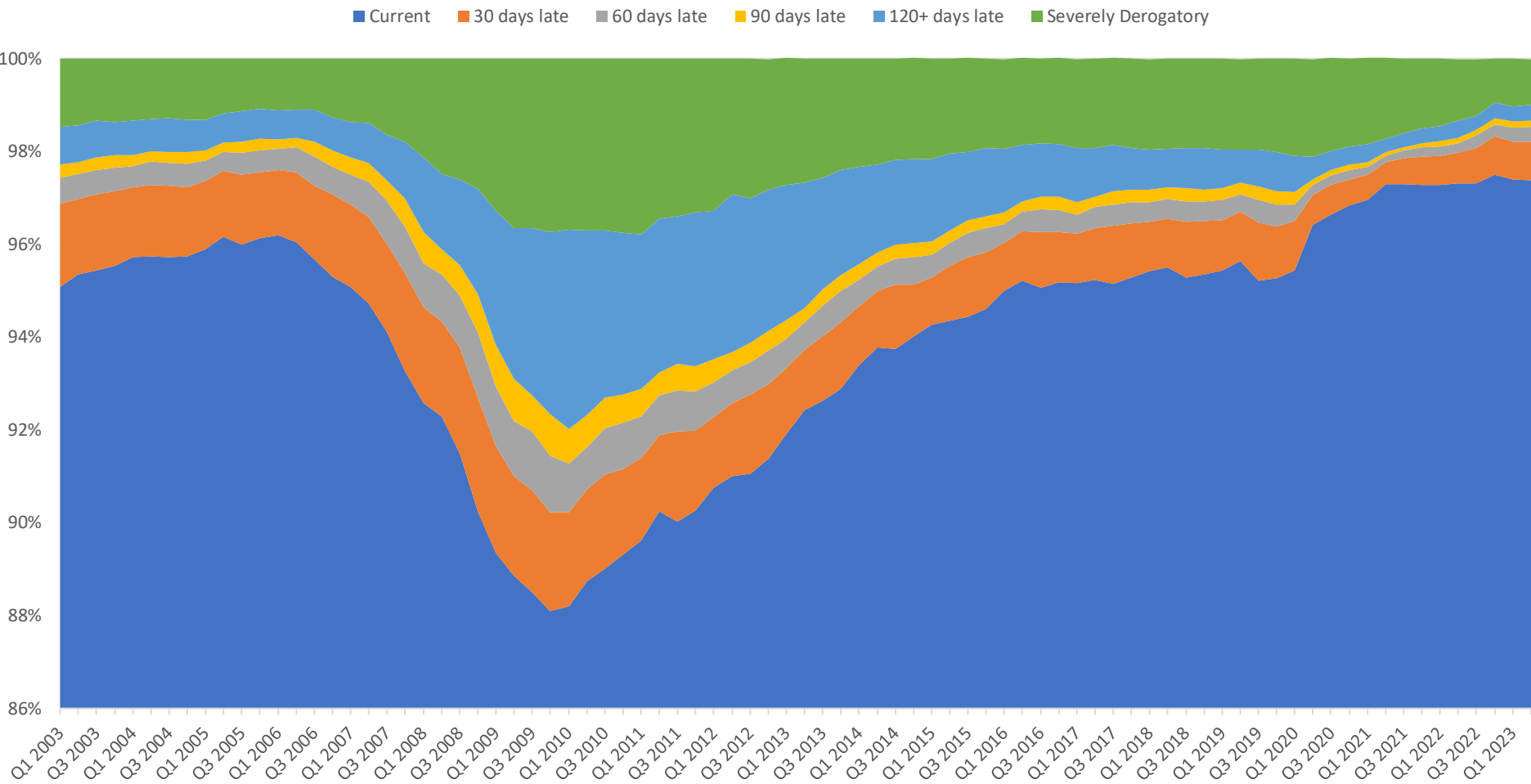
Consumer May Very Likely Not Be Able To Borrow Even If They Wanted To. Lending Conditions are deteriorating, and the consumer credit box is tightening, quickly.



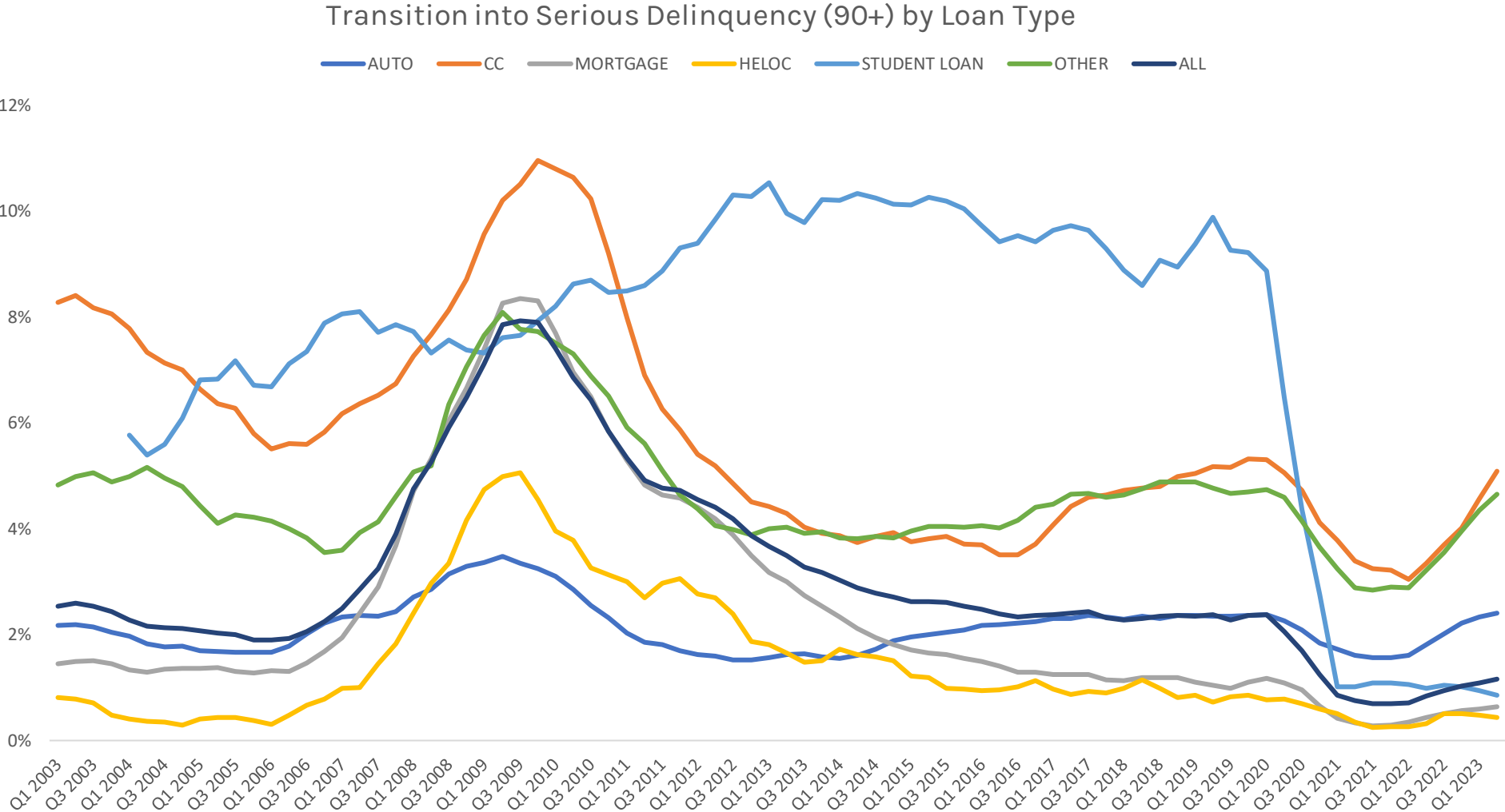
Data Source: NY Fed

Delinquency Status, Just Barely Moving Off All Time Best

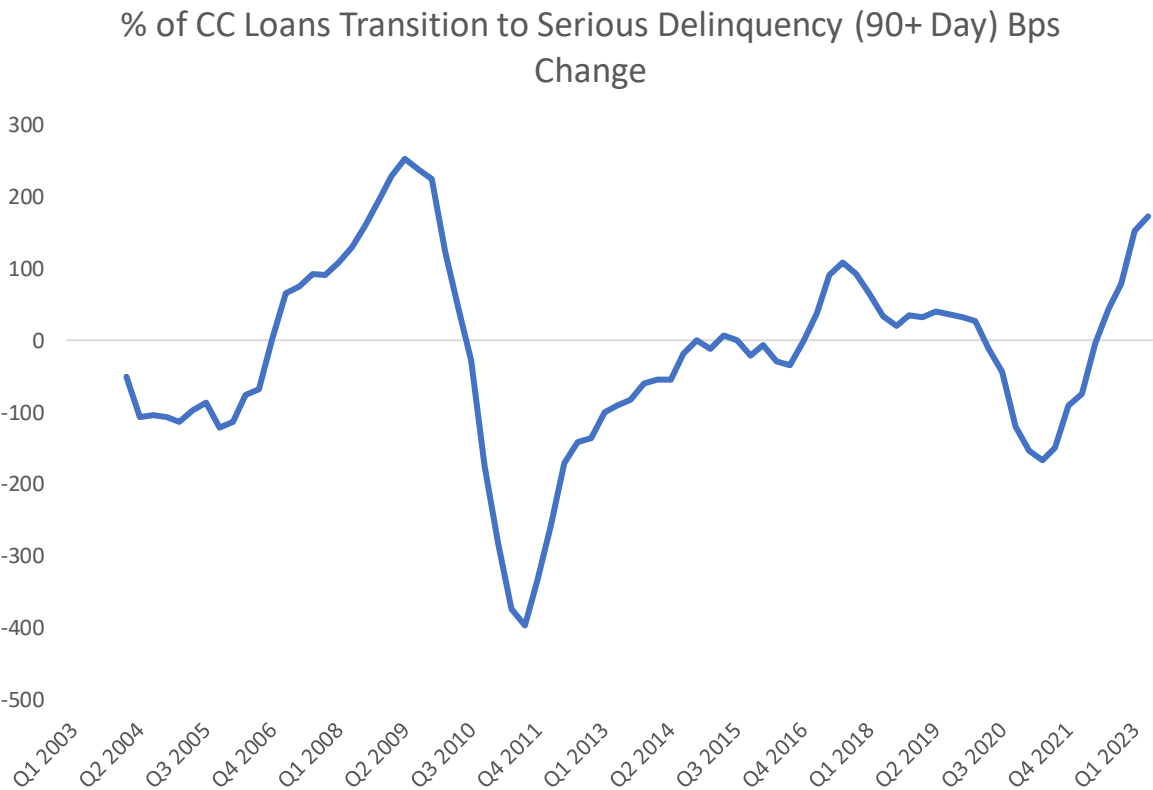
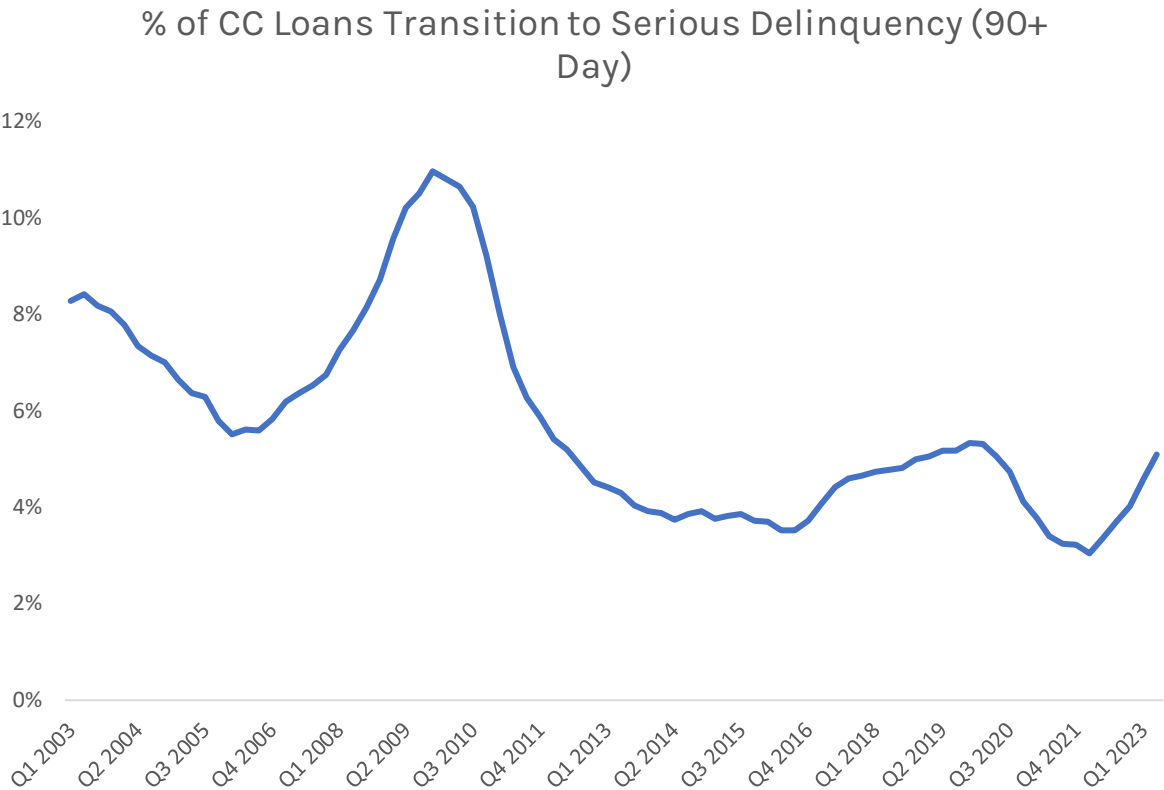
Total Credit Card Debt Balance by Delinquency Status



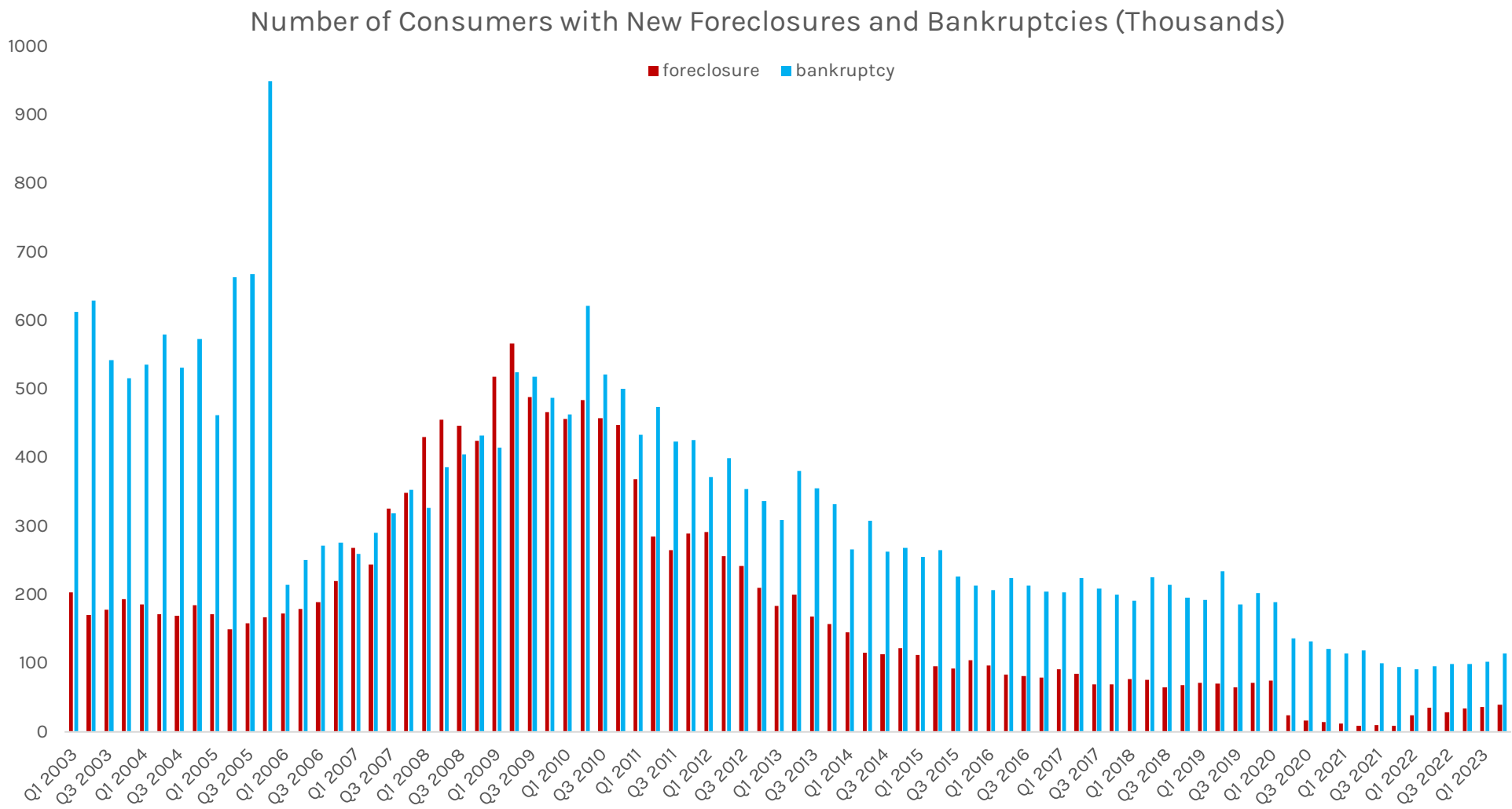
Loans Transition to Serious Delinquency



CC Loans Transition to Serious Delinquency

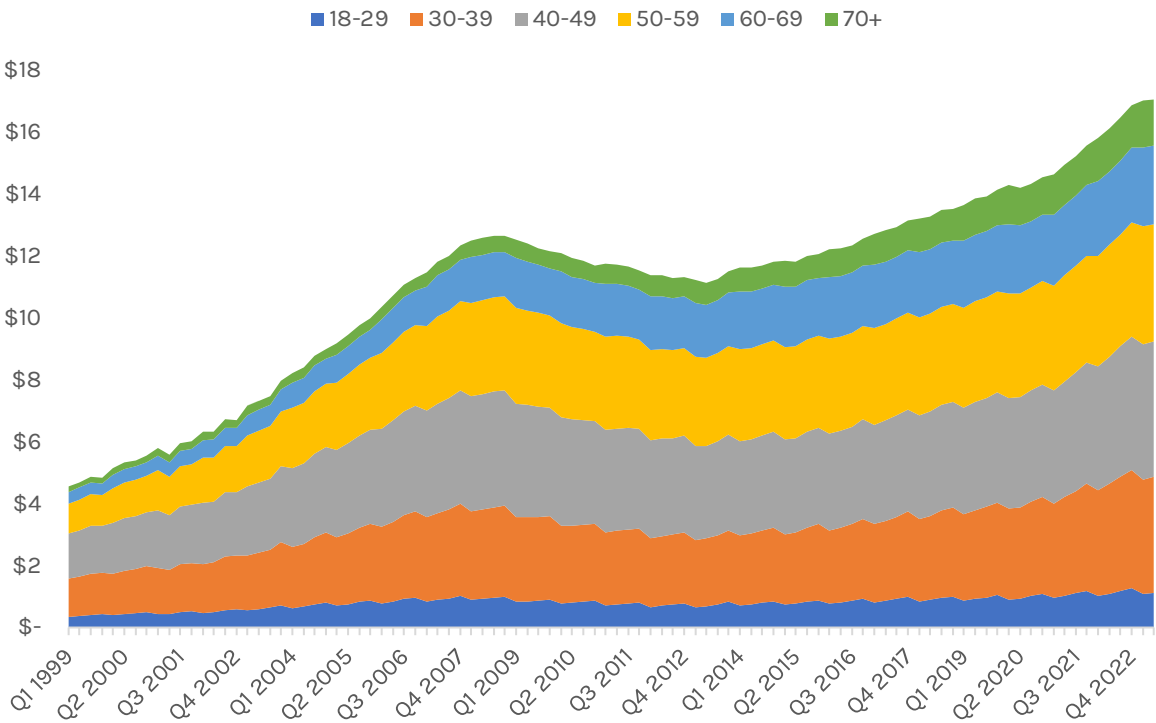


Foreclosures & Bankruptcy

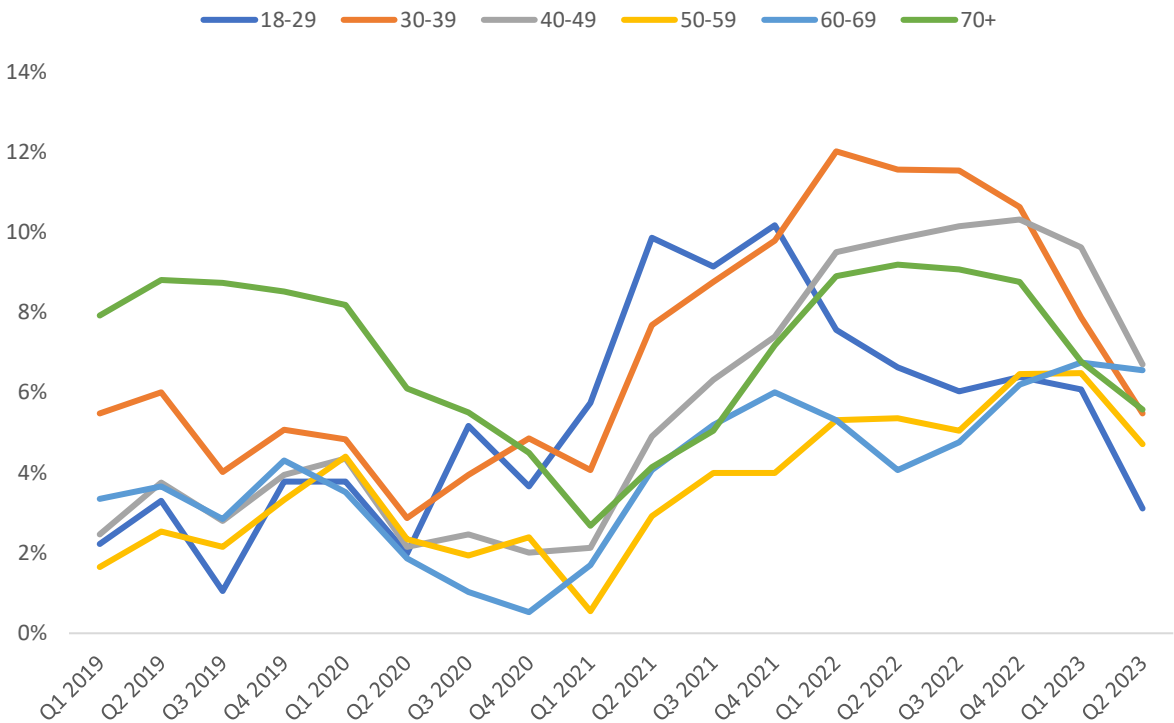


Debt Balance by Age

Total Debt Balance by Age (Trillions of \$)



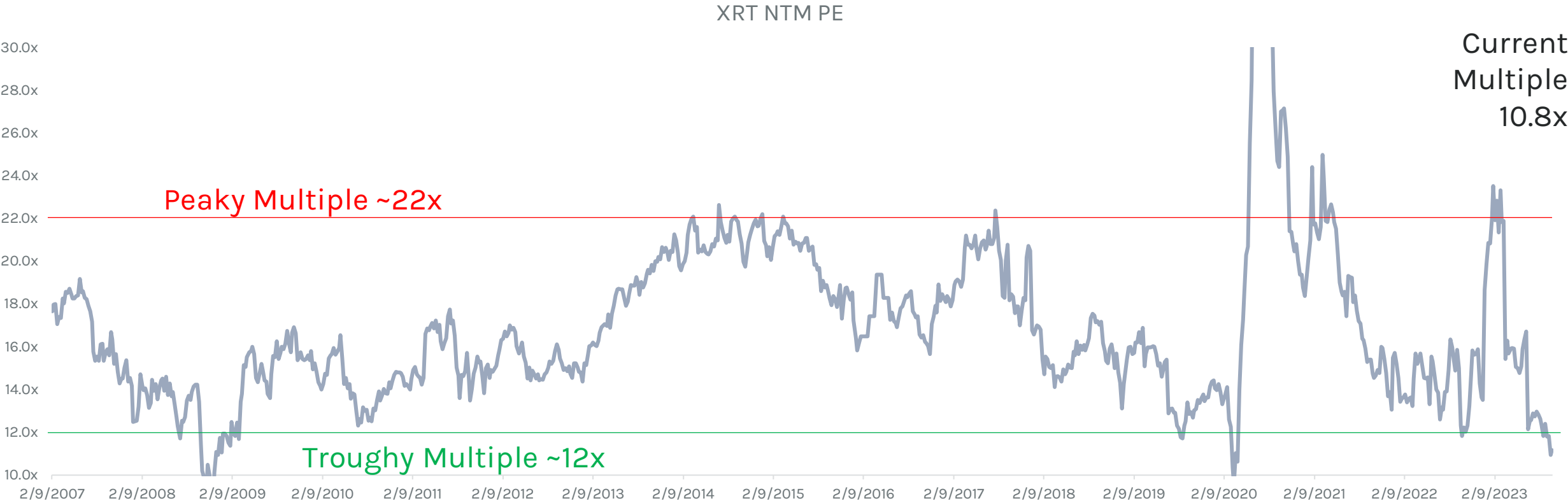
Total Debt Balance by Age YY Change



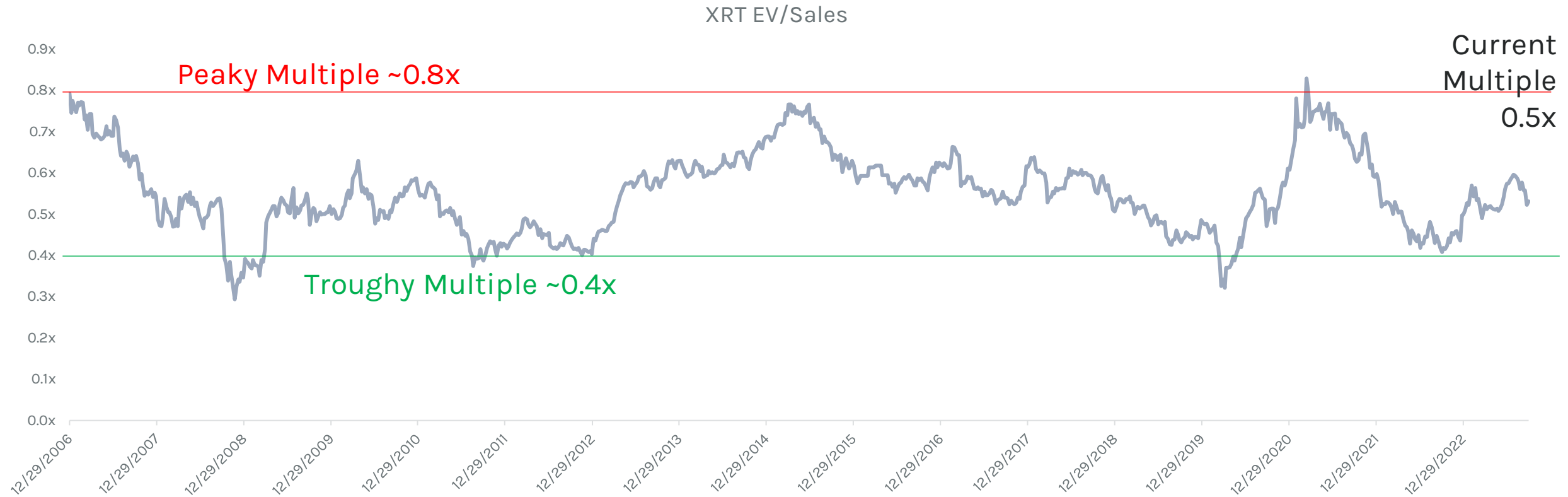
Retail Valuations



XRT Multiple Below Trough, But On Elevated Expectations



Well Off Trough On EV/Sales

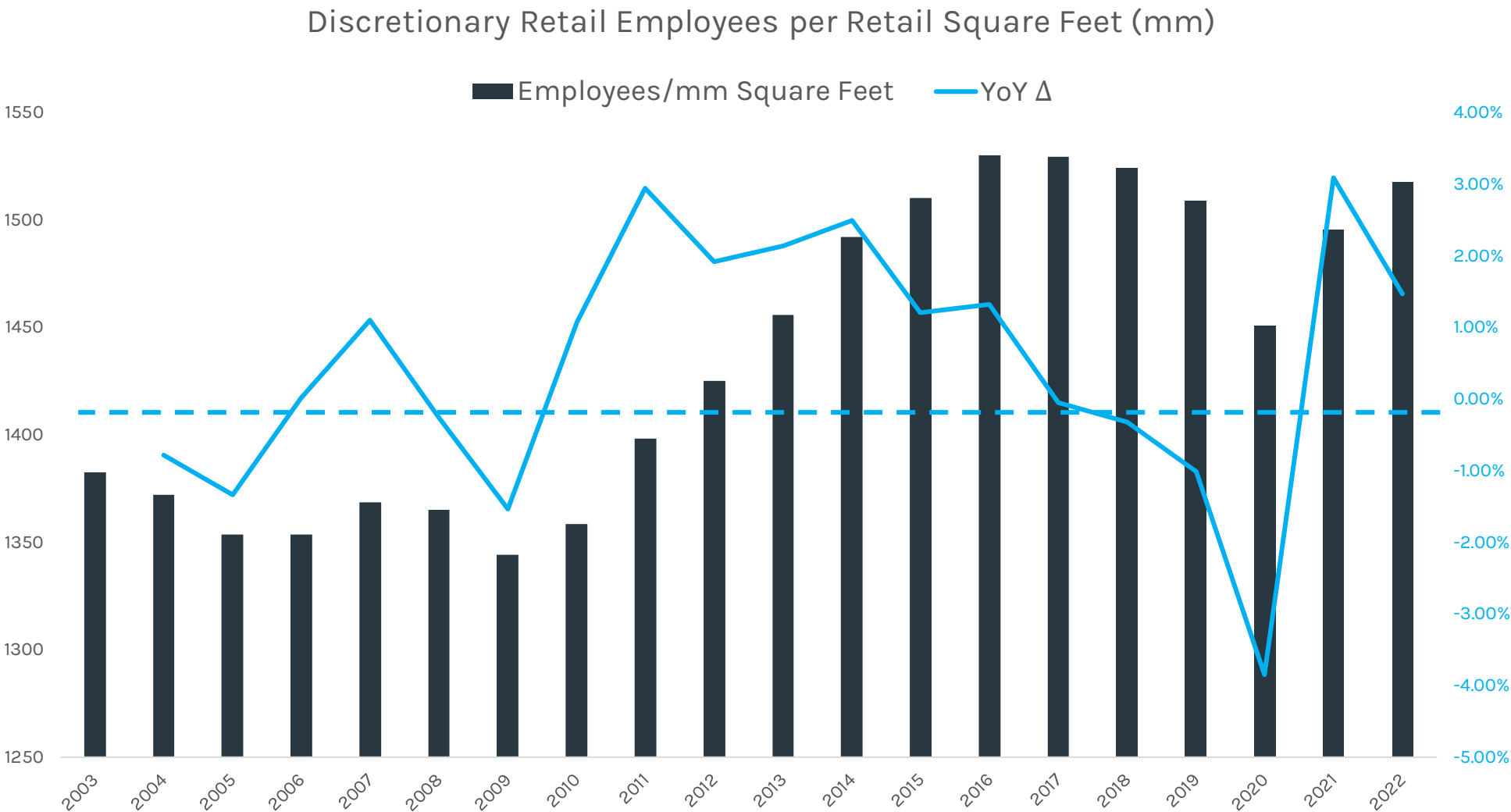


Adjusts for the margin cycle.

Labor



Employees Per Back Around Pre-Covid Level



Retail Employees excludes food gas auto and nonstore retail.

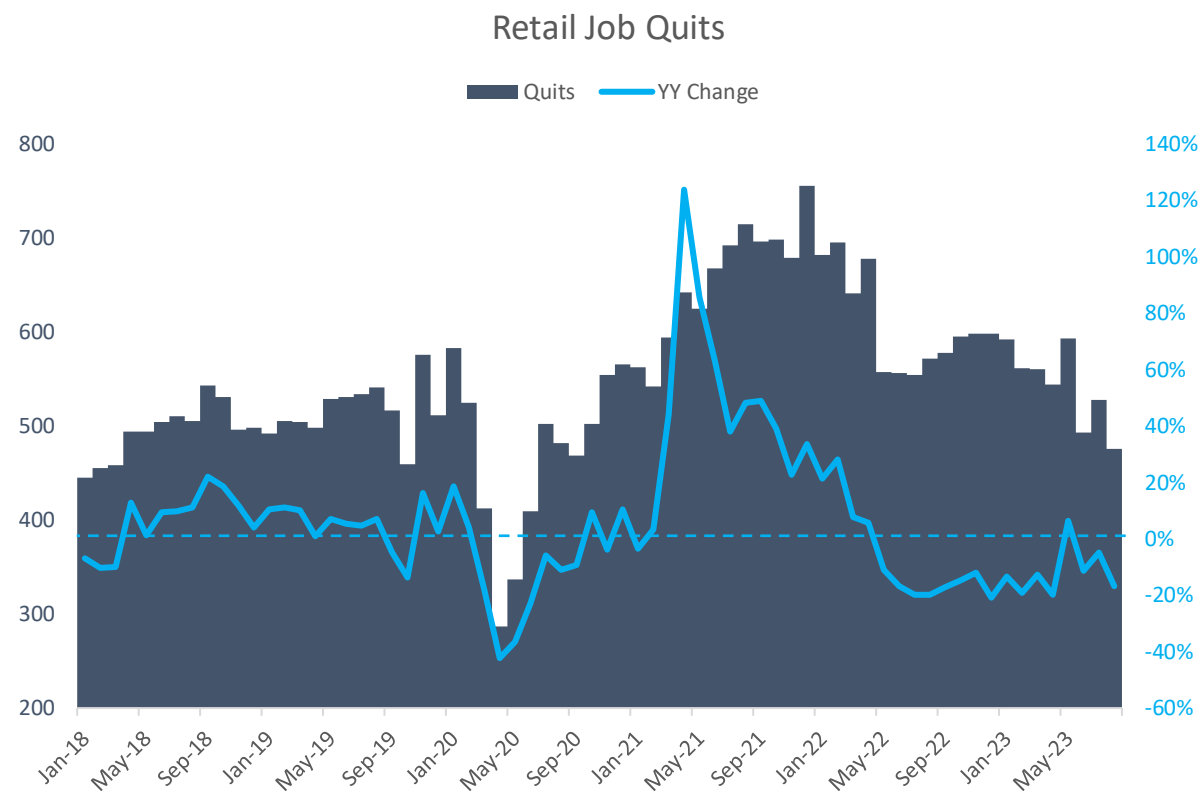
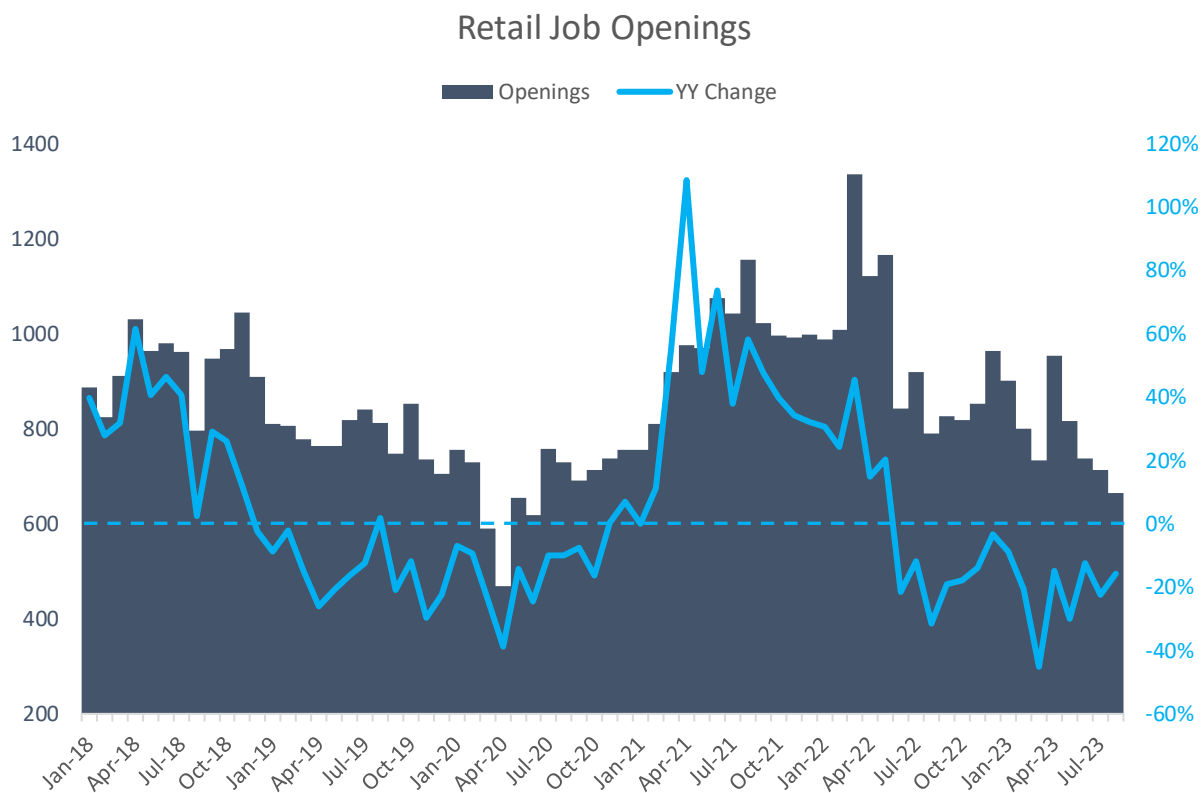
This suggests no major issues in staff shortage, at least compared to prior demand levels.

Retail Wages Up 24% vs 2019



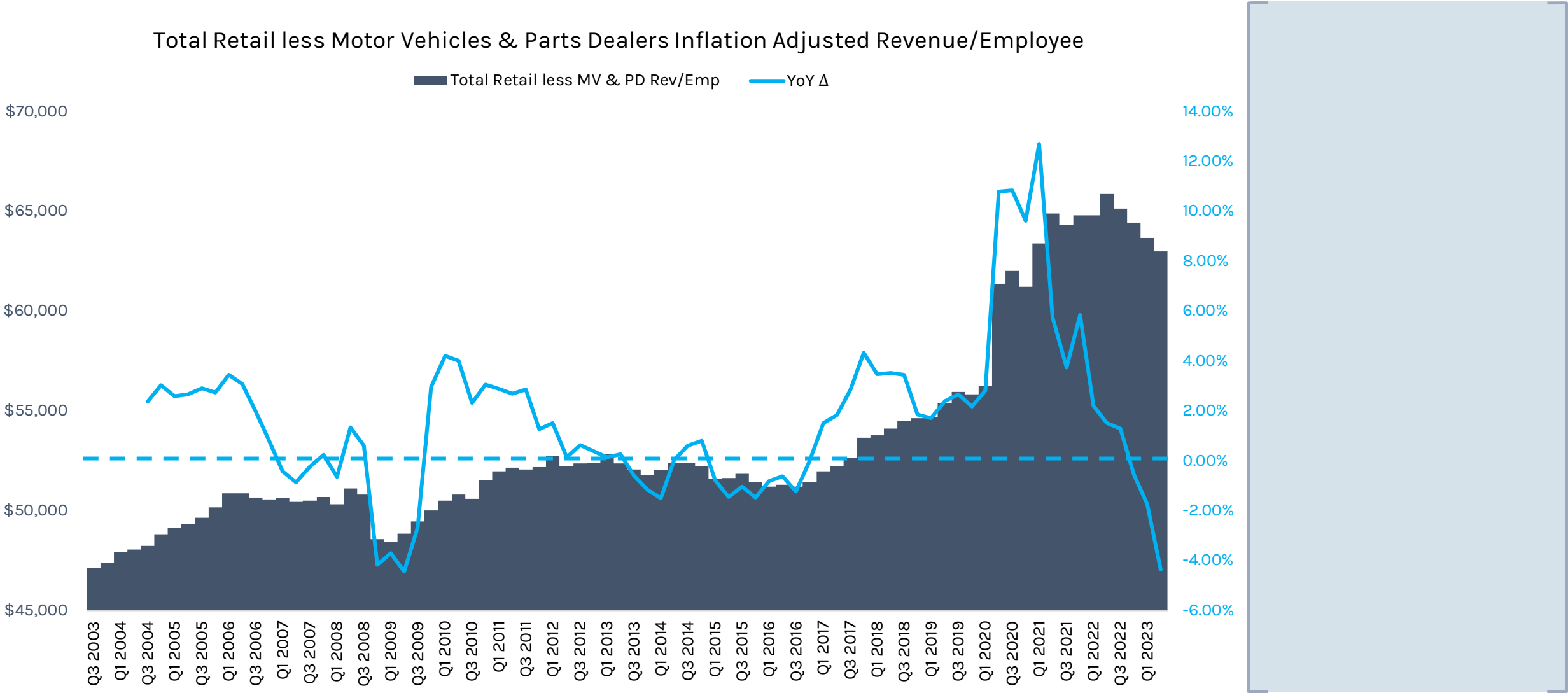
If prices start to fall, wages probably aren't going to move.

Retail Labor Market Improving, But Still Tight

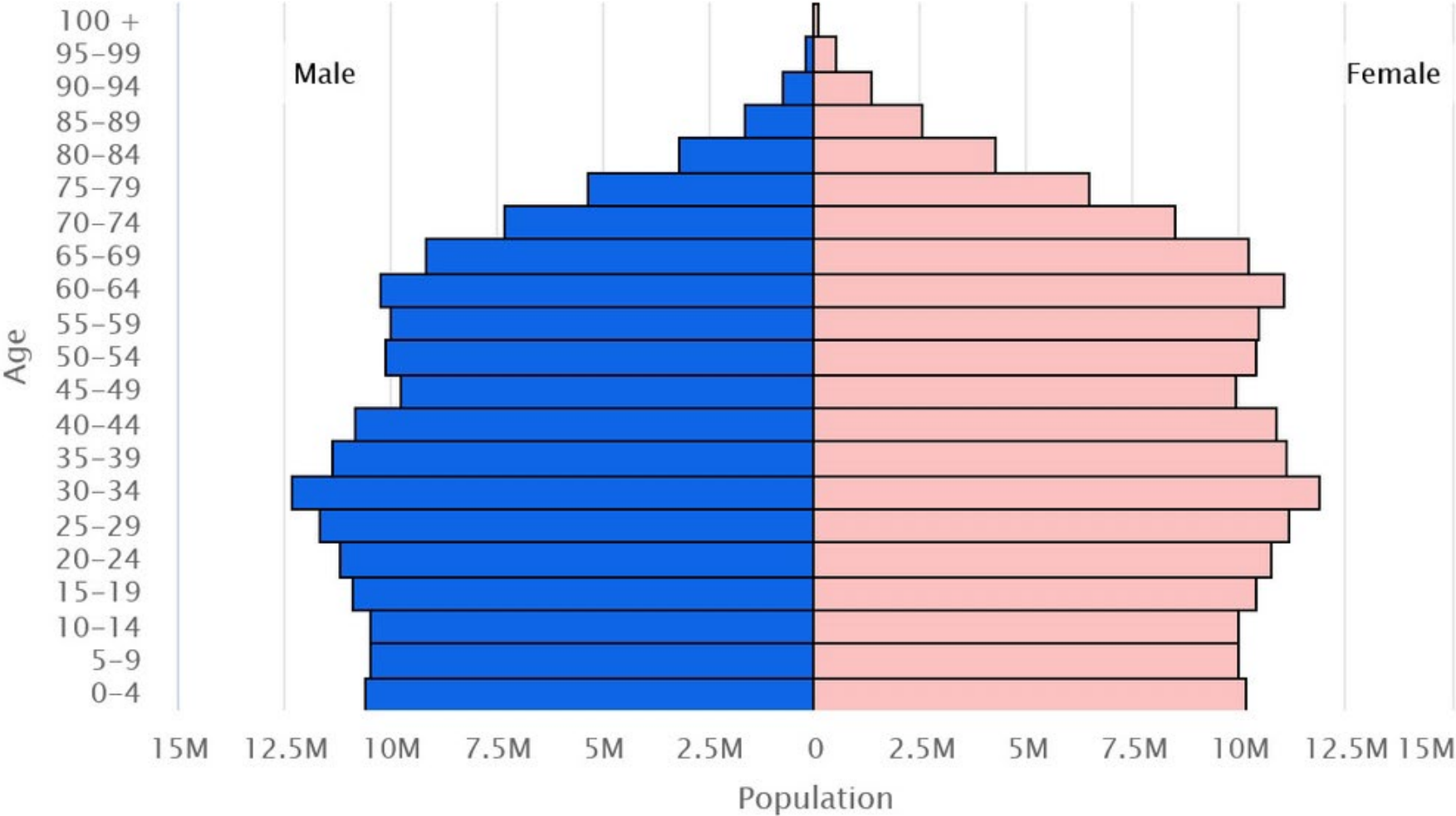


Retail Job openings are negative YoY, while retail workers are increasingly quitting. Openings still above 2019, Quits still above 2019.

Deleveraging Employees As Wages Inflate



Generational Trends Making For Less Supply



U.S. Census Bureau, International Database

Retail Credit Risk



Best Buy Quote Says It All

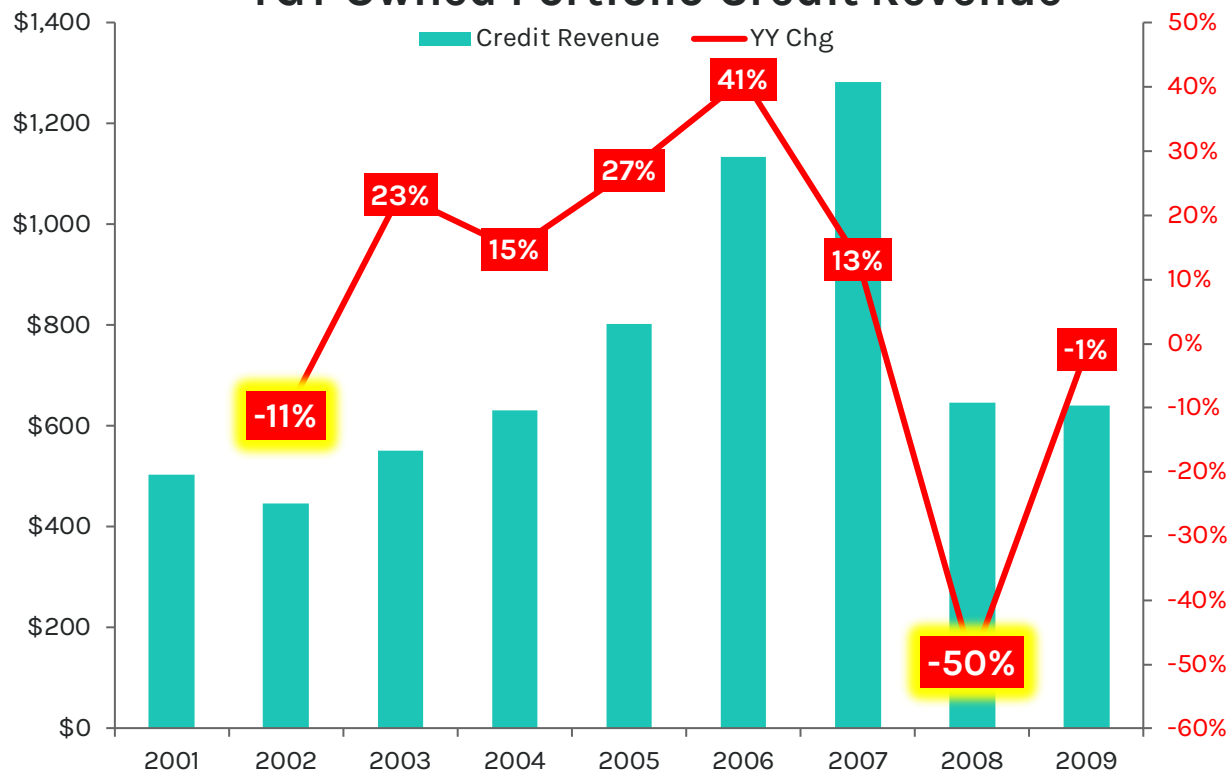
BBY 1Q24 Earnings Call: “additional context on the profit sharing revenue from our credit card arrangement, which we have now called out as **a benefit to our gross profit rate for the last 8 quarters**. In fiscal '23, the **profit share was approximately 1.4% of domestic revenue, an increase of 50 basis points compared to fiscal '20**. The growth was driven by the increased usage of our card both at and outside of Best Buy and a favorable credit environment. Our **outlook for fiscal '24 assumes** that profit share will have a slightly **negative year-over-year impact** on our gross profit rate for the remainder of the year.”

As we understand the credit partnership here, profit share has roughly a 100% margin flow through. So you have arguably ~1/3 of EBIT coming from credit (1.4% of sales with ~4.4% margins last year). As balances went up and credit quality went to peak credit ADDED 50bps of margin. But now credit is going from tailwind to headwind

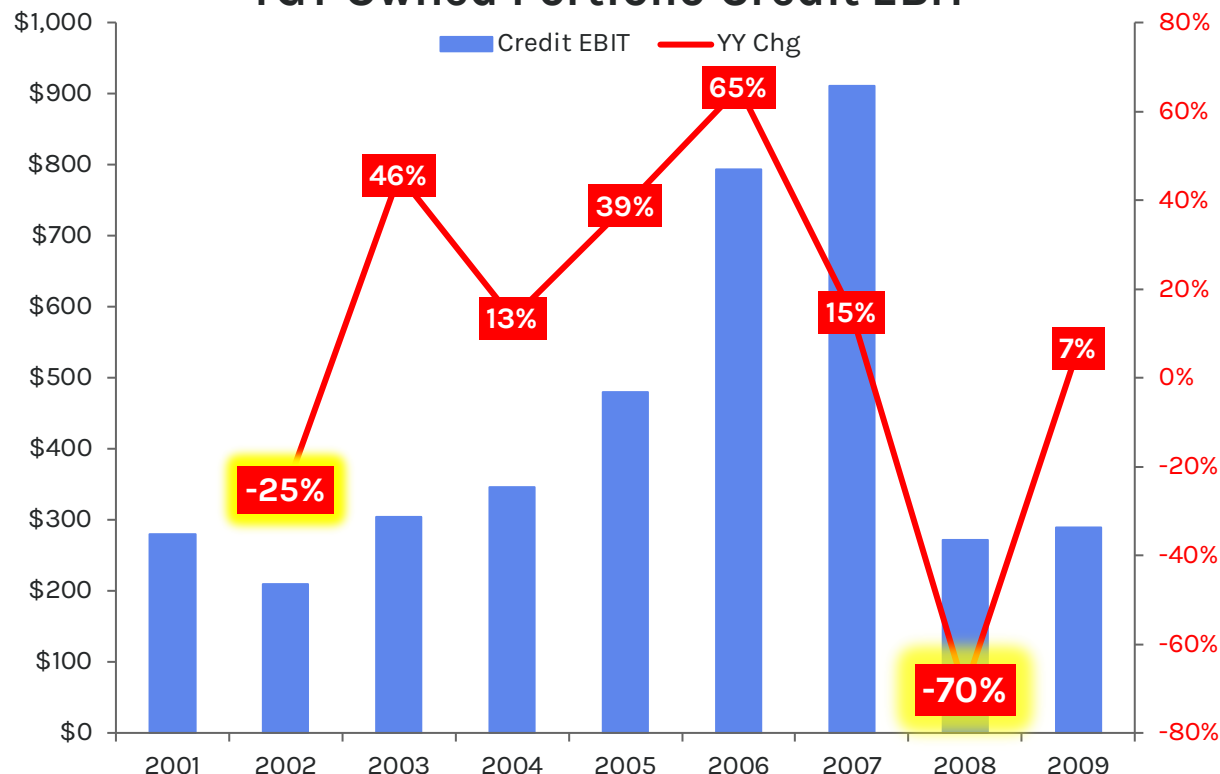
Why Are We Talking About Credit Risk Now?

What TGT portfolio looked like in prior recessions.

TGT Owned Portfolio Credit Revenue



TGT Owned Portfolio Credit EBIT

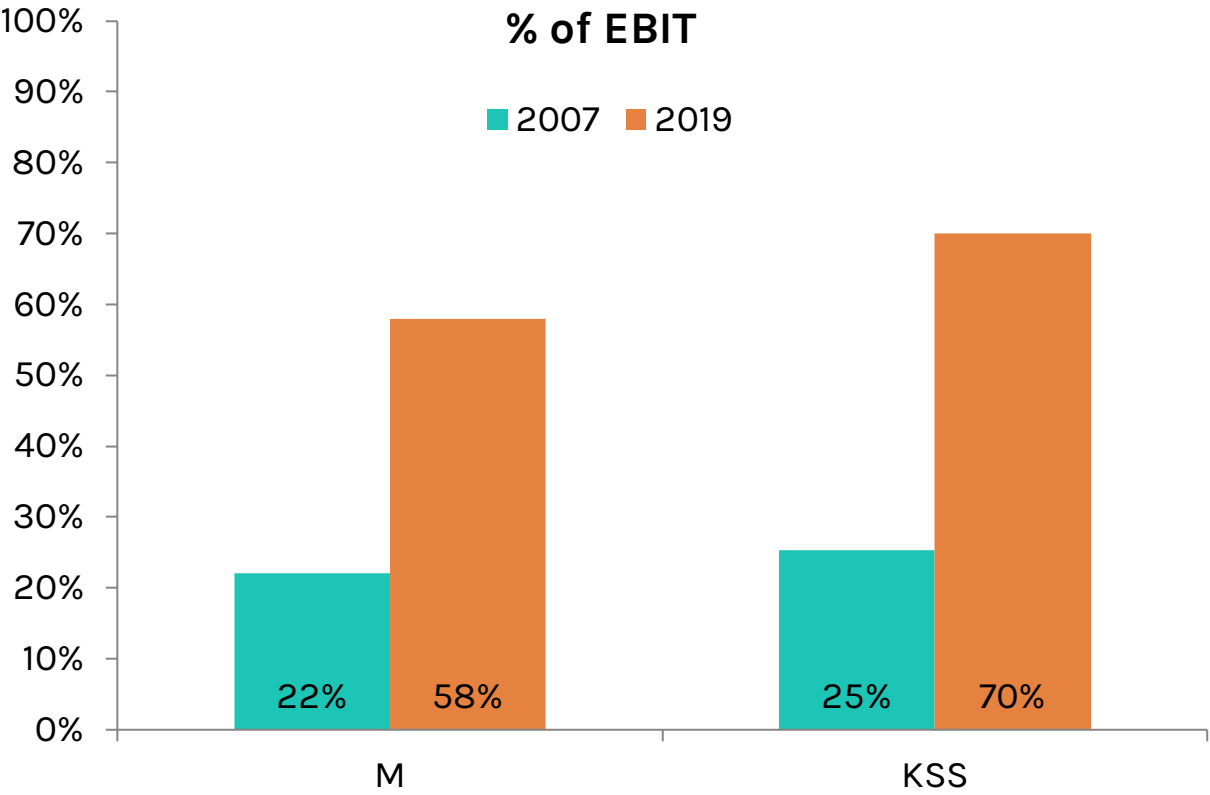
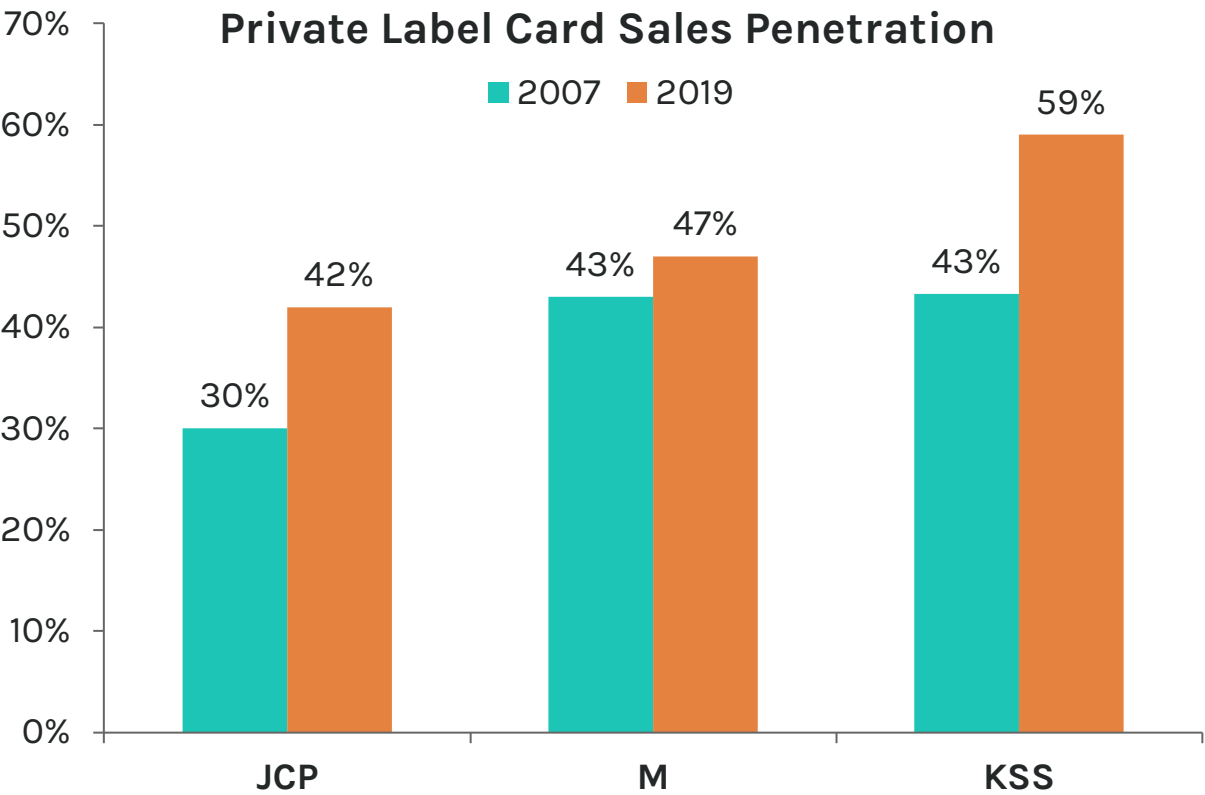


This is what TGT's previously owned portfolio looked like in prior recessions.

Credit EBIT hit of 25% and 70% in last 2 recessions.

Now Vs Then: Bigger Penetration & EBIT Exposure

Sales penetration is higher, and EBIT exposure is much bigger than in 2008.



What We're Looking At On Filings

Kohl's

(Dollars in Millions, Except per Share Data)	2022	2021
Net sales	\$17,161	\$18,471
Other revenue	937	962
Total revenue	18,098	19,433

Other Revenue

Other revenue includes revenue from credit card operations, third-party advertising on our website, unused gift cards and merchandise return cards (breakage), and other non-merchandise revenue.

Revenue from credit card operations includes our share of the finance charges, late fees, and other revenue less write-offs of uncollectible accounts of the Kohl's credit card pursuant to the Private Label Credit Card Program Agreement. Expenses related to our credit card operations are reported in Selling, General, and Administrative Expenses.

Nordstrom

	Quarter Ended	
	July 29, 2023	July 30, 2022
Net sales	\$3,662	\$3,991
Credit card revenues, net	110	104
Total revenues	3,772	4,095

Macy's

All amounts in millions except percentages and per share figures

	Second Quarter			
	2023		2022	
Net sales	\$	5,130	\$	5,600
Other revenue	\$	150	\$	234
	13 Weeks Ended July 29, 2023		13 Weeks Ended July 30, 2022	
	\$	% to Net sales	\$	% to Net sales
Credit card revenues, net	\$ 120	2.3 %	\$ 204	3.6 %
Macy's Media Network revenue, net	30	0.6 %	30	0.5 %
Other Revenue	\$ 150	2.9 %	\$ 234	4.2 %
Net Sales	\$ 5,130		\$ 5,600	

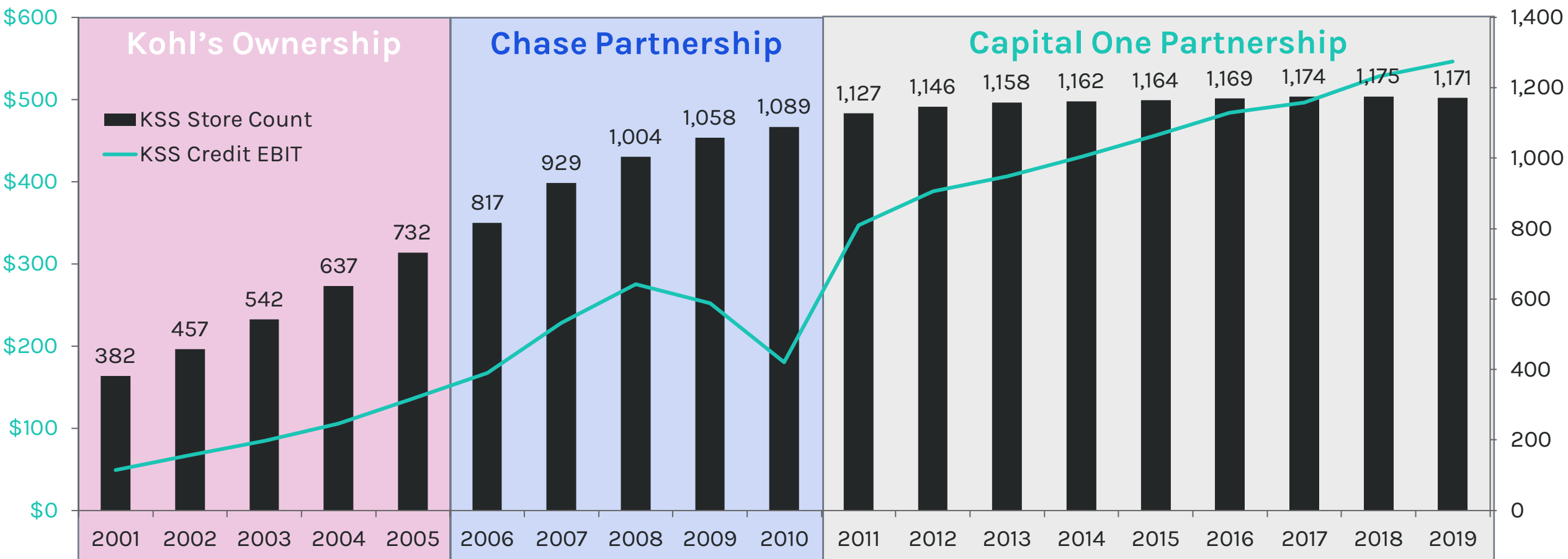
Target

(millions, except per share data) (unaudited)	Three Months Ended	
	July 29, 2023	July 30, 2022
Sales	\$ 24,384	\$ 25,653
Other revenue	389	384
Total revenue	24,773	26,037

Note: Gross margin rate is calculated as gross margin (sales less cost of sales) divided by sales. All other rates are calculated by dividing the applicable amount by total revenue. Other revenue includes \$169 million and \$343 million of profit-sharing income under our credit card program agreement for the three and six months ended July 29, 2023, respectively, and \$181 million and \$366 million for the three and six months ended

They Used To All Be Owned, Now All Partnered

HEDGEYE



EBIT in this case is how KSS used to report it, which was net revenue from COF, minus KSS SG&A associated with card marketing and services.

Current Partners And EBIT Exposure (If Available)

TTM				
Company	Partner	Credit Rev	Benefit (mm)	% of EBIT
KSS	Capital One		\$857	539%
M	Citi		\$750	61%
DDS	Wells Fargo		\$68	7%
JWN	TD Bank		\$459	373%
TGT	TD Bank		\$711	15%
BBY	Citi		\$574	35%
GPS	Synchrony			
LOW	Synchrony			
HD	Citi			
SIG	Alliance			
WMT	Capital One			
DKS	Synchrony			
AEO	GE Capital			
WSM	Capital One			
TJX	Synchrony			
ULTA	Comenity			

Used To Be SG&A Offset... ASC 606 Helped To Verify Numbers

606 confirmed several of the items we were estimating within the model.

	2017	Change	2017 Restated	
Net Sales	\$19,036		\$19,036	Sales at retail
Other Revenue	\$59	\$990	\$1,049	\$990 = we expect is net revenue (shared fees and finance charges minus shared bad debt costs) from COF. COF reported \$1.2bn in shared revenue, and about \$230mm in shared
Total Revenue	\$19,095	\$990	\$20,085	\$59mm in other revenue that is not retail sales or credit (variance is likely site banner ad revenue)
Cost of Merch Sold	\$12,175	\$0	\$12,175	
Merch Margin	\$6,920	-\$59	\$6,861	
Merch Margin %	36.2%		36.0%	Used to include the \$59mm of other at 100% margin
Gross Margin	\$6,920	\$990	\$7,910	
Gross Margin %	36.2%	314 bps	39.4%	Now includes the credit card revenue at 100% margin.
SG&A	\$4,512	\$990	\$5,502	\$494 = SG&A associated with servicing credit operations, the remainder is the profit from credit, reported at \$496mm in 10-K (and was an offset to SG&A).
SG&A Rate	23.6%		27.4%	26.3% = Retail SG&A Rate (Restated SG&A - \$494 in Credit SG&A / Net Sales)
D&A	\$991		\$991	
Operating Income	\$1,417		\$1,417	
Interest	\$299		\$299	
Taxes	\$258		\$258	
Net Income	\$860		\$860	
Shares	167.5		167.5	
EPS	\$5.13		\$5.13	

Prior to ASC 606 retailers either disclosed nothing on credit exposure, or they reported just one number, which was the profit of net revenue from the agreement minus associated marketing/service SG&A. This value was booked as an SG&A offset.

Now the companies are generally providing one number, the net revenue from the card agreement. Associated SG&A is now back in SG&A.

Revenue Exposure Vs EBIT

	2017	Change	2017 Restated	
Net Sales	\$19,036		\$19,036	Sales at retail
Other Revenue	\$59	\$990	\$1,049	\$990 = we expect is net revenue (shared fees and finance charges minus shared bad debt costs) from COF. COF reported \$1.2bn in shared revenue, and about \$230mm in shared
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SG&A Rate	23.6%		27.4%	26.3% = Retail SG&A Rate (Restated SG&A - \$494 in Credit SG&A / Net Sales)

How The Portfolio Levers Work

Target Credit Segment	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Portfolio Receivables	2163	2287	2411	2604	3016	3515	4661	4927	5544	6161	7275	8695	8351	7106	6314	5992
Growth		6%	5%	8%	16%	17%	33%	6%	13%	11%	18%	20%	-4%	-15%	-11%	-5%
Rate	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	15.5%	15.7%	16.5%	18.1%	18.0%	16.7%	17.4%	18.3%	17.9%	17.8%
Finance Charges	346	366	386	417	483	562	722	772	915	1117	1308	1451	1450	1302	1131	1089
Late Fees & Other	164	222	223	235	278	259	293	287	310	356	422	461	349	197	179	173
% of Receivables	7.6%	9.7%	9.3%	9.0%	9.2%	7.4%	6.3%	5.8%	5.6%	5.8%	5.8%	5.3%	4.2%	2.8%	2.8%	2.9%
Late Fees Growth		35%	1%	5%	18%	-7%	13%	-2%	8%	15%	19%	9%	-24%	-44%	-9%	-3%
3rd Party Merch Fees	77	81	90	1	18	70	82	98	124	139	166	152	123	105	89	79
Credit Card Rev	587	669	699	653	779	891	1097	1157	1349	1612	1896	2064	1922	1604	1399	1341
		14.0%	4.5%	-6.6%	19.3%	14.4%	23.1%	5.5%	16.6%	19.5%	17.6%	8.9%	-6.9%	-16.5%	-12.8%	-4.1%
Interest	32	34	36	39	45	53	70	74	80	98	133	167	97	83	72	13
% of Receivables	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.6%	1.8%	1.9%	1.2%	1.2%	1.1%	0.2%
Bad Debt	190	180	147	148	230	391	476	451	466	380	481	1251	1185	528	154	196
		-5.3%	-18.3%	0.7%	55.4%	70.0%	21.7%	-5.3%	3.3%	-18.5%	26.6%	160.1%	-5.3%	-55.4%	-70.8%	27.3%
Recoveries												101	108	153		
TGT Bad Debt as % of Receivables	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
	8.8%	7.9%	6.1%	5.7%	7.6%	11.1%	10.2%	9.2%	8.4%	6.2%	6.6%	14.4%	14.2%	7.4%	2.4%	3.3%
Net Credit Revenue	364,555	455	516	466	\$504	\$447	\$551	\$632	\$803	\$1,134	\$1,282	\$646	\$640	\$993	\$1,173	\$1,132
SGA	125	169	182	205	224	238	246	286	310	325	355	357	336	331	292	262
Rewards										109	114	117	89	102	258	300
Total SG&A	125	169	182	205	224	238	246	286	310	434	469	474	425	433	550	562
D&A									13	15	16	17	14	19	17	13
Credit Op Expenses	125	169	182	205	224	238	246	286	323	340	371	374	350	350	309	275
% of Credit Sales										2.8%	2.7%	2.9%	3.4%	3.7%	3.0%	2.5%
Credit EBIT	286	334	261	\$280	\$209	\$305	\$346	\$480	\$794	\$911	\$272	\$290	\$643	\$864	\$857	\$857
						-25%	46%	13%	39%	65%	15%	-70%	7%	122%	34%	-1%

Makes Big Profit Changes In Rising Delinquency Environments

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Portfolio Receivables	\$2,604	\$3,016	\$3,515	\$4,661	\$4,927	\$5,544	\$6,161	\$7,275	\$8,695	\$8,351	\$7,106	\$6,314	\$5,992
YY Change	8.0%	15.8%	16.5%	32.6%	5.7%	12.5%	11.1%	18.1%	19.5%	-4.0%	-14.9%	-11.1%	-5.1%
Finance Charges	\$417	\$483	\$562	\$722	\$772	\$915	\$1,117	\$1,308	\$1,451	\$1,450	\$1,302	\$1,131	\$1,089
YY Change	8.0%	15.8%	16.5%	28.5%	6.9%	18.5%	22.1%	17.1%	10.9%	-0.1%	-10.2%	-13.1%	-3.7%
Late Fees & Other	\$235	\$278	\$259	\$293	\$287	\$310	\$356	\$422	\$461	\$349	\$197	\$179	\$173
YY Change	5.4%	18.3%	-7.1%	13.1%	-1.9%	8.0%	14.8%	18.5%	9.2%	-24.3%	-43.6%	-9.1%	-3.4%
Credit Card Rev	\$653	\$779	\$891	\$1,097	\$1,157	\$1,349	\$1,612	\$1,896	\$2,064	\$1,922	\$1,604	\$1,399	\$1,341
YY Change	-6.6%	19.3%	14.4%	23.1%	5.5%	16.6%	19.5%	17.6%	8.9%	-6.9%	-16.5%	-12.8%	-4.1%
Bad Debt	\$148	\$230	\$391	\$476	\$451	\$466	\$380	\$481	\$1,251	\$1,185	\$528	\$154	\$196
YY Change	0.7%	55.4%	70.0%	21.7%	-5.3%	3.3%	-18.5%	26.6%	160.1%	-5.3%	-55.4%	-70.8%	27.3%
Net Credit Revenue	\$466	\$504	\$447	\$551	\$632	\$803	\$1,134	\$1,282	\$646	\$640	\$993	\$1,173	\$1,132
YY Change	-9.7%	8.1%	-11.2%	23.2%	14.7%	27.0%	41.2%	13.1%	-49.6%	-0.9%	55.2%	18.1%	-3.5%

Late Fees Are Material Portion, With Big Risks

	Late Fees					
	2014	2015	2016	2017	2018	2019
Estimated Portfolio	\$5,500	\$5,940	\$6,296	\$6,422	\$6,294	\$6,105
Estimated Financing Charges	\$1,320	\$1,426	\$1,543	\$1,573	\$1,605	\$1,496
Estimated Late/Other Fees	\$680	\$714	\$797	\$907	\$935	\$944
Late Fees % of Card Portfolio Revenue	34%	33%	34%	37%	37%	39%

Late fees are significant portion of revenue for the KSS portfolio.

The late fee fees repeat offenders on the Kohl's Card has increased from \$35 in 2015 to \$38 today. The legal max was just increased to \$40. It's CPI Adjusted.

Nerd Wallet: "The Credit Card Act of 2009, which generally limits late fees, comes with a provision that allows the CFPB to annually adjust caps on permissible late fees in step with a consumer price index. If the consumer price index doesn't change enough to move the fees up or down by a full dollar, the fees remain the same. But if the index rises or falls enough, it triggers an increase or decrease."

In 2007 Late Fees & Other were
22% of TGT Credit Portfolio Revenues

Late Fee Regulation Is A Real Headwind, \$8 Cap?



Consumer Education ▾ Rules & Policy ▾ Enforcement ▾ Compliance ▾ Data & Re: ▾

[Newsroom](#)

CFPB Proposes Rule to Rein in Excessive Credit Card Late Fees

English | [Español](#)

Proposed rule seeks to close loop on late fee hike fees with inflation

FEB 01, 2023

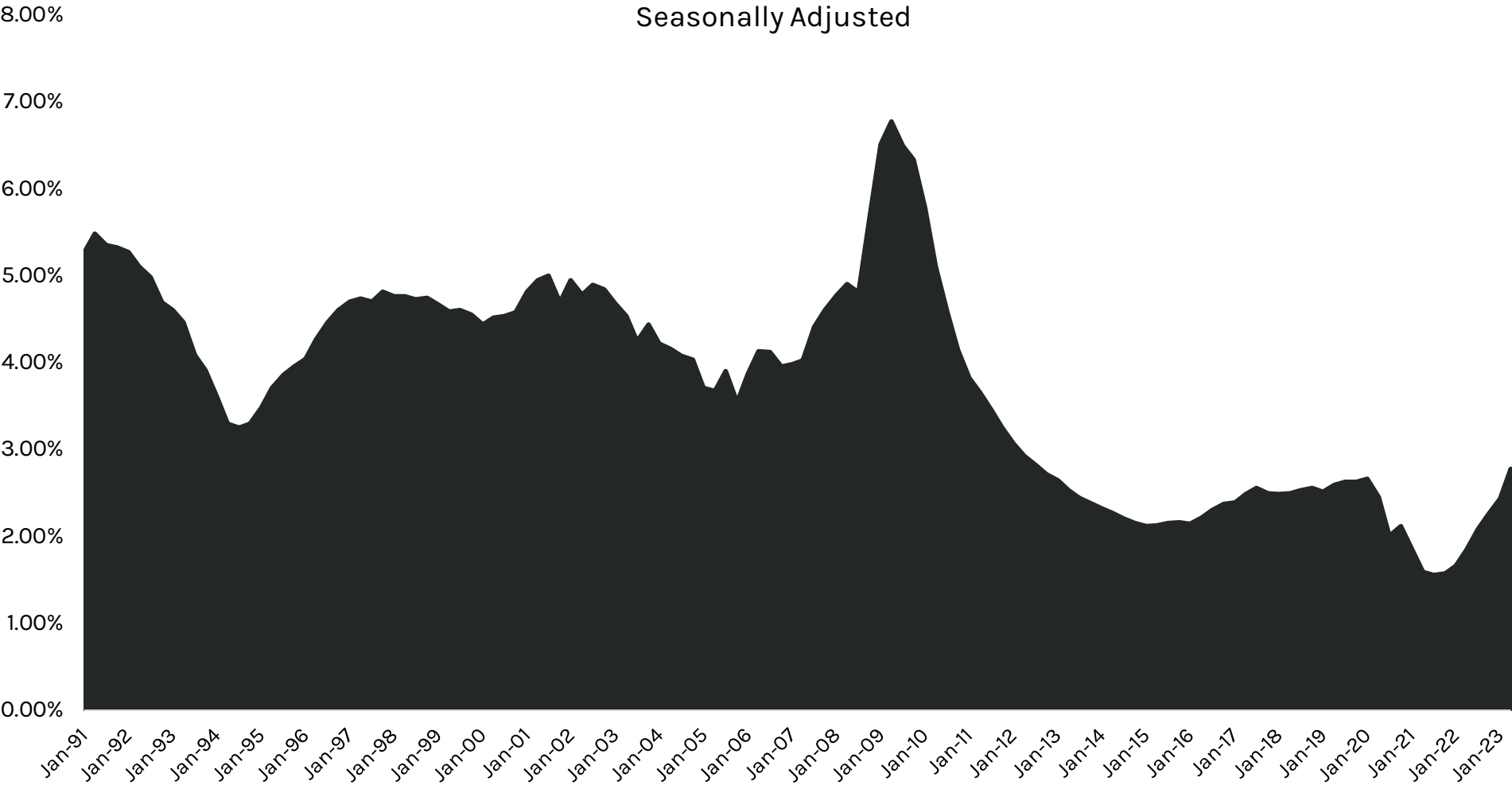
Important Disclosures	
FEES	
Annual Fee	None
Penalty Fees	
Late Payment	Up to \$38
Returned Payment	Up to \$38
How We Will Calculate Your Balance: How We Will Calculate Your Balance: We use the average daily balance method (including new transactions). See "Periodic Interest Charge Calculation" section of this Agreement for more details.	
Billing Rights: Information on your rights to dispute transactions and how to exercise those rights are included in this Agreement. See "Your Billing Rights" section for full details.	
Prime Rate: Estimated variable APRs are based on the 4.75% Prime Rate. a. We add 21.74% to the Prime Rate to determine the Purchase APR (monthly periodic rate currently 2.21%). The information about the costs of the credit card account described above is accurate as of January 1, 2020. This information may have changed. For the most current information contact us at 1-800-564-5740.	

The CFPB announced a plan to cap late fees at \$8 as soon as 2024. Current late fee maximums are \$30 for initial offense, \$41 for multiple offenders. So this would represent a 75% plus reduction in total late fees. Late fees make up about 10% of total credit card portfolio revenue. For retailers, the portfolios we have seen have more like 15% to 35% of revenue from late fees. It's nearly 100% flow through on fee revs, so the portfolio EBIT impact is much greater than the revenue reduction.

This max was an inflation adjusted number, so a tailwind could become a big headwind.

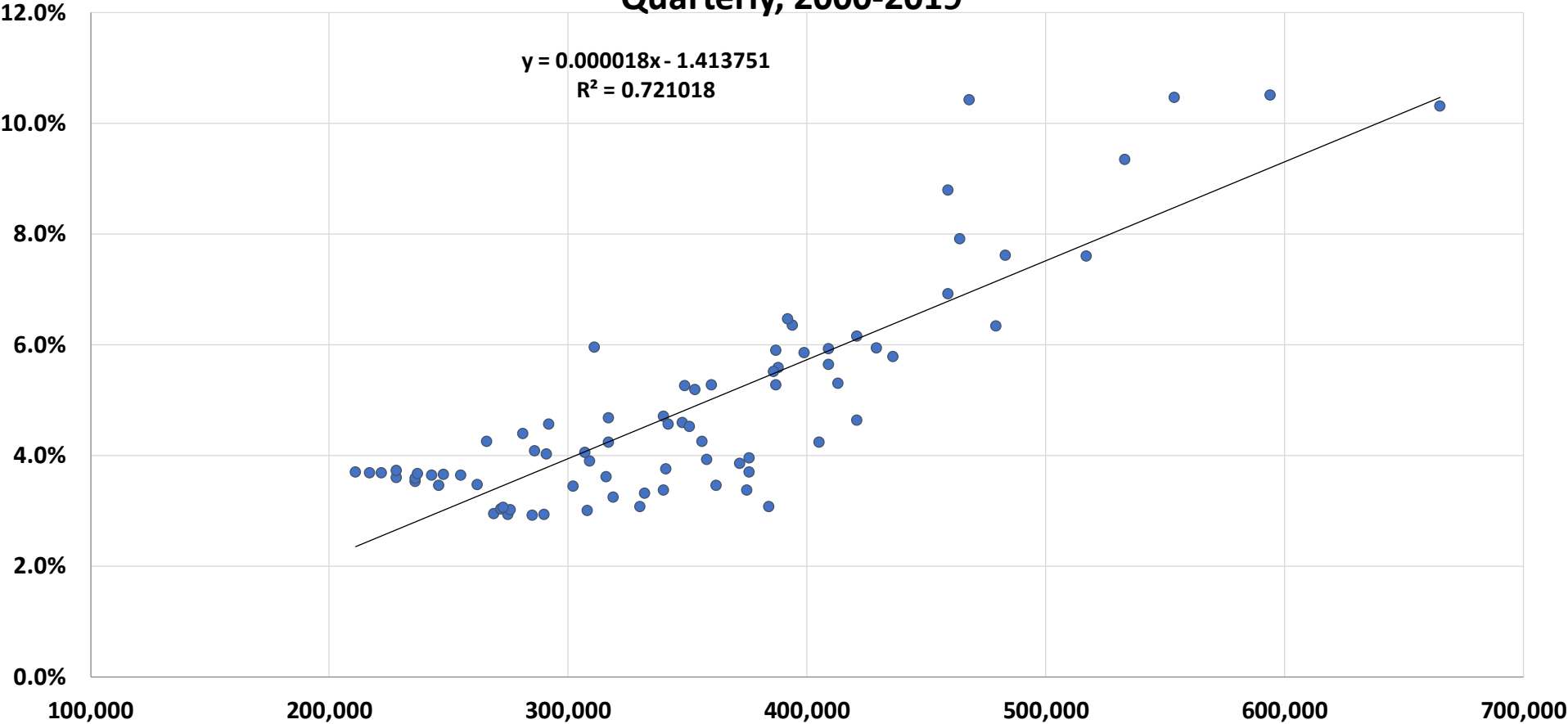
Delinquencies So Far Just Normalizing Off The All-time Lows

Delinquency Rate on Credit Card Loans, All Commercial Banks, Percent, Quarterly, Seasonally Adjusted



Quantifying the Relationship – Initial Claims

Initial Jobless Claims (x-axis) Vs. Credit Card Charge-Off Rate (y-axis)
Quarterly, 2000-2019



Source: Federal Reserve

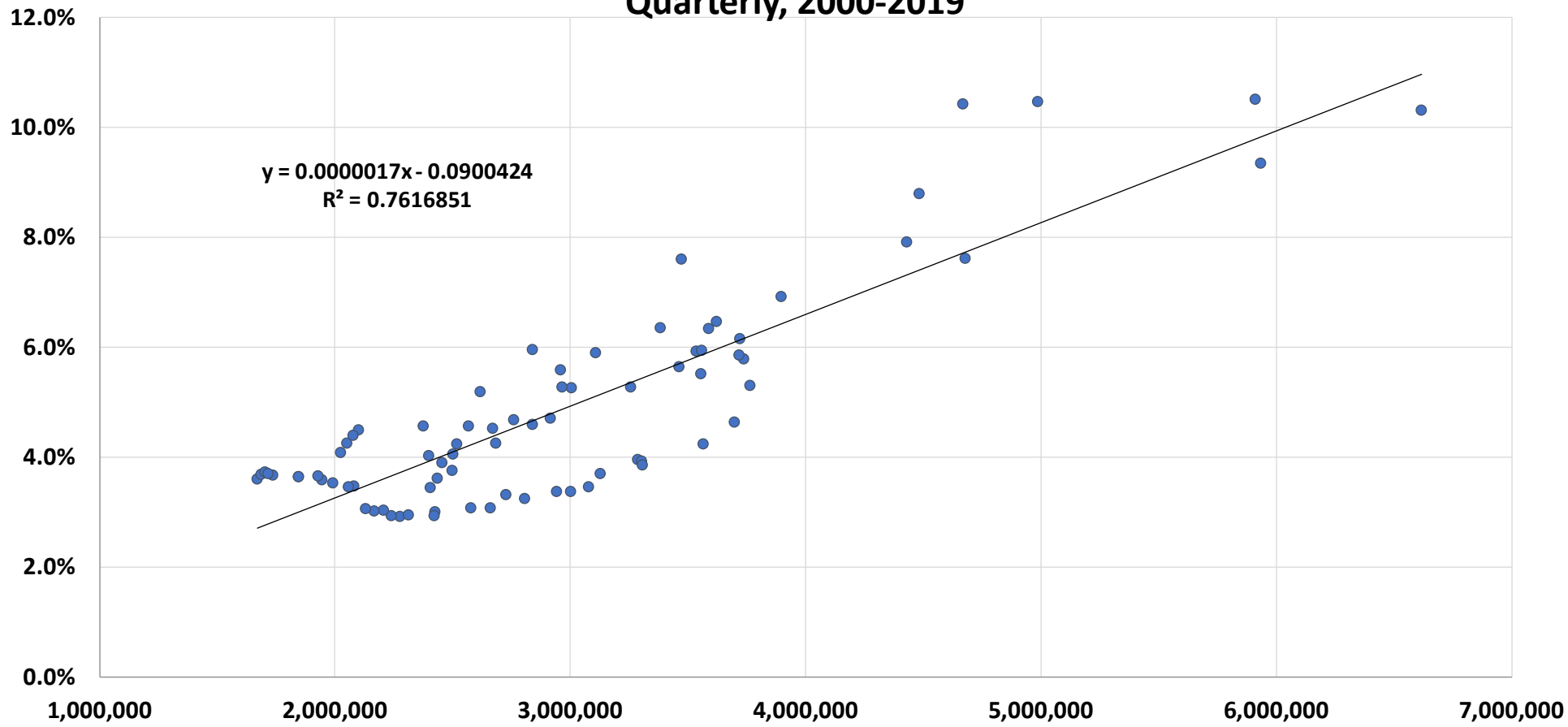
© Hedgeye Risk Management

Here we display that relationship on a regression basis and find a strong positive correlation.

Every 100,000 increase in initial jobless claims has historically produced a 1.8% increase in the gross credit card charge-off rate.

Quantifying the Relationship – Continued Claims

Continuing Jobless Claims (x-axis) Vs. Credit Card Charge-Off Rate (y-axis)
Quarterly, 2000-2019



Source: Federal Reserve

© Hedgeye Risk Management

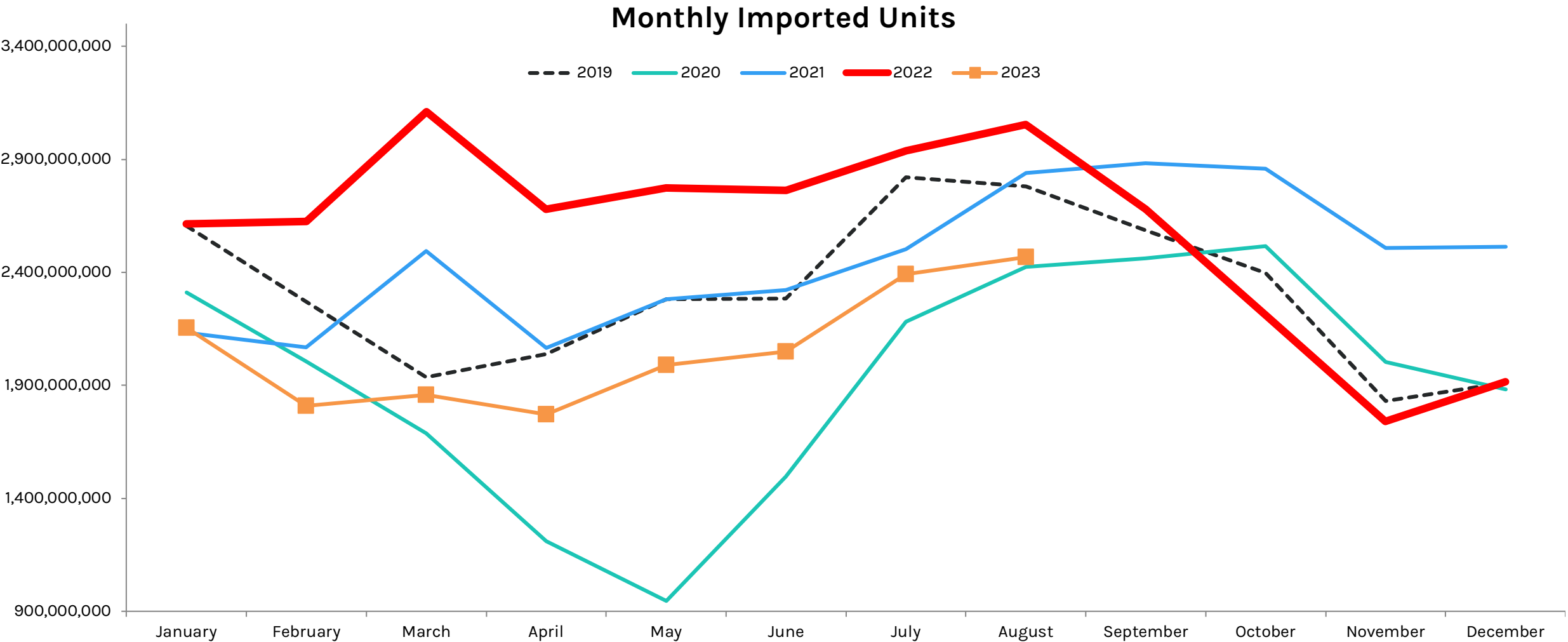
As before, here we display that relationship on a regression basis and again find a strong positive correlation.

Every 1,000,000 increase in continued jobless claims has historically produced a 1.7% increase in the gross credit card charge-off rate.

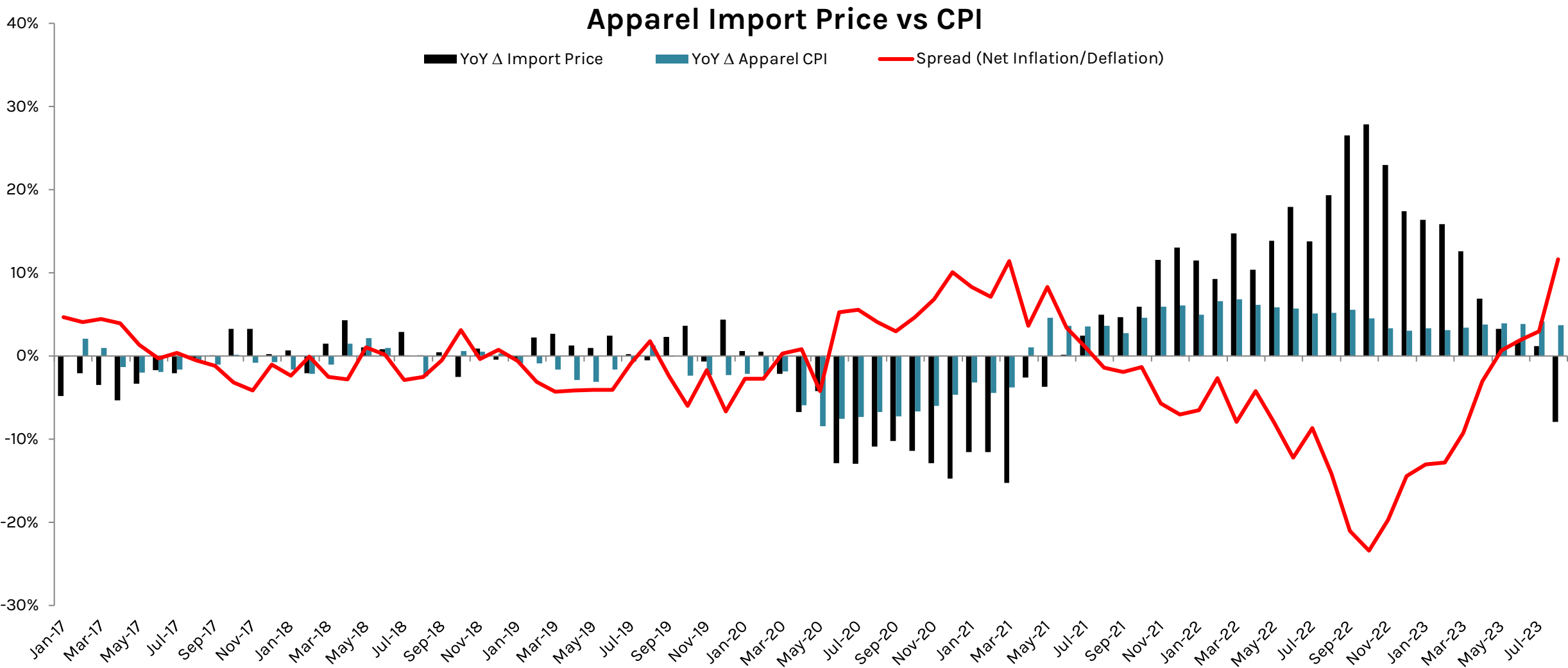
OTEXA



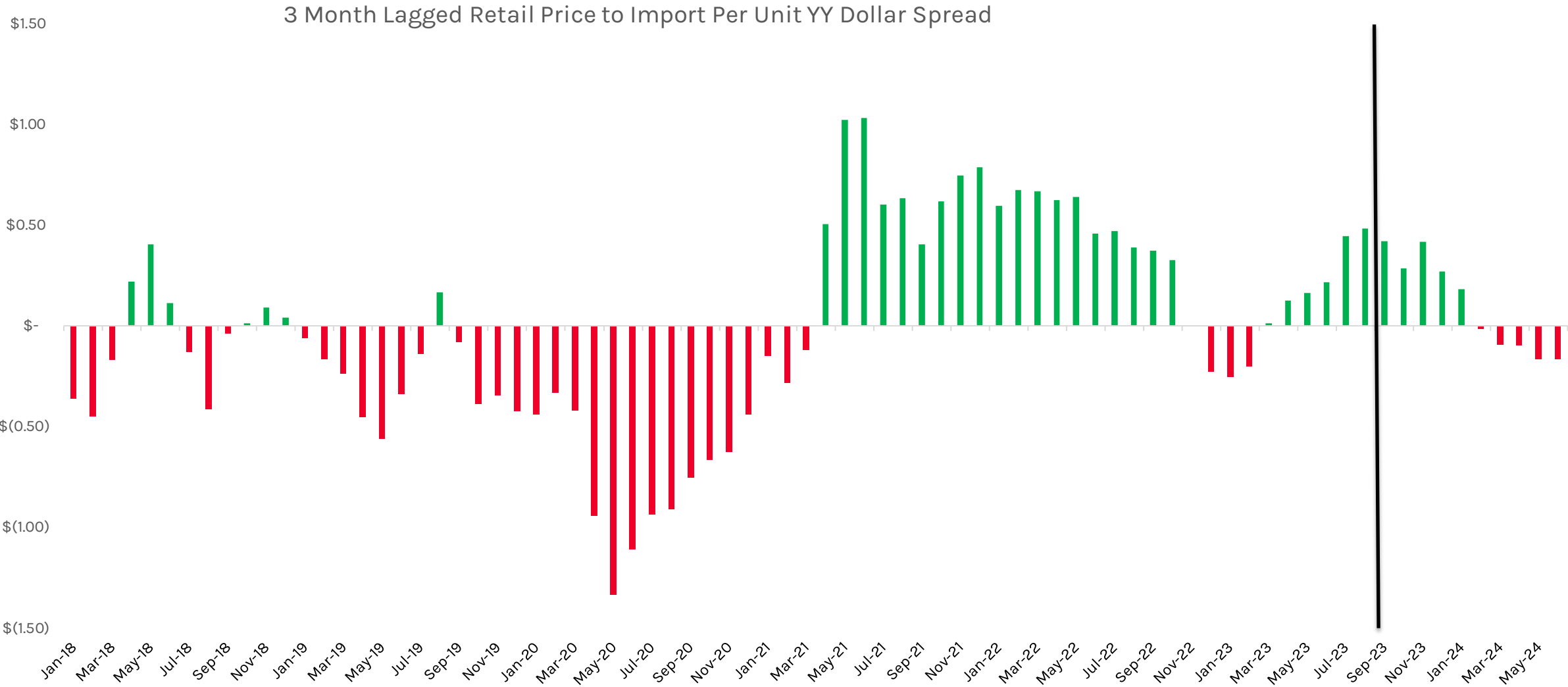
Imported Units Down -19.2% in August



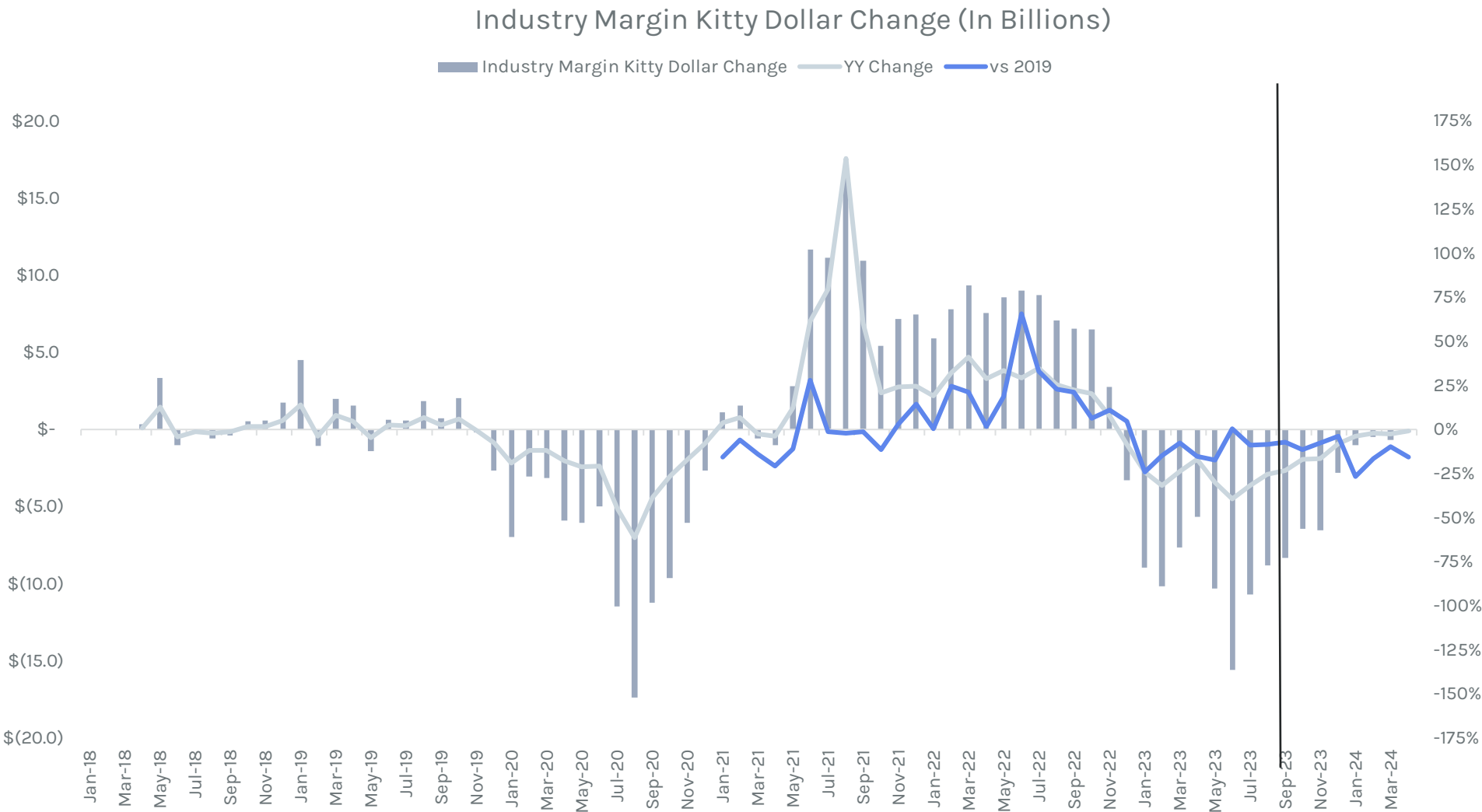
August Avg Import Cost Down -7.8%, CPI up 3.7%



Unit Spreads Bullish



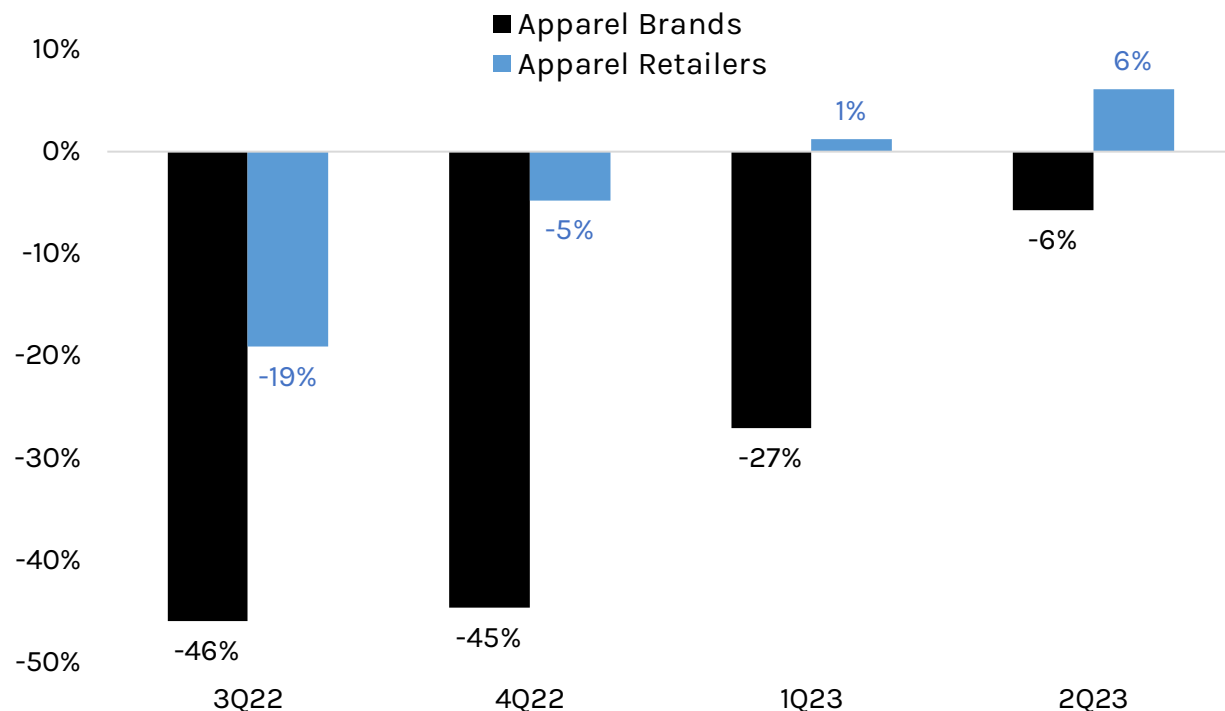
Margin Kitting Still Has Contraction Risk



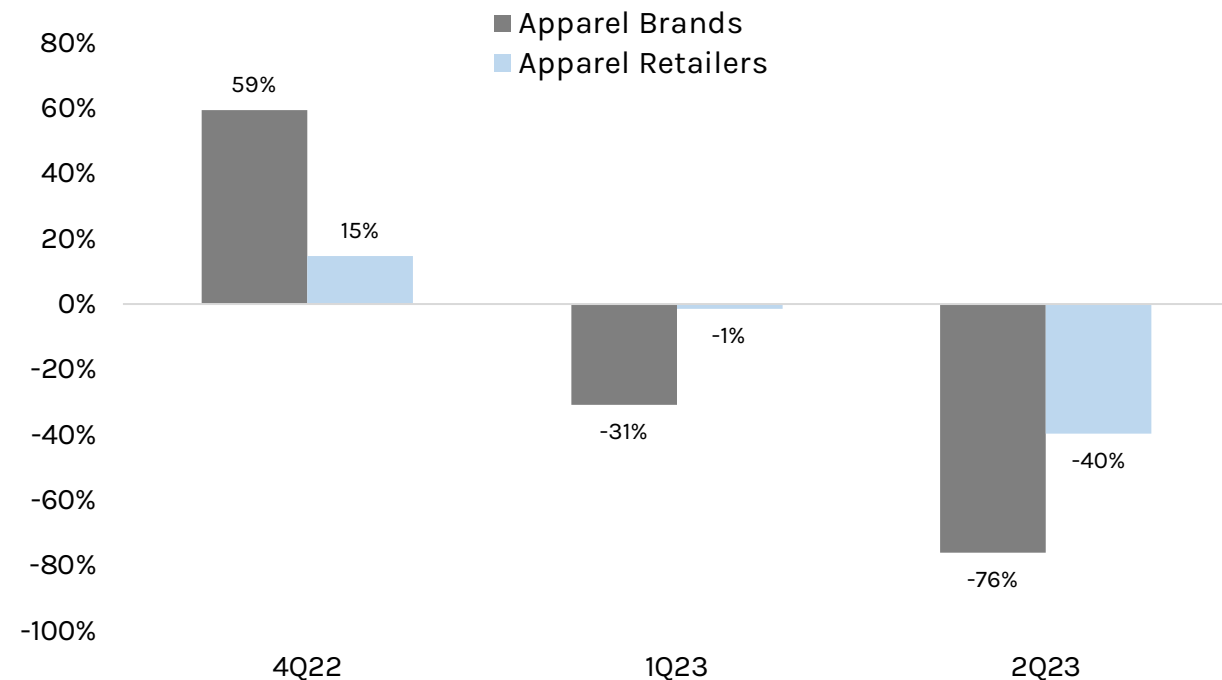
Price trends will be key, CPI still up, but costs falling... units down pressuring tota industry margin potential.

Apparel Got Better, Vs 2019 Suggests Not “Clean”

Sales/Inventory Spread (Sales Growth - Inventory Growth)



Sales/Inventory Spread vs 2019 (Sales Growth - Inventory Growth)



Hedgeye Retail Position Monitor – Best Idea List

HEDGEYE RETAIL POSITION MONITOR									
BEST IDEAS - LONG					BEST IDEAS - SHORT				
			TREND	TAIL				TREND	TAIL
Best Idea Longs			Mkt. Cap (\$MM)		Best Idea Shorts			Mkt. Cap (\$MM)	
RH	RH Inc	\$4,568	✓	✓	HELE	Helen Of Troy Limited	\$2,576	x	x
AMZN	Amazon.com	\$1,312,921	✓	✓	LOW	Lowe's	\$115,158	x	-
FL	Foot Locker	\$1,863	x	✓	JWN	Nordstrom	\$2,296	x	x
NKE	Nike, Inc	\$147,905	✓	✓	GOOS	Canada Goose	\$1,443	x	x
REAL	RealReal	\$173	✓	✓	WSM	Williams-Sonoma	\$9,970	x	x
GIL	Gildan	\$5,036	✓	✓	HD	Home Depot	\$292,841	x	-
DRVN	Driven Brands	\$1,957	-	✓	ULTA	Ulta Beauty	\$19,181	x	x
VVV	Valvoline	\$4,348	-	✓	TPR	Tapestry	\$6,459	x	✓
TCS	The Container Store	\$108	-	✓	RVLV	Revolve	\$1,028	x	x
DXLG	Destination XL Group	\$269	✓	-	BBY	Best Buy	\$14,965	x	x
TJX	TJX, Inc	\$101,320	✓	✓	W	Wayfair	\$6,620	x	x
WWW	Wolverine Worldwide	\$624	-	✓	RL	Ralph Lauren	\$7,421	x	x
MELI	MercadoLibre	\$61,991	✓	✓	PANDY	Pandora	\$9,600	x	x
SKX	Sketchers	\$7,519	✓	✓	CROX	Crocs	\$5,229	x	x
					ONON	On Holding	\$7,984	-	x
					GOLF	Acushnet Holdings	\$3,514	x	-
					ONEW	OneWater Marine	\$338	x	x
					FND	Floor & Décor	\$9,149	x	✓
					HZO	MarineMax	\$691	x	x
					CTC.A-CA	Canadian Tire	\$5,751	x	x
					MNRO	Monro, Inc.	\$845	x	x
					LOVE	The Lovesac Company	\$264	x	x
					POOL	Pool Corporation	\$13,126	x	x
					BGFV	Big 5 Sporting Goods	\$162	x	x
					HNNMY	H&M Hennes & Mauritz	\$19,764	x	x
					GME	GameStop	\$4,603	x	x
					IPAR	Inter Parfums	\$4,243	-	x
					FIGS	FIGS, inc.	\$1,063	x	x
					FRCOY	Fast Retailing	\$64,771	x	x
					SBH	Sally Beauty Holdings	\$854	x	x
					ADS-DE	Adidas	\$29,963	x	x

Hedgeye's "Bias" lists represent Hedgeye's outlook on companies currently under Hedgeye's review, or for which timing is not right for greater coverage. Hedgeye may or may not provide further commentary on any or all companies represented on this list and representation of a company on the bench does not forecast whether Hedgeye will or will not issue any additional material on that company

Hedgeye Retail Position Monitor – Long/Short Bias List

LONG BIAS			SHORT BIAS		
BBWI	Bath & Body Works	\$7,299	UAA	Under Armour	\$2,975
RMS-PAR	Hermes	\$193,499	ARHS	Arhaus	\$1,305
PRPL	Purple Innovation	\$147	SFIX	Stitch Fix	\$367
MCW	Mister Car Wash	\$1,659	BURL	Burlington Stores	\$8,006
CHWY	Chewy	\$8,069	OXM	Oxford Industries	\$1,461
DECK	Deckers Outdoors Corp	\$12,939	UPBD	Upbound	\$1,600
TDUP	ThredUp	\$331	URBN	Urban Outfitters	\$2,934
CWH	Camping World Hldgs	\$801	VSTO	Vista Outdoor	\$1,804
PRPL	Purple Innovation	\$147	MODG	TopGolf Callaway Brands	\$2,517
1913-HKG	Prada	\$15,226	BOOT	Boot Barn	\$2,408
DBI	Designer Brands	\$694	M	Macy's	\$3,040
VFC	VF Corp	\$6,319	HIBB	Hibbett Sports	\$578
RENT	Rent the Runway	\$47	PUM-DE	Puma	\$8,539
PLBY	PLBY Group	\$48	GPS	Gap, Inc	\$3,791
			BOSS-DE	Hugo Boss	\$4,399
			SIG	Signet	\$3,074
			BRBY-LON	Burberry	\$8,224
			MOV	Movado	\$625
			FIVE	Five Below	\$9,044
			COLM	Columbia Sportswear	\$4,353
			DKS	Dick's Sporting Goods	\$8,799
			BBBY	Bed Bath & Beyond	\$58
			KER-PAR	Kering	\$54,820
			CVNA	Carvana	\$4,011

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