

Industry Report

Tracking returns in Consumer & Retail:
December 2023

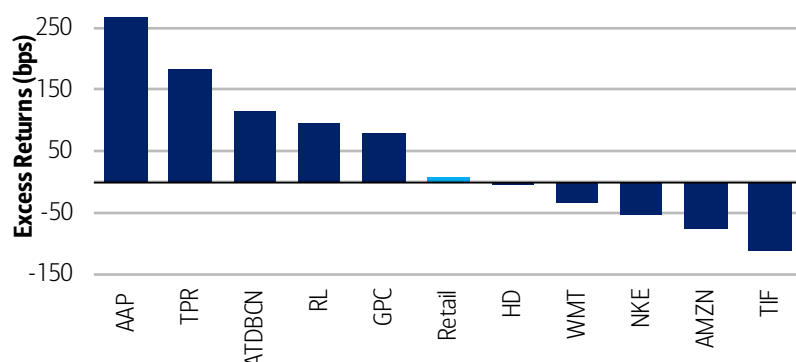
Industry Overview

Santa sustains the rally into December

Strong returns momentum sustained into December on many of the same [themes from last month \(link to report\)](#); resilient economic & spending data, easing core inflation, and dovish Fed comments. IG total return was +4.0% with excess return +31bps; lower quality, cyclicals and intermediate duration outperformed. Within Consumer, Retail slightly outperformed Staples but both underperformed IG. Topical beta names and BBB's outperformed while tobacco was the weakest sub-sector. See Exhibits 1-8 for issuer excess returns by sub-sector ranked for the month and YTD. Overall in 2023 strongest performers were JABHOL, DKS, MO, TIF vs. weakest VFC, RKTLLN, TSN, AAP.

Exhibit 1: Top 5 Retail leaders and laggards in December

Discretionary retail outperformed in Dec vs higher quality, mass retail lagged

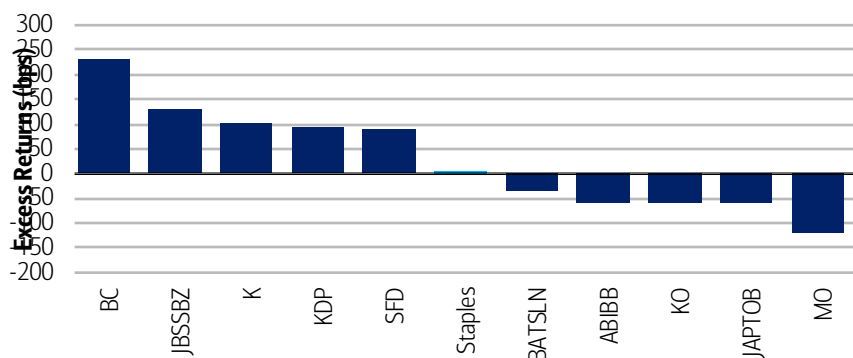


Source: ICE Data Indices, LLC, Bloomberg

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Exhibit 2: Top 5 Consumer Staples leaders and laggards in December

Tobacco was among the weakest IG sub-sectors in the month



Source: ICE Data Indices, LLC, Bloomberg

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High Grade Credit
United States
Consumer & Retail

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Issuer performance by sub-sector

Below we capture the aggregated excess return (bps) by issuer, ranked from best to worst in each relevant sub-sector for the month of December 2023. Please note that we exclude from our analysis most emerging market issuers and select other classifications such as building products, auto dealer and pure-play e-commerce as they are covered and traded away from Consumer & Retail despite being in the respective indices.

Consumer Staples

Exhibit 3: Beverages excess returns

Single-A names performed the weakest

Ticker	December Excess Return	YTD Excess Return
KDP	93	593
HEIANA	79	671
STZ	37	408
DGELN	31	325
CCEP	13	155
BACARD	11	497
TAP	9	726
COKE	7	71
JABHOL	4	1,462
RIFP	(7)	386
PEP	(17)	247
BFB	(33)	258
ABIBB	(59)	756
KO	(59)	307

Source: ICE Data Indices, LLC, Bloomberg

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Exhibit 4: Packaged food excess returns

GLP-1 exposed names continued to recover in Dec

Ticker	December Excess Return	YTD Excess Return
JBSSBZ	130	698
K	102	333
SFD	91	638
CAG	86	387
SJM	76	523
JDEPNA	64	410
MDLZ	55	372
FLO	50	268
SY	47	579
KHC	41	714
MARS	39	413
GIS	38	289
VITRRA	37	931
BNFP	30	197
HSY	21	325
HRL	19	287
CPB	19	258
ADM	15	329
CARGIL	13	374
INGR	12	466
TSN	10	110
MKC	5	303
NESNVX	(14)	296
BG	(16)	327

Source: ICE Data Indices, LLC, Bloomberg

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Exhibit 5: Tobacco excess returns

All tobacco names lagged IG in Dec

Ticker	December Excess Return	YTD Excess Return
IMBLN	22	473
PM	5	418
BATSLN	(34)	730
JAPTOB	(61)	790
MO	(120)	1,104

Source: ICE Data Indices, LLC, Bloomberg

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Exhibit 6: Consumer Products excess returns

More cyclical or shorted names rallied in Dec

Ticker	December Excess Return	YTD Excess Return
BC	232	870
HAS	82	383
WHR	80	517
HLNLN	73	435
RKTLN	60	96
EL	48	273
KVUE	33	436
KMB	15	374
UNANA	10	283
CLX	6	283
CHD	5	575
SCJOHN	(7)	473
CL	(13)	219
PG	(22)	264

Source: ICE Data Indices, LLC, Bloomberg

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Retailing

Retail includes Discount, Non-discounters, Food Retail and Restaurants

Exhibit 7: Retail excess returns

Discretionary saw strongest performance vs. high-quality/mass lagged

Ticker	December Excess Return	YTD Excess Return
AAP	268	125
TPR	184	205
ATDBCN	117	664
RL	97	343
GPC	80	297
DLTR	76	244
DKS	68	1,121
TSCO	67	592
SVELEV	63	406
AZO	63	254
DG	52	222
ROST	49	143
ADNA	44	555
BBY	43	350
LOW	43	600
KR	33	452
VFC	25	17
TJX	22	343
MCD	21	464
PVH	19	226
ORLY	18	246
DRI	18	562
COST	11	198
TGT	11	383
SBUX	4	459
HD	(5)	424
WMT	(35)	290
NKE	(53)	272
AMZN	(76)	398
TIF	(111)	948

Source: ICE Data Indices, LLC, Bloomberg

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Returns across Consumer & Retail

Exhibit 8: IG Consumer & Retail issuers ranked by monthly excess return

More discretionary & cyclical credits continued to outperform in Dec but Tobacco lagged

Ticker	Name	December Excess Returns	YTD Excess Return	Total Return
AAP	Advance Auto Parts	268	125	6%
BC	Brunswick Corp	232	870	13%
TPR	Tapestry	184	205	6%
JBSSBZ	JBS USA	130	698	11%
ATDBCN	Alimentation Couche-Tard	117	664	10%
K	Kellogg	102	333	7%
RL	Ralph Lauren	97	343	7%
KDP	Keurig Dr. Pepper	93	593	9%
SFD	Smithfield Foods	91	638	10%
CAG	Conagra Brands	86	387	8%
HAS	Hasbro	82	383	8%
WHR	Whirlpool	80	517	9%
HEIANA	Heineken	79	671	10%
DLTR	Dollar Tree	76	244	6%
SJM	JM Smucker	76	523	10%
HLNLN	Haleon	73	435	8%
DKS	Dick's Sporting Goods	68	1,121	14%
TSCO	Tractor Supply	67	592	10%
JDEPNA	JDE Peet's	64	410	9%
SVELEV	7-Eleven	63	406	8%
AZO	AutoZone	63	254	6%
RKTLN	Reckitt Benckiser	60	96	5%
MDLZ	Mondelez International	55	372	8%
DG	Dollar General	52	222	7%
FLO	Flower Foods	50	268	7%
ROST	Ross Stores	49	143	6%
EL	Estee Lauder	48	273	6%
SYU	Sysco Corporation	47	579	9%
BBY	Best Buy	43	350	8%
LOW	Lowe's	43	600	10%
KHC	Kraft Heinz	41	714	11%
MARS	Mars	39	413	8%
GIS	General Mills	38	289	7%
VITRRA	Viterra Finance	37	931	13%
STZ	Constellation Brands	37	408	8%
KVUE	Kenvue	33	436	5%
KR	Kroger	33	452	8%
DGELN	Diageo	31	325	7%
BNFP	Danone	30	197	6%
VFC	VF Corp	25	17	4%
IMBLN	Imperial Brands	22	473	9%
TJX	TJX Cos	22	343	7%
HSY	Hershey	21	325	7%
MCD	McDonald's	21	464	8%
PVH	PVH Corp	19	226	6%
HRL	Hormel	19	287	6%
CPB	Campbell Soup	19	258	6%
ORLY	O'Reilly Automotive	18	246	6%
DRI	Darden Restaurants	18	562	10%
KMB	Kimberly Clark	15	374	7%
ADM	Archer Daniels-Midland	15	329	7%
CCEP	Coca-Cola European Partners	13	155	5%
CARGIL	Cargill	13	374	8%
INGR	Ingredion	12	466	8%
COST	Costco	11	198	6%
BACARD	Bacardi	11	497	9%
TGT	Target	11	383	7%
TSN	Tyson Foods	10	110	5%
UNANA	Unilever	10	283	7%

TAP	Molson Coors	9	726	11%
CLX	Clorox Company	6	283	7%
CHD	Church & Dwight	5	575	9%
MKC	McCormick & Co	5	303	7%
PM	Philip Morris International	5	418	8%
SBUX	Starbucks	4	459	8%
JABHOL	JAB Holdings	4	1,462	18%
HD	Home Depot	(5)	424	8%
RFP	Pernod Ricard	(7)	386	8%
SCJOHN	SC Johnson	(7)	473	10%
CL	Colgate-Palmolive	(13)	219	6%
NESNVX	Nestle Holdings	(14)	296	7%
BG	Bunge	(16)	327	7%
PEP	PepsiCo	(17)	247	6%
PG	Procter & Gamble	(22)	264	6%
BFB	Brown Forman	(33)	258	6%
BATSLN	British American Tobacco	(34)	730	11%
WMT	Walmart	(35)	290	6%
NKE	Nike	(53)	272	6%
ABIBB	Anheuser-Busch InBev	(59)	756	11%
KO	The Coca Cola Company	(59)	307	7%
JAPTOB	Japan Tobacco	(61)	790	12%
AMZN	Amazon	(76)	398	7%
TIF	Tiffany & Co.	(111)	948	13%
MO	Altria	(120)	1,104	14%

Source: ICE Data Indices, LLC, Bloomberg

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