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Equity Research | Americas

Hardline/Broadline Retail

Bracing for a Pause: Deep Dive on COVID-19 Supply Chain Issues; Points to Inventory Risks for Q2

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Investment Highlights

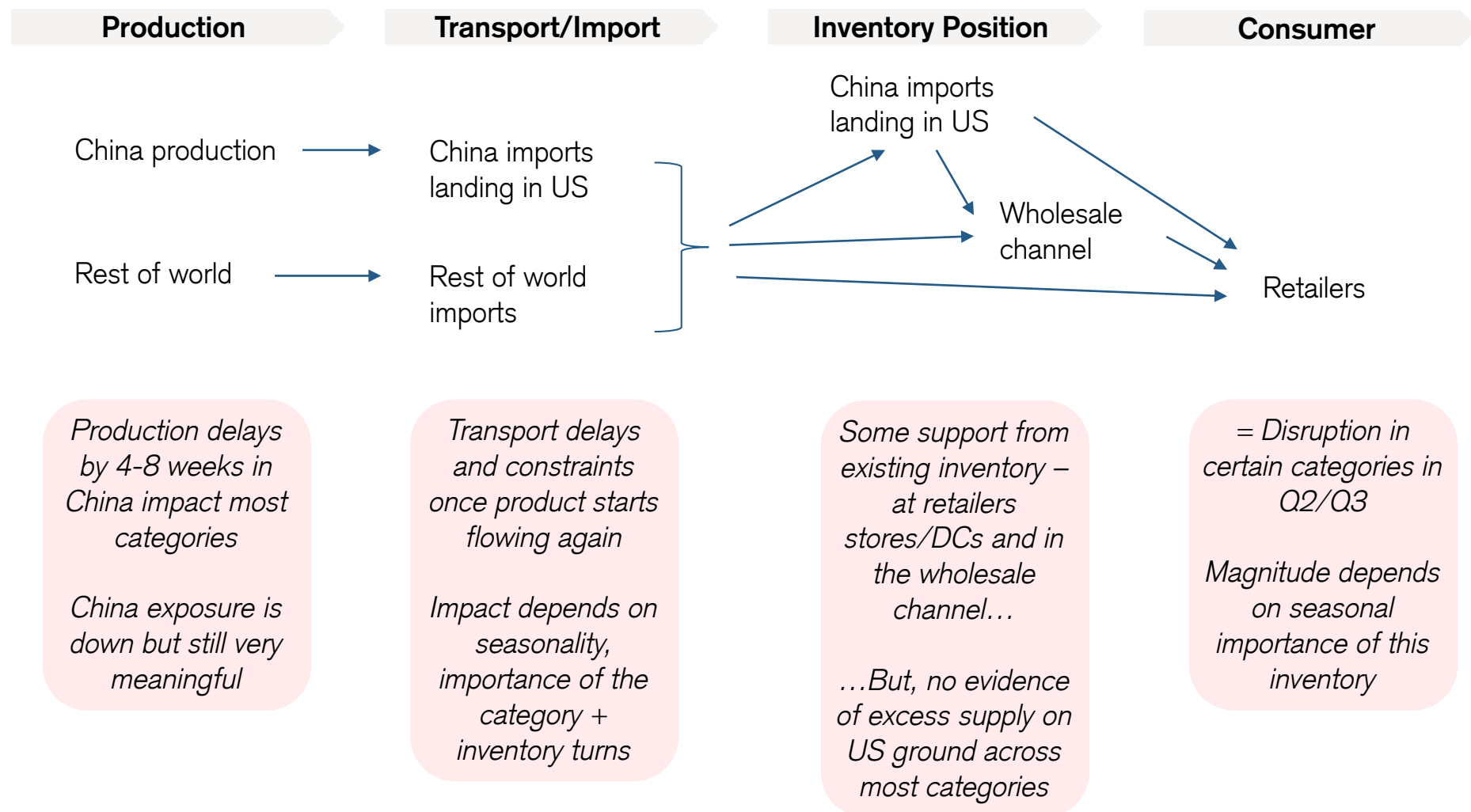
- **We see both supply and demand risks developing for the Hardline/Broadline Retail group, in late Q1 and into Q2, on the back of COVID-19.** We focus mainly on supply in this note, and the potential air pocket caused by production/transport disruption in Feb-Apr (est), showing when/how it can impact each retailers' sales, even if demand normalizes. We leverage recent commentary from our industry contacts, and a proprietary deep dive on monthly Chinese imports by category, linking it to retailers' sales /inventory turns. At this point, we view this as a short term "pause", some of which is already priced in the stocks. This analysis helps to frame relative exposure in our group.
- **Why now?** Inventory levels for Q1 seemed largely adequate, with a few exceptions like Best Buy, Big Lots and a few others. It's time to start assessing risk as we get deeper into Q1 and the need to stock up ahead of Q2. Our checks suggest that production in China is starting to pickup (50-75%), although it may still be a few weeks away from full productivity. Transportation seems to be another factor that could limit an immediate return to normalcy. Meanwhile, our analysis of wholesale levels in the US doesn't indicate excess supply, so it's not clear that it can fully offset a delay in imports.
- **Our framework to evaluate near-term risk;** We believe production disruption in Feb-Apr could create an air pocket in imports Apr-June in certain categories. The impact largely depends on a few factors:
 1. Exposure to China: Still high overall, albeit down from prior levels. *We analyze Chinese imports as a percent of total into the US.*
 2. Typical timing/flow of imports: how does that align with the period of disruption? *We analyze Chinese imports/month/category.*
 3. Inventory turns: faster means more immediate impact. *We link import timing to retail sales, by category.*
 4. The bigger picture: Not all Q2 disruptions will impact full year results. *We show Feb-Apr imports as % of total annual imports*
 5. Other sources for inventory incl. wholesale channel, although our work doesn't suggest excess supply
 6. Company specific factors like scale, speed of their own supply chain and ability to move product faster
- **Key takeaways regarding supply chain disruption:** We think nearly all retailers will see some level of disruption in inventory. Most impacted will be those with high exposure to China, fast inventory turns, and seasonally peak sales in Q2/3. It's too early to call the implications on comps, considering demand variables now as well, but we consider the relative implications.
 - **Home improvement (HD, LOW, FND): one of the most exposed in the ST;** While we like this group over 12 months, the stocks have performed well, and have supply/demand risks in the ST; We show relatively high exposure to China, fast turns, and high sales volume periods ahead in Apr-June. Risk seems mostly in seasonal categories (OPE, outdoor furniture, BBQ, appliances). For Flooring, imports pick up later (May+), and could be less impacted, which seems reflected in FND's outperformance.
 - **Sporting Goods (DKS, HIBB, SPWH); high ST risk;** High Chinese exposure, disruption period overlaps with the typical import ramp period, and right ahead of a seasonal spike in sales in Q2. While we think a lot of negativity is already in DKS stock, we believe consumer demand adds uncertainty as well.
 - **Consumer electronics and video (BBY, GME): ST risk, less 2H risk right now:** CE will be impacted in 1H given a significant percent of purchases from China (>60%) and fast turns, but we believe that is balanced with 1H being a seasonal low for sales.
 - **Home furnishings (WSM, BBBY): Moderate ST risk;** High Chinese product exposure, some seasonal ramp in sales, and import disruption period overlaps with historically peak outdoor furniture imports, and also a ramp period for other furniture imports. This could point to some risks later in Q2 into Q3.
 - **Auto parts (AZO, ORLY, AAP): Less ST risk;** Some Chinese product exposure (~30%) but slow turns, and adequate inventory position currently. Biggest risk seems to be late Spring shipments, and some seasonal categories within that. Bigger concerns would be demand recently, but stocks seem to be reflecting concerns, having lagged in recent months.

Summary Matrix: Framing ST Risk vs. What is Embedded in Stocks

Relative Scores (1 - 3 scale)	Demand Defensiveness	Chinese Import Exposure	Q2 Sales as % of FY Sales	Q2 Inventory Turns	Scale/ Management/ Own Drivers	Average score	vs.	Stock perf vs S&P since Feb 19 peak
KR	3.0	3%	23%	3.5	2.0	2.3		21%
WMT	3.0	25%	25%	2.1	3.0	2.3		12%
ORLY	2.3	33%	26%	0.4	2.5	2.2		6%
COST	3.0	10%	30%	2.6	3.0	2.2		9%
AAP	2.0	30%	24%	0.3	1.7	2.2		4%
SPWH	1.2	15%	24%	0.4	2.0	2.1		1%
DG	2.0	15%	25%	1.2	2.5	2.1		9%
PRTY	1.0	20%	23%	0.5	2.0	2.1		-31%
MIK	1.2	24%	20%	0.5	1.5	2.1		-14%
OLLI	1.5	20%	24%	0.6	2.0	2.1		1%
AZO	2.3	35%	32%	0.4	2.5	2.0		12%
FND	2.0	35%	25%	0.6	2.5	2.0		10%
TGT	2.2	40%	23%	1.4	2.5	2.0		2%
HIBB	1.0	38%	21%	0.6	2.0	2.0		-9%
BJ	2.8	10%	25%	2.3	1.5	2.0		22%
WSM	1.0	30%	23%	0.7	2.0	1.9		-5%
DLTR	2.0	30%	24%	1.2	2.0	1.9		-1%
HUD	1.0	10%	22%	1.4	2.0	1.9		-37%
HD	2.0	31%	28%	1.4	3.0	1.9		6%
BBY	1.5	60%	22%	1.4	2.5	1.9		-7%
TSCO	2.0	25%	28%	0.8	2.0	1.9		5%
LOW	2.0	33%	29%	1.1	2.5	1.8		-2%
KMX	1.0	0%	26%	1.8	2.0	1.7		-3%
CWH	1.0	2%	30%	0.8	1.5	1.7		-25%
FIVE	1.0	66%	22%	1.0	2.0	1.7		-5%
GME	1.0	75%	19%	0.9	1.5	1.7		7%
BBBY	1.3	43%	24%	0.7	1.5	1.7		-10%
DKS	1.0	45%	25%	0.8	2.0	1.6		-7%

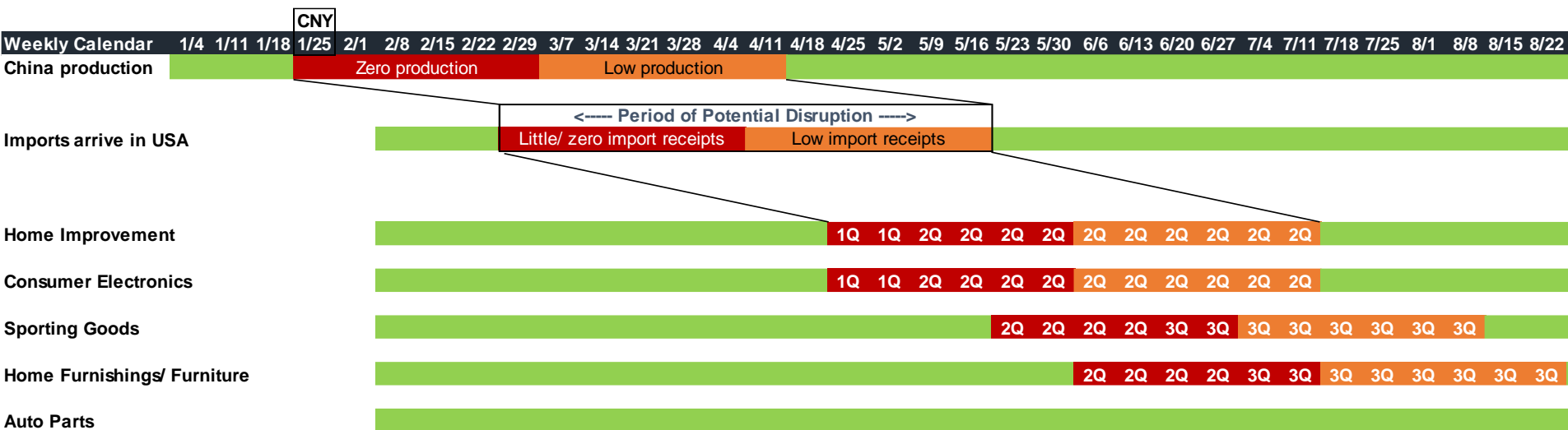
Retailer Supply Considerations

Categories with faster turns and dependent on imports arriving March-June seem most at risk



Timeline of Potential Chinese Import Disruption

We analyzed retailers current inventory levels, sales forecasts, and typical inventory turns/ sales, to frame (illustratively) at what point current Chinese inventory on hand would run out



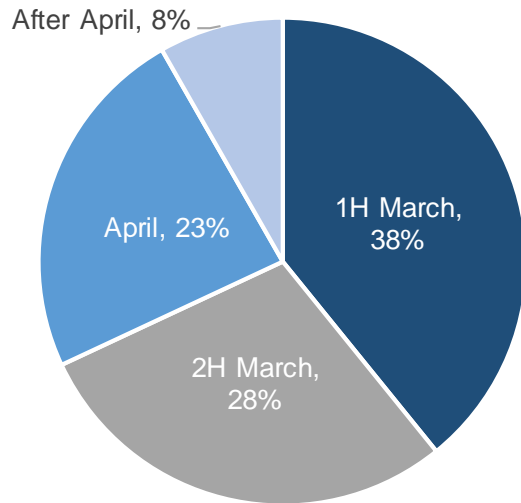
Some Background

- Overall, production seems to be picking back up, with mid to late March potentially in better shape, and expectations for mid April to be close to normal. Still, there are concerns about getting product out, with many contacts citing trucking and mobility challenges. Post COVID-19, business rebound is only expected later in the year.
- Manufacturing activity was expected to start up Feb 10, but on a staggered basis through March 4 depending on the size of the industry. Approvals were being granted on a staggered basis with bigger industries starting first. This excludes Hubei (epicenter of the epidemic), where businesses are expected to remain closed until Mar 10.
- Business is resuming more slowly than firms initially expected. About a third of the manufacturers that have restarted production, expect to reach full capacity utilization in April or later. Over 90% of the manufacturers indicated that they will have to delay delivery of existing orders. On the other hand, new overseas export orders expected to show declines in Jan/ Feb.
- Companies have to meet strict health criteria, incl. providing masks for staffs and set up health monitoring centers. Some local governments were employing stricter measures such as three day stockpiles of medical supplies for companies.
- Migrant labors needed to be quarantined for 14 days before being allowed to work. This has delayed business resumption and impacting utilization rates for more labor intensive industries that employ the most workers from lower tier cities. Majority of the 109 US manufacturers in the Yangtze River delta indicated staff shortages (surveyed by American Chamber of Commerce Shanghai).
- Transportation bottlenecks due to virus control measure will restrict product flow. Trucking industry impacted since most of the drivers come from lower tier cities. This has also impacted raw material sourcing. We could see potential port congestion with global buyers trying to get shipments out, driving higher shipping costs.
- Cash flow/ working capital is a key concern for SMEs that are getting back to work. The government is working toward interest rate cuts, increased credit availability, some tax cuts. Some firms have cut jobs and wages.
- Alternate production locations to be hit by raw material shortage. During 2019, companies in the US had started to move production out of China into Vietnam, due to tariffs. Manufacturers in these countries still depend on China for raw materials, which is held up due to the virus.

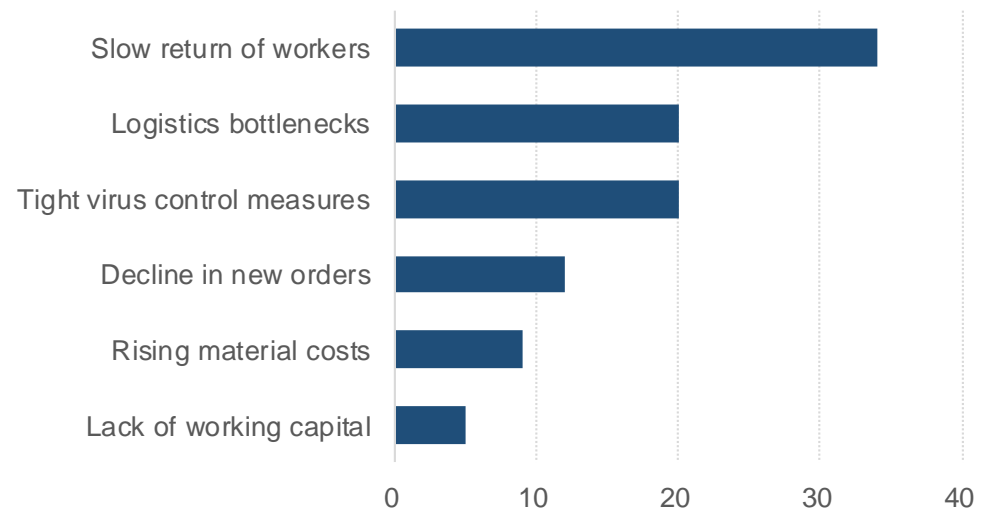
Factories in Process of Ramping but Activity Still Low

Leveraging survey data from CQI's Feb 26 report; Majority of respondents expected normal capacity utilization after 2H of March (we assume that has implications on imports into US 4-6 weeks later); Slow return of works, and logistic bottlenecks among the most concerning issues

Expected return to normal capacity utilization

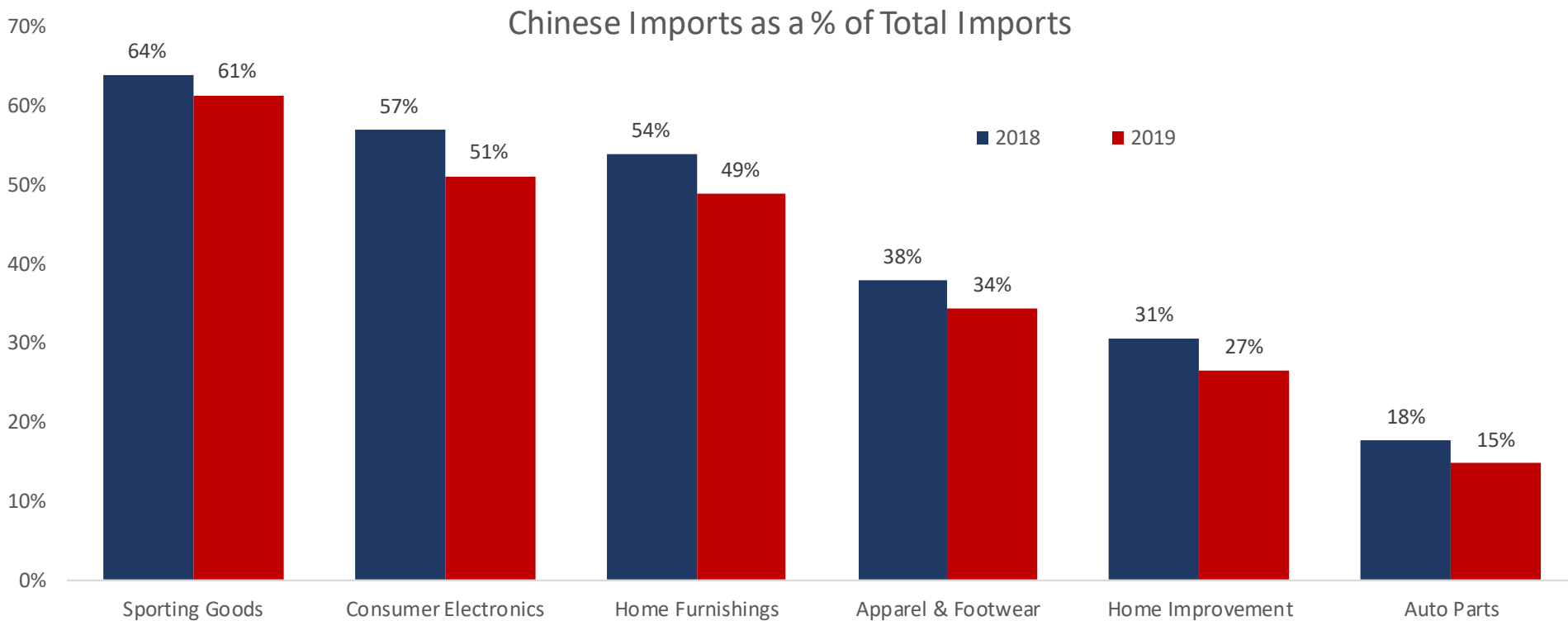


Factors impacting utilization - % of SME votes



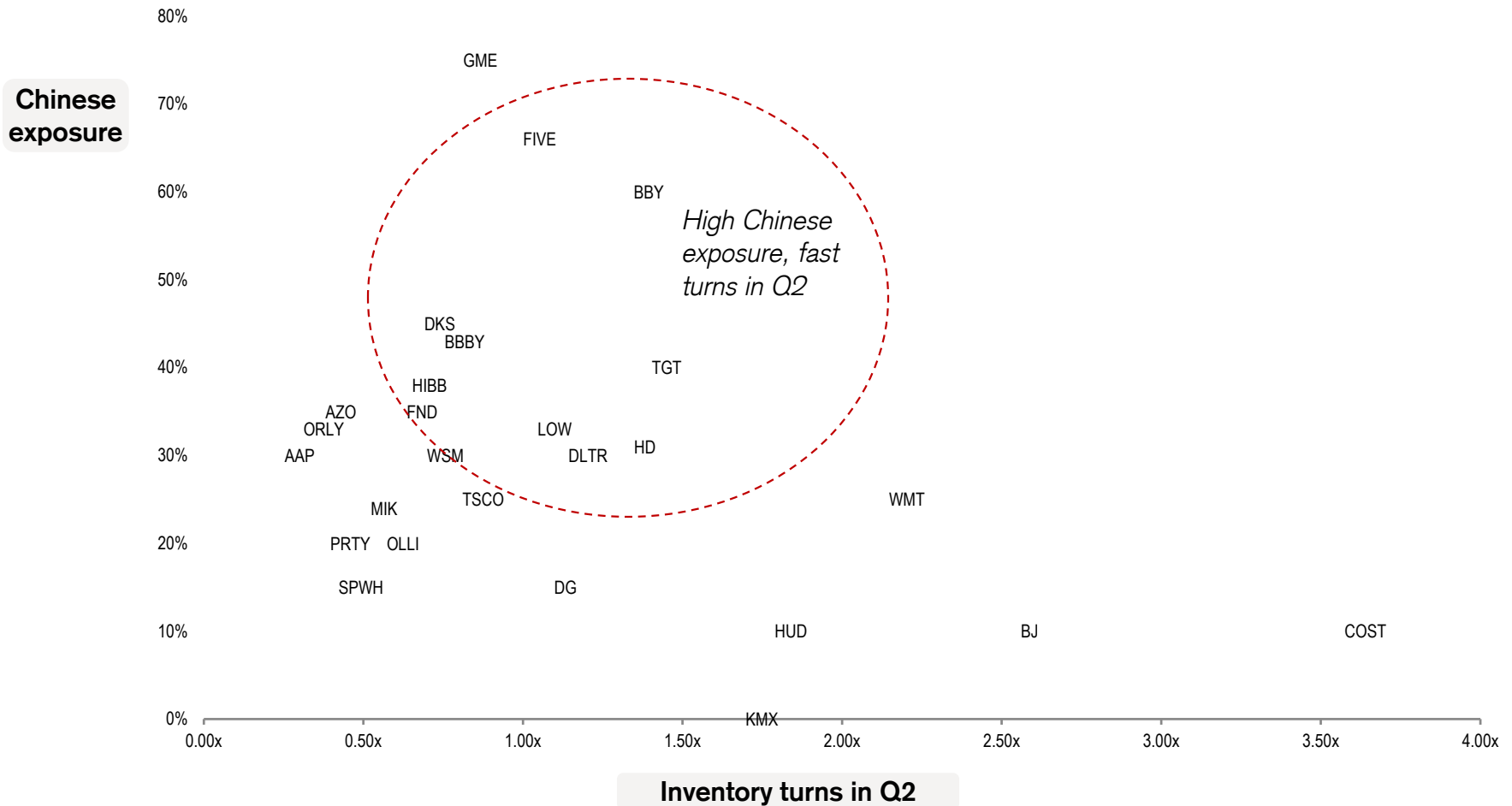
China Import Exposure: Still High, Albeit Down from 2018 Levels

Revisiting importance of China; Percent of total imports that were from China in 2019 vs. 2018



Framing Short-Term Risk: When that Inventory is Needed for Sales is Key

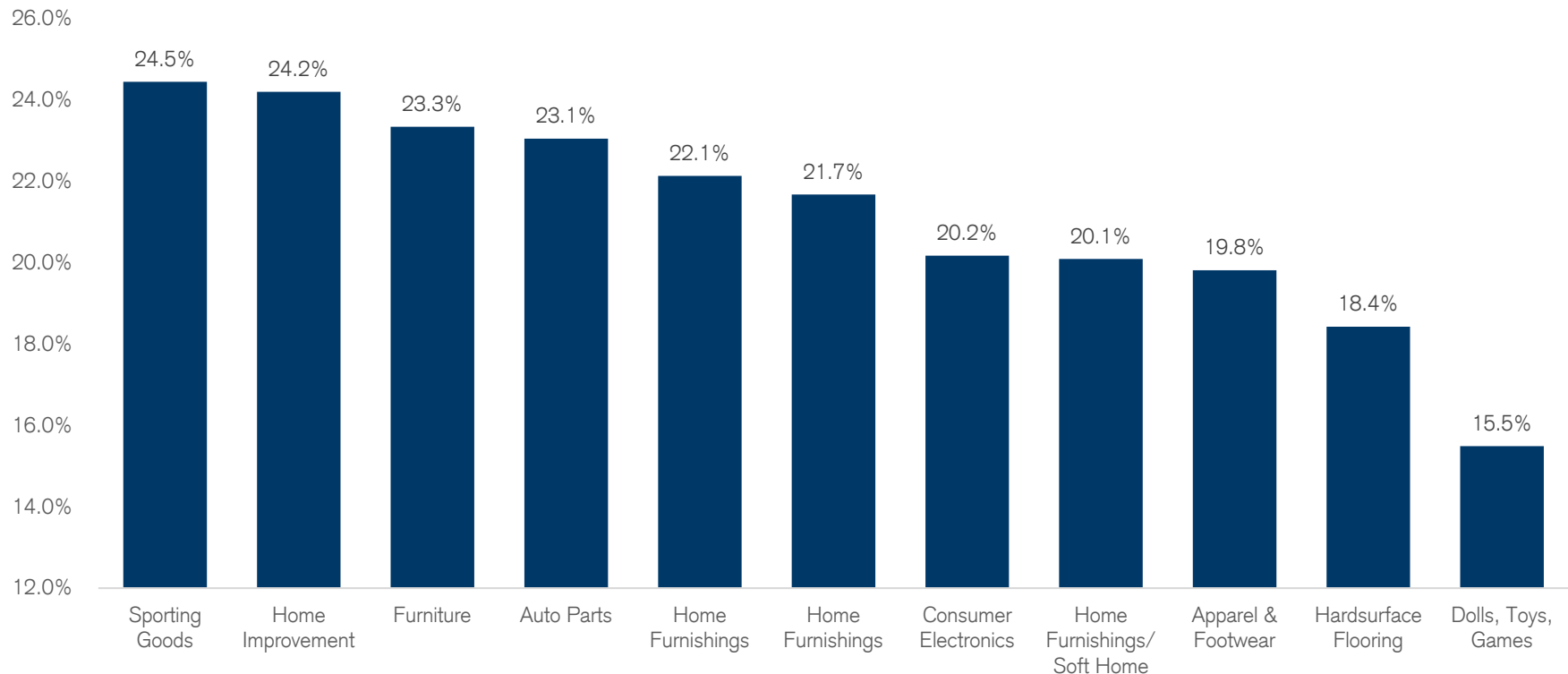
We compare Inventory Turns in Q2 vs. Chinese Import Exposure; Retailers with fast turns (ex consumables) need to receive inventory through Q2 (April/May) which could be impacted by delayed production/shipments during the Feb/March time frame



But, Need to Balance Short-term Disruption with the Big Picture/ Annual Implications

Analysis shows Feb-Apr imports (anticipated period of disruption) as a % of total annual imports: Not all short-term inventory disruptions will impact FY performance significantly; e.g. Consumer Electronics has short-term risk (Q1/Q2), but these imports are a lower percent of total annual imports. Meanwhile, Sporting Goods and Home Improvement do meaningful volume this time of year.

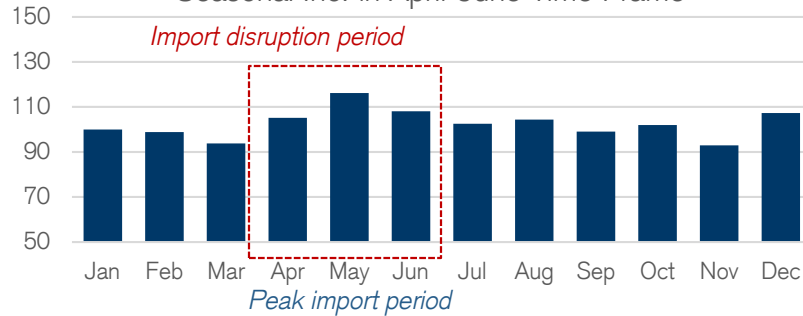
Feb-Apr Chinese Imports as % of Total Annual Chinese Imports
(Based on Average of 2016-2018)



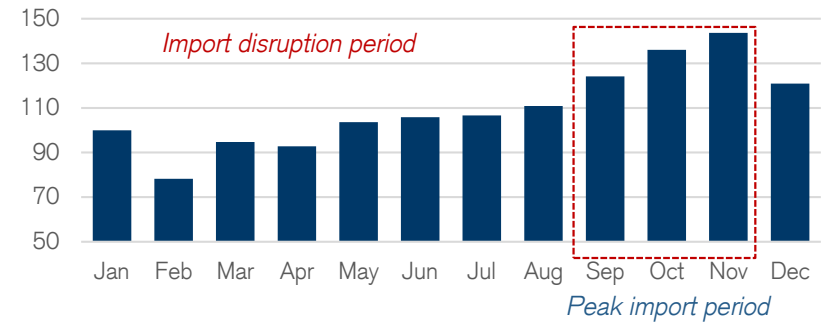
Short-Term: Assessing Seasonal Import Needs; Overlaying Disruption Period vs. *Peak* Imports

As a relative measure across our group, we look at monthly Chinese imports volume by category (when arrives in US), indexed to January; Average of 2016-2018

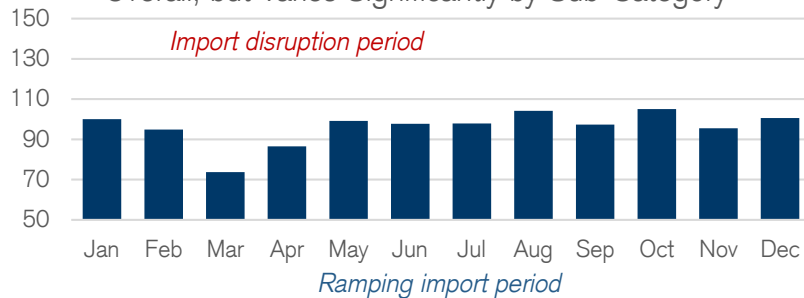
Home Improvement Imports:
Seasonal Inc. in April-June Time Frame



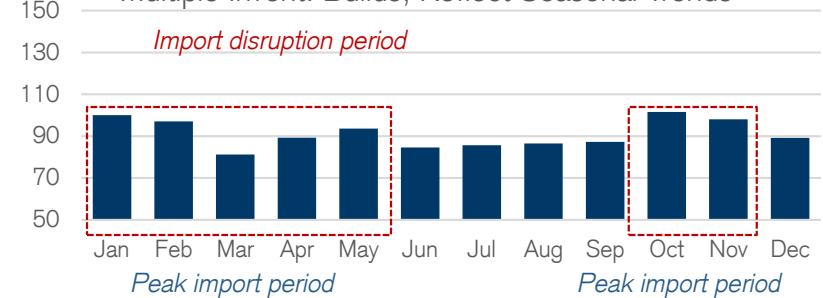
Consumer Electronics Imports:
Seasonal Inc. Sept-Nov, Ahead of Christmas



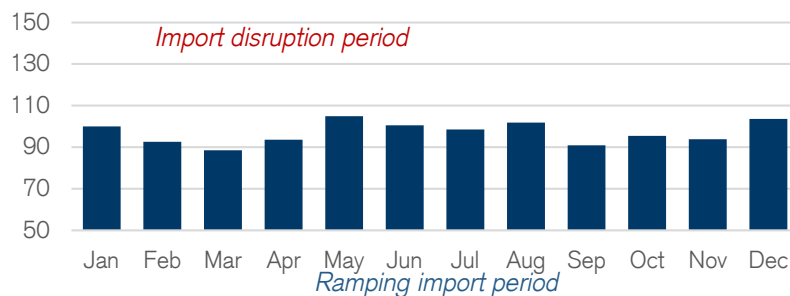
Home Furnishings Imports: Consistent Seasonality
Overall, but Varies Significantly by Sub-Category



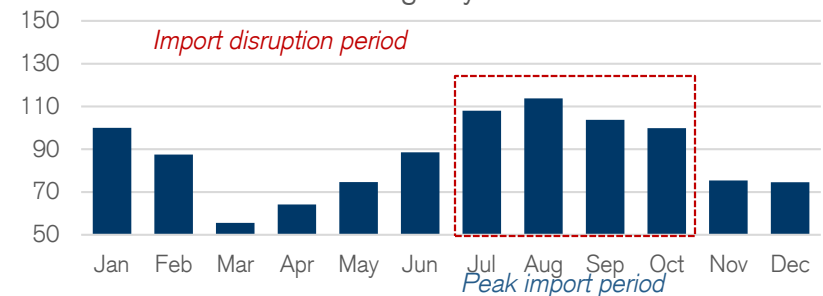
Sporting Goods Imports:
Multiple Invent. Builds, Reflect Seasonal Trends



Auto Parts Imports: Less Seasonality Overall



Apparel & Footwear Imports: Seasonal Inc.
Starting July-Oct



Home Improvement: Historical Import Data Would Suggest Some Disruption within Q2

Sales peak in Apr-Jun; While seasonal categories (non-China) partly explain that, there is also a ramp in Chinese imports Apr-Jun, which may be disrupted this year, hence impact in Q2

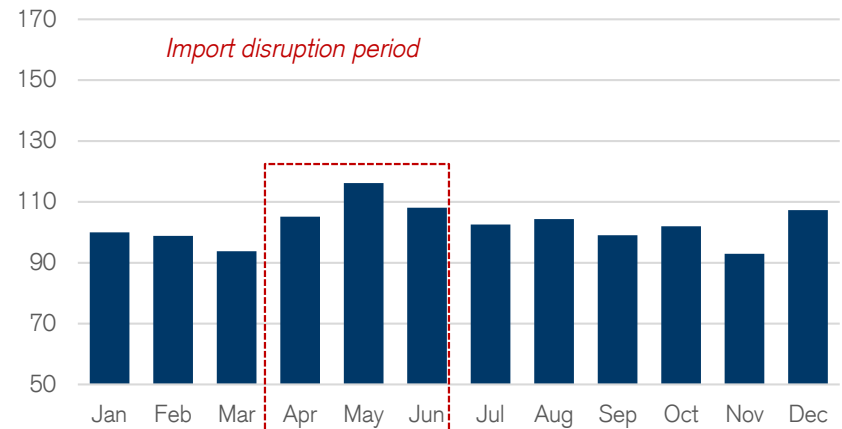
- Timing of imports and sales closely linked. High Chinese exposure (~30% of purchases)/ fast Q2 turns (HD 1.4x in Q2), means more inventory needs to be purchased late Q1 and throughout Q2. That overlaps with the peak import disruption period, which does present a greater ST risk vs. other sectors. Dissecting imports by category on the next slide shows much of the risk and exposure is in spring “seasonal” categories like outdoor power equipment, outdoor furniture, barbecue's.
- HD/LOW noted sufficient Q1 in stock, but didn't comment on Q2. They suggested an ability to get domestic inventory if needed and to use its scale but still uncertain. FND started building inventory pre Chinese New Year. It is currently seeing about ~75% of factories up and running although not at full capacity, and is monitoring trucking/ mobility issues in China. Flooring imports pickup in May-Aug, so there could be some disruption to those early orders.

Quarterly Inventory Turns; Q2 Spike Typically



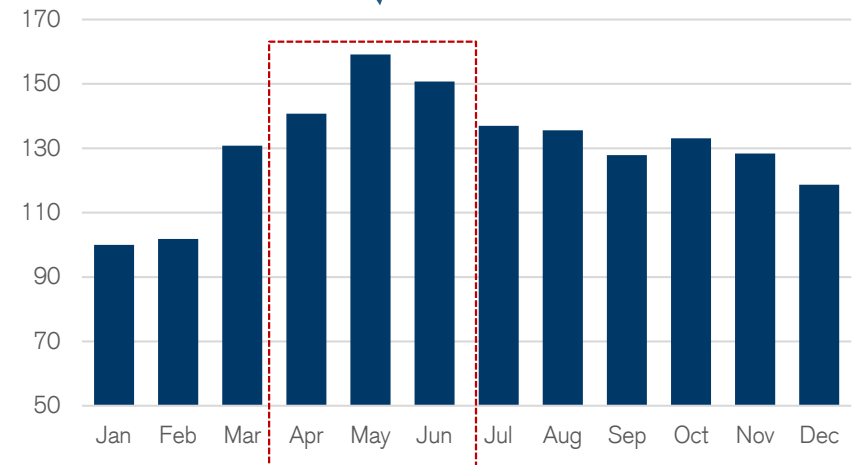
Chinese Imports (Historical Cadence): Home Improvement

Monthly imports, indexed to Jan., (2016-18 avg)



Retail Sales (Historical Cadence): Home Improvement

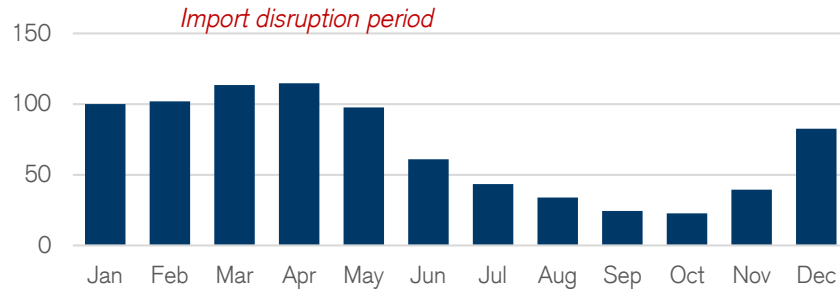
Monthly Census sales, indexed to Jan., (2016-18 avg)



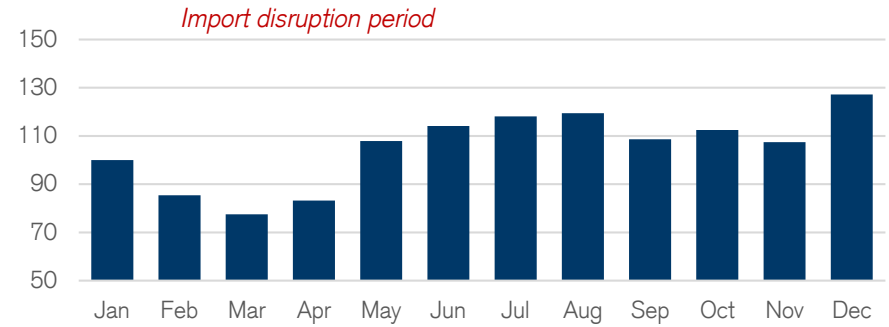
Within Home Improvement, We Would Monitor Seasonal Categories in 1H

Imports of seasonal categories and some appliance categories peak Mar-May

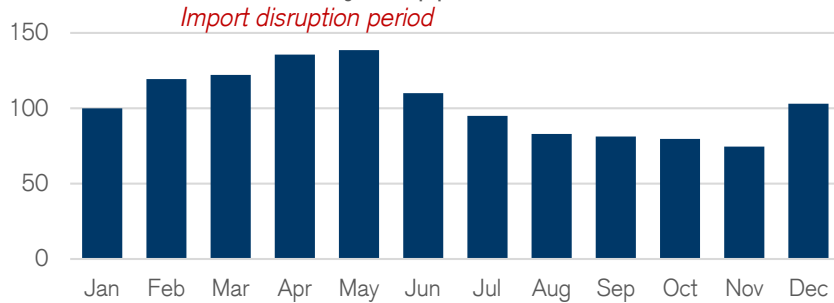
Outdoor Furn./ Power Equip/ BBQ's



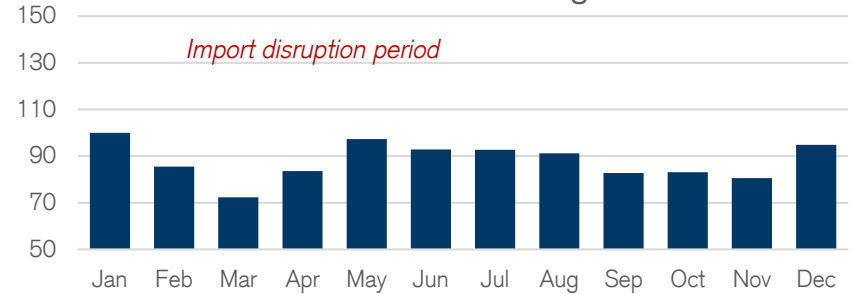
Hard Surface Flooring



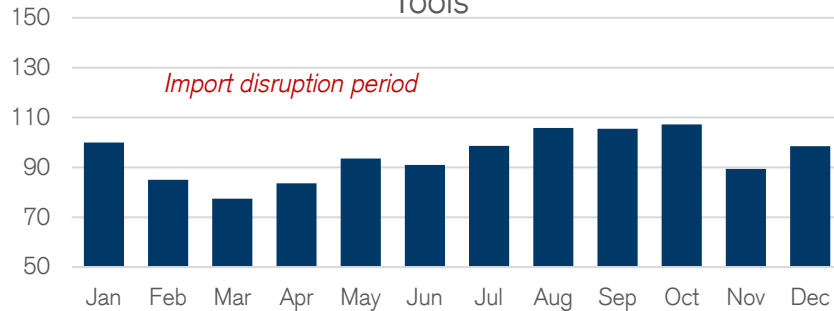
Major Appliances



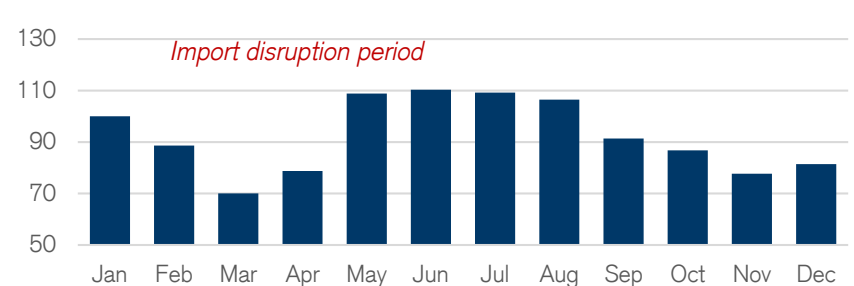
Hardware/Plumbing



Tools



Other (Kitchen, Bath, Roofing)

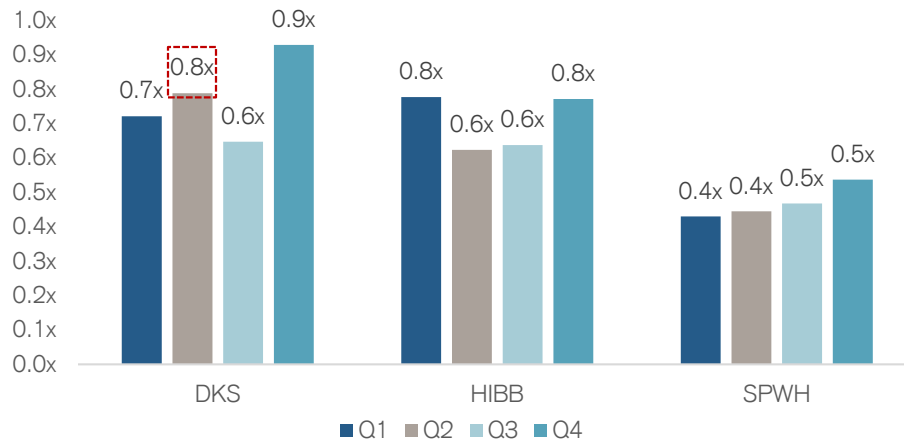


Sporting Goods; Somewhat Reliant on Apr/May Imports, Adds Risk to Q2 Peak Sales Period

Multiple inventory builds through the year to monitor, incl. Jan/Feb, Apr/May to support spring.

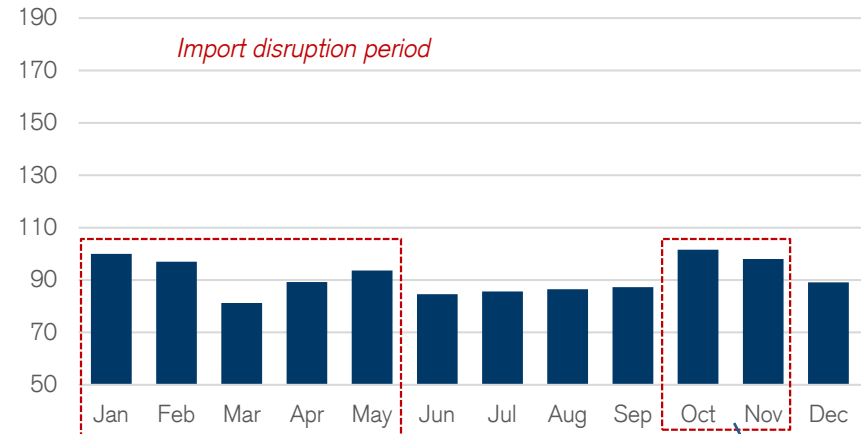
- High exposure to China, but somewhat slower turns. Observed a 2-3 month lag between Chinese imports and retail sales.
- Analysis implies Q1 inventory is likely sufficient, but 2-3 month lag between imports and sales means that disruption in imports in Mar-May could impact sales during the May-Aug periods (largely Q2, start of Q3).
- Ending Q1 inventory (April) could be impacted, along with flow of goods throughout Q2, which could be a risk for Q2, early Q3.

Quarterly Inventory Turns: Different for Each Company



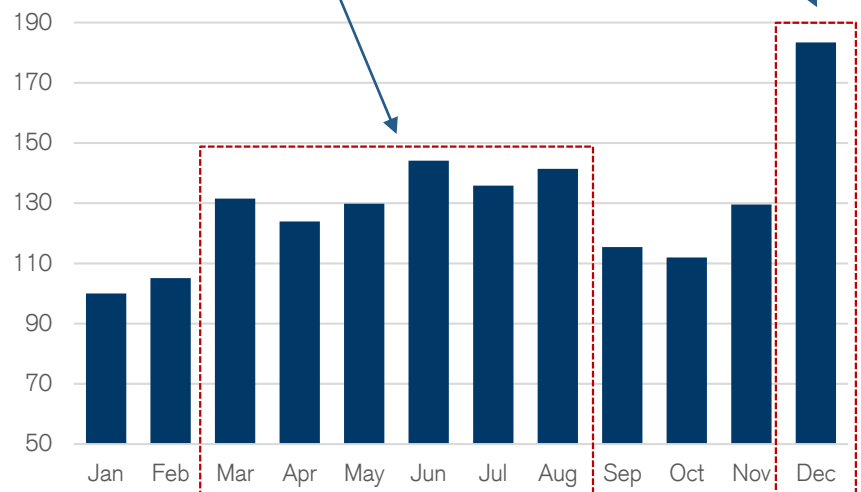
Chinese Imports (Historical Cadence); Sporting Goods

Monthly imports, indexed to Jan., (2016-18 avg)



Retail Sales (Historical Cadence): Sporting Goods

Monthly Census sales, indexed to Jan., (2016-18 avg)



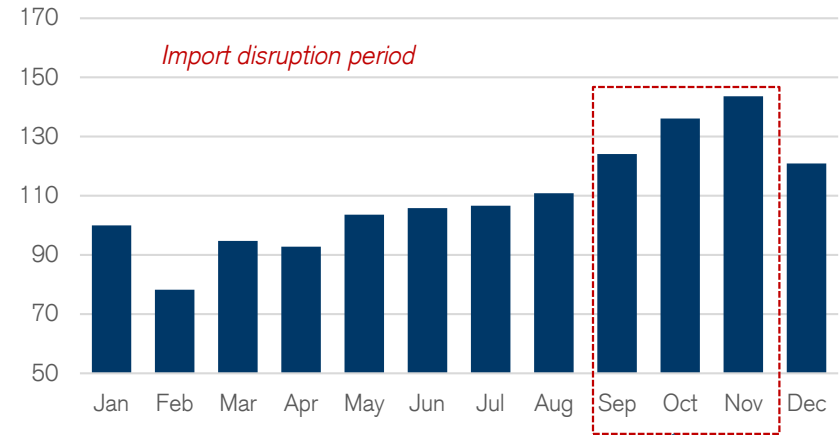
Consumer Electronics: High Exposure to China + Fast Turns in Q1/Q2 the Issue

Fast turns means Mar-May imports could disrupt sales in Q1/Q2. Bigger factor to watch for FY is 2H

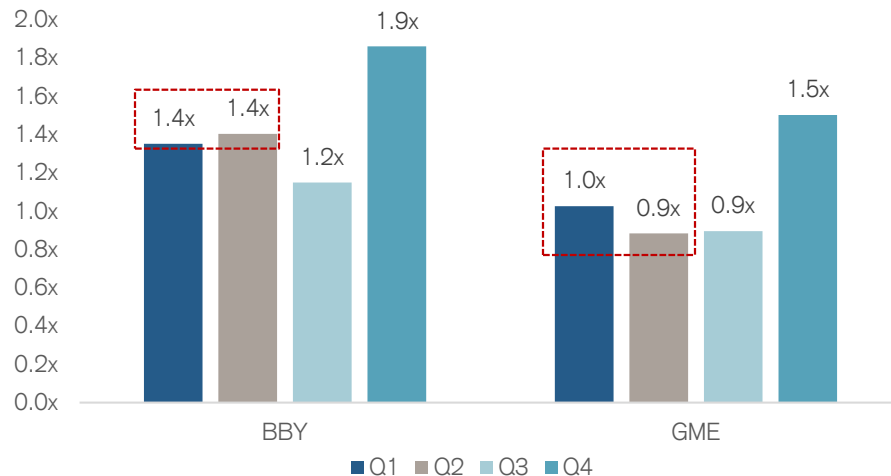
- High Chinese exposure (BBY ~60%) and fast turns (BBY 1.4x in 1H) points to short-term risks in 1H.
- But, more important for the FY is 2H; Peak import activity/inventory build is Sept-Nov, ahead of peak sales period Nov-Dec. We see lower risk of disruption at this point. Implies short-term disruption may not be as impactful to FY results.
- Monitoring effect on game console production, with ~96% produced (historically in China), and new launches expected for Holiday 2020.

Chinese Imports (Historical Cadence): Consumer Electronics

Monthly imports, indexed to Jan., (2016-18 avg)

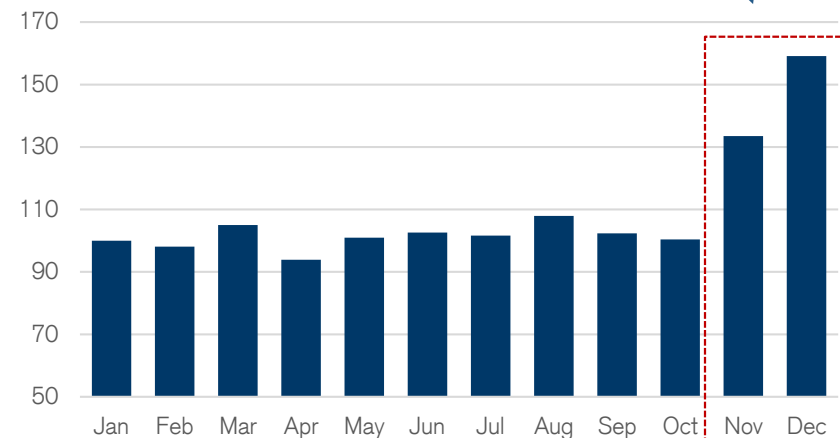


Quarterly Inventory Turns



Retail Sales (Historical Cadence): Consumer Electronics

Monthly Census sales, indexed to Jan., (2016-18 avg)



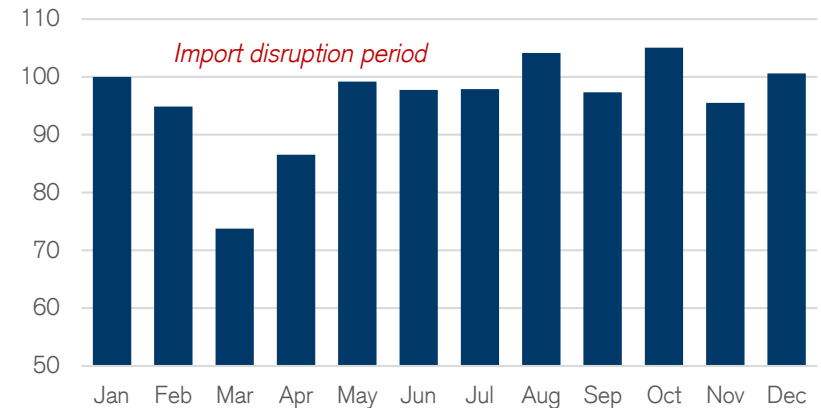
Home Furnishings: Short-Term Focus on Outdoor Furniture Risk in Q2

Q4 clearly peak for sales, but some sub-categories may be impacted in 1H; China exposure is high

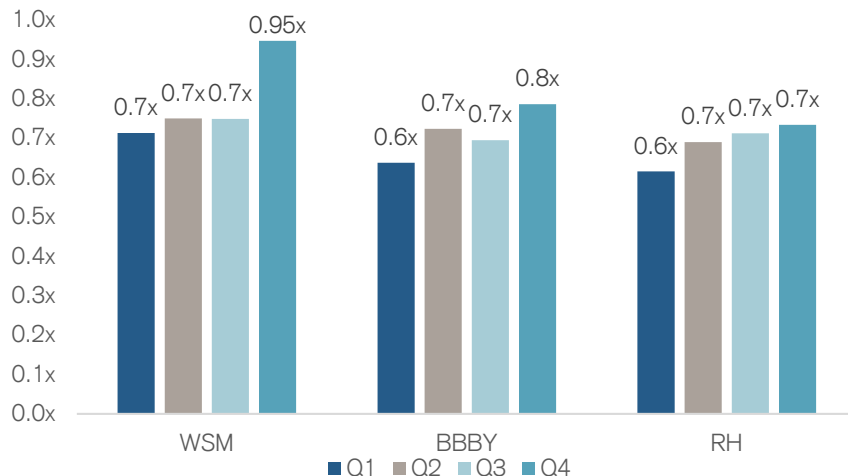
- High exposure to China, but somewhat slower turns. Observed a 2-3 month lag between Chinese imports and retail sales.
- Analysis implies Q1 inventory is likely sufficient, but 2-3 month lag between imports and sales means that disruption in imports in Mar-May could impact sales during the May-Aug periods (largely Q2, start of Q3). See some risk into Q2
- Analyzing import data for furnishings shows consistent flow overlap (ex Mar-Apr.) but within there are significant differences due to seasonal trends as can be seen in the next slide.
- Expecting short-term impact to be mostly seasonal categories; first round of Outdoor Furniture for the season is currently in US, but second round (March-Apr) may be at risk; see next slide.

Chinese Imports (Historical Cadence): Home Furnishings

Monthly imports, indexed to Jan., (2016-18 avg)

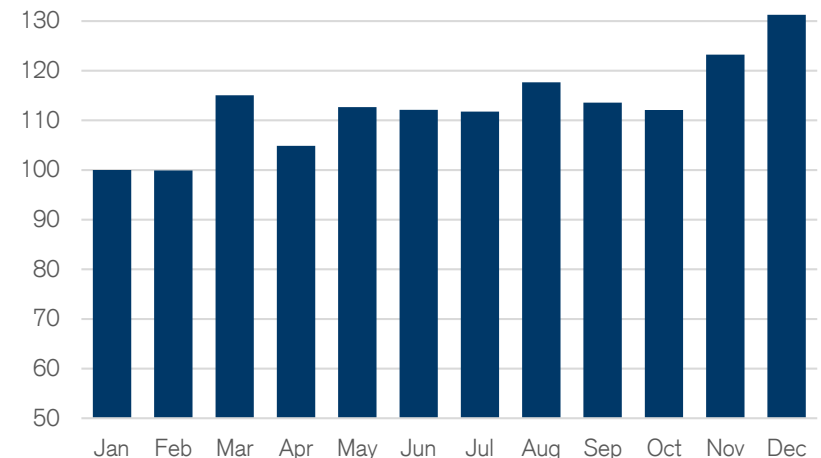


Quarterly Inventory Turns



Retail Sales (Historical Cadence): Home Furnishings

Monthly Census sales, indexed to Jan., (2016-18 avg)

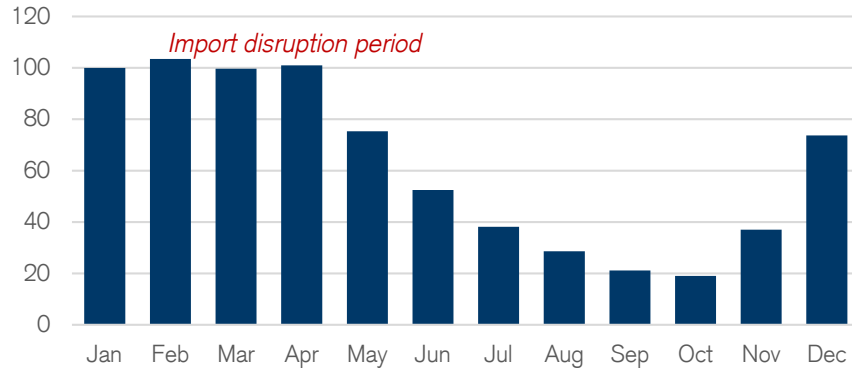


Within Home Furnishings, Some Seasonality to Monitor: Outdoor Furniture in Focus

First round of Outdoor Furniture for the season is currently in US, but second round (March-Apr) may be at risk; Core Furniture should be intact while Furnishings/Soft Home is more 2H weighted

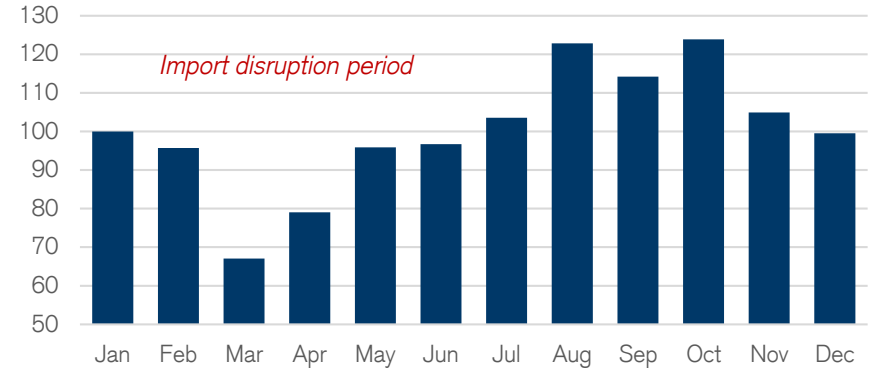
Outdoor Furniture Imports from China (Historical Cadence)

Ramp Dec-Apr, Ahead of Mar-July Season



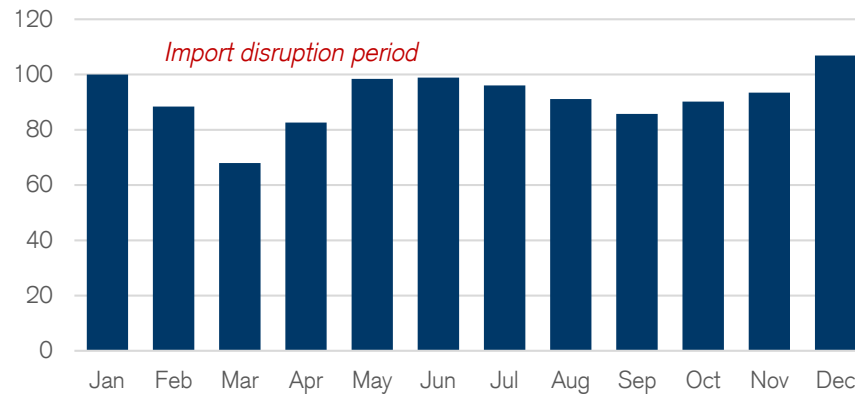
Furnishings Imports from China (Historical Cadence)

Big ramp in Aug-Nov. ahead of Christmas



All Other Furniture Imports from China (Historical Cadence)

Steadier: Ramp Dec/Jan, then again March+

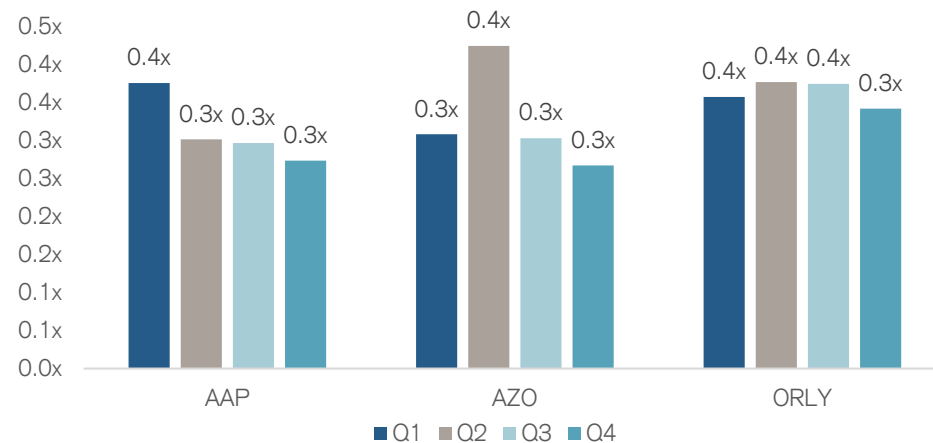


Auto Parts: Slow Inventory Turns/ Steady Imports Through The Year Limits Near-Term Risk

Imports for auto parts show no major seasonal concentration, i.e. more stable through the year vs. other categories. Combined with slow turns, risk seems minimal

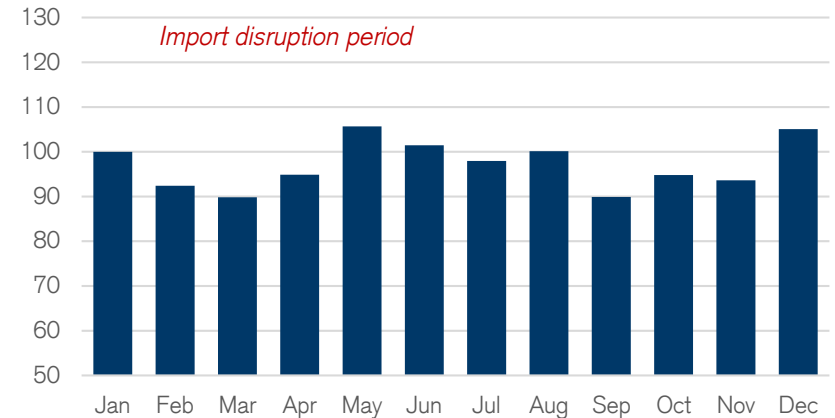
- Late Spring shipments could be impacted, but no major concentration or overreliance on this period; imports by month is among the most consistent across categories.
- That, combined with relatively consistent sales through the year, and slow turns at <1x for Chinese import product, we believe there is less risk for the aftermarket auto parts space
- Industry checks suggest some minor disruption being discussed for late Spring, but less concern vs. other categories

Quarterly Inventory Turns: Relatively Consistent



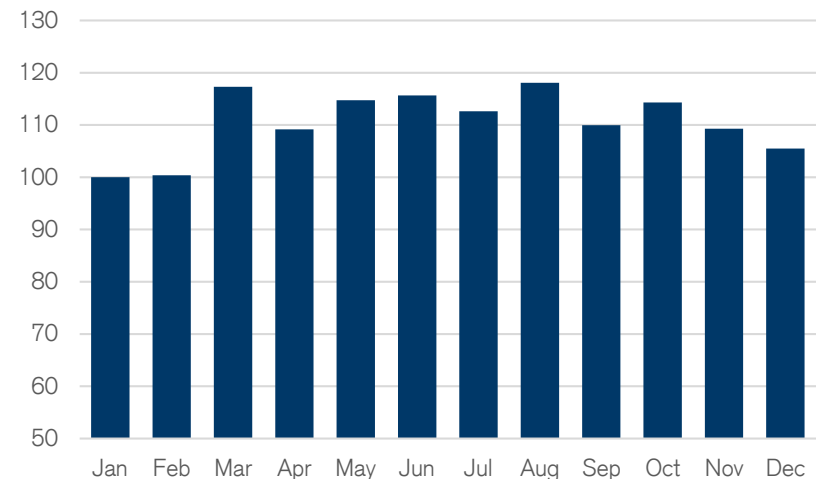
Chinese Imports (Historical Cadence): Auto Parts

Monthly imports, indexed to Jan., (2016-18 avg)



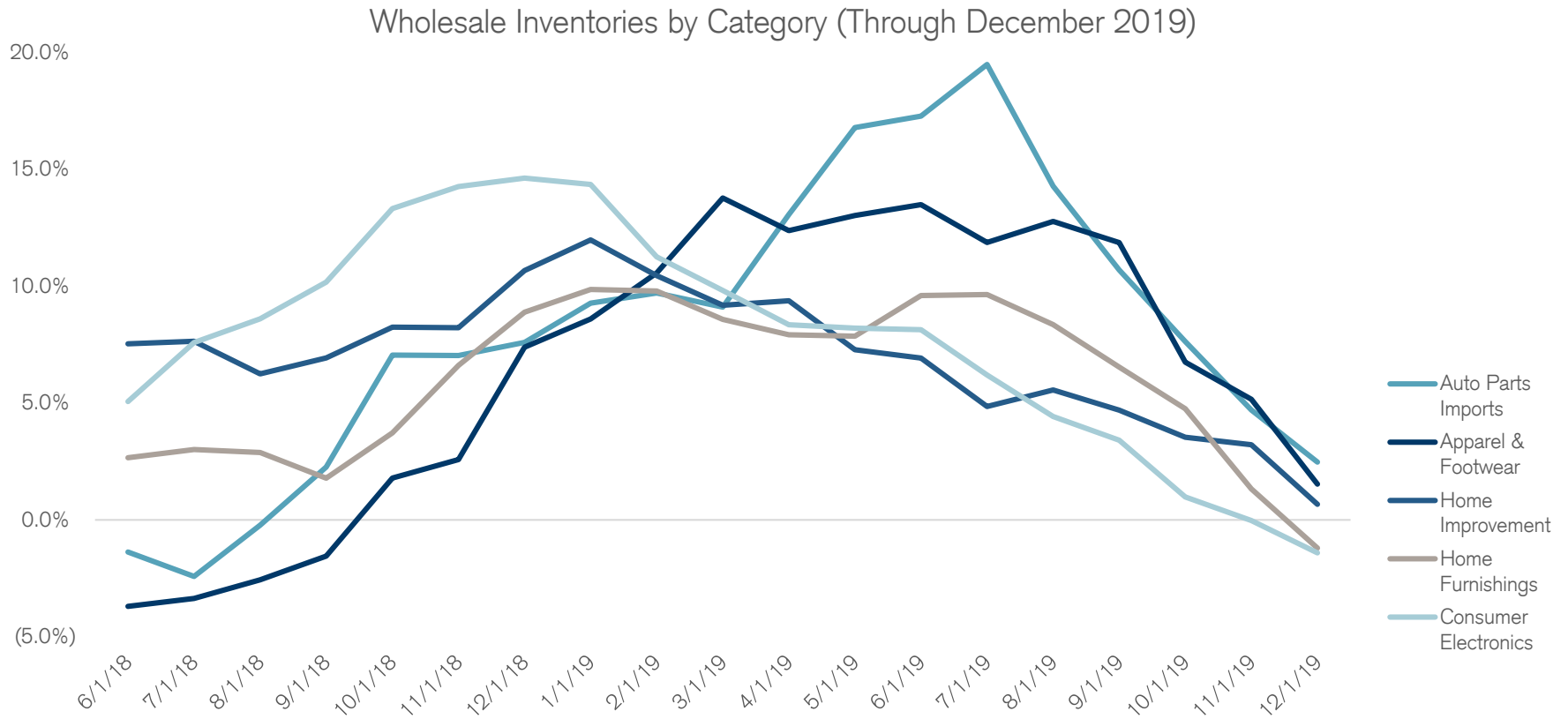
Retail Sales (Historical Cadence): Auto Parts

Monthly Census sales, indexed to Jan., (2016-18 avg)



Meanwhile, Wholesale Situation in US as of December Doesn't Suggest “Excess” Supply in the Channel to Support Demand Amid Potential Disruptions in Imports/Shipments

We analyzed wholesale inventories data from the Census/ BEA, by category. The trend shows a deceleration for all major categories. That partly reflects accelerating inventory growth a year ago ahead of tariffs. Still, the data would not suggest that there is “excess” inventory in the channel.



Category Summary of Supply Related Data Points

Home improvement:

- High Chinese exposure (~30% of purchases)/ relatively high turns.
- **Our analysis: shows a ramp in imports typically around the period that may be impacted by disruption this year. Implies Q2 impact.**
- HD/LOW noted sufficient Q1 in stock, but didn't comment on Q2. Suggested ability to get US inventory if needed and to use its scale but still uncertain.
- FND had 97% of its orders shipped before the CNY and also carries safety stock in stores and DCs. It is currently seeing about ~75% of factories up and running although not at full capacity. It has discussed the key variable being how that inventory flows, with trucking and mobility in China still an issue.
- MHK noted partial startup of LVT manufacturing in China given that workers have not returned to factories at the usual cadence post the Chinese New Year. The company has inventory on hand to last a while.
- Toro (supplier to home centers/ TSCO) indicated suppliers currently running at 75% capacity + and expect to be at 100% capacity within two weeks. Co. cited freight challenges/ use of air freight.

Consumer Electronics

- High exposure to China (60% for BBY), but some categories higher (videogame consoles 96%, at least prior to tariff changes last year)
- **Our analysis: shows high exposure/fast turns a risk in 1H, but this accounts for a low % of total year volume. So NT results could look pressured, but annual implications not clear yet.**
- BBY noted some disruption in the short-term with most of the impact in 1H, embedded in Q1/ FY19 guidance.

Auto Parts:

- High Chinese exposure (~30% of purchases)/ but low turns (~1.5x for total, but lower for these items)
- **Our analysis: shows some ramp in imports during the spring but sales relatively stable through the year, limited FY impact.**
- AAP currently does not see any impact from the supply chain in 2020. It has several months of inventory and can access additional inventory at its DCs in US/ Shanghai.
- AZO indicated next few weeks as being critical to assess actual impact. Some factories have come online quicker vs. others that are yet to start production.
- ORLY has inventory built up within US at own/ supplier DCs and indicated a 2-3 month timeframe before it starts to see any impact from China imports.
- GPC does not foresee any material product shortages in the near-term

Sporting Goods:

- High exposure, but relatively low turns. Impact depends on seasonal needs.
- **Our analysis: shows seasonal ramp in imports typically align with period impacted by disruption. Q2 is a seasonal sales peak, implies risk.**
- Big 5 expects some supply chain impact over the next few months
- Foot Locker has included some impact in guidance for 1H based on feedback from vendor partners.
- UAA is assessing potential delays and capacity challenges that could prove to be difficult in 2H. The company also cited potential congestion at ports and the need for increased air freight.

Home Furnishings:

- Higher than average Chinese exposure, slower turns, but some seasonal needs
- **Our analysis: shows risk in Q2/Q3**
- Industry contacts saying production will take a couple weeks to ramp up; implication is at least six weeks of lost productivity. Full production by mid-April. Inventory in outdoor categories could be impacted.
- Wayfair acknowledged potential disruption although indicated suppliers had proactively started to move production out of China due to tariffs. The company expects its scale and marketplace model to help navigate the pressures.
- HBB indicated suppliers returning to production at varying degrees of capacity and expects to manage through the challenges/ has some shipments in transit. Does not expect any 2H disruption where most of its sales/ profits are generated.
- HVT pointed to some product delays that could impact 2Q stock availability.
- BIG expects an impact in April and quantified ~150bps of Q1 comps headwind due to delayed product receipts/ product that will not be shipped. Also seeing spillover impacts into Vietnam

Summing Up with a Look at Comps Estimates

Too early to call full impact, particularly when considering demand variables as well. Interesting to see that 16 of 25 companies analyzed here have Street est. embedding accelerating Q2 comps

Comps														Two Year Stacks									
Consensus														Consensus									
		1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20E	2Q20E	3Q20E	4Q20E			1Q19	2Q19	3Q19	4Q19	1Q20E	2Q20E	3Q20E	4Q20E
Home Improv.	Home Depot US	3.9%	8.1%	5.4%	3.7%	3.0%	3.1%	3.8%	5.3%	4.3%	4.0%	3.9%	3.5%	Home Improv.	Home Depot US	6.9%	11.2%	9.2%	9.0%	7.3%	7.1%	7.7%	8.8%
	Lowe's US	0.5%	5.3%	2.0%	2.4%	4.2%	3.2%	3.0%	2.6%	2.8%	3.4%	3.5%	3.6%		Lowe's US	4.7%	8.5%	5.0%	5.0%	7.0%	6.6%	6.5%	6.2%
	Tractor Supply	3.7%	5.6%	5.1%	5.7%	5.0%	3.2%	2.9%	0.1%	1.1%	2.4%	2.8%	3.4%		Tractor Supply	8.7%	8.8%	8.0%	5.8%	6.1%	5.6%	5.7%	3.5%
	Floor & Décor	15.6%	11.4%	11.1%	0.5%	3.1%	3.0%	4.6%	5.2%	5.9%	6.2%	6.1%	6.0%		Floor & Décor	18.7%	14.4%	15.7%	5.7%	9.0%	9.2%	10.7%	11.2%
Mass Merch	Walmart US	2.1%	4.5%	3.4%	4.2%	3.4%	2.8%	3.2%	1.9%	2.6%	2.7%	2.5%	2.9%	Mass Merch	Walmart US	5.5%	7.3%	6.6%	6.1%	6.0%	5.5%	5.7%	4.8%
	Target	3.0%	6.5%	5.1%	5.3%	4.8%	3.4%	4.5%	1.5%	2.7%	2.9%	2.6%	3.4%		Target	7.8%	9.9%	9.6%	6.8%	7.5%	6.3%	7.1%	4.9%
Auto	Advance Auto Parts	-0.8%	2.8%	4.6%	3.4%	2.7%	0.0%	1.2%	0.1%	-0.1%	1.3%	1.6%	2.1%	Auto	Advance Auto Parts	1.9%	2.8%	5.8%	3.5%	2.6%	1.3%	2.8%	2.2%
	AutoZone	0.6%	2.2%	2.7%	2.6%	3.9%	3.0%	3.4%	-0.8%	2.3%	2.6%	2.3%	2.8%		AutoZone	4.5%	5.2%	6.1%	1.8%	6.2%	5.6%	5.7%	2.0%
	O'Reilly Auto	3.4%	4.6%	3.9%	3.3%	3.2%	3.4%	5.0%	4.4%	3.1%	4.1%	3.5%	3.9%		O'Reilly Auto	6.6%	8.0%	8.9%	7.7%	6.3%	7.5%	8.5%	8.3%
	CarMax	-2.3%	2.1%	-1.2%	2.8%	9.5%	3.2%	7.5%	5.1%	2.9%	5.0%	4.4%	4.6%		CarMax	7.2%	5.3%	6.3%	7.9%	12.4%	8.2%	11.9%	9.7%
Home Furnish	Bed Bath & Beyond	-0.6%	-0.6%	-1.8%	-1.4%	-6.6%	-6.7%	-8.3%	-6.0%	-4.6%	-3.7%	-1.6%	-0.8%	Home Furnish	Bed Bath & Beyond	-7.2%	-7.3%	-10.1%	-7.4%	-11.2%	-10.4%	-9.9%	-6.8%
	Williams Sonoma	5.4%	5.5%	4.6%	3.1%	2.4%	3.5%	6.5%	5.5%	4.6%	3.8%	3.4%	3.3%		Williams Sonoma	7.8%	9.0%	11.1%	8.6%	7.0%	7.3%	9.9%	8.8%
Sporting Goods	Dick's Sporting G's	-2.5%	-4.0%	-3.9%	-2.2%	0.0%	3.2%	6.0%	3.0%	2.4%	1.9%	1.1%	2.1%	Sporting Goods	Dick's Sporting G's	-2.5%	-0.8%	2.1%	0.8%	2.4%	5.1%	7.1%	5.1%
	Sportsmans W'hse	3.4%	0.2%	-0.5%	3.1%	-5.7%	1.7%	4.8%	-6.6%	2.0%	1.8%	1.5%	5.8%		Sportsmans W'hse	-2.3%	1.9%	4.3%	-3.5%	-3.7%	3.5%	6.3%	-0.8%
	Hibbett Sports	-0.3%	4.1%	0.1%	3.8%	5.1%	0.3%	10.7%	4.1%	1.8%	3.0%	0.5%	2.0%		Hibbett Sports	4.8%	4.4%	10.8%	7.9%	6.9%	3.3%	11.2%	6.1%
Misc.	Michaels Co.	0.4%	-0.4%	3.8%	-0.4%	-2.9%	0.3%	-2.2%	-2.7%	-1.3%	-0.3%	1.0%	1.4%	Misc.	Michaels Co.	-2.5%	-0.1%	1.6%	-3.1%	-4.2%	0.0%	-1.2%	-1.3%
	Party City	2.4%	0.1%	-1.0%	-2.9%	-1.4%	-2.1%	-2.6%	-4.2%	0.3%	0.9%	1.1%	1.7%		Party City	1.0%	-2.0%	-3.6%	-7.1%	-1.1%	-1.2%	-1.5%	-2.5%
	Hudson	4.5%	3.8%	4.2%	2.3%	3.2%	1.2%	-0.9%	-1.7%	n/a	n/a	n/a	n/a		Hudson	7.7%	5.0%	3.3%	0.6%				
CE	Best Buy	7.1%	6.0%	4.3%	3.0%	1.3%	1.9%	2.0%	3.4%	0.8%	1.0%	1.8%	2.4%	CE	Best Buy	8.4%	7.9%	6.3%	6.4%	2.1%	2.9%	3.8%	5.8%
	GameStop	-2.6%	2.4%	3.4%	3.4%	-10.2%	-14.0%	-22.8%	-28.0%	-10.0%	-10.0%	-5.0%	-2.0%		GameStop	-12.8%	-11.6%	-19.4%	-24.6%	-20.2%	-24.0%	-27.8%	-30.0%
Dollar/ Food/ Other	Dollar General	2.1%	3.7%	2.8%	4.0%	3.8%	4.0%	4.6%	2.7%	3.1%	3.0%	2.9%	3.3%	Dollar/ Food/ Other	Dollar General	5.9%	7.7%	7.4%	6.7%	6.9%	7.0%	7.5%	6.0%
	Dollar Tree	1.4%	1.8%	1.0%	2.4%	2.2%	2.4%	2.5%	0.4%	2.2%	2.2%	2.2%	2.6%		Dollar Tree	3.6%	4.2%	3.5%	2.8%	4.4%	4.6%	4.7%	3.0%
	Five Below	3.2%	2.7%	4.8%	4.4%	3.1%	1.4%	2.9%	-2.2%	2.0%	2.7%	2.4%	3.4%		Five Below	6.3%	4.1%	7.7%	2.2%	5.1%	4.1%	5.3%	1.2%
	Ollie's Bargain	1.9%	4.4%	4.6%	5.4%	0.8%	-1.7%	-1.4%	-2.1%	0.1%	2.2%	1.8%	2.0%		Ollie's Bargain	2.7%	2.7%	3.2%	3.3%	0.9%	0.5%	0.4%	-0.1%
	BJs	2.0%	2.0%	3.6%	2.9%	1.9%	1.6%	1.1%	0.3%	1.6%	1.3%	1.5%	1.9%		BJs	3.9%	3.6%	4.7%	3.2%	3.5%	2.9%	2.6%	2.2%

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Companies Mentioned (Price as of 07-Mar-2020)

Advance Auto Parts, Inc. (AAP.N, \$127.91)
AutoZone, Inc. (AZO.N, \$1060.31)
BJ's Wholesale (BJ.N, \$23.91)
Bed Bath & Beyond (BBBY.OQ, \$9.79)
Best Buy (BBY.N, \$73.82)
Big S Sporting Goods Corp (BGFY.OQ, \$2.24)
Camping World Holdings Inc (CWHN, \$10.13)
CarMax Inc. (KMX.N, \$85.0)
Costco Wholesale (COST.OQ, \$311.34)
Dick's Sporting Goods (DKS.N, \$34.98)
Dollar General Corporation (DG.N, \$159.38)
Dollar Tree Inc. (DLTR.OQ, \$90.24)
Five Below, Inc. (FIVE.OQ, \$96.8)
Floor & Decor Holdings, Inc. (FND.N, \$52.44)
GameStop Corp. (GME.N, \$3.92)
Genuine Parts (GPC.N, \$82.85)
Hammilton Beach (HBB.N, \$11.32)
Haverty (HVT.N, \$17.28)
Hibbett Sports (HIBB.OQ, \$19.02)
Home Depot (HD.N, \$228.51)
Hudson Ltd. (HUD.N, \$6.23)
Lowe's (LOW.N, \$105.31)
Michaels Companies (MIK.OQ, \$3.65)
Mohawk Industries (MHK.N, \$118.57)
O'Reilly Automotive, Inc. (ORLY.OQ, \$368.08)
Otis's Bargain Outlet Holdings, Inc. (OLLI.OQ, \$49.15)
Party City Holdco, Inc. (PRTY.N, \$1.61)
Sportsman's Warehouse Holdings, Inc. (SPWH.OQ, \$5.65)
Target Corporation (TGT.N, \$105.95)
The Kroger Co. (KR.N, \$32.04)
Toro (TTC.N, \$75.61)
Transtec Supply Company (TSCO.OQ, \$91.48)
Under Armour, Inc. (UA.N, \$12.63)
Walmart Inc. (WMT.N, \$117.23)
Williams-Sonoma (WSM.N, \$60.15)

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