



GRANDATION CAPITAL

RESEARCH DEPARTMENT

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Companies mentioned in this report
(price as 8/2/19 market close)

Ticker	Price 7/16/19	WoW
GOOS.N	\$ 43.62	7.52%
SKX.N	\$ 34.26	5.84%
COST.O	\$ 280.58	4.15%
UAA.N	\$ 27.51	3.85%
ELY.N	\$ 18.32	3.80%
YUMC.N	\$ 44.18	2.46%
WMT.N	\$ 114.98	2.00%
AEO.N	\$ 17.41	1.69%
TPR.N	\$ 30.75	1.62%
CMG.N	\$ 759.87	1.48%
LULU.O	\$ 189.17	1.27%
NKE.N	\$ 89.48	1.13%
KMX.N	\$ 88.79	1.13%
ULTA.O	\$ 355.68	0.85%
COLM.O	\$ 102.18	0.40%
FL.N	\$ 42.11	0.26%
TIF.N	\$ 93.82	0.05%
JWN.N	\$ 31.15	-2.11%
TGT.N	\$ 86.80	-2.37%
SFIX.O	\$ 28.57	-6.57%

RETAIL INDUSTRY REPORT

8/2/2019

VOLUME 2, ISSUE 8

Announcement: We start to publish our retail industry report on bi-weekly basis starting from Jul'19.

Key takeaways: on 7/31/19, as market expected, Fed Reserve announced rate cut of 25bps; however, future cut remained uncertain as economic data showing mixed trend in near-term. Trump did not give market any time to embrace the cut and announced 10% tariff on additional \$300bn goods from China next day. As market hiking to new high, any negative news could scale up. New tariff announcement dragged Dow down 280 points from 350 points jump on Thursday. **Retail Industry:** XRT index was hit the most by new tariff, closed at 41.23 on 8/1/19, down 3.27% from prior day. **Individual stocks:** in our screening portfolio, the best stock performers are GOOS, SKX and ELY, up MTD 12.3%, 9.3% and 7.3% in Jul'19, respectively.

U.S. Macro Economic Indicators:

- **U.S. GDP quarterly data (Figure 1):** on 7/26/19, U.S. department of commerce released Q2'19 GDP growth at 2.1% YoY, topped the expectation of 2% YoY.
- **Update this week—U.S. employment monthly data (Figure 2):** on 8/2/19, U.S. department of labor released July'19 unemployment rate of 3.7%, remained at 50-year record low. Average hourly earnings for all employees on private nonfarm payrolls increased by 3.2%, YoY. Non-farm payroll increased 164,000, in line with expectation of 165,000.
- **Update this week—U.S. pending home sales index monthly data (Figure 3):** on 7/30/19, National Association of Realtors released June'19 pending home sales index, increasing 2.8% to 108.3.



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- **U.S. retail sales monthly data (Figure 4):** on 7/16/19, U.S. department of commerce released Jun'19 retail sales of \$519bn, up 0.4% MoM, beat the expectation of 0.1% MoM.
- **U.S. E-Commerce sales quarterly data (Figure 5):** on 5/17/19, U.S. department of commerce released Q1'19 E-commerce sales of \$137bn as 12.4% of total retail sales, up 3.6% QoQ.

China Macro Economic Indicators:

- **China GDP quarterly data (Figure 6):** on 7/16/19, China bureau of statistics released Q2'19 GDP growth at 6.2% YoY, in line with the expectation of 6.3% YoY, including 3.3% YoY, 5.6% YoY and 7.0% YoY in primary, secondary and tertiary industries, respectively.
- **China total social financing monthly data (Figure 7):** on 7/12/19, the People Bank of China released Jun'19 total social financing of RMB2,260bn, beat the consensus of RMB1,950bn, higher than \$1,400bn in May'19.
- **China export monthly data (Figure 8):** on 7/12/19, China department of customs released Jun'19 export of RMB145.4bn, down 1.3% YoY and 0.5% MoM and import of RMB110.8bn, down 7.3% YoY and 6.2% MoM. The export data was better-than-expected 2% decrease from street perspective.
- **China CPI monthly data (Figure 9):** on 7/10/19, China bureau of statistics released June'19 CPI growth at 2.7% YoY, with food price up 8.3% and non-food price up 1.4%.
- ***Update this week*—China PMI monthly data (Figure 10):** on 8/1/19, China Bureau of Statistics released Jul'19 PMI at 49.7, up 0.3 MoM but still falling below 50 due to the U.S.-China trade tensions. However, non-manufacturing PMI remained healthy at 53.7, down 0.7 MoM, signaling domestic economic environment remains strong in China.
- **China industrial output data (Figure 11):** on 7/16/19, China bureau of statistics released Jun'19 industrial output growth at 6.3% YoY.

What happened?

- **Nordstrom family reportedly prepared proposal to increase stake of JWN.** On 7/31/19, a group of Nordstrom family members, who own 31.2% of JWN, have been working on a proposal to increase their stake of JWN to more than 50%. Last year, they failed to take JWN private after an initial offer of \$50 a share, rejected by the board as too low but was 62% higher than JWN's current \$30.83/share.
- **COST released digital membership card.** On 7/29/19, COST announced members could access membership card through digital platform. Customers can use the app when entering the warehouse and checking out. COST's announcement of a digital membership card came after the retailers rolling out Apple pay in August and EMV-equipped contactless payment technology at 750 stores 2018.
- **SBUX ramps up US delivery with UberEats as Chinese delivery booms.** On 7/26/19, CNBC showed that roughly 6% of Starbucks' sales in China came from delivery in Q2. To deliver drinks without spillage in China, SBUX has re-engineered packaging and created spill-proof lids. Americans spent \$10.2bn on third-party delivery service last year, according to Technomic. But drinks remain a small fraction of delivery orders for U.S. consumers.
- **NKE explores sale of surfwear brand Hurley: Sources.** On 7/25/19, NKE tried to cooperate with surfwear brand Hurley International, including possible divestment. NKE's potential retrenchment from the surfwear market indicated more similar producers of NKE like UAA are giving surfwear business up. Among the options, NKE is considering Hurley as an outright sale.



Earnings Summary

- **UAA reported Q2'19 Earnings.** On 7/30/19 premarket, UAA reported Q2'19 earnings on revenue of \$1.2bn, missed consensus by \$10mn, up 1.7% YoY, and EPS of -\$0.04, beat consensus by \$0.01, down 81% YoY. North America revenue decreased 3 % to \$816mn, and the international business increased 12% to \$339mn, representing 28% of total revenue. UAA footwear has boosted growth to 4.7% while the weakness was from the 1.1% dip in apparel. UAA's stock declined 12% after reporting. **(downside: ▼ for UAA).**
- **AAPL reported Q3'19 Earnings.** On 7/30/19 after market, AAPL reported Q2'19 earnings on revenue of \$53.81bn, beat consensus by \$384.73mn, up 1.02% YoY, and EPS of \$2.18, beat consensus by \$0.08, down 7% YoY. International sales accounted for 59% of the quarter's revenue. China revenue dipped a little as expected, but not as bad as the previous two fiscal prior quarters. Apple missed sales on the iPhone and services segment, which had generated 70% of the company's total revenue in Q3'19. iPhone revenue declined by 12% YoY, better than the 17% YoY decline seen last quarter as the Chinese market saw some stabilization. AAPL's stock jumped 4.25% after reporting. **(upside: ▲ for AAPL).**

What's coming up:

Date	Ticker	Company Name	Event	Location	Note
8/7	COST.O	Costco Wholesales	Jul'19 Corp Sales	NASDAQ	AMO
8/14	JWN.N	Nordstrom	Q2'19 Earnings	NYSE	NTS
8/14	M.N	Macy's	Q2'19 Earnings	NYSE	BMO
8/15	TPRI.N	Coach	Q2'19 Earnings	NASDAQ	BMO

Source: Thomson Reuters, Grandation Research

Data Tracker:

- **Google search weekly tracker (Figure 12-14):** On weekly basis, search for LULU increased 25.3% while SFIX declined 32.9%.
- **Estimated earning schedule table (Figure 16):** We expect GOOS to report Q2'19 earnings on 8/7/19.
- **Earnings surprise table (Figure 17):** on 7/30/19, UAA reported Q2'19 earnings with revenue miss of 0.2% and EPS beat of 19.5%.
- **Stock performance (Figure 18):** YTD, CMG and SKX was up 83.5% and 52.7%.
- **Short interest tracker (Figure 19):** The latest short interest data with a 7/15/2019 settlement was released on 7/24/2019. Short interest, when compared with the 6/28/19 settlement data were up 4.21%, 1.85% and 1.24% for SFIX, GOOS and FL respectively.
- **Yield Curve Tracker (Figure 21-23):** the spread between the 10YR vs. 2YR has decreased by 8bps WoW to 13bps.
- **Currency Tracker (Figure 24-28):** YTD, the USD has appreciated against the CNY, EUR, and GBP and depreciated against JPY, CAD and INR.



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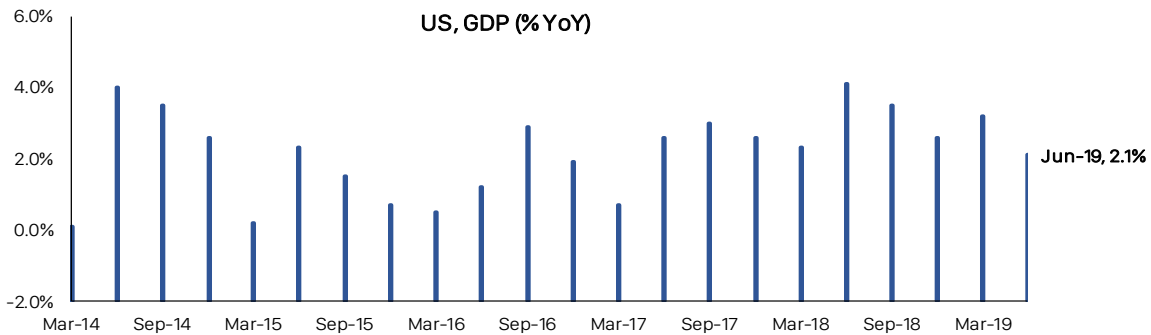
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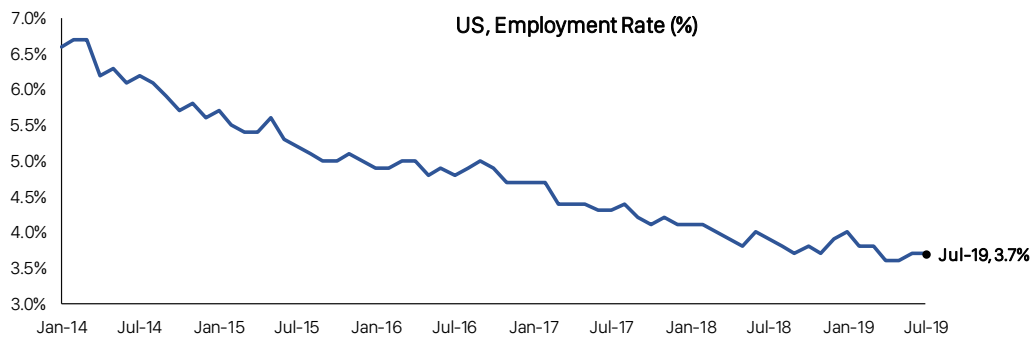
U.S. Macro Economic Indicator

Figure 1: U.S. GDP Tracker --on 7/26/19, U.S. department of commerce released Q2'19 GDP of 2.1%, topped the expectation of 2.0%.



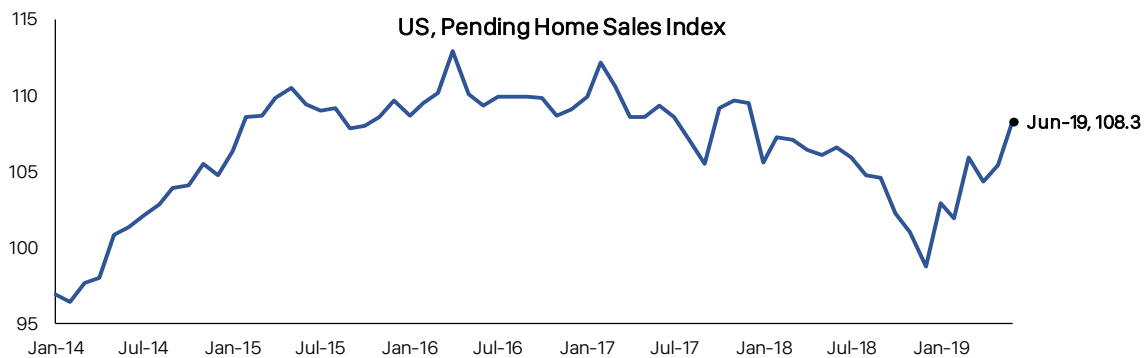
Source: U.S. BEU, Grandation Research

Figure 2: Update this week---U.S. employment tracker -- on 8/2/19, U.S. department of labor released July'19 unemployment rate of 3.7%, remained at 50-year record low. Average hourly earnings for all employees on private nonfarm payrolls increased by 3.2%, YoY. Non-farm payroll increased 164,000, in line with expectation of 165,000.



Source: U.S. BLS, Grandation Research

Figure 3: Update this week---U.S. pending home sales index tracker -- on 7/30/19, National Association of Realtors released June'19 pending home sales index, increasing 2.8% to 108.3.



Source: U.S. NAR, Grandation Research



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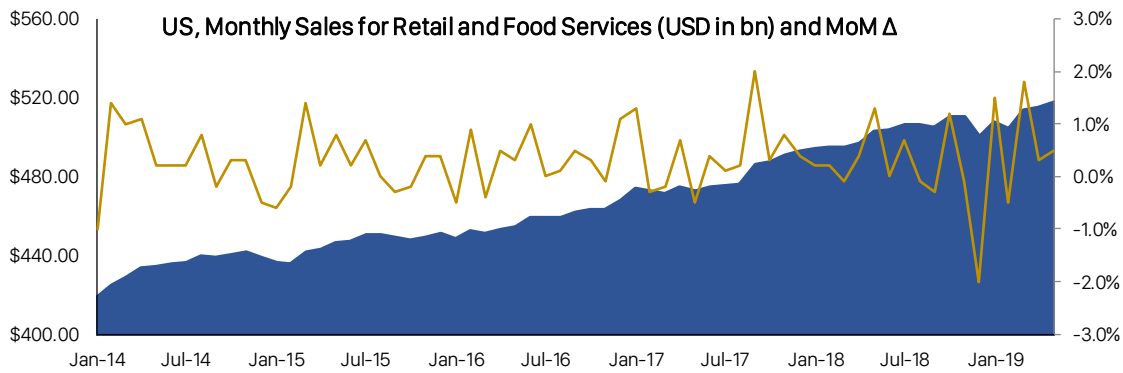


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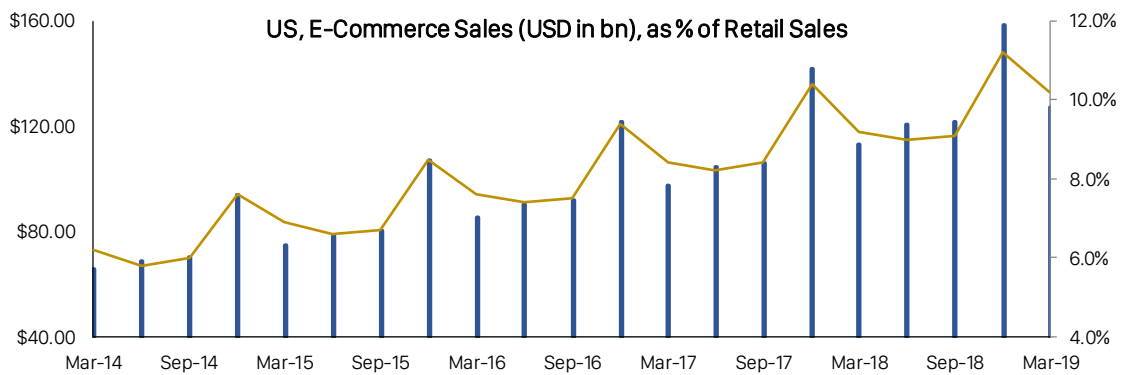
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Source: U.S. Consensus gov, Grandation Research

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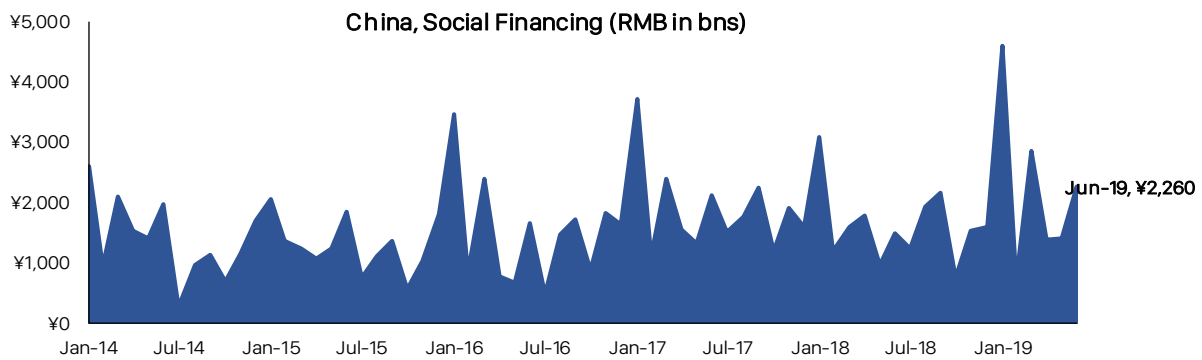
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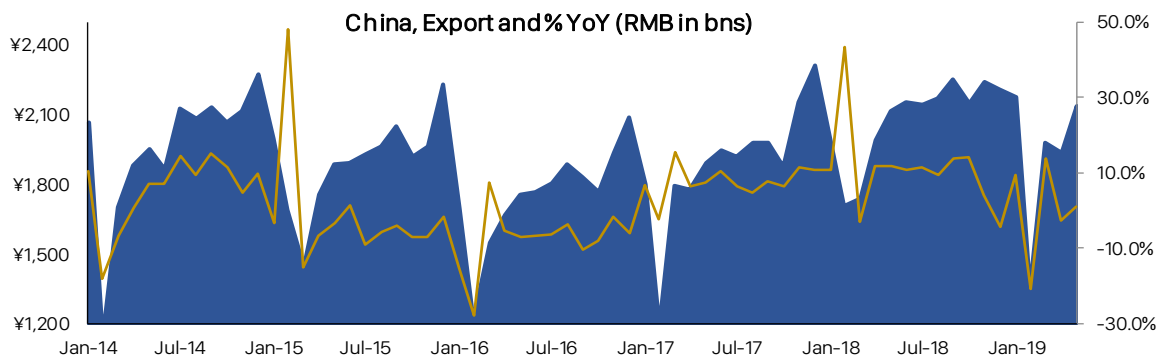
Source: China Stats, Grandation Research

Figure 7: China total social financing tracker --on 7/12/19, the People Bank of China released Jun'19 total social financing of RMB2,260bn, beat the consensus of RMB1,950bn, higher than \$1,400bn in May'19.



Source: Trading Economics, Grandation Research

Figure 8: China export tracker --on 7/12/19, China department of customs released Jun'19 export of RMB145.4bn, down 1.3% YoY and 0.5% MoM and import of RMB110.8bn, down 7.3% YoY and 6.2% MoM. The export data was better-than-expected 2% decrease from street perspective.



Source: China Customs, Grandation Research



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Source: China Stats, Grandation Research

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Source: China Stats, Grandation Research

Figure 11: China industrial output tracker --on 7/16/19, China bureau of statistics released Jun'19 industrial output growth at 6.3% YoY.



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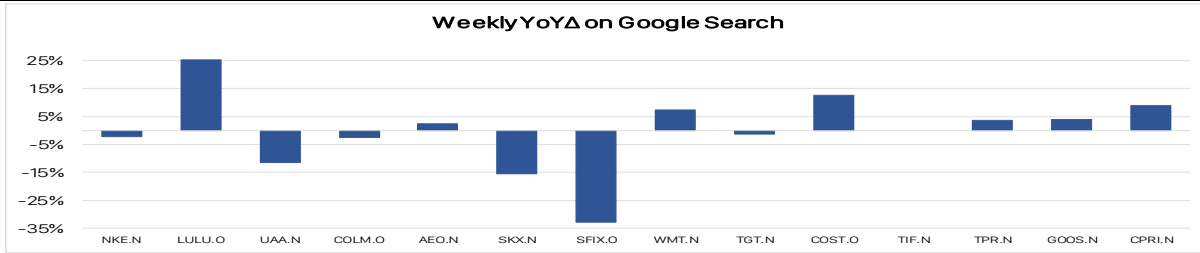
Industry Data Tracker

Figure 12: Retail brands on google search – On weekly basis, search for LULU increased 25.3% while SFIX declined 32.9%.

Google Search	Company Name	8/2/19	7/31/18	Weekly YoY	Jul-19	Jul-18	Monthly YoY	Q2'19	Q2'18	Q2 YoY
NKE.N	Nike Inc	85,000	87,000	-2.3%	69,000	63,000	9.5%	75,000	72,000	4.2%
LULU.O	Lululemon Athletica Inc	94,000	75,000	25.3%	82,000	68,000	20.6%	80,000	66,000	21.2%
UAA.N	Under Armour Inc	77,000	87,000	-11.5%	74,000	81,000	-8.6%	67,000	74,000	-9.5%
COLM.O	Columbia Sportswear Co	79,000	81,000	-2.5%	29,000	32,000	-9.4%	37,000	37,000	0.0%
AEO.N	American Eagle Outfitter	90,000	88,000	2.3%	86,000	80,000	7.5%	69,000	68,000	1.5%
SKX.N	Skechers USA Inc	65,000	77,000	-15.6%	63,000	71,000	-11.3%	66,000	64,000	3.1%
SFIX.O	Stitch Fix Inc	55,000	82,000	-32.9%	54,000	64,000	-15.6%	74,000	68,000	8.8%
WMT.N	Walmart Inc	88,000	82,000	7.3%	76,000	73,000	4.1%	58,000	55,000	5.5%
TGT.N	Target Corp	81,000	82,000	-1.2%	72,000	73,000	-1.4%	51,000	49,000	4.1%
COST.O	Costco Wholesale Corp	80,000	71,000	12.7%	64,000	59,000	8.5%	53,000	47,000	12.8%
TIF.N	Tiffany & Co	91,000	91,000	0.0%	83,000	86,000	-3.5%	56,000	59,000	-5.1%
TPR.N	Tapestry Inc	85,000	82,000	3.7%	83,000	81,000	2.5%	68,000	65,000	4.6%
GOOS.N	Canada Goose Holdings I	79,000	76,000	3.9%	69,000	60,000	15.0%	34,000	31,000	9.7%
CPRI.N	Capri Holdings Ltd	85,000	78,000	9.0%	71,000	74,000	-4.1%	55,000	58,000	-5.2%

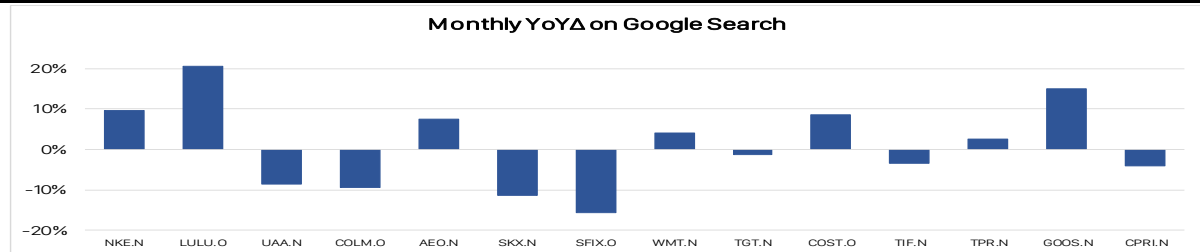
Source: Google Search, Grandation Research

Figure 13: Google search trend Weekly YoY—LULU and SFIX were up 25.2% and down 32.9% YoY, respectively.



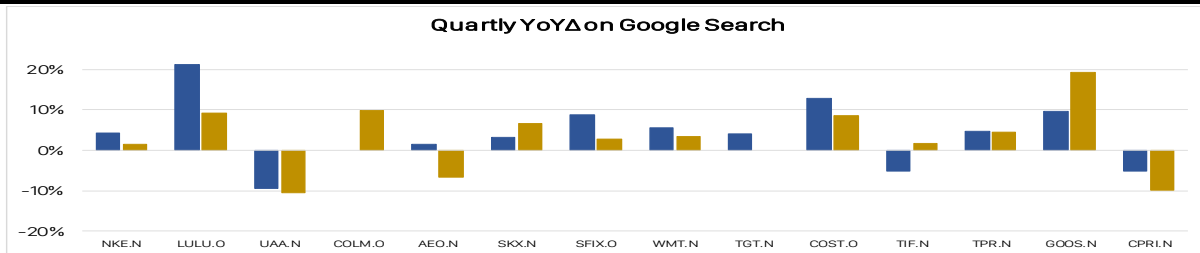
Source: Google Search, Grandation Research

Figure 14: Google search trend Monthly YoY—LULU and GOOS were up 20.6% and 15% YoY, respectively.



Source: Google Search, Grandation Research

Figure 15: Google search trend QoQ YoY—LULU, GOOS and COST trends were up continuously.



Source: Google Search, Grandation Research



Figure 16: Estimated earning schedule tracker-- We expect GOOS to report Q2'19 earnings on 8/7.

Next Earnings Schedule (Est)	Company	Ticker	Stock Price 8/2/2019	Street PT	Grandation PT	% PT/ Price	Consensus Revenue	Consensus EPS
8/7/2019	Canada Goose Holdings Inc	GOOS.N	\$44.57	\$58	NA	29.38%	\$41.16	-\$0.19
8/8/2019	Callaway Golf Co	ELY.N	\$17.57	\$22	NA	27.77%	\$429.78	\$0.25
8/14/2019	Nordstrom Inc	JWN.N	\$30.79	\$36	NA	15.70%	\$3,946.05	\$0.78
8/15/2019	Tapestry Inc	TPR.N	\$29.75	\$43	\$28	44.94%	\$1,533.95	\$0.61
8/15/2019	Walmart Inc	WMT.N	\$109.40	\$112	NA	2.06%	\$130,213.10	\$1.22
8/21/2019	Target Corp	TGT.N	\$81.52	\$89	NA	8.97%	\$18,340.48	\$1.62
8/22/2019	Foot Locker Inc	FL.N	\$39.36	\$58	NA	47.51%	\$1,826.34	\$0.67
8/27/2019	American Eagle Outfitters Inc	AEO.N	\$16.36	\$24	NA	47.14%	\$1,004.51	\$0.32
8/28/2019	Lululemon Athletica Inc	LULU.O	\$178.93	\$195	NA	8.89%	\$842.81	\$0.88
8/28/2019	Tiffany & Co	TIF.N	\$90.08	\$108	NA	20.40%	\$1,064.72	\$1.05
8/29/2019	Ulta Beauty Inc	ULTA.O	\$337.02	\$370	NA	9.84%	\$1,678.80	\$2.80
9/23/2019	Nike Inc	NKE.N	\$81.14	\$92	NA	13.82%	\$10,418.38	\$0.70
9/24/2019	Carmax Inc	KMX.N	\$86.00	\$98	NA	13.86%	\$5,069.71	\$1.33
10/1/2019	Stitch Fix Inc	SFIX.O	\$24.83	\$36	NA	45.99%	\$432.48	\$0.04
10/3/2019	Costco Wholesale Corp	COST.O	\$272.50	\$267	\$250	-1.87%	\$47,635.36	\$2.53
10/16/2019	Skechers USA Inc	SKX.N	\$34.95	\$43	NA	22.46%	\$1,340.11	\$0.69
10/28/2019	Yum China Holdings Inc	YUMC.N	\$45.17	\$51	NA	13.76%	\$2,405.52	\$0.56
10/23/2019	Chipotle Mexican Grill Inc	CMG.N	\$792.21	\$759	NA	-4.23%	\$1,372.06	\$3.15
10/30/2019	Columbia Sportswear Co	COLM.O	\$101.90	\$121	NA	18.59%	\$881.48	\$1.55
11/1/2019	Under Armour Inc	UAA.N	\$21.57	\$23	\$25	7.47%	\$1,420.24	\$0.19

Source: Thomson Reuters, Grandation Research

Figure 17: Earnings surprise tracker—on 7/30/19, UAA reported Q2'19 earnings with revenue miss of 0.2% and EPS beat of 19.5%.

Ticker	Company Name	Earnings Release	Revenue	GM	EBITDA	EBIT	EPS
YUMC.N	Yum China Holdings Inc	7/30/2019	-1.7%	-	-3.0%	6.8%	19.5%
UAA.N	Under Armour Inc	7/30/2019	-0.6%	0.3%	46.0%	45.4%	44.3%
COLM.O	Columbia Sportswear Co	7/25/2019	3.8%	-	183.2%	983.2%	1864.1%
CMG.N	Chipotle Mexican Grill Inc	7/23/2019	1.9%	-	-0.6%	2.2%	6.2%
SKX.N	Skechers USA Inc	7/18/2019	3.2%	-1.9%	-	29.7%	45.8%
NKE.N	Nike Inc	6/27/2019	0.2%	-0.3%	-	-5.7%	-5.9%
KMX.N	Carmax Inc	6/21/2019	3.6%	-2.6%	4.1%	3.0%	6.9%
LULU.O	Lululemon Athletica Inc	6/12/2019	3.6%	0.4%	2.5%	1.7%	5.3%
SFIX.O	Stitch Fix Inc	6/5/2019	3.6%	2.5%	48.8%	-4.8%	333.3%
AEO.N	American Eagle Outfitters Inc	6/5/2019	3.6%	-0.6%	6.2%	2.8%	14.7%
TIF.N	Tiffany & Co	6/4/2019	-1.2%	-2.2%	-4.6%	-8.8%	1.3%
COST.O	Costco Wholesale Corp	5/30/2019	0.1%	9.0%	-4.7%	-0.9%	3.8%
ULTA.O	Ulta Beauty Inc	5/30/2019	-0.2%	1.5%	-1.5%	0.6%	6.3%
GOOS.N	Canada Goose Holdings Inc	5/29/2019	-1.9%	1.8%	20.9%	18.5%	65.0%
FL.N	Foot Locker Inc	5/24/2019	-1.6%	-0.6%	-6.1%	-6.5%	-4.6%
TGT.N	Target Corp	5/22/2019	0.6%	2.3%	6.2%	5.1%	6.8%
JWN.N	Nordstrom Inc	5/21/2019	-3.7%	2.9%	-17.1%	-37.8%	-46.1%
WMT.N	Walmart Inc	5/16/2019	-0.9%	-0.3%	2.5%	3.8%	10.8%
ELY.N	Callaway Golf Co	5/9/2019	2.3%	-4.1%	-3.4%	0.6%	3.3%
TPR.N	Tapestry Inc	5/9/2019	-0.3%	0.0%	-3.2%	-6.9%	2.1%

Source: Thomson Reuters, Grandation Research



Figure 18: Stock performance tracker—WoW, XRT underperformed SPX. YTD, CMG and SKX was up 83.5% and 52.7%.

Ticker	Name	Price 8/2/2019	Market Cap (\$bn)	WTD	MTD	YTD
Index:						
XRT	Spdr S&P Retail Etf	41.01	0.25	-4.6%	-3.7%	0.0%
.SPX	Standard & Poor's Corp	2932.05	NA	-3.1%	-1.6%	17.0%
Companies:						
CMG.N	Chipotle Mexican Grill Inc	792.21	21.96	1.6%	-0.4%	83.5%
SKX.N	Skechers USA Inc	34.95	5.50	-10.6%	-7.9%	52.7%
LULU.O	Lululemon Athletica Inc	178.93	23.31	-6.1%	-6.4%	47.1%
SFIX.O	Stitch Fix Inc	24.83	2.50	-9.8%	-4.8%	45.3%
ULTA.O	Ulta Beauty Inc	337.02	19.70	-4.8%	-3.5%	37.6%
KMX.N	Carmax Inc	86	14.24	-5.7%	-2.0%	37.1%
YUMC.N	Yum China Holdings Inc	45.17	17.09	-0.3%	-0.7%	34.7%
COST.O	Costco Wholesale Corp	272.5	119.84	-3.2%	-1.1%	33.8%
TGT.N	Target Corp	81.52	41.77	-6.4%	-5.6%	23.3%
UAA.N	Under Armour Inc	21.57	9.19	-20.8%	-6.5%	22.1%
COLM.O	Columbia Sportswear Co	101.9	6.88	-1.9%	-3.8%	21.2%
WMT.N	Walmart Inc	109.4	312.31	-3.2%	-0.9%	17.4%
ELY.N	Callaway Golf Co	17.57	1.65	-5.2%	-4.2%	14.8%
TIF.N	Tiffany & Co	90.08	10.94	-3.4%	-4.1%	11.9%
NKE.N	Nike Inc	81.14	127.14	-7.3%	-5.7%	9.4%
GOOS.N	Canada Goose Holdings Inc	44.57	4.88	-2.3%	-4.7%	1.9%
TPR.N	Tapestry Inc	29.75	8.63	-2.8%	-3.8%	-11.9%
AEO.N	American Eagle Outfitters Inc	16.36	2.82	-6.7%	-7.5%	-15.4%
FL.N	Foot Locker Inc	39.36	4.32	-9.0%	-4.1%	-26.0%
JWN.N	Nordstrom Inc	30.79	4.76	1.0%	-7.0%	-33.9%

Source: Thomson Reuters, Grandation Research

Figure 19: Short Interest tracker—The latest short interest data with a 7/15/2019 settlement was released on 7/24/2019. Short interest, when compared with the 6/28/19 settlement data were up 4.21%, 1.85% and 1.24% for SFIX, GOOS and FL respectively.

Ticker	Company	3mon avg daily volume	Short Interest	Days To Cover	Company Shares	Free Float	% of Free Float	SI /Float	SI/Float vs. Prior (% change)
NKE.N	Nike Inc	1,718,765	8,582,668	1.35	1,566,888,373	1,237,635,870	98.9%	0.69%	-0.01%
AEO.N	American Eagle Outfitters Inc	994,359	19,472,831	3.88	172,224,129	160,689,281	93.4%	12.12%	0.59%
COLM.O	Columbia Sportswear Co	311,386	979,829	4.22	67,557,251	32,063,006	79.2%	3.06%	-0.28%
LULU.O	Lululemon Athletica Inc	1,951,020	2,816,378	1.10	130,275,563	112,593,727	91.6%	2.50%	-0.10%
ELY.N	Callaway Golf Co	355,264	11,336,217	7.40	94,044,778	92,338,167	98.0%	12.28%	0.37%
TIF.N	Tiffany & Co	333,390	12,122,823	7.48	121,407,389	120,354,100	99.1%	10.07%	0.23%
ULTA.O	Ulta Beauty Inc	737,495	2,813,079	4.16	58,457,743	55,935,077	95.7%	5.03%	0.50%
TPR.N	Tapestry Inc	1,216,350	10,019,543	2.48	290,135,955	289,628,065	99.8%	3.46%	-0.49%
SKX.N	Skechers USA Inc	424,382	7,480,149	4.71	157,400,605	131,270,609	97.6%	5.70%	-1.36%
UAA.N	Under Armour Inc	1,242,312	39,304,576	9.20	451,247,092	187,381,934	99.6%	20.98%	0.35%
GOOS.N	Canada Goose Holdings Inc	360,719	10,467,337	7.28	109,472,821	57,988,695	84.5%	18.05%	1.85%
WMT.N	Walmart Inc	1,610,568	16,834,403	3.09	2,854,722,137	1,401,560,406	49.1%	1.20%	0.06%
TGT.N	Target Corp	1,102,091	20,941,193	4.76	512,334,476	511,085,838	99.7%	4.10%	0.39%
JWN.N	Nordstrom Inc	877,192	23,997,963	6.36	154,651,759	103,633,851	66.9%	23.16%	0.64%
KMX.N	Carmax Inc	398,148	18,494,983	8.99	165,586,114	164,801,125	99.5%	11.22%	-0.58%
COST.O	Costco Wholesale Corp	1,683,246	4,937,133	3.02	439,789,186	437,395,515	99.4%	1.13%	0.05%
CMG.N	Chipotle Mexican Grill Inc	94,823	1,622,306	3.72	27,722,812	27,275,093	98.4%	5.95%	-0.23%
YUMC.N	Yum China Holdings Inc	644,809	6,327,280	2.23	378,250,599	373,230,000	99.8%	1.70%	-0.04%
SFIX.O	Stitch Fix Inc	2,937,313	12,433,988	3.10	100,882,811	47,312,146	95.1%	26.28%	4.21%
FL.N	Foot Locker Inc	769,783	12,381,444	3.97	109,701,174	108,506,558	98.8%	11.41%	1.24%

Source: Thomson Reuters, Grandation Research



Figure 20: Comp sheet

Ticker	Company	Market Cap (\$bn)	Price 8/2/19	YTD Δ	MTD Δ	Revenue Growth		EPS		FCF Yield FY1	EV		PE			PEG FY1	Div. Yield
						This yr /Last	Next /this yr	FY0	FY1		/Sales FY1	/EBITDA FY1	LTM	FY0	FY1		
NKE.N	Nike Inc	127.14	81.14	9.4%	-5.7%	7.8%	8.0%	2.90	3.39	3.1%	2.9x	20.2x	32.6x	28.0x	23.9x	1.7x	1.1%
AEO.N	American Eagle Outfitters Inc	2.82	16.36	-15.4%	-7.5%	6.3%	5.3%	1.60	1.75	11.0%	0.6x	4.6x	11.0x	10.2x	9.4x	1.5x	3.4%
COLM.O	Columbia Sportswear Co	6.88	101.90	21.2%	-3.8%	10.0%	6.7%	4.77	5.21	2.8%	2.0x	12.9x	22.5x	21.4x	19.6x	1.6x	0.9%
LULU.O	Lululemon Athletica Inc	23.31	178.93	47.1%	-6.4%	15.7%	14.5%	4.64	5.51	1.8%	5.6x	23.3x	46.3x	38.6x	32.5x	1.9x	NA
ELY.N	Callaway Golf Co	1.65	17.57	14.8%	-4.2%	35.6%	4.9%	1.04	1.20	6.4%	1.3x	11.2x	18.9x	17.0x	14.6x	NA	0.2%
TIF.N	Tiffany & Co	10.94	90.08	11.9%	-4.1%	1.4%	4.2%	4.92	5.34	4.1%	2.4x	10.7x	19.9x	18.3x	16.9x	2.0x	2.6%
ULTA.O	Ulta Beauty Inc	19.7	337.02	37.6%	-3.5%	12.4%	10.7%	12.97	14.98	3.5%	2.4x	14.9x	29.3x	26.0x	22.5x	1.4x	NA
TPR.N	Tapestry Inc	8.63	29.75	-11.9%	-3.8%	2.8%	4.4%	2.58	2.86	8.1%	1.5x	7.2x	12.1x	11.5x	10.4x	1.0x	4.5%
SKX.N	Skechers USA Inc	5.5	34.95	52.7%	-7.9%	9.9%	8.7%	2.27	2.57	4.3%	0.9x	7.8x	16.9x	15.4x	13.6x	NA	NA
UAA.N	Under Armour Inc	9.19	21.57	22.1%	-6.5%	3.2%	5.6%	0.34	0.50	1.8%	1.7x	22.1x	114.1x	63.5x	43.2x	1.4x	NA
GOOS.N	Canada Goose Holdings Inc	4.88	44.57	1.9%	-4.7%	25.2%	21.9%	1.69	2.12	1.7%	5.9x	21.9x	46.0x	34.5x	27.6x	1.7x	NA
WMT.N	Walmart Inc	312.31	109.40	17.4%	-0.9%	2.4%	3.1%	4.83	5.05	4.8%	0.7x	11.2x	35.5x	22.6x	21.6x	6.0x	1.9%
TGT.N	Target Corp	41.77	81.52	23.3%	-5.6%	3.8%	3.1%	5.93	6.31	NA	0.7x	7.8x	14.5x	13.7x	12.9x	1.6x	3.2%
JWN.N	Nordstrom Inc	4.76	30.79	-33.9%	-7.0%	-1.1%	1.6%	3.31	3.49	13.1%	0.4x	4.7x	10.1x	9.3x	8.8x	1.5x	4.8%
KMX.N	Carmax Inc	14.24	86.00	37.1%	-2.0%	8.2%	6.3%	5.28	5.68	4.7%	1.4x	20.0x	17.0x	16.3x	15.2x	NA	NA
COST.O	Costco Wholesale Corp	119.84	272.50	33.8%	-1.1%	8.0%	7.2%	8.07	8.55	NA	0.8x	18.7x	35.1x	33.8x	31.9x	3.1x	1.0%
CMG.N	Chipotle Mexican Grill Inc	21.96	792.21	83.5%	-0.4%	12.7%	12.0%	13.36	17.26	1.5%	3.6x	30.4x	92.0x	59.3x	45.9x	1.5x	NA
YUMC.N	Yum China Holdings Inc	17.09	45.17	34.7%	-0.7%	5.6%	7.9%	1.76	1.94	NA	1.7x	11.5x	27.5x	25.7x	23.3x	NA	1.1%
SFIX.O	Stitch Fix Inc	2.5	24.83	45.3%	-4.8%	28.6%	21.9%	0.32	0.30	2.5%	1.2x	52.9x	54.6x	77.4x	83.0x	NA	NA
FLN	Foot Locker Inc	4.32	39.36	-26.0%	-4.1%	3.3%	2.8%	5.03	5.43	NA	0.4x	3.6x	8.6x	7.8x	7.2x	0.7x	3.9%

Source: Thomson Reuters, Grandation Research

Figure 21: Retail bankruptcy tracker — We heard Barneys New York is exploring options to file Chapter 11.

Date Announced	Company	Ticker	Filing	Proceeds
7/15/2019	Barneys New York	N/A	Chapter 11	Explore options that include a bankruptcy filing
1/16/2019	Gymboree	N/A	Chapter 11	Seek for liquidation
11/19/2018	David Bridal	N/A	Chapter 11	Reduce \$400mn debt from lenders
10/15/2018	Sears	SHLDQ	Chapter 11	Fail to make a \$134mn debt repayment
10/5/2018	Mattress Firm	N/A	Chapter 11	Restructure in 45-60 days
8/6/2018	National Stores	N/A	Chapter 11	close 74 of its 344 stores
8/3/2018	Gumps	N/A	Chapter 11	close
8/2/2018	Bookstone	N/A	Chapter 11	acquired by Quaker Oats
5/14/2018	Rockport	N/A	Chapter 11	acquired by PE firm Charlesbank Capital
4/6/2018	Nine West	N/A	Chapter 11	acquired by Authentic Brands Group
3/26/2018	The Walking Company	N/A	Chapter 11	Reach agreement on \$60mn equity investment
3/19/2018	Claire's	N/A	Chapter 11	eliminate debt
2/5/2018	Bon-Ton Stores	BONTQ	Chapter 11	execute a turnaournd plan
1/17/2018	Kiko USA	N/A	Chapter 11	close 24 of its 29 stores in the U.S.
1/9/2018	A'gaci	N/A	Chapter 11	Restructure

Source: Thomson Reuters, Grandation Research



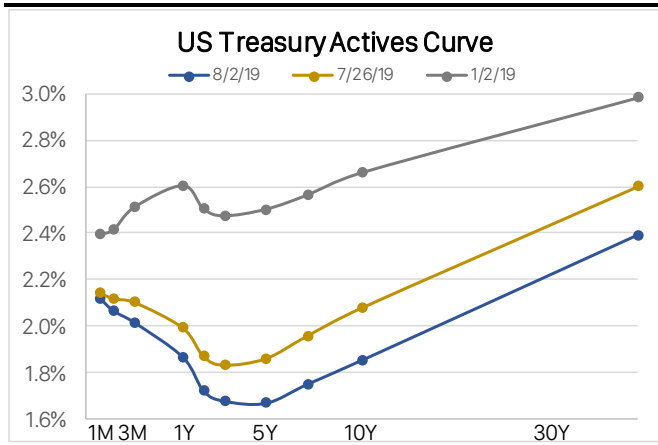
Yield Curve Tracker

Figure 22: Yield Curve tracker -- the spread between the 10YR vs. 2YR has decreased by 8bps WoW to 13bps.

Yield Curve (unit: bps)	8/2/19	7/26/19	WoW Δ	1/2/19	YTD Δ	8/2/18	YoY Δ
US Generic Govt 1MT Yield	2.118	2.144	-1.2%	2.394	-11.5%	1.88	12.5%
US Generic Govt 3MT Yield	2.064	2.118	-2.5%	2.417	-14.6%	2.01	2.8%
US Generic Govt 6MT Yield	2.015	2.103	-4.2%	2.513	-19.8%	2.21	-9.0%
US Generic Govt 1YT Yield	1.867	1.993	-6.3%	2.605	-28.3%	2.42	-22.9%
US Generic Govt 2YT Yield	1.722	1.870	-7.9%	2.504	-31.2%	2.67	-35.4%
US Generic Govt 3YT Yield	1.679	1.834	-8.5%	2.475	-32.2%	2.76	-39.2%
US Generic Govt 5YT Yield	1.670	1.862	-10.3%	2.503	-33.3%	2.85	-41.5%
US Generic Govt 7YT Yield	1.751	1.959	-10.6%	2.564	-31.7%	2.94	-40.4%
US Generic Govt 10YT Yield	1.855	2.081	-10.9%	2.661	-30.3%	2.99	-37.9%
US Generic Govt 30YT Yield	2.392	2.601	-8.0%	2.982	-19.8%	3.12	-23.4%
US 10YR & 2YR Spread	13	21	-8	16	-2	32	-19

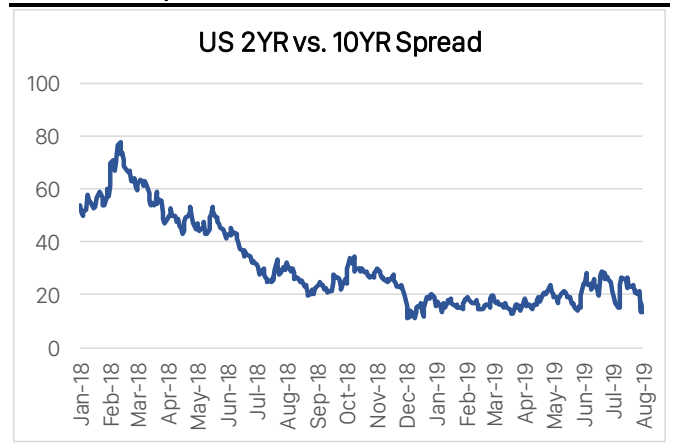
Source: Thomson Reuters, Grandation Research

Figure 23: The US Treasury Actives Curve dropped after rate cut.



Source: Thomson Reuters, Grandation Research

Figure 24: The 10YR vs. 2YR spread reduced 11bps WoW to 26bps.



Source: Thomson Reuters, Grandation Research



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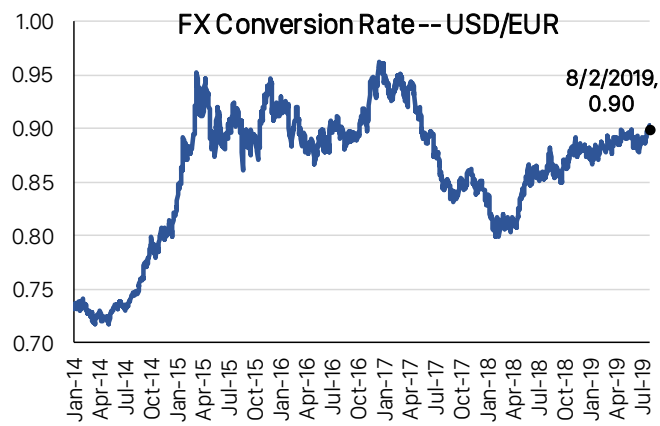
Currency Tracker

Figure 25: Currency tracker—YTD, the USD has appreciated against the CNY, EUR, and GBP and depreciated against JPY, CAD and INR.

Currency	8/2/19	7/26/19	WoW Δ	1/2/19	YTD Δ	8/3/18	YoY Δ
USD/EUR	0.900	0.899	0.2%	0.882	2.1%	0.86	4.1%
USD/JPY	106.580	108.660	-1.9%	108.870	-2.1%	111.25	-4.2%
USD/CNY	6.939	6.879	0.9%	6.860	1.2%	6.83	1.6%
USD/GBP	0.823	0.808	1.9%	0.793	3.7%	0.77	7.0%
USD/CAD	1.320	1.317	0.3%	1.358	-2.7%	1.30	1.7%
USD/INR	69.690	68.870	1.2%	69.98	-0.4%	68.54	1.7%

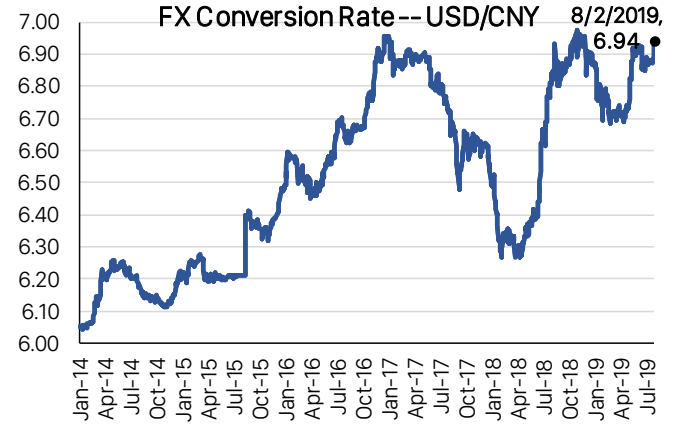
Source: Thomson Reuters, Grandation Research

Figure 26: USD/EUR appreciated 0.2% WoW to 0.9



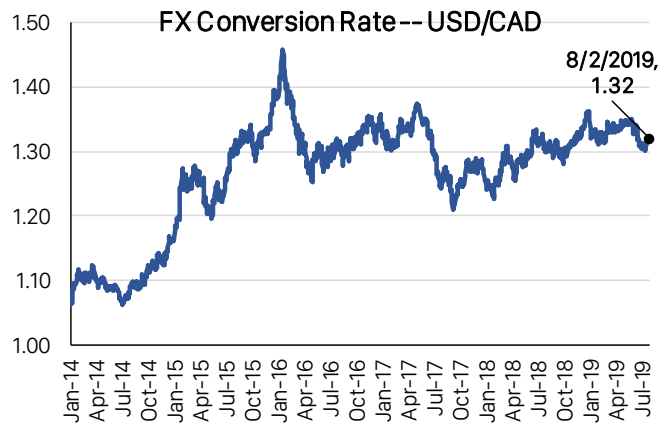
Source: Thomson Reuters, Grandation Research

Figure 27: USD/CNY appreciated 0.9% WoW to 6.94



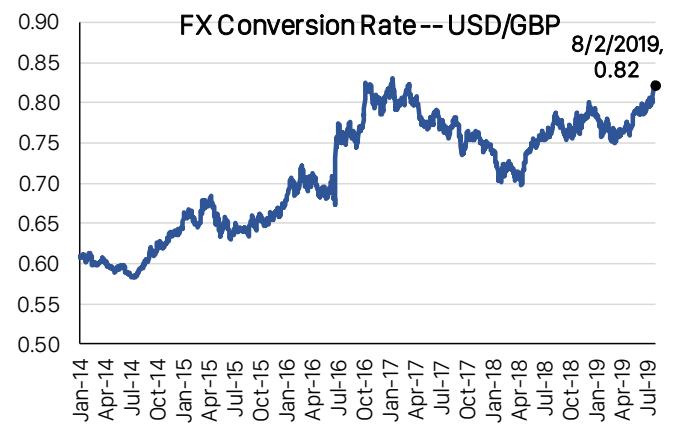
Source: Thomson Reuters, Grandation Research

Figure 28: USD/CAD appreciated 0.3% WoW to 1.32.



Source: Thomson Reuters, Grandation Research

Figure 29: USD/GBP appreciated 1.9% WoW to 0.82



Source: Thomson Reuters, Grandation Research



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- **BUY:** A rating, which at the time it is instituted and or reiterated, that indicates an expected return between 10% to 25% over the next 12-month period.
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