



GRANDATION CAPITAL

RESEARCH DEPARTMENT

Lisa Liu, Managing Director

Phone: +1 626 345 5648

Email: lisaliu@grandationcapital.com

Jimmy Tse, Equity Analyst

Phone: +1 626 639 3024

Email: jimmytse@grandationcapital.com

Companies mentioned in this report
(price as 7/2/19 market close)

Ticker	Price 7/2/19	WoW
GOOS.N	\$ 39.57	6.74%
KMX.N	\$ 87.69	6.11%
SKX.N	\$ 32.20	4.92%
COLM.O	\$ 101.03	2.29%
NKE.N	\$ 84.96	0.54%
TIF.N	\$ 92.20	0.38%
TGT.N	\$ 87.04	0.37%
WMT.N	\$ 111.60	0.32%
UAA.N	\$ 25.53	0.12%
CMG.N	\$ 723.08	-0.15%
SFIX.O	\$ 31.26	-0.16%
COST.O	\$ 263.55	-1.21%
LULU.O	\$ 179.95	-1.47%
ULTA.O	\$ 340.38	-1.78%
YUMC.N	\$ 44.48	-3.18%
TPR.N	\$ 30.34	-3.38%
FLN	\$ 40.61	-4.33%
ELY.N	\$ 17.35	-4.77%
JWN.N	\$ 30.95	-5.29%
AEO.N	\$ 16.51	-6.72%

RETAIL INDUSTRY REPORT

7/2/2019

VOLUME 2, ISSUE 6

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

Key stock takeaways: w high and closed to Oct'18 peak. In the last trading day of Feb'19, NASDAQ is closed at 7097.5, up 5% YTD. **Retail Industry:** Vanguard IT EFT was closed at 193.31 on Feb 28th, up 9.6% MoM and 11% YTD. **Individual stocks:** entering to earnings season, performance of individual stocks diverged. Travel stock EXPE was up 7% due to strong guidance in Q1'19 while BKNG was down 13% for weak guidance. Meanwhile, JD surged 6% after earnings release while AMZN remained flat post earning.

U.S. Macro Economic Indicators:

- **U.S. GDP quarterly data (Figure 1):** on 5/20/19, U.S. department of commerce released Q1'19 GDP growth at 3.1% YoY, topped the expectation of 2.5% YoY.
- **U.S. employment monthly data (Figure 2):** on 6/7/19, U.S. department of labor released May'19 unemployment rate of 3.6%, remained at 50-year record low. However, non-farm payroll increased 75,000, weakened-than-expected 180,000.
- **U.S. pending home sales index monthly data (Figure 3):** on 6/27/19, National Association of Realtors released May'19 pending home sales index, increasing 1.1 to 105.2.
- **U.S. retail sales monthly data (Figure 4):** on 6/14/19, U.S. department of commerce released May'19 retail sales of \$519bn, up 0.5% MoM, in line with the expectation of 0.6% MoM.



EMAIL: INFO@GRANDATIONCAPITAL.COM



PHONE: +1 626 345 5648



WWW.GRANDATIONCAPITAL.COM



WECHAT: GRANDATION RESEARCH

- **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 4/18/19, China bureau of statistics released Q1'19 GDP growth at 6.4% YoY, in line with the expectation of 6.3% YoY, including 2.7% YoY, 6.1% YoY and 7.0% YoY in primary, secondary and tertiary industries, respectively.
- **China total social financing monthly data (Figure 7):** on 6/15/19, the People Bank of China released Jun'19 total social financing of RMB1,400bn, in line with consensus of RMB1,410bn, high-than-expected of \$1,270bn.
- **China export monthly data (Figure 8):** on 6/10/19, China department of customs released May'19 export of RMB143.6bn, up 10.5% MoM and 7.7% YoY and import of RMB115.7bn, down 4.2% MoM and 2.5% YoY.
- **China CPI monthly data (Figure 9):** on 6/12/19, China bureau of statistics released May'19 CPI growth at 2.7% YoY, with food price up 7.7% and non-food price up 1.6%.
- ***Update this week*---- China PMI monthly data (Figure 10):** on 7/1/19, China Bureau of Statistics released Jun'19 PMI at 49.4, flat MoM, falling below 50 again due to the U.S.-China trade war. However, non-manufacturing PMI remained healthy at 54.2, indicating strong domestic economic environment within China.
- **China industrial output data (Figure 11):** on 6/14/19, China bureau of statistics released industrial output growth at 5.0% YoY.

What happened?

- **Retailers are taking on AMZN's Prime Day.** The biggest AMZN event Prime Day will take off next week on July 15 and 16, and retailers aim to crash Prime Day this year. TGT announced its own "deal days" on July 15 and 16 with no membership required and the same day delivery. Meanwhile, Ebay is having "crash sale" on July 15, offering deals on major brands, such as LG, AAPL and Samsung.
- **TMALL is now available in English.** TMALL Global, with over 20,000 international brands on its platform, has started to expand its footprints to American brands as well as offering English language. TMALL currently partners with Office Depot, Starbucks and Walgreens. Tmall Global is now available in English, Spanish, Japanese and Korean.

Earnings Summary

- **NKE released Q4'19 earnings.** On 6/27/19 after market, NKE reported Q4'19 earnings with revenue of \$10.2bn, up 4% YoY, beat consensus by \$30mn and GAAP EPS of \$0.62, missed consensus by 4c. Notably, prior to this quarter's earnings, NKE has consecutively delivered 21 earnings beat. While market concerns on sales hit in Chinese market due to trade tension is not happening, management highlighted 22% YoY growth in Chinese market. The bottom-line miss is primarily due to high expenses from the upcoming key sports momentums and global brand campaigns. NKE stock is up slightly after-market (**upside: ▲ for NKE**).
- **PIR released Q1'19 earnings.** On 6/26/19 after market, imported home furnishing company, Pier 1 reported Q1'19 earnings with revenue of \$314.3mn, down 15.5% YoY, missed consensus by \$30.9mn, and GAAP EPS of -\$19.97, missed consensus by \$8.47. The disappointing numbers are mainly attributed to changing in merchandise mix due to the recent trade tensions. Meanwhile, PIR announced to close 30 stores in the U.S. and plan to close more if necessary. PIR stock sunk 15% after-market (**downside: ▼ for PIR**).



EMAIL: INFO@GRANDATIONCAPITAL.COM



PHONE: +1 626 345 5648



WWW.GRANDATIONCAPITAL.COM



WECHAT: GRANDATION RESEARCH

What's coming up:

Date	Ticker	Company Name	Event	Location	Note
7/10	BBBY	Bed Bath & Beyond	Q1'19 Earnings	NYSE	After-market
7/10	COST	Costco	Jun'19 Corporate Sales Release	NASDAQ	After-market
7/24	AMZN	Amazon	Q2'19 Earnings	NASDAQ	After-market
7/24	RH	Restoration Hardware	RH Annual Shareholders Meeting	NYSE	After-market

Source: Thomson Reuters, Grandation Research

Data Tracker:

- **Google search weekly tracker (Figure 12-20):** NKE's search is down 60.2% WoW.
- **Estimated earning schedule table (Figure 21):** We expect SKX to report Q2'19 earnings on 7/17/19.
- **Earnings surprise table (Figure 22):** on 6/27/19, Nike reported Q2'19 earnings with revenue 0.2% beat and EPS 5.9% miss.
- **Stock performance (Figure 23):** Over the past week, XRT index, down 0.6% WoW, underperformed SPX index. YTD, SFI was up 83.7% and CMG was up 67.4%.
- **Short interest tracker (Figure 24):** The latest short interest data with an 6/14/2019 settlement was released on 6/25/2019. Short interest, when compared with the 5/30/19 settlement data is up 1.90% for ELY and down 1.80% for GOOS.
- **Yield Curve Tracker (Figure 26-28):** the spread between the 10YR vs. 2YR has reduced by 3bps WoW to 22bps.
- **Currency Tracker (Figure 29-33):** YTD, the USD has appreciated against the CNY, EUR, and GBP and depreciated against JPY, CAD and INR.



EMAIL: INFO@GRANDATIONCAPITAL.COM



PHONE: +1 626 345 5648



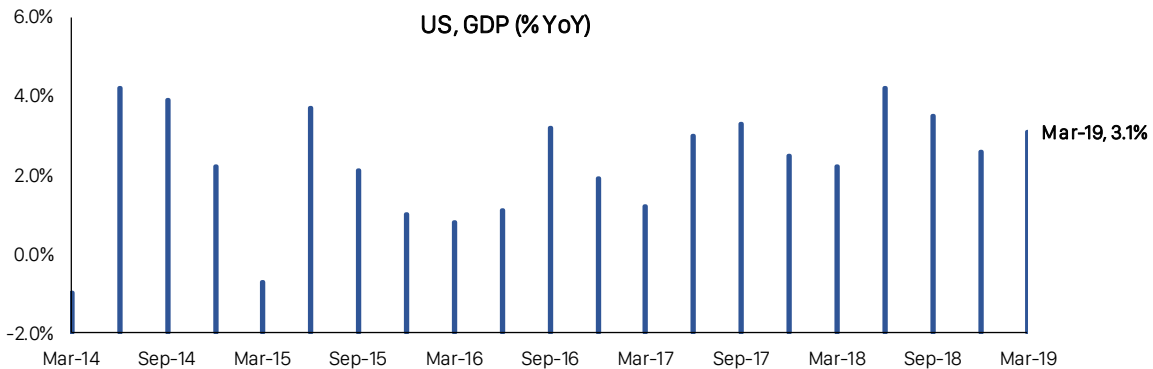
WWW.GRANDATIONCAPITAL.COM



WECHAT: GRANDATION RESEARCH

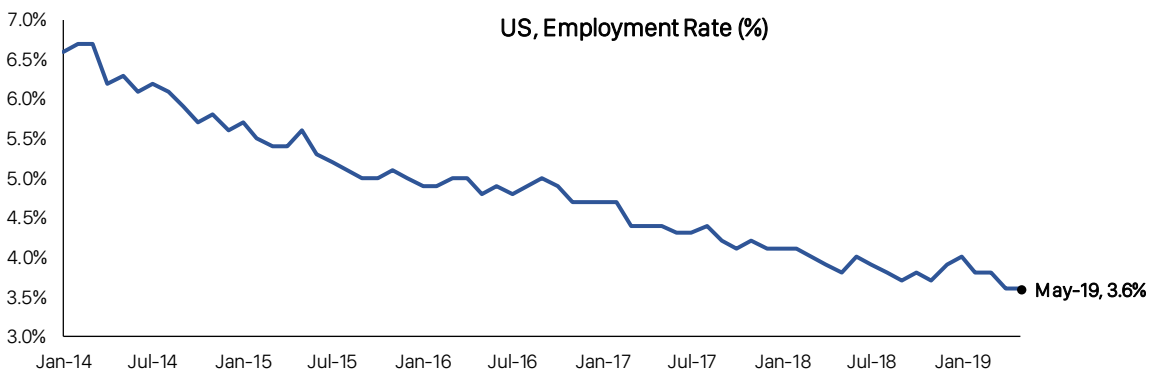
U.S. Macro Economic Indicator

Figure 1: U.S. GDP Tracker -- on 5/20/19, U.S. department of commerce released Q1'19 GDP of 3.1%, topped the expectation of 2.5%.



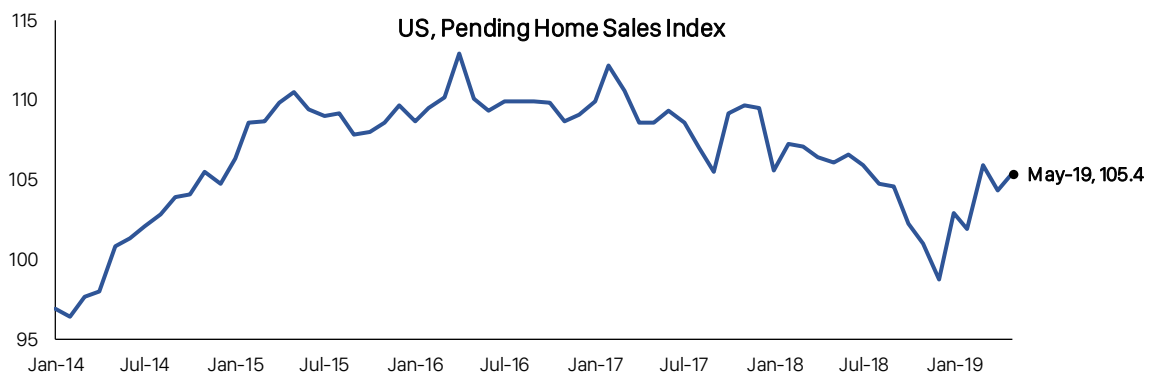
Source: U.S. BEU, Grandation Research

Figure 2: U.S. employment tracker -- on 6/7/19, U.S. department of labor released May'19 unemployment rate of 3.6%, remained 50-year low. Non-farm payroll increased 75,000, weakened-than-expected 180,000.



Source: U.S. BLS, Grandation Research

Figure 3: U.S. pending home sales index tracker -- on 6/27/19, National Association of Realtors released May'19 pending home sales index, increasing 1.1 to 105.2.



Source: U.S. NAR, Grandation Research



EMAIL: INFO@GRANDATIONCAPITAL.COM



PHONE: +1 626 345 5648

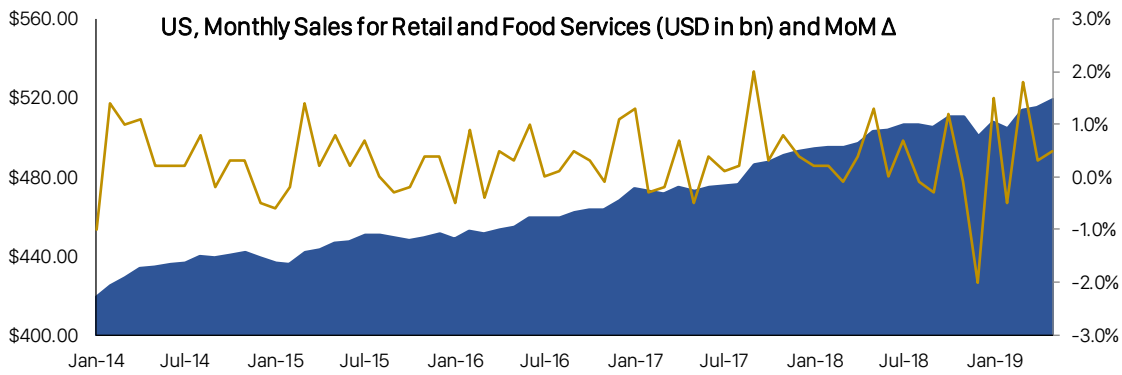


WWW.GRANDATIONCAPITAL.COM



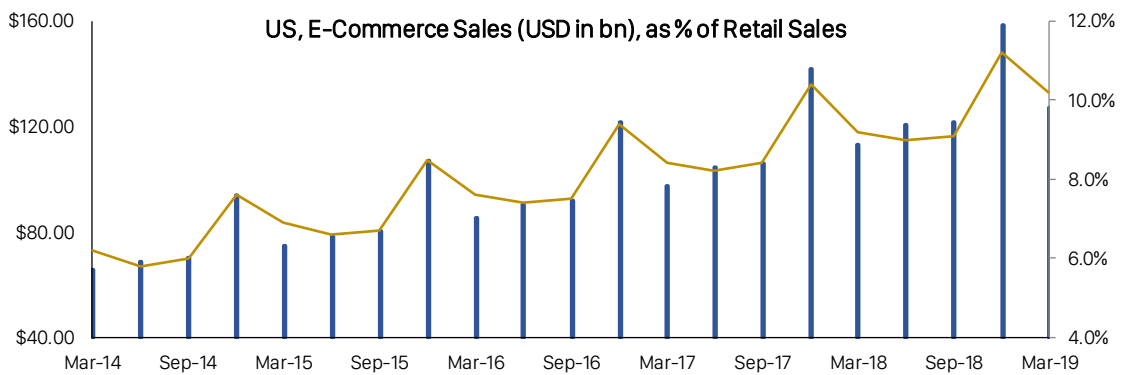
WECHAT: GRANDATION RESEARCH

Figure 4: U.S. retail sales tracker -- on 6/14/19, U.S. department of commerce released May'19 retail sales of \$519bn, up 0.5% MoM, in line with the expectation of 0.6% MoM.



Source: U.S. Consensus gov, Grandation Research

Figure 5: U.S. E-Commerce sales tracker -- 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.



Source: U.S. Consensus gov, Grandation Research



EMAIL: INFO@GRANDATIONCAPITAL.COM



PHONE: +1 626 345 5648



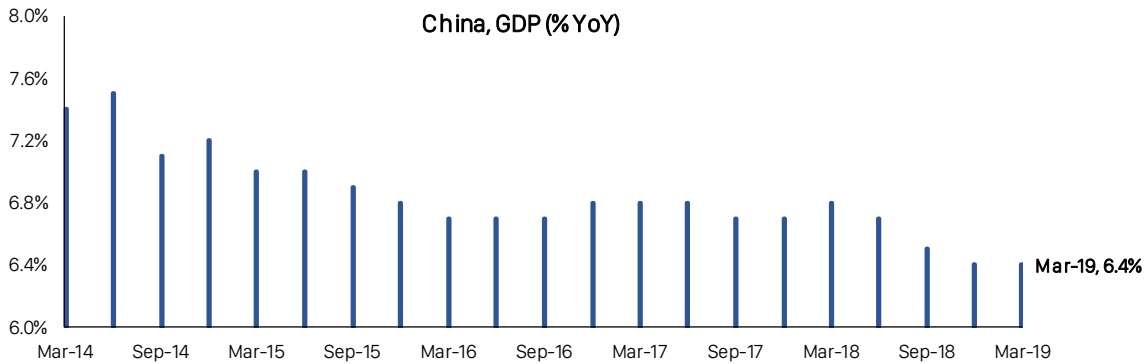
WWW.GRANDATIONCAPITAL.COM



WECHAT: GRANDATION RESEARCH

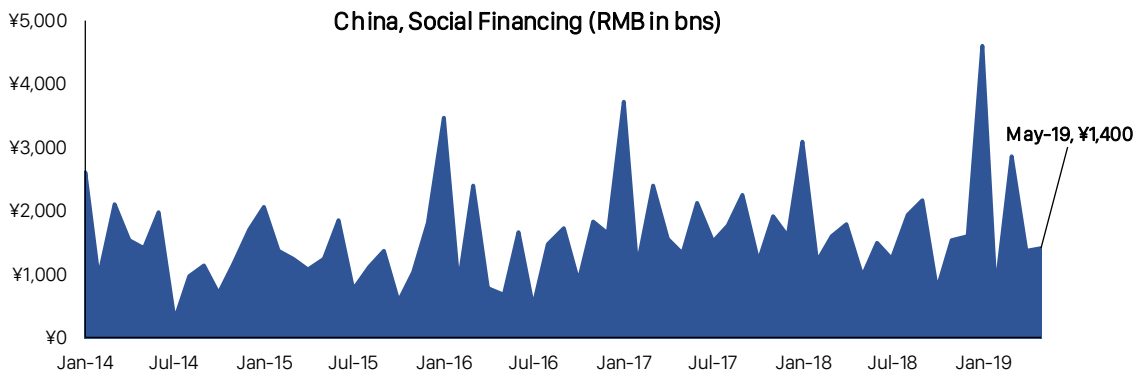
China Macro Economic Indicator

Figure 6: China GDP tracker -- on 4/18/19, China bureau of statistics released Q1'19 GDP growth of 6.4% YoY, in line with the expectation of 6.3% YoY.



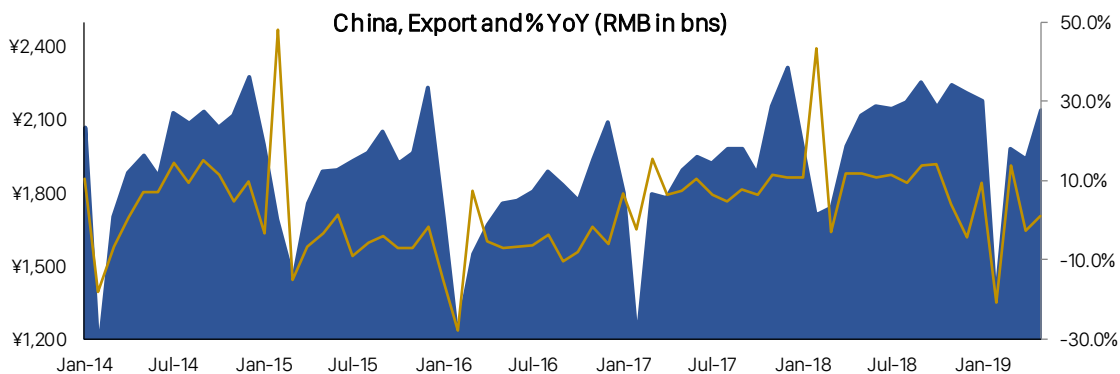
Source: China Stats, Grandation Research

Figure 7: China total social financing tracker -- on 6/15/19, the People Bank of China released Jun'19 total social financing of RMB1,400bn, in line with consensus of RMB1,410bn, high-than-expected of \$1,270bn.



Source: Trading Economics, Grandation Research

Figure 8: China export tracker -- on 6/10/19, China department of customs released May'19 export of RMB143.6bn, up 10.5% MoM and 7.7% YoY and import of RMB115.7bn, down 4.2% MoM and 2.5% YoY.



Source: China Customs, Grandation Research



EMAIL: INFO@GRANDATIONCAPITAL.COM



PHONE: +1 626 345 5648



WWW.GRANDATIONCAPITAL.COM



WECHAT: GRANDATION RESEARCH

Figure 9: China CPI tracker-- on 6/12/19, China bureau of statistics released May'19 CPI growth of 2.7% YoY, with food price up 7.7% and non-food price up 1.6%.



Source: China Stats, Grandation Research

Figure 10: China PMI tracker -- on 7/1/19, China Bureau of Statistics released Jun'19 PMI at 49.4, flat MoM, falling below 50 again due to the U.S.-China trade war. However, non-manufacturing PMI remained healthy at 54.2, indicating strong domestic economic environment within China.



Source: China Stats, Grandation Research

Figure 11: China industrial output tracker -- on 6/14/19, China bureau of statistics released industrial output growth at 5.0% YoY.



Source: China Stats, Grandation Research



EMAIL: INFO@GRANDATIONCAPITAL.COM



PHONE: +1 626 345 5648



WWW.GRANDATIONCAPITAL.COM



WECHAT: GRANDATION RESEARCH

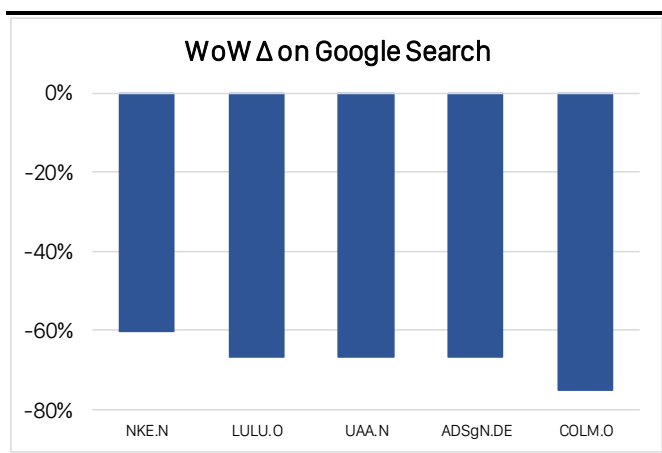
Industry Data Tracker

Figure 12: Retail brands on google search – NKE's search is down 60.2% WoW.

Google Search	Company Name	7/2/19	6/25/19	WoW Δ	1/1/19	YTD Δ	7/3/18	YoY Δ
NKE.N	Nike Inc	35.000	88.000	-60.2%	84.000	-58.3%	83.000	-57.8%
LULU.O	Lululemon Athletica Inc	4.000	12.000	-66.7%	17.000	-76.5%	10.000	-60.0%
UAA.N	Under Armour Inc	4.000	12.000	-66.7%	12.000	-66.7%	13.000	-69.2%
ADSGN.DE	Adidas AG	12.000	36.000	-66.7%	39.000	-69.2%	43.000	-72.1%
COLM.O	Columbia Sportswear Co	1.000	4.000	-75.0%	7.000	-85.7%	6.000	-83.3%
AEO.N	American Eagle Outfitters Inc	76.000	89.000	-14.6%	75.000	1.3%	95.000	-20.0%
SKX.N	Skechers USA Inc	28.000	34.000	-17.6%	24.000	16.7%	35.000	-20.0%
SFIX.O	Stitch Fix Inc	12.000	13.000	-7.7%	7.000	71.4%	14.000	-14.3%
ANF.N	Abercrombie & Fitch Co	22.000	26.000	-15.4%	20.000	10.0%	26.000	-15.4%
URBN.N	Urban Outfitters Inc	46.000	49.000	-6.1%	40.000	15.0%	65.000	-29.2%
BJ.N	BJ's Wholesale Club Holdings I	2.000	3.000	-33.3%	1.000	100.0%	3.000	-33.3%
WMT.N	Walmart Inc	73.000	85.000	-14.1%	45.000	62.2%	86.000	-15.1%
TGT.N	Target Corp	28.000	34.000	-17.6%	19.000	47.4%	35.000	-20.0%
JWN.N	Nordstrom Inc	6.000	7.000	-14.3%	4.000	50.0%	7.000	-14.3%
COST.O	Costco Wholesale Corp	21.000	26.000	-19.2%	10.000	110.0%	25.000	-16.0%
TIF.N	Tiffany & Co	32.000	58.000	-44.8%	37.000	-13.5%	51.000	-37.3%
TPR.N	Tapestry Inc	38.000	79.000	-51.9%	54.000	-29.6%	71.000	-46.5%
GOOS.N	Canada Goose Holdings Inc	2.000	3.000	-33.3%	16.000	-87.5%	2.000	0.0%
CPRI.N	Capri Holdings Ltd	37.000	75.000	-50.7%	73.000	-49.3%	76.000	-51.3%
RL.N	Ralph Lauren Corp	41.000	79.000	-48.1%	51.000	-19.6%	80.000	-48.8%

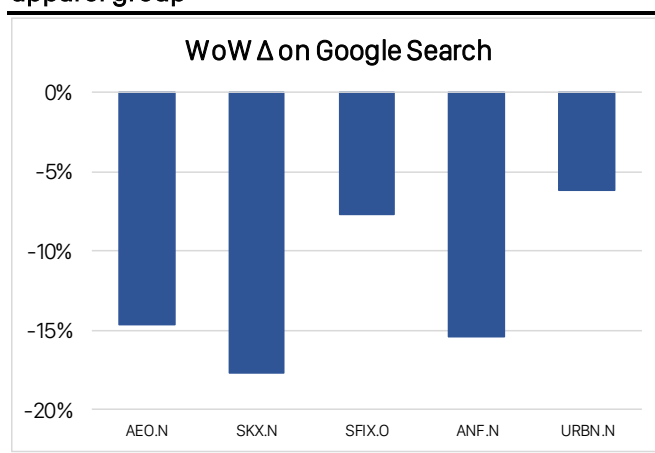
Source: Google Search, Grandation Research

Figure 13: Athleisure group search is down WoW.



Source: Google Search, Grandation Research

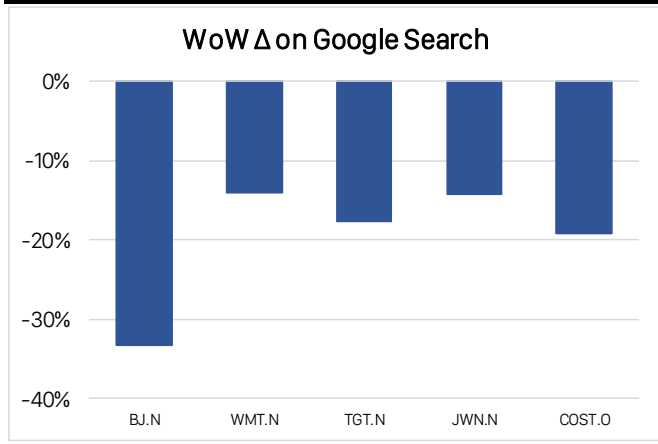
Figure 14: SKX search is down the most in college apparel group



Source: Google Search, Grandation Research

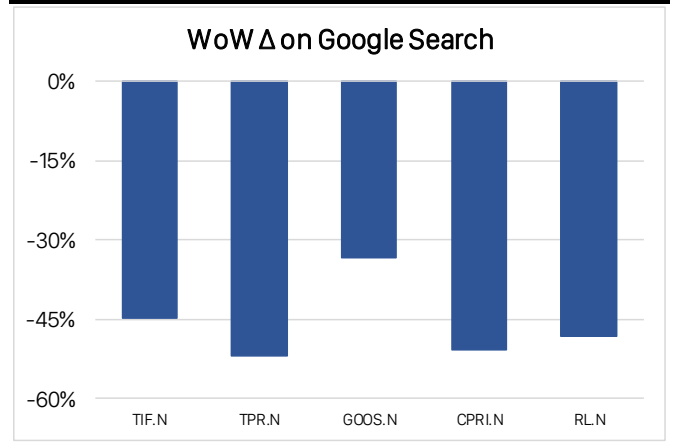


Figure 15: BJ's search is down the most in grocery group.



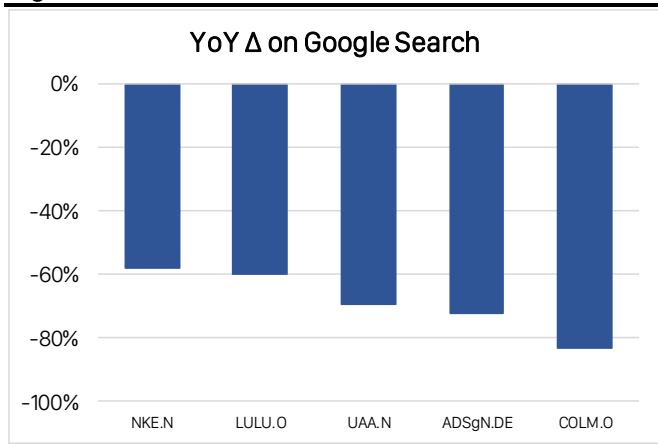
Source: Thomson Reuters, Grandation Research

Figure 16: search for light luxury products is down WoW.



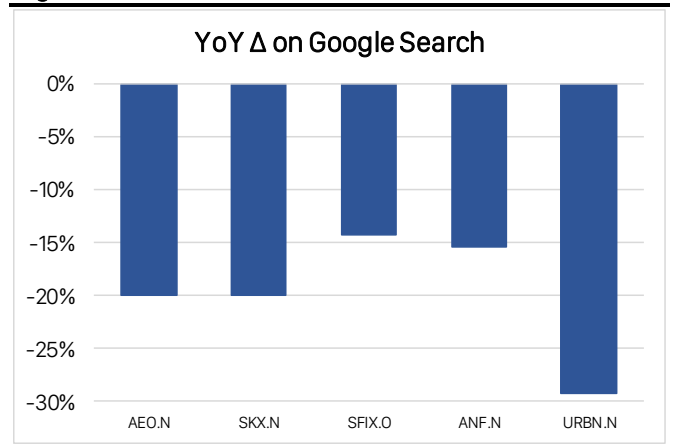
Source: Thomson Reuters, Grandation Research

Figure 17: COLM's search is down the most YoY.



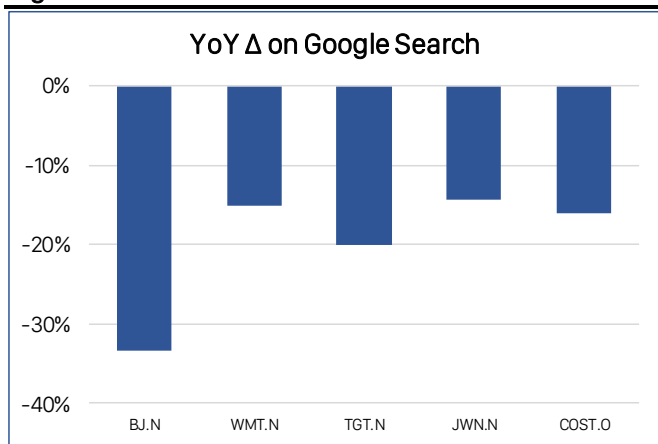
Source: Thomson Reuters, Grandation Research

Figure 18: URBN's search is down the most YoY.



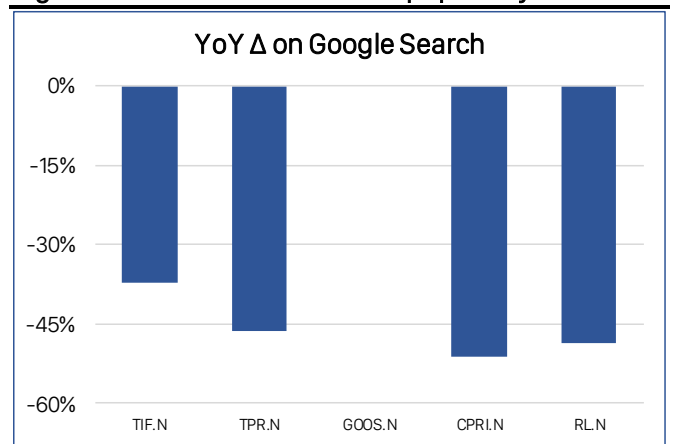
Source: Thomson Reuters, Grandation Research

Figure 19: BJ lost the most attention on YoY basis.



Source: Thomson Reuters, Grandation Research

Figure 20: GOOS maintained its popularity.



Source: Thomson Reuters, Grandation Research



EMAIL: INFO@GRANDATIONCAPITAL.COM



PHONE: +1 626 345 5648



WWW.GRANDATIONCAPITAL.COM



WECHAT: GRANDATION RESEARCH

Figure 21: Estimated earning schedule tracker-- We expect SKX to report Q3'19 earnings on 7/17.

Next Earnings Schedule (Est)	Company	Ticker	Stock Price 7/2/2019	Street PT	Grandation PT	% PT/ Price	Consensus Revenue	Consensus EPS
7/17/2019	Skechers USA Inc	SKX.N	\$32.20	\$34	NA	6.52%	\$1,217.03	\$0.33
7/23/2019	Chipotle Mexican Grill Inc	CMG.N	\$723.08	\$695	NA	-3.88%	\$1,404.95	\$3.76
7/24/2019	Under Armour Inc	UA.N	\$25.53	\$22	\$25	-14.15%	\$1,194.99	-\$0.05
7/25/2019	Columbia Sportswear Co	COLM.O	\$99.62	\$117	NA	17.21%	\$506.33	\$0.01
7/30/2019	Yum China Holdings Inc	YUMC.N	\$44.48	\$50	NA	12.79%	\$2,176.29	\$0.39
8/1/2019	Callaway Golf Co	ELY.N	\$17.35	\$22	NA	29.39%	\$429.78	\$0.26
8/7/2019	Canada Goose Holdings Inc	GOOS.N	\$39.57	\$58	NA	45.73%	\$40.95	-\$0.18
8/14/2019	Nordstrom Inc	JWN.N	\$30.95	\$39	NA	25.20%	\$3,943.70	\$0.78
8/15/2019	Tapestry Inc	TPR.N	\$30.34	\$44	\$28	43.68%	\$1,534.90	\$0.61
8/15/2019	Walmart Inc	WMT.N	\$111.60	\$111	NA	-0.63%	\$130,196.00	\$1.22
8/21/2019	Target Corp	TGT.N	\$87.04	\$88	NA	1.34%	\$18,324.62	\$1.62
8/22/2019	Foot Locker Inc	FL.N	\$40.61	\$60	NA	46.65%	\$1,826.71	\$0.66
8/27/2019	American Eagle Outfitters Inc	AEO.N	\$16.51	\$24	NA	45.37%	\$1,004.66	\$0.32
8/28/2019	Lululemon Athletica Inc	LULU.O	\$180.86	\$192	NA	6.14%	\$843.13	\$0.89
8/28/2019	Tiffany & Co	TIF.N	\$92.20	\$109	NA	18.50%	\$1,065.29	\$1.06
8/29/2019	Ulta Beauty Inc	ULTA.O	\$341.33	\$362	NA	5.93%	\$1,678.46	\$2.80
9/23/2019	Nike Inc	NKE.N	\$84.96	\$92	NA	8.39%	\$10,161.23	\$0.66
9/24/2019	Carmax Inc	KMX.N	\$87.69	\$94	NA	7.20%	\$5,082.12	\$1.33
10/1/2019	Stitch Fix Inc	SFIX.O	\$31.40	\$37	NA	19.03%	\$432.68	NA
10/3/2019	Costco Wholesale Corp	COST.O	\$265.47	\$254	\$250	-4.35%	\$47,586.79	\$2.53

Source: Thomson Reuters, Grandation Research

Figure 22: Earnings surprise tracker—on 6/27/19, Nike reported Q2'19 earnings with revenue 0.2% beat and EPS 5.9% miss.

Ticker	Company Name	Earnings Release	Revenue	GM	EBITDA	EBIT	EPS
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%	-37.5%	-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%	-	-	-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%
UA.N	Under Armour Inc	5/2/2019	2.0%	0.2%	56.5%	366.3%	3723.2%
YUMC.N	Yum China Holdings Inc	4/29/2019	1.8%	-1.4%	5.2%	3.8%	8.4%
COLM.O	Columbia Sportswear Co	4/25/2019	1.2%	2.3%	38.1%	23.0%	29.2%
CMG.N	Chipotle Mexican Grill Inc	4/24/2019	3.5%	7.3%	3.6%	4.3%	12.8%
SKX.N	Skechers USA Inc	4/18/2019	-1.6%	-1.5%	4.6%	5.2%	-2.0%

Source: Thomson Reuters, Grandation Research



Figure 23: Stock performance tracker-- Over the past week, XRT index, down 0.6% WTD, underperformed SPX index. YTD, SFIX was up 83.7% and CMG was up 67.4%.

Ticker	Name	Price 7/2/2019	Market Cap (\$bn)	WTD	MTD	YTD
Index:						
XRT	Spdr S&P Retail Etf	42.46	0.29	-0.6%	-0.6%	2.8%
.SPX	Standard & Poor's Corp	2964.33	NA	1.1%	1.1%	18.6%
Companies:						
SFIX.O	Stitch Fix Inc	31.26	3.17	-1.8%	-1.8%	83.7%
CMG.N	Chipotle Mexican Grill Inc	725.39	20.04	-1.4%	-1.4%	67.4%
LULU.O	Lululemon Athletica Inc	179.95	23.56	0.4%	0.4%	48.7%
UAA.N	Under Armour Inc	25.15	10.78	0.7%	0.7%	44.5%
SKX.N	Skechers USA Inc	32.19	5.07	2.3%	2.3%	40.7%
KMX.N	Carmax Inc	87.16	14.50	1.0%	1.0%	39.8%
ULTA.O	Ulta Beauty Inc	340.38	19.95	-1.6%	-1.6%	39.4%
YUMC.N	Yum China Holdings Inc	46.08	16.82	-3.8%	-3.8%	32.6%
TGT.N	Target Corp	86.94	44.59	0.5%	0.5%	31.7%
COST.O	Costco Wholesale Corp	263.55	116.75	0.5%	0.5%	30.3%
WMT.N	Walmart Inc	110.62	318.59	1.0%	1.0%	19.8%
COLM.O	Columbia Sportswear Co	101.03	6.80	-0.5%	-0.5%	18.5%
NKE.N	Nike Inc	85.41	133.54	1.2%	1.2%	14.6%
TIF.N	Tiffany & Co	94.28	11.19	-1.5%	-1.5%	14.5%
ELY.N	Callaway Golf Co	17.33	1.63	1.2%	1.2%	13.5%
FL.N	Foot Locker Inc	42.23	4.45	0.0%	0.0%	0.0%
GOOS.N	Canada Goose Holdings Inc	39.72	4.35	2.2%	2.2%	-9.5%
TPR.N	Tapestry Inc	31.3	8.80	-4.4%	-4.4%	-10.1%
AEO.N	American Eagle Outfitters Inc	17.02	2.84	-2.2%	-2.2%	-14.5%
JWN.N	Nordstrom Inc	31.49	4.79	-2.9%	-2.9%	-33.6%

Source: Thomson Reuters, Grandation Research

Figure 24: Short Interest tracker-- The latest short interest data with an 6/14/2019 settlement was released on 6/25/2019. Short interest, when compared with the 5/30/19 settlement data is up 1.90% for ELY and down 1.80% for GOOS.

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	1,788,105	8,674,321	1.27	1,571,749,591	1,242,383,327	98.9%	0.70%	-0.01%
AEO.N	American Eagle Outfitters Inc	953,751	16,628,808	3.31	172,224,129	160,693,687	93.4%	10.35%	0.47%
COLM.O	Columbia Sportswear Co	338,198	1,092,091	3.40	68,301,238	32,059,943	79.4%	3.41%	0.18%
LULU.O	Lululemon Athletica Inc	2,125,178	3,880,901	1.80	130,275,563	112,594,299	91.6%	3.45%	-0.15%
ELY.N	Callaway Golf Co	357,956	11,091,865	5.47	94,044,778	92,338,167	98.0%	12.01%	1.90%
TIF.N	Tiffany & Co	329,355	11,217,323	5.99	121,407,389	120,355,007	99.1%	9.32%	0.29%
ULTA.O	Ulta Beauty Inc	720,608	2,441,005	3.04	58,457,743	55,935,077	95.7%	4.36%	0.10%
TPR.N	Tapestry Inc	1,259,646	10,990,311	1.95	290,135,955	289,629,799	99.8%	3.79%	0.70%
SKX.N	Skechers USA Inc	407,739	10,047,835	6.00	157,400,605	131,269,109	97.6%	7.65%	-0.43%
UAA.N	Under Armour Inc	1,183,822	32,273,555	6.28	451,011,943	187,381,519	99.6%	17.22%	-0.26%
GOOS.N	Canada Goose Holdings Inc	365,971	8,427,727	3.10	110,155,519	58,667,033	84.6%	14.37%	-1.80%
WMT.N	Walmart Inc	1,706,145	15,721,675	2.27	2,854,722,137	1,389,829,029	48.7%	1.13%	0.05%
TGT.N	Target Corp	1,134,322	21,652,012	3.61	512,334,476	511,528,542	99.8%	4.23%	-0.46%
JWN.N	Nordstrom Inc	848,332	24,366,535	5.83	154,651,759	103,617,851	66.9%	23.52%	-0.20%
KMX.N	Carmax Inc	394,613	20,258,515	14.28	165,395,165	164,622,178	99.5%	12.31%	-0.52%
COST.O	Costco Wholesale Corp	1,694,202	4,845,019	2.69	439,789,186	437,393,729	99.4%	1.11%	-0.02%
CMG.N	Chipotle Mexican Grill Inc	102,824	1,929,356	3.52	27,713,556	27,264,673	98.4%	7.08%	0.28%
YUMC.N	Yum China Holdings Inc	678,063	6,734,236	2.16	378,250,599	377,409,895	99.8%	1.78%	0.16%
SFIX.O	Stitch Fix Inc	2,376,992	11,391,229	3.86	100,882,811	47,341,347	94.9%	24.06%	-1.64%
FL.N	Foot Locker Inc	759,333	11,069,832	2.34	109,701,174	108,518,898	98.8%	10.20%	-0.96%

Source: Thomson Reuters, Grandation Research



Figure 25: Compsheet

Ticker	Company	Market Cap (\$bn)	Price	YTD Δ	MTD Δ	Revenue Growth		EPS		FCF Yield FY1	EV /Sales FY1	EV /EBITDA FY1	PE			PEG FY1	Div. Yield
			7/2/19			This yr /Last	Next /this yr	FY0	FY1				LTM	FY0	FY1		
NKE.N	Nike Inc	133.54	85.41	14.6%	1.2%	7.8%	7.9%	2.91	3.40	2.6%	3.1x	21.1x	34.1x	29.3x	25.2x	1.8x	1.0%
AEO.N	American Eagle	2.84	17.02	-14.6%	-2.3%	6.2%	5.1%	1.61	1.74	10.6%	0.6x	4.6x	11.1x	10.6x	9.8x	1.5x	3.2%
COLM.O	Columbia Sport	6.8	101.03	18.5%	-0.5%	9.1%	6.5%	4.55	5.03	3.0%	2.0x	13.0x	23.3x	22.2x	20.1x	2.7x	1.0%
LULU.O	Lululemon Athle	23.56	179.95	48.7%	0.4%	15.8%	14.5%	4.64	5.50	1.8%	5.7x	23.5x	46.6x	38.8x	32.7x	1.9x	NA
ELY.N	Callaway Golf C	1.63	17.33	13.4%	1.1%	35.3%	4.9%	1.05	1.20	6.4%	1.3x	11.1x	18.7x	16.5x	14.5x	NA	0.2%
TIF.N	Tiffany & Co	11.19	94.28	14.5%	-1.5%	1.4%	4.3%	4.93	5.35	3.9%	2.5x	11.0x	20.3x	19.1x	17.6x	2.1x	2.5%
ULTA.O	Ulta Beauty Inc	19.95	340.38	39.4%	-1.6%	12.4%	10.6%	12.97	14.98	3.4%	2.5x	15.0x	29.6x	26.3x	22.7x	1.5x	NA
TPR.N	Tapestry Inc	8.8	31.30	-10.1%	-4.4%	2.9%	4.4%	2.58	2.86	7.7%	1.5x	7.3x	12.3x	12.1x	11.0x	1.0x	4.3%
SKX.N	Skechers USA I	5.07	32.19	40.7%	2.3%	7.8%	8.2%	2.05	2.31	4.9%	0.9x	7.7x	17.3x	15.7x	14.0x	NA	NA
UAA.N	Under Armour I	10.78	25.15	44.5%	0.7%	3.4%	5.8%	0.35	0.50	1.4%	2.0x	26.1x	212.6x	72.0x	50.0x	1.6x	NA
GOOS.N	Canada Goose	4.35	39.72	-9.5%	2.2%	24.9%	21.6%	1.69	2.11	1.8%	5.3x	19.7x	40.6x	31.5x	25.3x	1.5x	NA
WMT.N	Walmart Inc	318.59	110.62	19.8%	1.0%	2.4%	3.1%	4.83	5.05	4.8%	0.7x	11.3x	36.2x	22.9x	21.9x	6.1x	1.9%
TGT.N	Target Corp	44.59	86.94	31.7%	0.5%	3.7%	3.1%	5.93	6.31	NaN	0.7x	8.2x	15.5x	14.7x	13.8x	1.7x	3.0%
JWN.N	Nordstrom Inc	4.79	31.49	-33.6%	-2.9%	-1.1%	1.6%	3.32	3.52	13.0%	0.4x	4.7x	10.1x	9.5x	9.0x	1.0x	4.7%
KMX.N	Carmax Inc	14.5	87.16	39.8%	1.0%	8.0%	6.3%	5.24	5.65	4.7%	1.4x	20.2x	17.4x	16.6x	15.4x	1.3x	NA
COST.O	Costco Wholesa	116.75	263.55	30.3%	0.5%	7.9%	7.2%	8.04	8.53	2.0%	0.8x	18.0x	33.9x	32.8x	30.9x	3.0x	1.0%
CMG.N	Chipotle Mexica	20.04	725.39	67.5%	-1.3%	11.5%	11.3%	13.08	16.80	1.7%	3.4x	27.5x	102.2x	55.5x	43.2x	1.5x	NA
YUMC.N	Yum China Hold	16.82	46.08	32.7%	-3.7%	7.0%	7.1%	1.73	1.92	NaN	1.7x	11.2x	28.8x	26.7x	24.0x	4.0x	1.0%
SFIX.O	Stitch Fix Inc	3.17	31.26	83.7%	-1.8%	28.6%	21.9%	0.32	0.30	1.9%	1.5x	68.4x	68.7x	97.2x	104.5x	NA	NA
FL.N	Foot Locker Inc	4.45	42.23	-23.7%	-3.1%	3.3%	3.1%	5.03	5.44	NaN	0.4x	3.7x	8.9x	8.4x	7.8x	0.7x	3.6%

Source: Thomson Reuters, Grandation Research



EMAIL: INFO@GRANDATIONCAPITAL.COM



PHONE: +1 626 345 5648



WWW.GRANDATIONCAPITAL.COM



WECHAT: GRANDATION RESEARCH

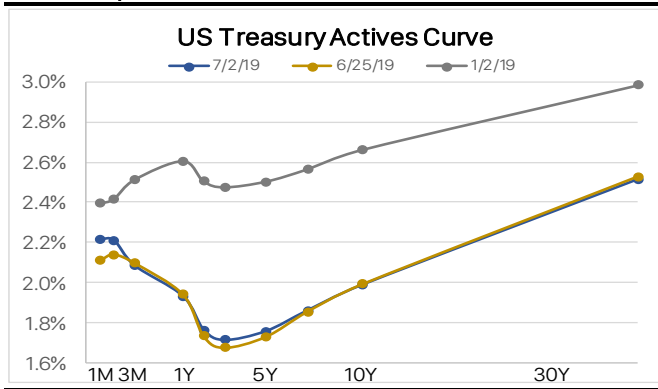
Yield Curve Tracker

Figure 26: Yield Curve tracker -- the spread between the 10YR vs. 2YR has reduced by 3bps WoW to 22bps.

Yield Curve (unit: bps)	7/2/19	6/25/19	WoW Δ	1/2/19	YTD Δ	7/2/18	YoY Δ
US Generic Govt 1MT Yield	2.215	2.110	5.0%	2.394	-7.5%	1.87	18.8%
US Generic Govt 3MT Yield	2.211	2.139	3.4%	2.417	-8.5%	1.94	14.3%
US Generic Govt 6MT Yield	2.085	2.096	-0.5%	2.513	-17.0%	2.13	-1.9%
US Generic Govt 1YT Yield	1.933	1.941	-0.4%	2.605	-25.8%	2.33	-16.9%
US Generic Govt 2YT Yield	1.765	1.734	1.8%	2.504	-29.5%	2.55	-30.9%
US Generic Govt 3YT Yield	1.714	1.677	2.2%	2.475	-30.7%	2.64	-35.2%
US Generic Govt 5YT Yield	1.758	1.731	1.6%	2.503	-29.8%	2.75	-36.1%
US Generic Govt 7YT Yield	1.861	1.855	0.3%	2.564	-27.4%	2.83	-34.3%
US Generic Govt 10YT Yield	1.989	1.992	-0.1%	2.661	-25.2%	2.87	-30.6%
US Generic Govt 30YT Yield	2.515	2.526	-0.4%	2.982	-15.7%	2.99	-15.9%
US 10YR & 2YR Spread	22	26	-3	16	7	31	-9

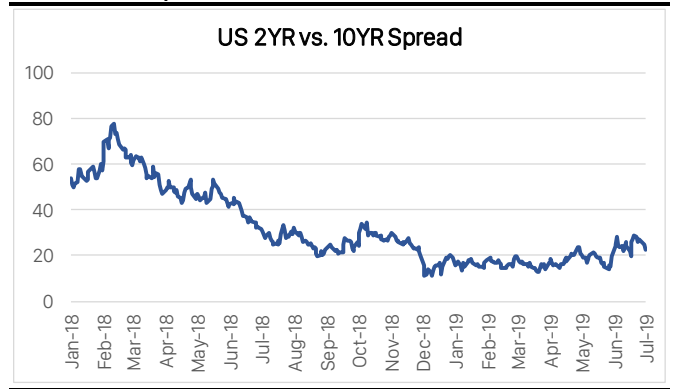
Source: Thomson Reuters, Grandation Research

Figure 27: The US Treasury Actives Curve inverted and steepened WoW.



Source: Thomson Reuters, Grandation Research

Figure 28: The 10YR vs. 2YR spread was down 3bps WoW to 22bps.



Source: Thomson Reuters, Grandation Research



EMAIL: INFO@GRANDATIONCAPITAL.COM



PHONE: +1 626 345 5648



WWW.GRANDATIONCAPITAL.COM



WECHAT: GRANDATION RESEARCH

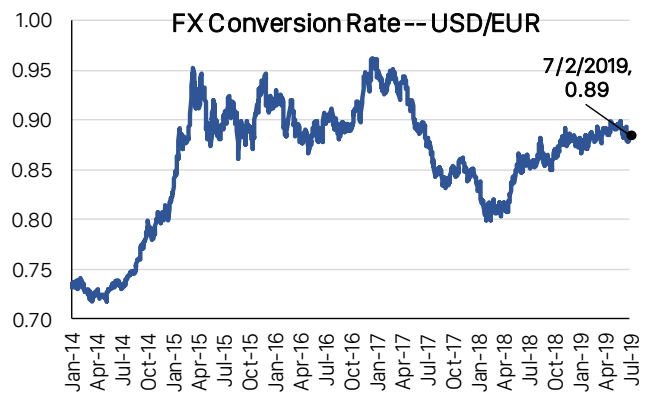
Currency Tracker

Figure 29: Currency tracker—YTD, the USD has appreciated against the CNY, EUR, and GBP and depreciated against JPY, CAD and INR.

Currency	7/2/19	6/25/19	WoW Δ	1/2/19	YTD Δ	7/3/18	YoY Δ
USD/EUR	0.885	0.880	0.6%	0.882	0.4%	0.86	3.2%
USD/JPY	108.070	107.170	0.8%	108.870	-0.7%	110.58	-2.3%
USD/CNY	6.870	6.879	-0.1%	6.860	0.1%	6.64	3.5%
USD/GBP	0.794	0.788	0.8%	0.793	0.1%	0.76	4.7%
USD/CAD	1.312	1.317	-0.4%	1.358	-3.4%	1.31	-0.1%
USD/INR	68.888	69.314	-0.6%	69.98	-1.6%	68.55	0.5%

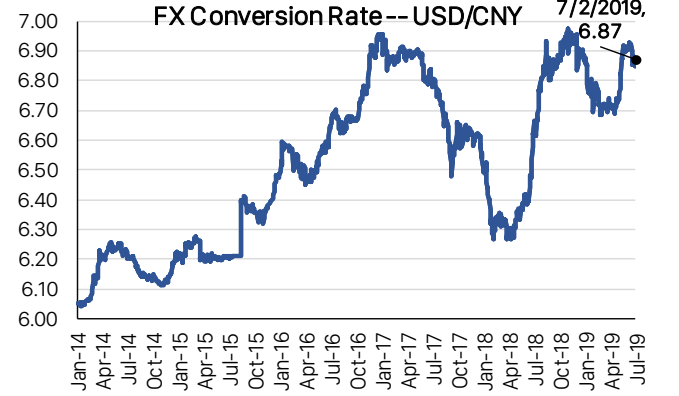
Source: Thomson Reuters, Grandation Research

Figure 30: USD/EUR appreciated 0.6% to 0.885.



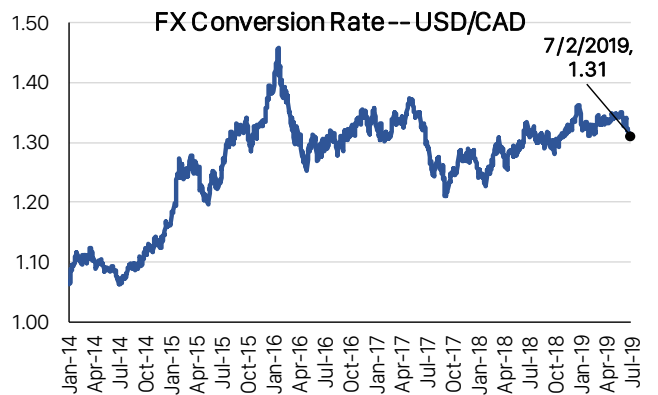
Source: Thomson Reuters, Grandation Research

Figure 31: USD/CNY depreciated 0.1% to 6.87



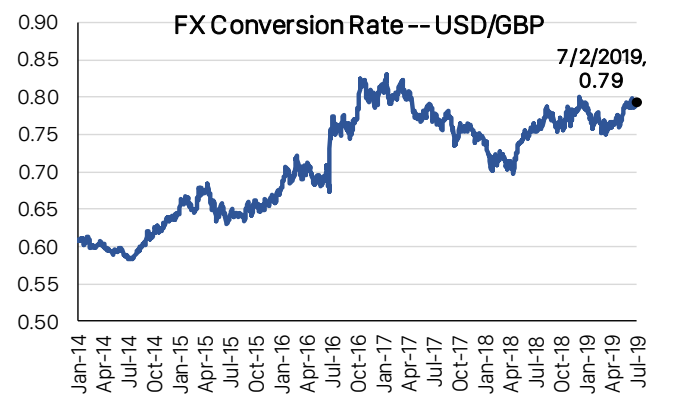
Source: Thomson Reuters, Grandation Research

Figure 32: USD/CAD depreciated 0.4% WoW to 1.312.



Source: Thomson Reuters, Grandation Research

Figure 33: USD/GBP appreciated 0.8% to 0.79.



Source: Thomson Reuters, Grandation Research



EMAIL: INFO@GRANDATIONCAPITAL.COM



PHONE: +1 626 345 5648



WWW.GRANDATIONCAPITAL.COM



WECHAT: GRANDATION RESEARCH

Important Disclaimer and Disclosure

This research report is made available to our designated clients and may also be available through third- party vendors or alternate electronic version upon approval.

All information, material and facts in this report is from public sources and is not guaranteed to be complete or accurate but reflect our analysts' best views about the subject industry and companies. Our analysts do not receive any compensation directly and indirectly from the subject securities. Any estimates or recommendations in this report are subject to change without notice. This report should not be used as a complete analysis of the company, industry or security discussed in the report; therefore, readers should not make their investment decision solely based on this report. The adjustments should be made based on investors' risk profile, investment preference as well as their legal and regulatory constraints. Additionally, an investment in the securities may involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements.

For detailed disclaimer and disclosure information, please contact Grandation Capital at 626-345-5648 or mail inquiries to 150 S Los Robles Ave, Ste 930, Pasadena, CA 91101.

Rating on Investment Recommendations

Our rating system attempts to incorporate industry, company and/or overall market risks and volatilities; therefore, our investment recommendations on based on the security's 12-month price target from the date this report is issued.

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

Grandation Capital Research Department

Office: Los Angeles, U.S.
Address: 150 S Los Robles, Ste 930
Pasadena, CA 91101
Phone: +1 626-345-5648
Email: info@grandationcapital.com

Effective Date: 1/1/2019



EMAIL: INFO@GRANDATIONCAPITAL.COM



PHONE: +1 626 345 5648



WWW.GRANDATIONCAPITAL.COM



WECHAT: GRANDATION RESEARCH