

# Consumer Discretionary Briefing Book

February 2026

**OPTIMAL**

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Our days are full of "AI-Resistant" conversations across categories and companies; we are sure yours are too. The bad weather impact is widely discussed and visible in soft #s (golf, apparel, department stores).

This monthly briefing book is comprised of 5 sections: Attention Economy Inflections, Sector Spending Analysis, Valuation Snapshot, Thematic Analysis, and Consumer Macro.

Our February spending trend analysis callouts with growth and positive inflection include **grocery, home improvement, and entertainment.**

Our February spending trend analysis callouts with weakness and negative inflections include **apparel, sports retail, department stores, fast casual, casual dining, and pizza.**

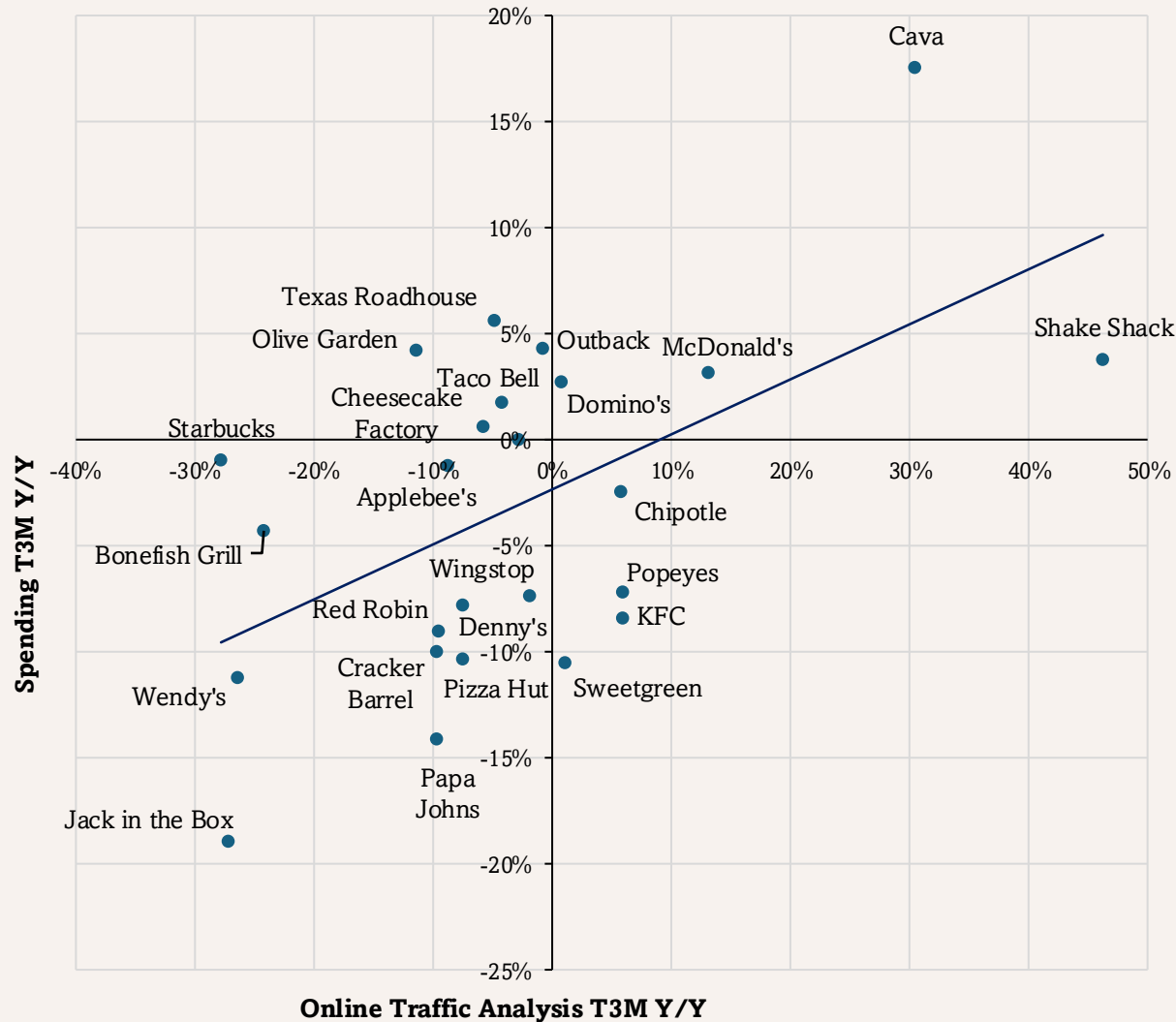
Our Attention Economy monitor **positive callouts include LULU, NKE, DRI, EXPE** while **negative callouts include AZO, LOW, COST.**

Macro summary: (1) real-time housing activity remains historically soft, but we note precursor metrics (mortgage applications for purchase) are starting to increase; (2) y/y gas price declines are meaningful; (3) historically low Sentiment level is starting to lap easier y/y comparisons, please see full slides.

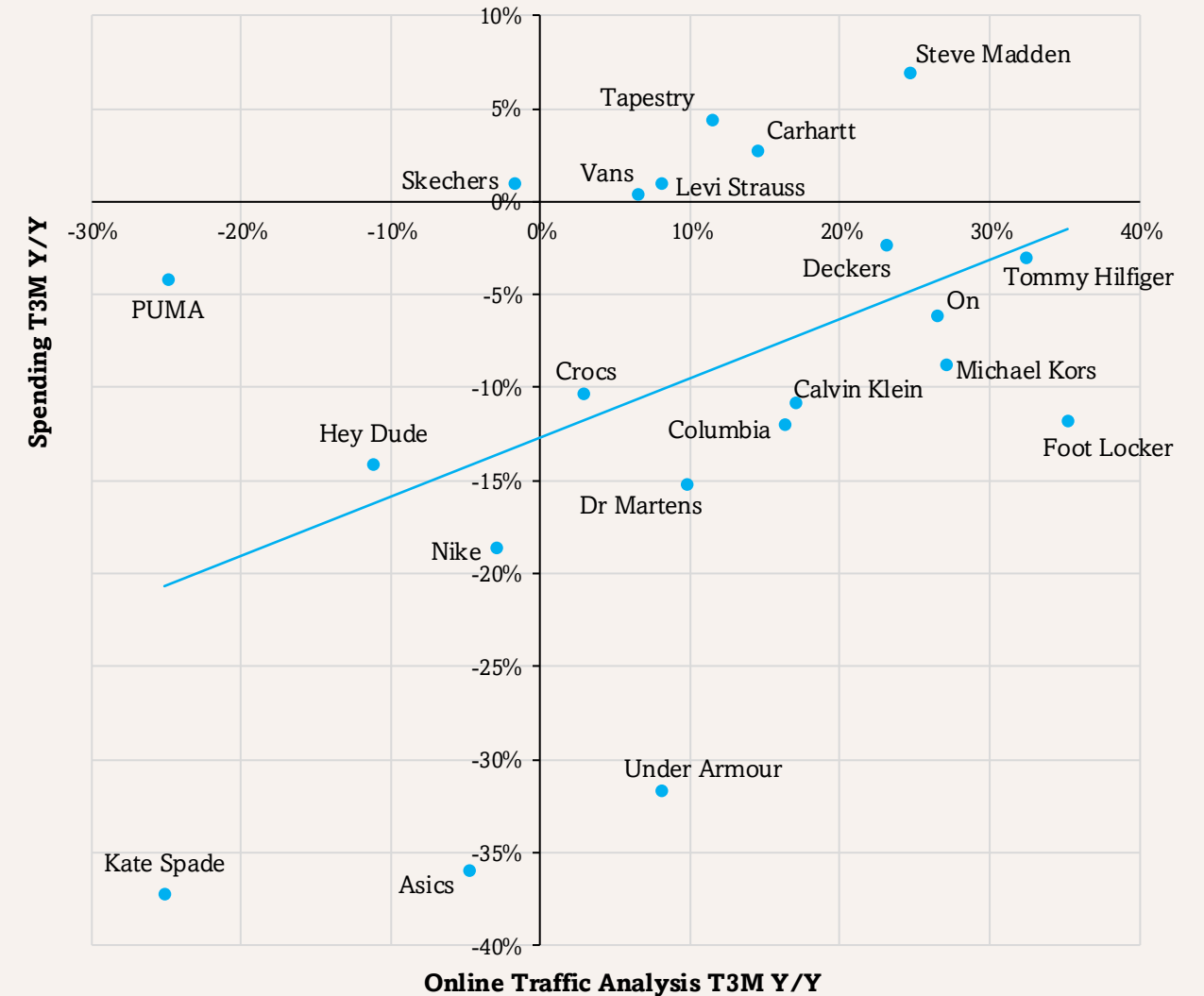
# Attention Economy Inflections

Cava leading measured restaurant brands in spending growth running up +18% y/y. Apparel spending growth more muted, running down -10% y/y on average across 21 measured brands. Other “top-right” brands growing both digital traffic and spending include McDonald’s, Shake Shack & Steve Madden.

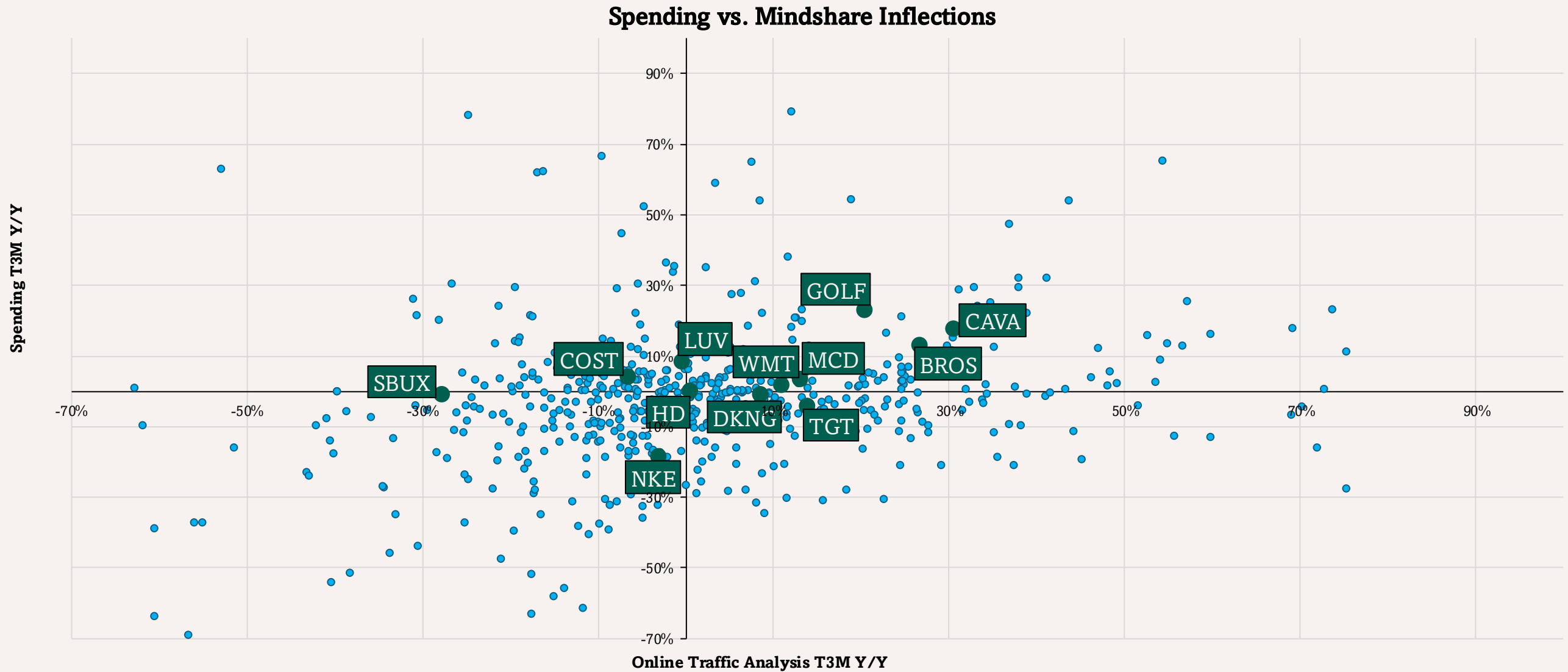
### Restaurants



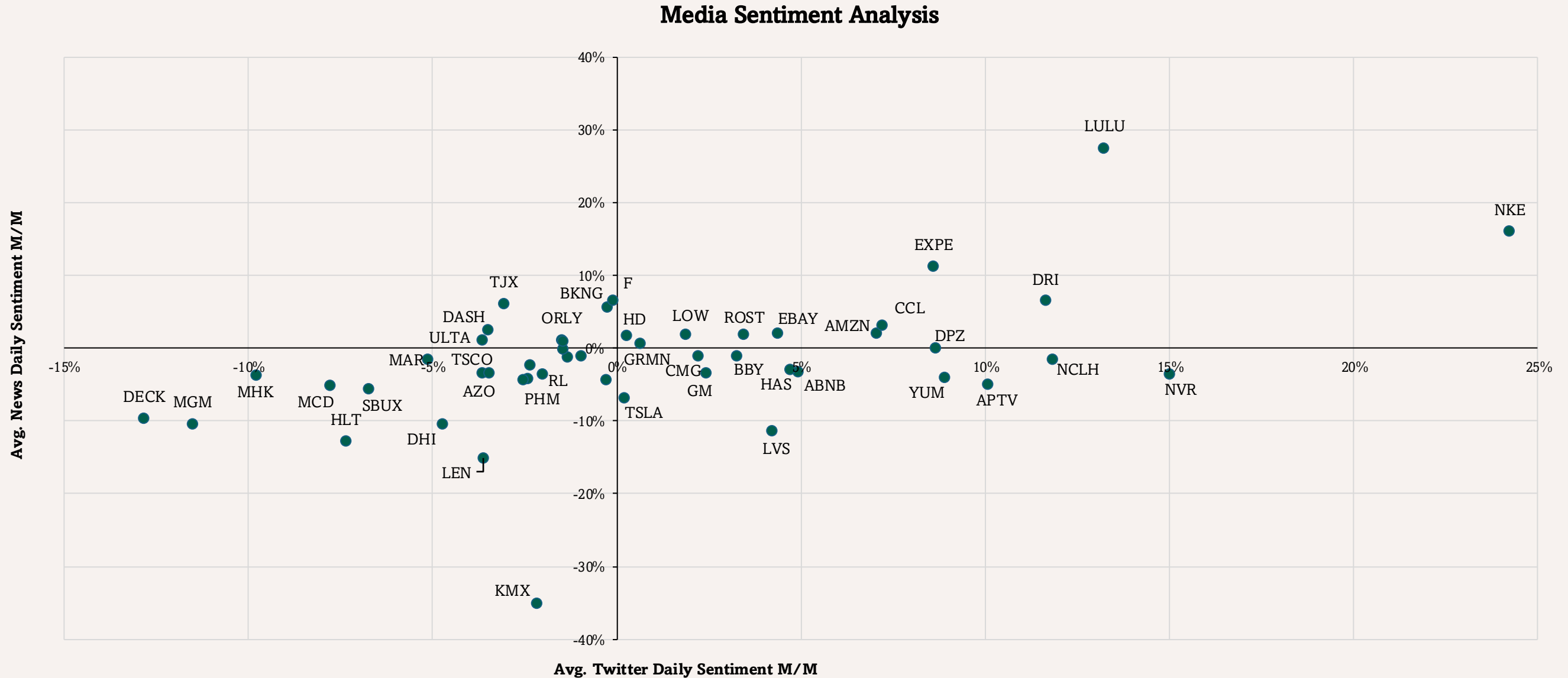
### Apparel & Footwear



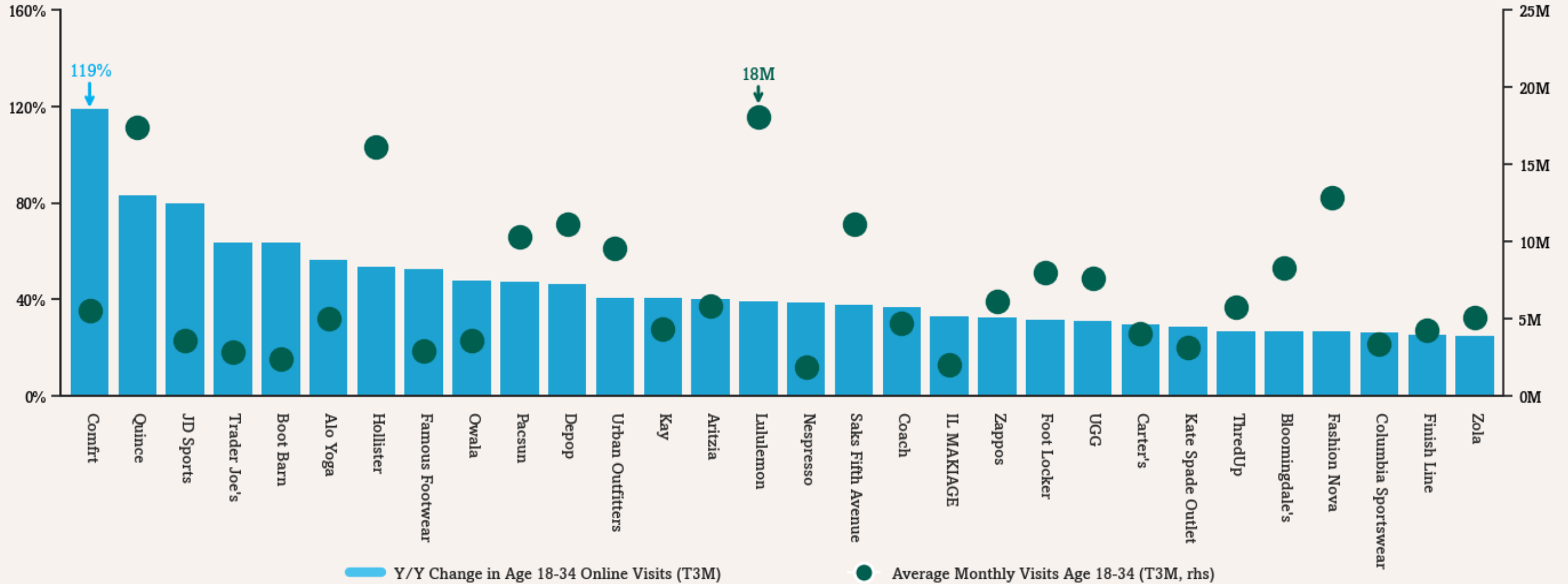
Optimal proprietary analyzes 800+ public and 10,000+ private companies in real time to unpack brand positioning and changes in consumer behavior.



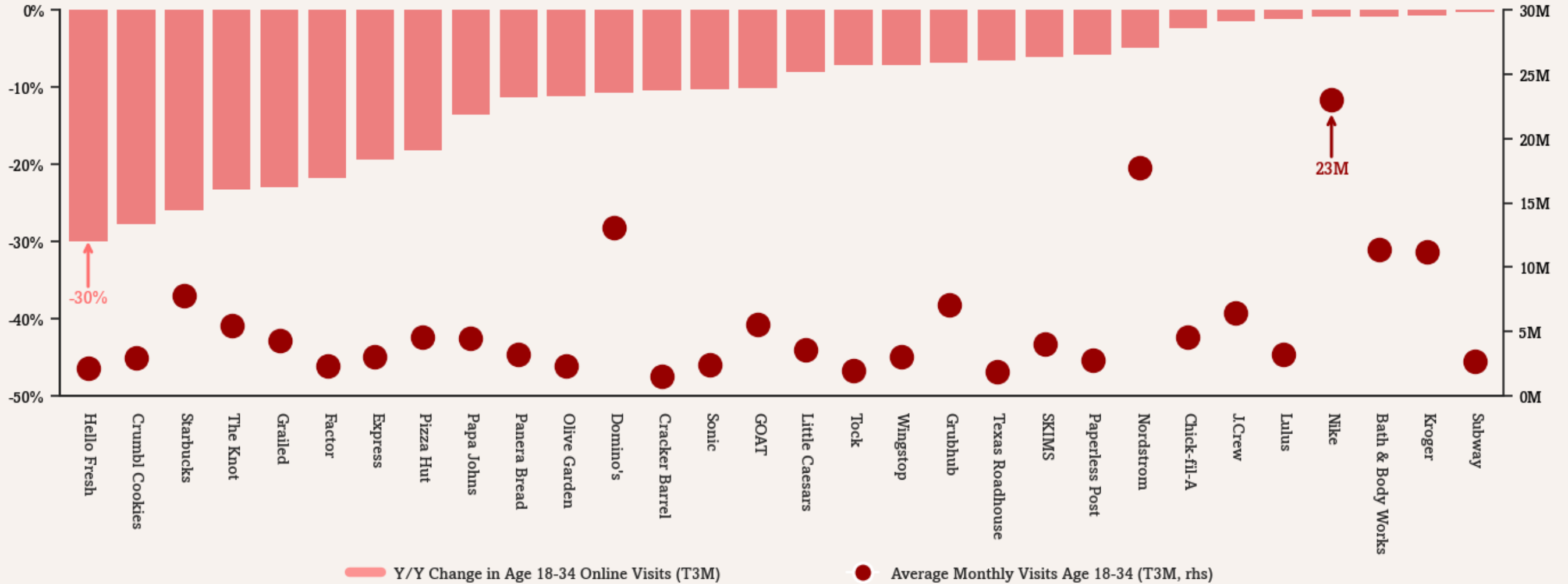
Mixed media sentiment has improved m/m for LULU & NKE while KMX & DECK are seeing m/m declines in both metrics.



We note digital breakouts for Comfirt, Quince, JD Sports, Trader Joe's, Boot Barn, Alo Yoga, & Hollister among age 18-34 consumers.



We note digital breakdowns for Hello Fresh, Crumbl Cookies, Starbucks, The Knot, Grailed, Factor, & Express among age 18-34 consumers.



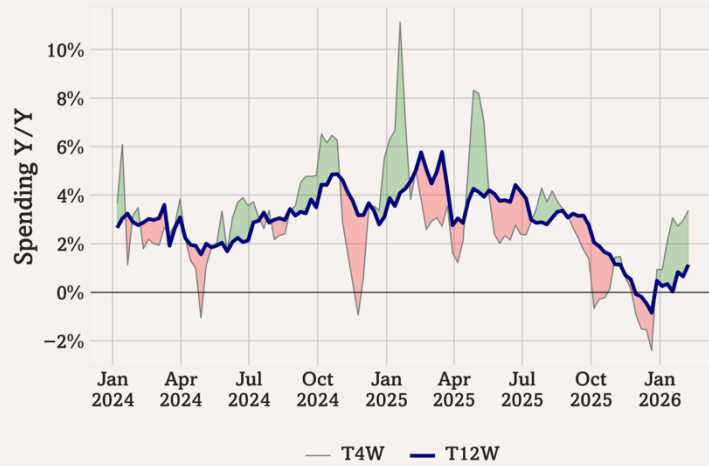
# Proprietary Subsector Spending Analysis

We build and track subsectors to unpack inflections in consumer spending across the economy.

Optimal Subsector	SALES			TRANSACTION COUNT		AVERAGE TICKET	
	T4W Y/Y	T12W Y/Y	Inflection	T4W Y/Y	T12W Y/Y	T4W Y/Y	T12W Y/Y
Broadline Retail	3.4%	1.1%	2.2%	0.0%	-0.9%	3.3%	2.0%
E-commerce	4.6%	5.7%	-1.1%	6.6%	7.4%	-1.9%	-1.6%
Consumer Fintech	1.1%	0.9%	0.1%	-0.1%	0.2%	1.2%	0.7%
Grocery	3.5%	0.8%	2.7%	0.2%	-0.6%	3.3%	1.4%
Home Improvement	2.8%	0.1%	2.7%	1.6%	-0.8%	1.1%	1.0%
Meal Delivery	5.8%	8.5%	-2.8%	1.8%	5.3%	3.9%	3.1%
Ride Share	4.9%	3.9%	1.0%	-4.2%	-4.0%	9.4%	8.2%
Gas Stations	-8.7%	-6.4%	-2.3%	-4.7%	-3.6%	-4.2%	-2.9%
Fast Food	-2.9%	0.8%	-3.8%	-5.2%	-1.9%	2.4%	2.8%
Discount Retail	5.1%	5.8%	-0.7%	-0.2%	2.5%	5.3%	3.3%
Pharmacy	-3.7%	-4.7%	1.0%	-5.1%	-4.0%	1.5%	-0.7%
Accommodations	1.0%	-2.7%	3.7%	1.8%	-1.0%	-0.8%	-1.7%
Cruises	1.6%	-2.1%	3.7%	2.1%	2.0%	-0.5%	-4.0%
Entertainment	8.4%	2.0%	6.4%	-2.1%	-2.7%	10.8%	4.8%
Auto Parts	3.8%	3.8%	0.0%	-1.3%	-0.5%	5.2%	4.3%
Airlines	0.8%	-3.2%	4.1%	-2.2%	-4.2%	3.1%	1.0%
Pet Specialty	4.3%	2.5%	1.8%	1.4%	0.4%	2.9%	2.1%
Beauty	-1.8%	-0.5%	-1.3%	-5.5%	-3.3%	3.9%	2.9%
Luxury	0.9%	4.3%	-3.4%	4.9%	5.3%	-3.9%	-0.9%
Sports Retail	-2.3%	1.2%	-3.5%	-7.0%	-3.6%	5.1%	4.9%
Apparel	-9.3%	-6.6%	-2.7%	-9.5%	-5.5%	0.2%	-1.2%
Home Furnishings	-0.6%	-0.2%	-0.3%	-5.9%	-2.1%	5.7%	1.9%
Fast Casual	-4.1%	-1.6%	-2.4%	-4.6%	-2.9%	0.6%	1.3%
Casual Dining	-3.2%	-1.9%	-1.3%	-10.1%	-7.8%	7.7%	6.4%
Coffee	1.3%	1.8%	-0.5%	-1.0%	0.3%	2.4%	1.6%
Department Stores	-9.1%	-3.8%	-5.3%	-9.7%	-5.1%	0.7%	1.4%
Golf	-7.8%	4.7%	-12.5%	-7.3%	9.2%	-0.5%	-4.2%
Outdoor Recreation	0.5%	-0.9%	1.4%	-0.1%	-4.5%	0.7%	3.8%
Pizza	-6.4%	-3.8%	-2.6%	-7.0%	-3.9%	0.6%	0.1%
Gambling	1.5%	2.8%	-1.3%	6.4%	9.4%	-4.6%	-6.0%
Events	9.7%	-9.6%	19.4%	-0.1%	-7.2%	9.8%	-2.6%
Consumer Electronics	-5.9%	-8.8%	2.9%	-8.8%	-9.5%	3.1%	0.8%

Broadline retail (including WMT & TGT) spending inflecting positively and running up y/y on a T12W average after briefly turning down y/y to end 2025. E-Commerce (including AMZN, EBAY, & Shein) spending growth remains positive despite decel in ticket growth.

**Broadline Retail Spending**



**Broadline Retail Transactions**



**Broadline Retail Ticket**



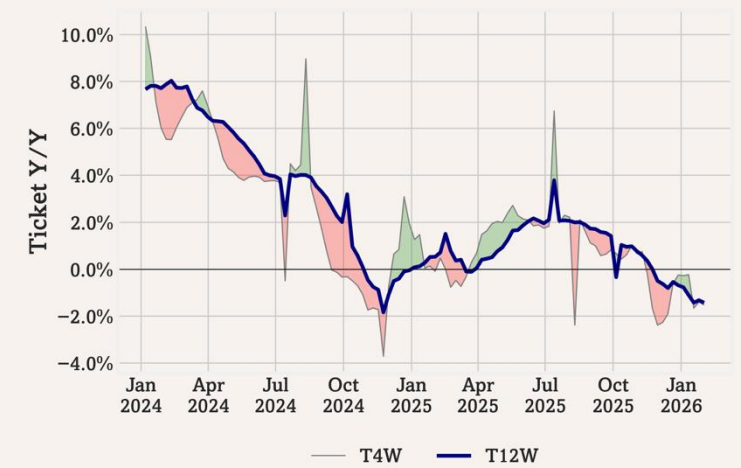
**E-Commerce Spending**



**E-Commerce Transactions**



**E-Commerce Ticket**



Grocery spending growth higher y/y with positive inflection in both transactions and ticket growth. Trends in spending and transaction count growth for casual dining (including Applebee's, CRBL, & CAKE) have halted their deceleration.

Grocery Spending



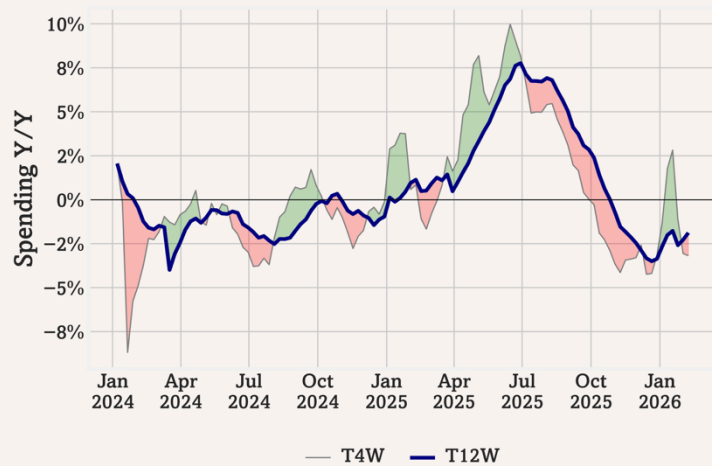
Grocery Transactions



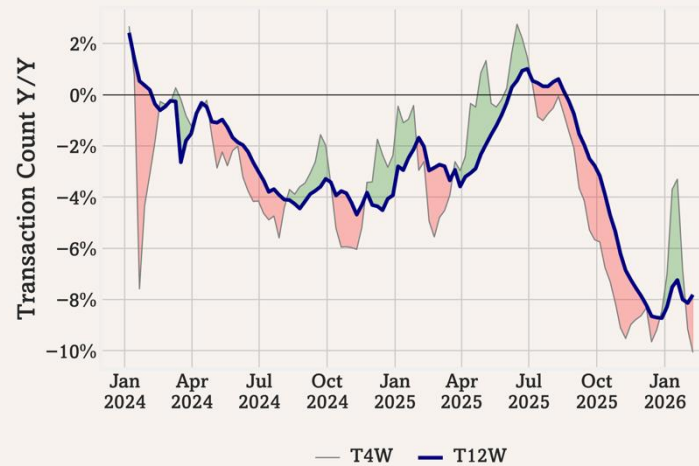
Grocery Ticket



Casual Dining Spending



Casual Dining Transactions

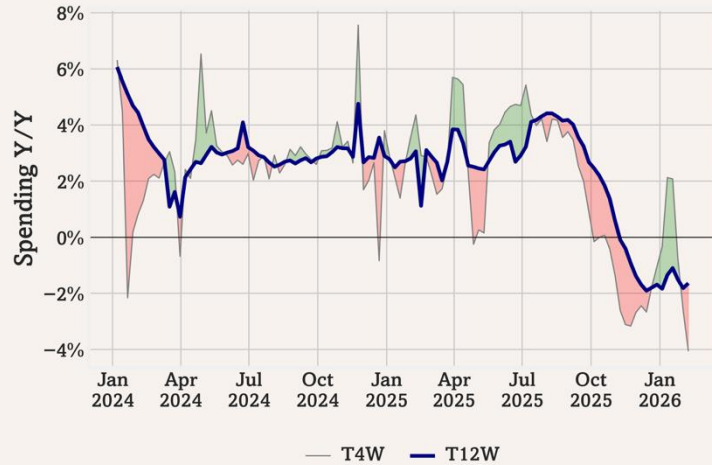


Casual Dining Ticket



Fast casual (including CMG & PNRA) spending inflecting back negative following brief positive inflections in recent weeks. Fast food (including MCD, Taco Bell, & Chick-fil-A) spending growth continues to run up but decelerating despite stable growing ticket since early-2025.

Fast Casual Spending



Fast Casual Transactions



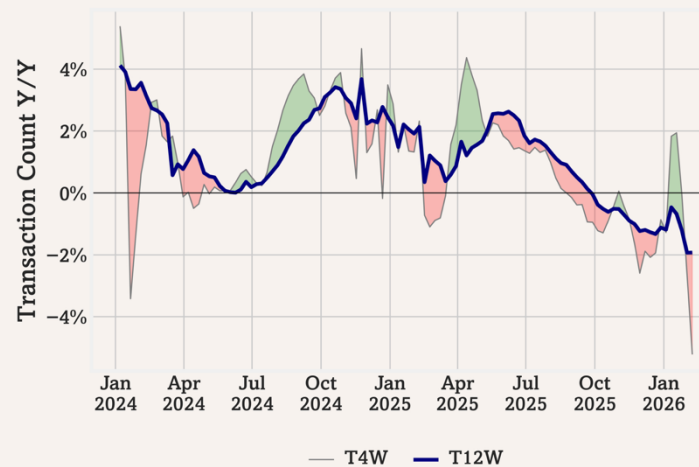
Fast Casual Ticket



Fast Food Spending



Fast Food Transactions



Fast Food Ticket

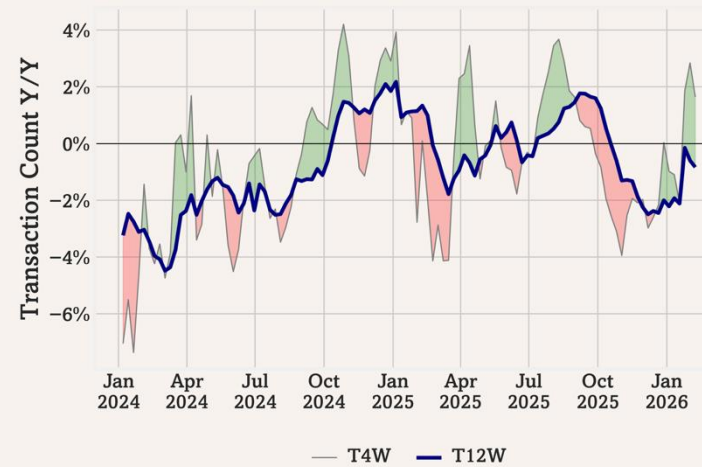


Home improvement (including HD & LOW) spending & transactions inflecting positive in recent weeks. Very similar trends in home furnishing (including HomeGoods & Ikea) as spending growth is now flat y/y driven by growing ticket and negative transaction growth.

Home Improvement Spending



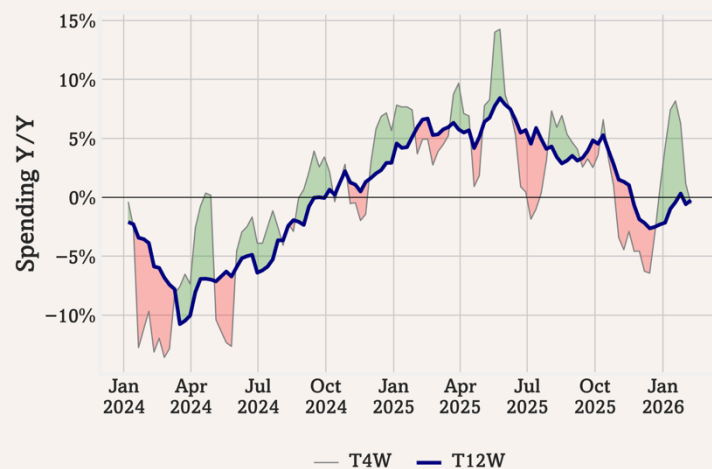
Home Improvement Transactions



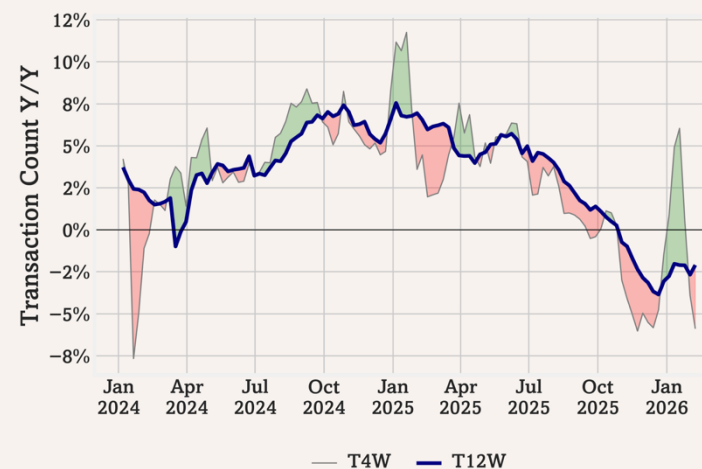
Home Improvement Ticket



Home Furnishing Spending



Home Furnishings Transactions

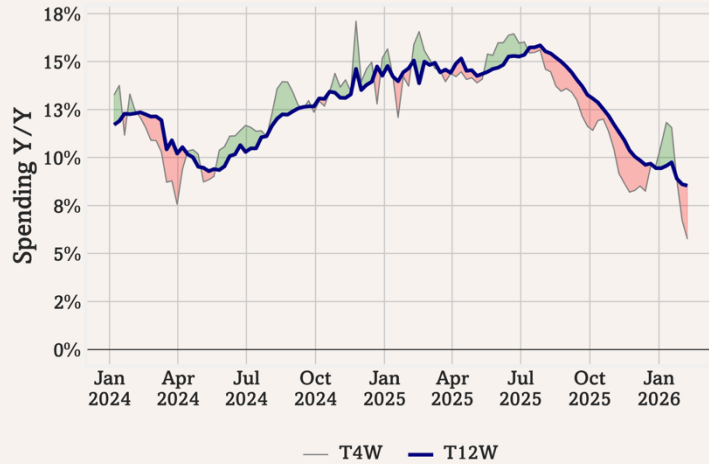


Home Furnishings Ticket



Meal delivery (DASH, GrubHub, Uber Eats) spending and transactions inflecting negatively in recent weeks while ticket continues to accelerate. Ride share (UBER & LYFT) spending growth inflecting positively despite negative transaction growth with ticket growth inflecting more positive.

Meal Delivery Spending



Meal Delivery Transactions



Meal Delivery Ticket



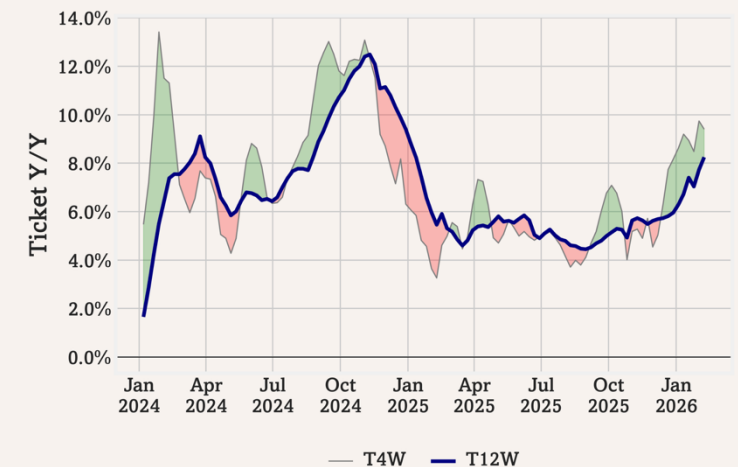
Ride Share Spending



Ride Share Transactions



Ride Share Ticket



Airlines (AAL, DAL, LUV, etc.) spending and transactions continue to run down y/y but are inflecting positively. Accommodations (ABNB, HLT, EXPE) spending & transactions inflecting positively while spending trends are primarily driven by trends in ticket (currently running down y/y).

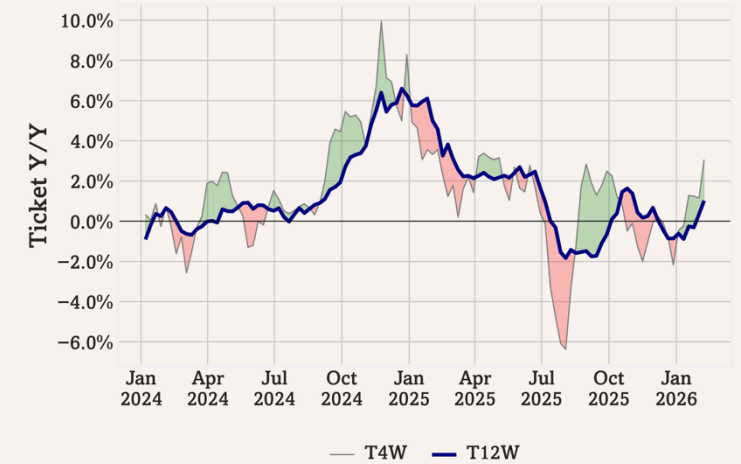
**Airlines Spending**



**Airlines Transactions**



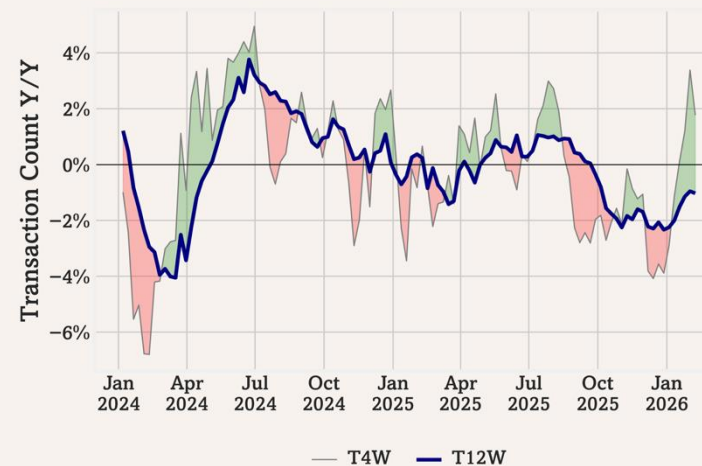
**Airlines Ticket**



**Accommodations Spending**



**Accommodations Transactions**

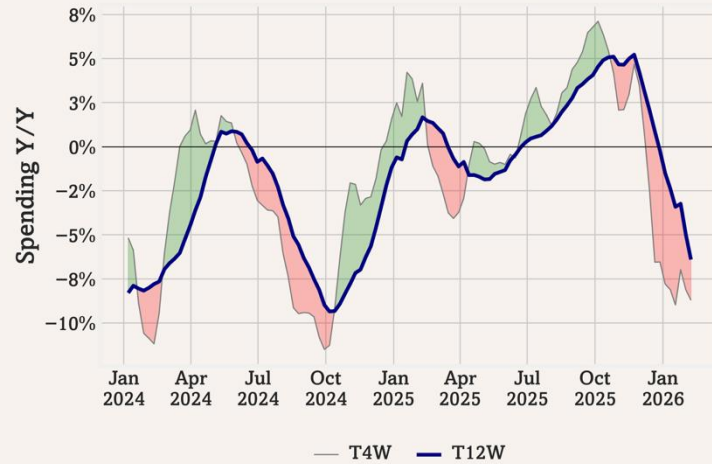


**Accommodations Ticket**



Gas station spending turning down sharply as ticket and transaction both inflecting negatively. Gasoline prices continue sharper declines in recent weeks – we are having more conversations about energy costs impacting the consumer / economy.

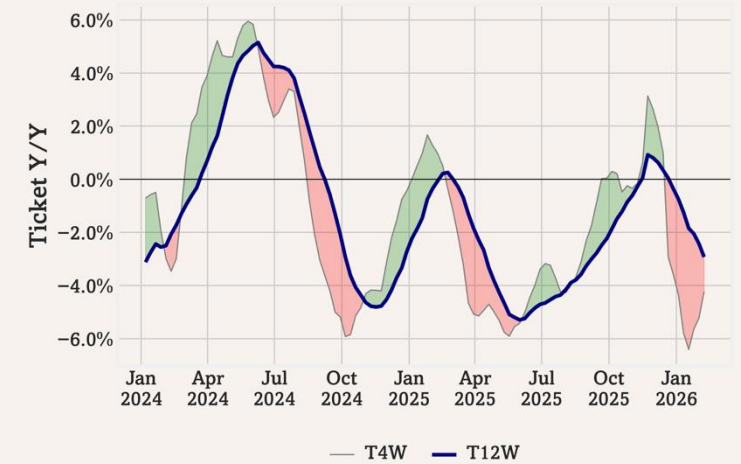
Gas Stations Spending



Gas Stations Transactions



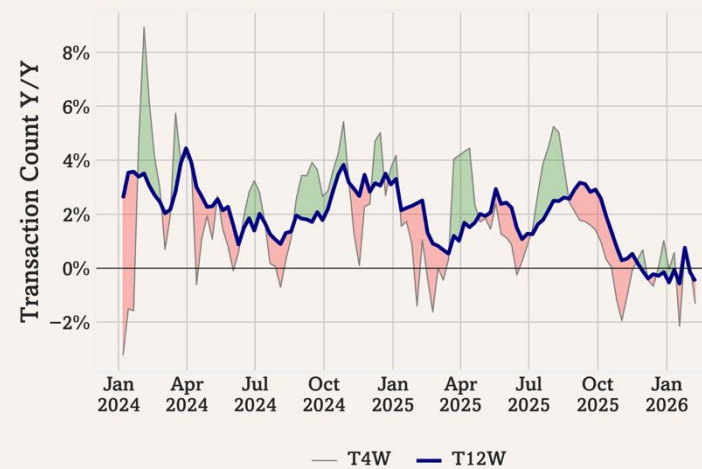
Gas Stations Ticket



Auto Parts Spending



Auto Parts Transactions



Auto Parts Ticket



Gambling (including DKNG, PENN, CZR) spending continues to run up y/y following a high transaction growth period in early 2024. Entertainment (including NFLX, Hulu, LYV) transactions y/y now running down on longer-term basis; positive ticket inflection growth driving spending positive spend y/y.

Gambling Spending



Gambling Transactions



Gambling Ticket



Entertainment Spending



Entertainment Transactions



Entertainment Ticket



Coffee (SBUX, DNKN, BROS) spending and transaction counts inflecting negatively while ticket growth continues running positive y/y. Pizza (including DPZ, Pizza Hut, & PZZA) spending declines driven by transaction declines with ticket growth inflecting positive y/y in recent weeks.

Coffee Spending



Coffee Transactions



Coffee Ticket



Pizza Spending



Pizza Transactions



Pizza Ticket



Luxury (including Tiffany, Louis Vuitton, & Coach) spending and transaction inflection normalizing after holiday spending. Beauty (including ULTA & Sephora) is inflecting positively in ticket with longer-term spending and transactions currently running down y/y.

Beauty Spending



Beauty Transactions



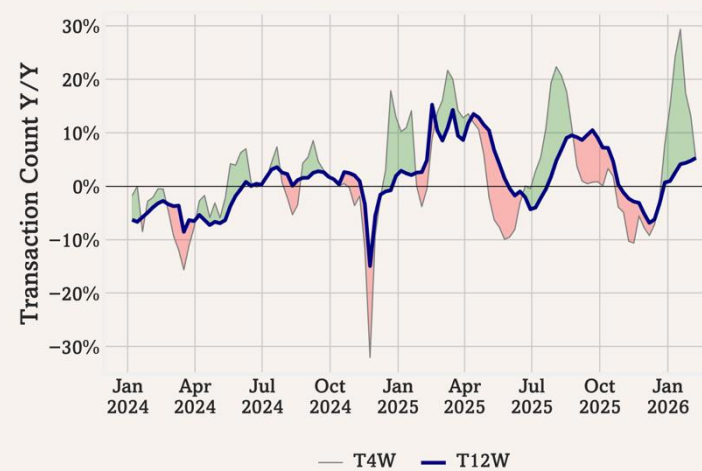
Beauty Ticket



Luxury Spending



Luxury Transactions



Luxury Ticket



Golf spending down sharply primarily as transactions down at Topgolf due to winter weather. Sports retailers (including ASO & DKS) ticket continues to run up y/y and inflect positively.

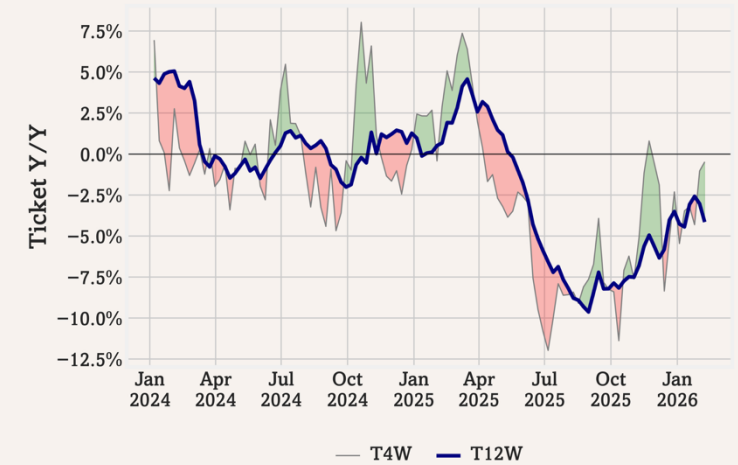
Golf Spending



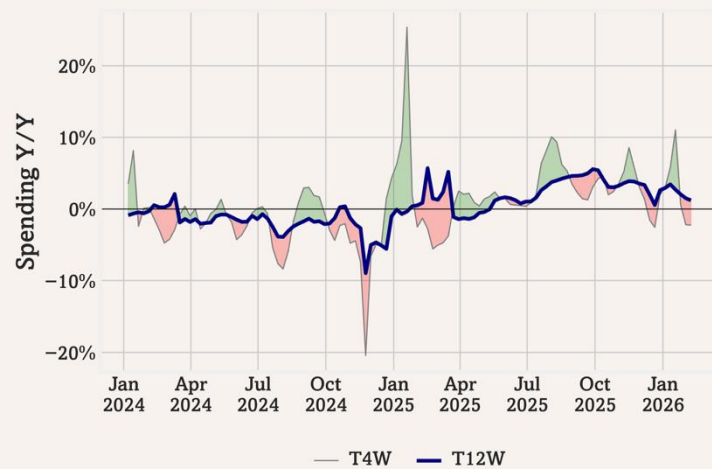
Golf Transactions



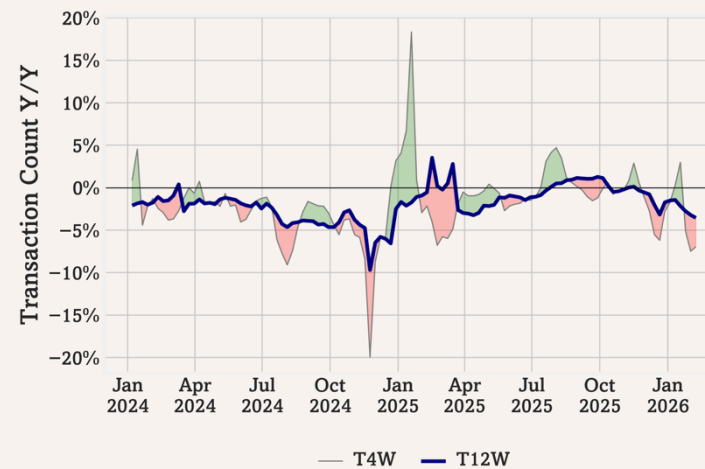
Golf Ticket



Sports Retail Spending



Sports Retail Transactions



Sports Retail Ticket



# Valuation Snapshot

## Retail Comps

Ticker	Name	3 Yr Stock Price Performance	Stock Price	Market Cap (\$B)	EV / EBITDA CY	EV / EBITDA FY1	EV / EBITDA FY2	P/S	P / S FY1	P / S FY2
AMZN	Amazon		\$204.79	\$2,195.45	14.6	10.8	8.8	3.1	2.7	2.4
WMT	Walmart Inc		\$126.62	\$1,021.93	24.0	22.1	20.3	1.4	1.4	1.3
COST	Costco Wholesale Corp		\$996.08	\$442.42	33.8	30.7	27.9	1.6	1.5	1.4
HD	Home Depot Inc		\$383.52	\$377.55	18.0	17.9	17.2	2.4	2.3	2.2
TJX	TJX Cos Inc		\$157.23	\$173.36	24.6	22.4	20.5	3.1	2.9	2.7
LOW	Lowe's Cos Inc		\$282.13	\$156.05	16.6	16.2	15.1	1.9	1.8	1.7
ROST	Ross Stores Inc		\$200.38	\$64.42	21.6	20.7	19.1	3.0	2.9	2.7
TGT	Target Corp		\$115.66	\$52.42	8.0	8.8	8.7	0.5	0.5	0.5
TSCO	Tractor Supply Co		\$52.54	\$27.73	17.1	16.2	15.0	1.8	1.7	1.6
WSM	Williams-Sonoma Inc		\$213.96	\$24.79	15.8	15.4	15.0	3.2	3.2	3.0
DG	Dollar General Corp		\$152.02	\$33.46	18.1	15.4	14.5	0.8	0.8	0.8
DKS	Dick's Sporting Goods Inc		\$202.81	\$18.14	13.2	13.4	11.1	1.3	1.1	0.8
DLTR	Dollar Tree Inc		\$132.54	\$26.30	16.0	14.3	13.1	1.5	1.4	1.3
BURL	Burlington Stores Inc		\$311.13	\$19.59	22.8	19.8	17.5	1.8	1.7	1.6
BBY	Best Buy Co Inc		\$66.91	\$13.84	6.5	6.5	6.4	0.3	0.3	0.3
DECK	Deckers Outdoor Corp		\$118.89	\$16.65	11.9	11.4	11.1	3.3	3.1	2.9
BJ	BJ's Wholesale Club		\$98.97	\$13.13	14.5	13.7	12.7	0.6	0.6	0.6
URBN	Urban Outfitters Inc		\$70.13	\$6.23	9.6	8.9	8.1	1.1	1.0	0.9
BBWI	Bath & Body Works Inc		\$23.91	\$4.92	6.2	7.3	8.1	0.7	0.7	0.7
M	Macy's Inc		\$22.77	\$5.89	5.4	6.0	5.9	0.3	0.3	0.3
ASO	Academy Sports & Outdoors		\$59.04	\$3.91	7.6	8.1	7.7	0.7	0.6	0.6
KSS	Kohl's Corp		\$19.32	\$2.15	7.5	7.3	7.6	0.1	0.1	0.1

## Autos Comps – Brands, Repairs, Dealers

Ticker	Name	3 Yr Stock Price Performance	Stock Price	Market Cap (\$B)	EV / EBITDA CY	EV / EBITDA FY1	EV / EBITDA FY2	P/S	P / S FY1	P / S FY2
TSLA	Tesla Inc		\$411.32	\$1,545.44	103.9	102.7	79.9	16.3	15.0	12.8
ORLY	O'Reilly Automotive Inc		\$92.75	\$78.00	21.7	20.3	19.1	4.4	4.1	3.9
CVNA	Carvana Co		\$361.53	\$70.00	33.1	25.1	19.6	3.4	2.7	2.2
AZO	AutoZone Inc		\$3,744.64	\$61.28	17.2	16.8	15.0	3.2	3.0	2.8
GM	General Motors Co		\$83.67	\$74.18	2.9	3.3	3.1	0.4	0.4	0.4
F	Ford Motor Co		\$13.85	\$55.29	3.8	3.8	3.5	0.3	0.3	0.3
GPC	Genuine Parts Co		\$120.91	\$16.55	11.3	10.5	9.8	0.7	0.7	0.6
RIVN	Rivian Automotive Inc		\$16.15	\$19.25	N.A.	N.A.	N.A.	3.6	2.7	1.6
PAG	Penske Automotive Group Inc		\$168.18	\$10.96	13.4	13.3	12.4	0.3	0.3	0.3
AN	AutoNation Inc		\$205.04	\$6.98	10.5	9.8	9.4	0.3	0.2	0.2
LAD	Lithia Motors Inc		\$305.14	\$7.26	13.0	12.2	11.4	0.2	0.2	0.2
LCID	Lucid Group Inc		\$9.80	\$3.16	N.A.	N.A.	N.A.	3.9	2.5	1.3
KMX	CarMax Inc		\$45.65	\$6.36	7.9	8.8	9.7	0.2	0.2	0.2
GPI	Group 1 Automotive Inc		\$335.84	\$3.98	9.1	9.1	8.5	0.2	0.2	0.2
ABG	Asbury Automotive Group Inc		\$229.78	\$4.36	9.9	9.8	9.1	0.2	0.2	0.2
VVV	Valvoline Inc		\$38.88	\$4.84	14.6	12.5	11.1	2.8	2.4	2.1
AAP	Advance Auto Parts Inc		\$55.93	\$3.32	12.0	9.6	8.1	0.4	0.4	0.4
HOG	Harley-Davidson Inc		\$20.58	\$2.40	N.A.	8.4	5.8	0.5	0.6	0.6

## Apparel &amp; Golf Brand Comps

Ticker	Name	3 Yr Stock Price Performance	Stock Price	Market Cap (\$B)	EV / EBITDA CY	EV / EBITDA FY1	EV / EBITDA FY2	P/S	P / S FY1	P / S FY2
NKE	NIKE Inc		\$65.55	\$95.47	22.0	27.2	20.8	2.1	2.0	2.0
TPR	Tapestry Inc		\$155.00	\$30.87	21.6	17.9	16.5	4.4	4.0	3.8
LULU	Lululemon Athletica Inc		\$182.13	\$21.35	7.5	8.2	8.5	2.0	1.9	1.8
RL	Ralph Lauren Corp		\$378.08	\$22.49	19.1	15.4	14.1	3.2	2.8	2.7
AS	Amer Sports Inc		\$41.31	\$22.75	30.1	21.4	17.7	4.4	3.5	3.0
ONON	On Holding AG		\$47.33	\$15.75	35.4	21.9	17.6	6.0	4.1	3.3
BIRK	Birkenstock Holding Plc		\$41.79	\$7.57	12.0	10.5	9.1	3.3	2.7	2.4
GAP	Gap Inc		\$28.02	\$10.41	8.3	8.3	7.8	0.7	0.7	0.7
VFC	VF Corp		\$20.68	\$7.95	14.5	13.3	12.6	0.8	0.9	0.8
BOOT	Boot Barn Holdings Inc		\$196.74	\$5.95	21.4	16.9	14.7	3.1	2.6	2.3
KTB	Kontoor Brands Inc		\$67.85	\$3.75	12.5	10.7	9.8	1.4	1.2	1.1
CROX	Crocs Inc		\$98.19	\$4.83	6.4	6.5	6.4	1.2	1.2	1.2
PVH	PVH Corp		\$69.34	\$3.16	6.3	7.0	6.9	0.4	0.4	0.3
BKE	Buckle Inc		\$53.26	\$2.71	10.4	9.7	9.1	2.2	2.1	2.0
COLM	Columbia Sportswear Co		\$64.28	\$3.34	10.3	8.9	8.4	1.0	1.0	0.9
AEO	American Eagle Outfitters Inc		\$25.07	\$4.19	9.2	11.4	9.8	0.8	0.8	0.7
SHOO	Steven Madden Ltd		\$39.16	\$2.81	12.0	16.2	13.2	1.2	1.1	1.0
VSCO	Victoria's Secret & Co		\$62.33	\$4.89	12.5	12.3	12.1	0.8	0.8	0.7
UA	Under Armour Inc		\$7.63	\$3.23	13.3	19.6	15.5	0.6	0.7	0.6
WWW	Wolverine World Wide Inc		\$18.51	\$1.48	13.9	11.3	11.5	0.8	0.8	0.8
CRI	Carter's Inc		\$41.03	\$1.53	7.4	10.6	10.5	0.5	0.5	0.5
GOLF	Acushnet Holdings Corp		\$100.13	\$5.81	16.4	16.2	15.9	2.4	2.3	2.2

## Restaurant Comps

Ticker	Name	3 Yr Stock Price Performance	Stock Price	Market Cap (\$B)	EV / EBITDA CY	EV / EBITDA FY1	EV / EBITDA FY2	P/S	P / S FY1	P / S FY2
MCD	McDonald's Corp		\$327.89	\$235.50	22.1	18.2	17.1	8.8	8.2	7.8
DASH	DoorDash Inc		\$173.38	\$80.06	27.7	21.4	16.2	5.8	4.5	3.8
SBUX	Starbucks Corp		\$95.76	\$108.21	24.2	23.2	19.5	2.9	2.8	2.7
CMG	Chipotle Mexican Grill Inc		\$38.72	\$49.32	22.9	23.0	19.9	4.1	3.8	3.4
YUM	Yum! Brands Inc		\$162.91	\$45.26	19.5	18.1	16.7	5.5	5.0	4.7
QSR	Restaurant Brands		\$68.86	\$31.35	15.4	14.4	13.7	3.3	3.2	3.1
DRI	Darden Restaurants Inc		\$216.41	\$24.47	16.5	15.1	14.3	2.0	1.9	1.8
DPZ	Domino's Pizza Inc		\$382.99	\$13.19	18.7	17.5	16.2	2.8	2.7	2.5
TXRH	Texas Roadhouse Inc		\$186.87	\$12.15	18.7	18.5	17.4	2.3	2.1	1.9
BROS	Dutch Bros Inc		\$53.42	\$8.46	31.4	26.1	20.6	5.2	4.1	3.4
CAVA	Cava Group Inc		\$67.73	\$7.80	62.3	52.0	43.4	8.1	6.7	5.5
WING	Wingstop Inc		\$279.08	\$7.35	34.5	30.0	25.5	10.6	9.1	7.8
EAT	Brinker International Inc		\$158.31	\$6.77	11.2	10.0	9.2	1.3	1.2	1.1
SHAK	Shake Shack Inc		\$94.18	\$3.98	25.8	21.6	18.9	3.2	2.8	2.4
CAKE	Cheesecake Factory Inc		\$64.07	\$3.16	12.1	10.4	9.6	0.8	0.8	0.8
WEN	Wendy's Co		\$8.18	\$1.51	10.3	11.3	10.9	0.7	0.7	0.7
PZZA	Papa John's		\$32.83	\$1.07	9.2	10.3	9.4	0.5	0.5	0.5
CBRL	Cracker Barrel		\$32.95	\$0.72	8.7	20.4	12.1	0.2	0.2	0.2
BJRI	BJ's Restaurants Inc		\$42.71	\$0.88	11.6	10.1	9.5	0.6	0.6	0.6
BLMN	Bloomin' Brands Inc		\$6.83	\$0.57	7.1	9.1	9.7	0.1	0.1	0.1
JACK	Jack in the Box Inc		\$22.01	\$0.36	10.8	12.6	12.3	0.2	0.3	0.3

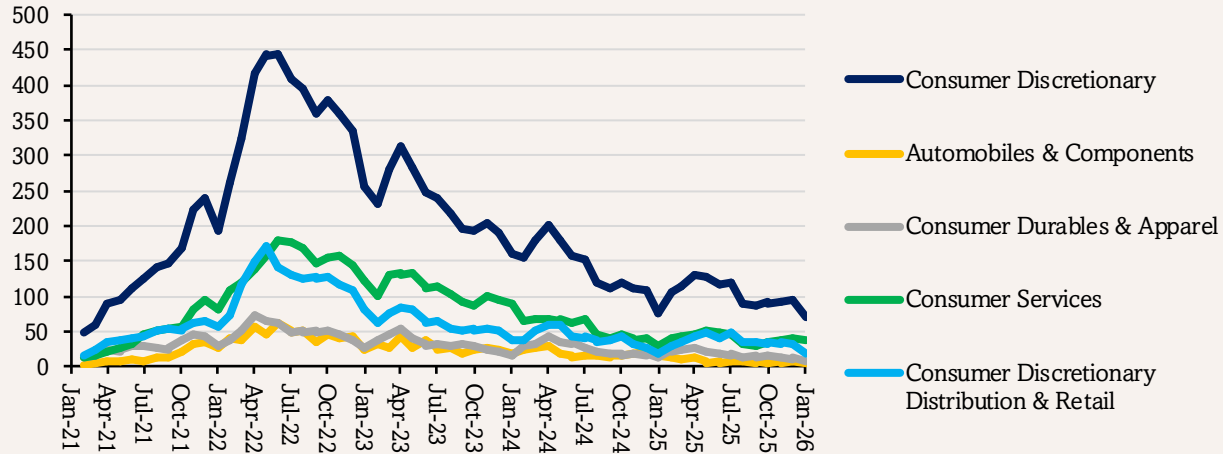
## Leisure, Accommodations &amp; Travel Comps

Ticker	Name	3 Yr Stock Price Performance	Stock Price	Market Cap (\$B)	EV / EBITDA CY	EV / EBITDA FY1	EV / EBITDA FY2	P/S	P / S FY1	P / S FY2
BKNG	Booking Holdings Inc		\$4,269.99	\$125.36	12.8	11.4	10.2	4.7	4.2	3.9
RCL	Royal Caribbean Cruises		\$318.82	\$85.13	15.2	13.5	12.3	4.7	4.3	4.0
ABNB	Airbnb Inc		\$124.27	\$75.41	15.5	13.9	12.3	6.2	5.5	5.0
MAR	Marriott International Inc		\$356.00	\$93.15	20.4	18.8	17.6	3.6	3.3	3.2
HLT	Hilton Worldwide Holdings Inc		\$315.88	\$71.53	22.5	20.9	19.2	5.9	5.5	5.1
CCL	Carnival Corp		\$32.54	\$44.60	9.8	9.2	8.7	1.7	1.6	1.6
EXPE	Expedia Group Inc		\$203.79	\$24.45	7.6	6.8	6.2	1.7	1.5	1.4
VIK	Viking Holdings Ltd		\$79.45	\$34.71	27.7	20.7	17.6	6.5	5.4	4.7
H	Hyatt Hotels Corp		\$167.94	\$15.86	17.2	16.5	15.1	2.2	2.2	2.1
WYNN	Wynn Resorts Ltd		\$116.31	\$11.90	10.8	10.3	9.7	1.7	1.6	1.5
NCLH	Norwegian Cruise Line		\$24.35	\$11.04	10.7	9.6	8.6	1.2	1.1	1.0
MGM	MGM Resorts International		\$37.19	\$9.20	8.4	8.3	7.9	0.5	0.5	0.5
BYD	Boyd Gaming Corp		\$84.75	\$6.59	6.5	6.9	6.7	1.6	1.6	1.6
WH	Wyndham Hotels & Resorts		\$80.24	\$6.52	12.6	11.9	11.1	4.6	4.3	4.1
MTN	Vail Resorts Inc		\$141.99	\$5.07	9.5	9.6	9.0	1.7	1.7	1.6
CHH	Choice Hotels		\$109.40	\$5.25	11.5	11.4	11.1	3.3	3.2	3.1
TNL	Travel + Leisure Co		\$75.39	\$4.69	8.0	7.6	7.2	1.2	1.1	1.1
DAL	Delta Air Lines Inc		\$71.11	\$44.40	7.3	6.4	5.8	0.7	0.7	0.7
UAL	United Airlines Holdings Inc		\$116.93	\$36.72	6.9	6.0	5.5	0.6	0.6	0.5
LUV	Southwest Airlines Co		\$54.80	\$26.14	13.8	6.6	5.8	0.9	0.8	0.8
AAL	American Airlines Group Inc		\$14.10	\$8.79	11.1	7.5	6.8	0.2	0.1	0.1
ALK	Alaska Air Group Inc		\$55.84	\$6.01	6.7	5.5	4.5	0.4	0.4	0.4

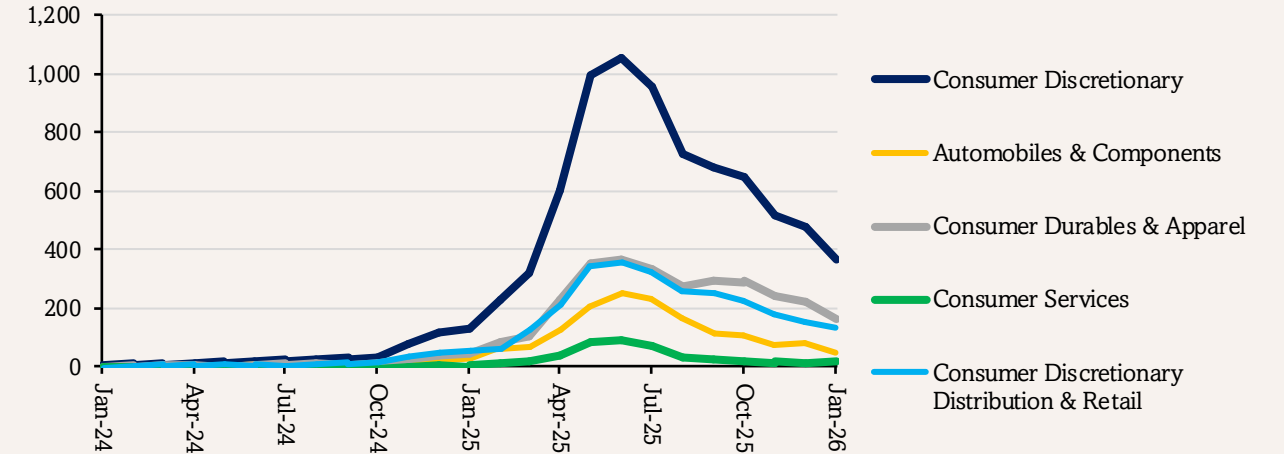
# Thematic Analysis

Across constituents of the Russell 3000, Optimal tracks key themes in EPS transcripts; AI mentions have turned down sharply among CD names (+38% y/y on a T3M basis vs +140% y/y in January). Consumer durables & apparel the only subsector with increasing mentions.

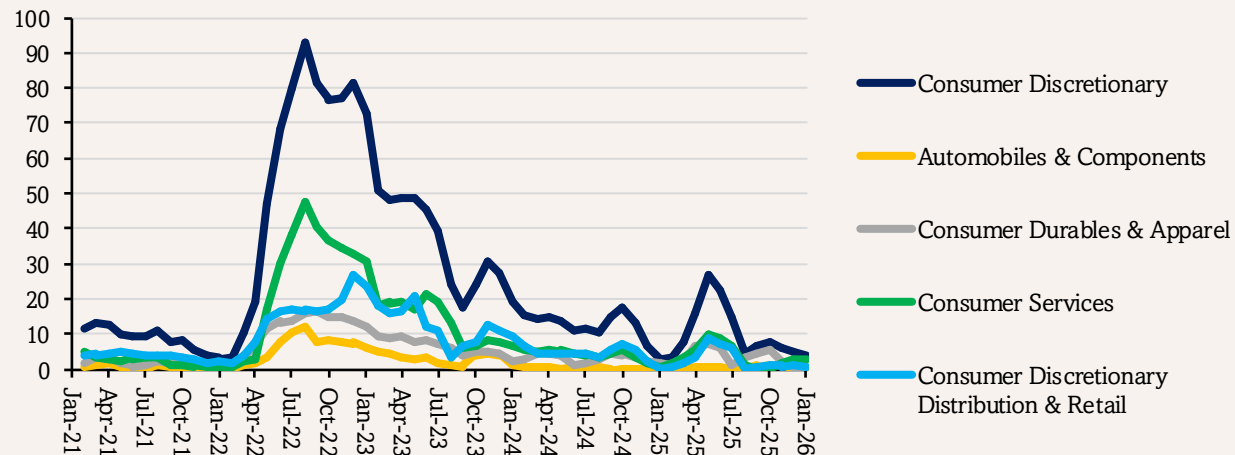
**Inflation Mentions**



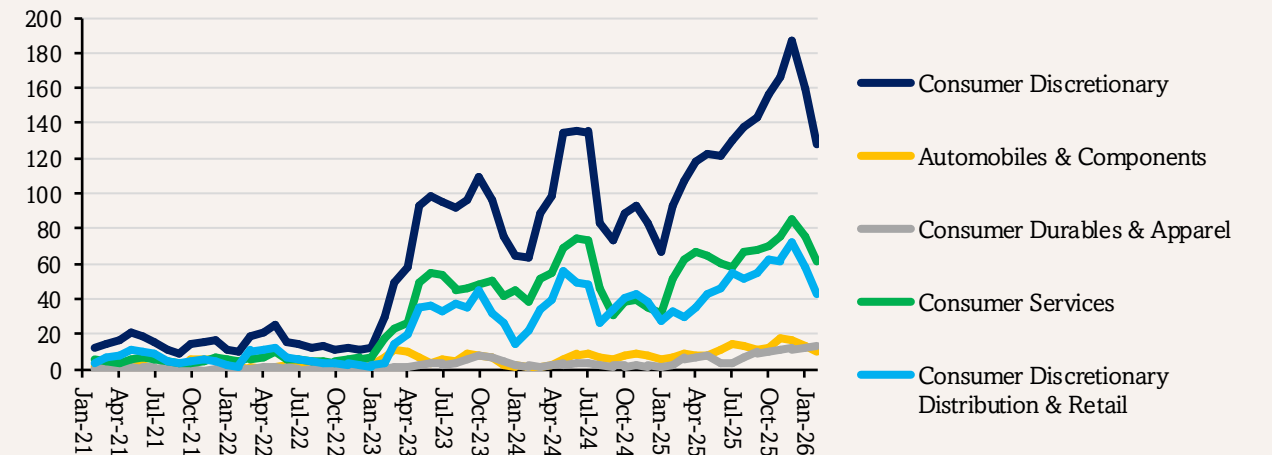
**Tariffs Mentions**



**Economic Slowdown Mentions**

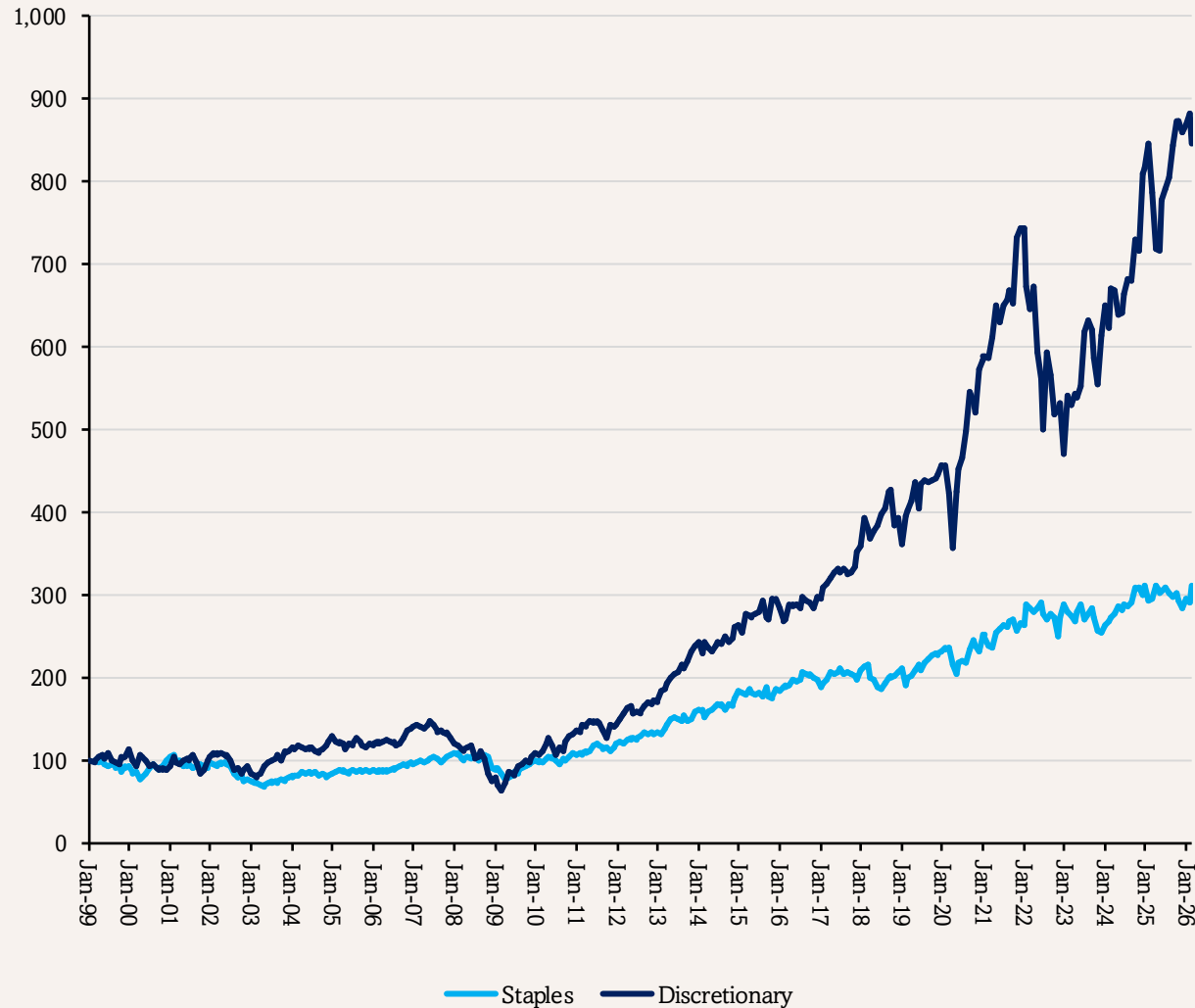


**AI Mentions**

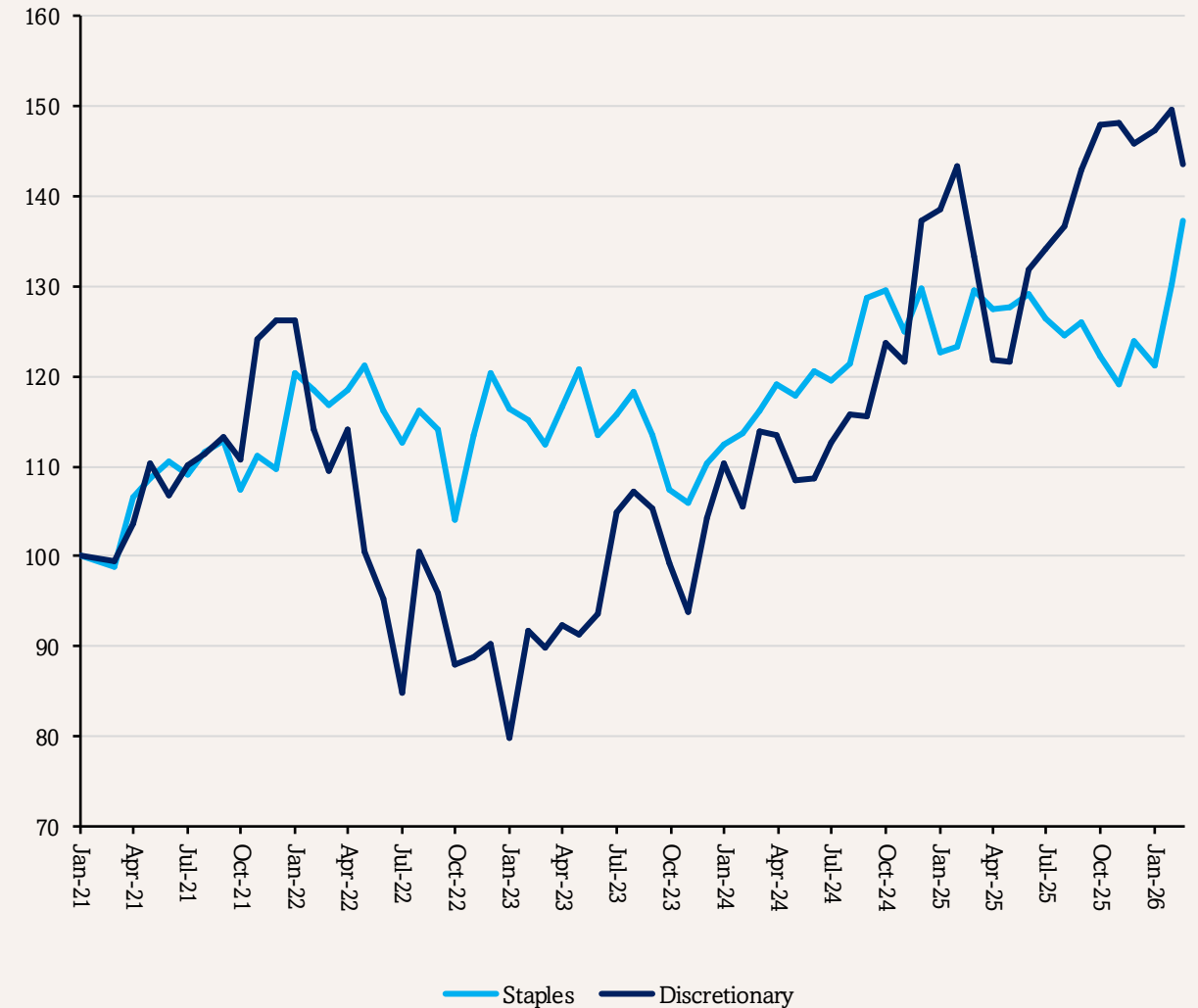


Discretionary outperformed staples from 2010-2020. Discretionary is significantly lagging staples performance to start 2026 YTD.

Sector Equity Returns (Jan 1999 = 100)

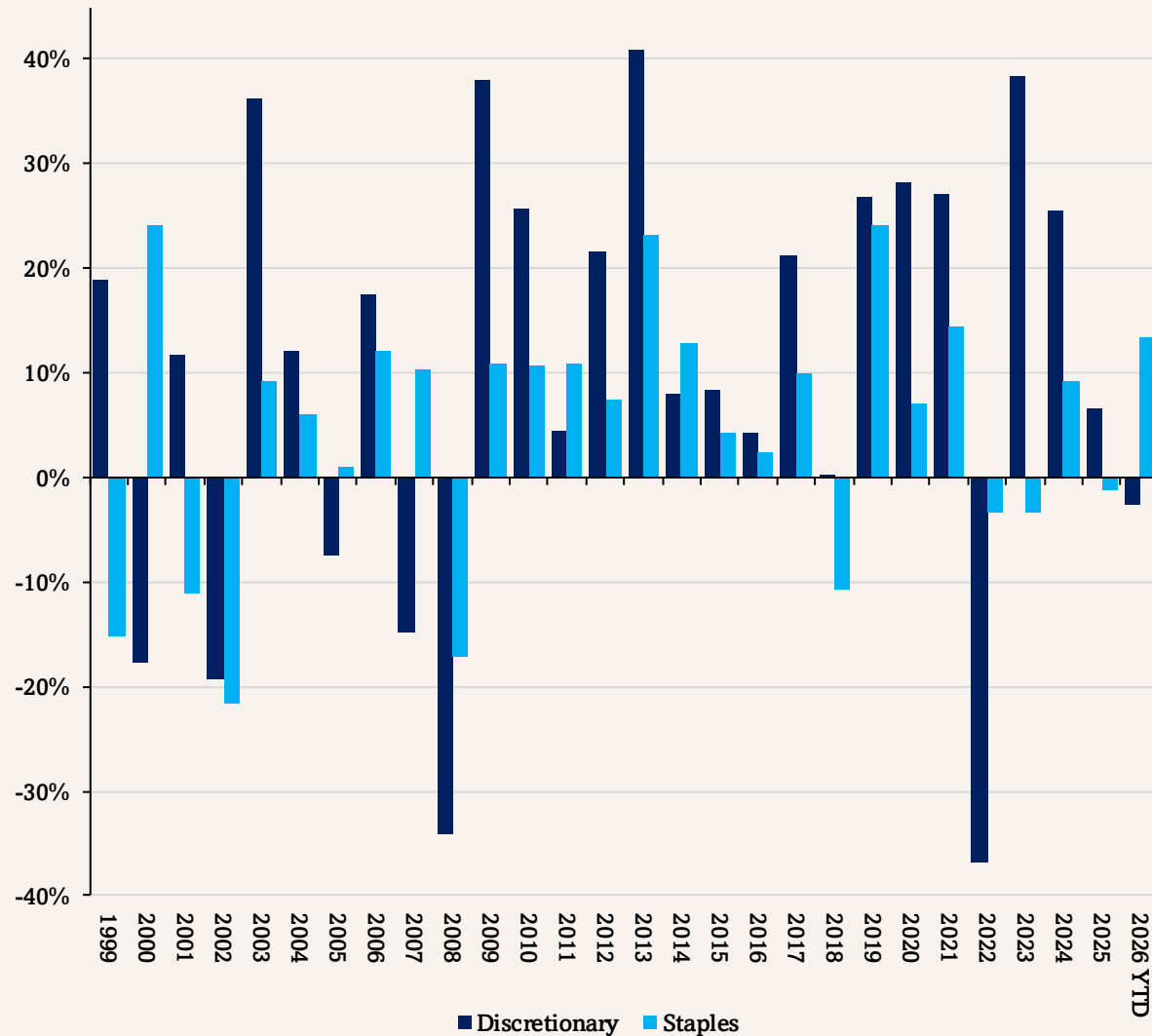


Sector Equity Returns (Jan 2021 = 100)

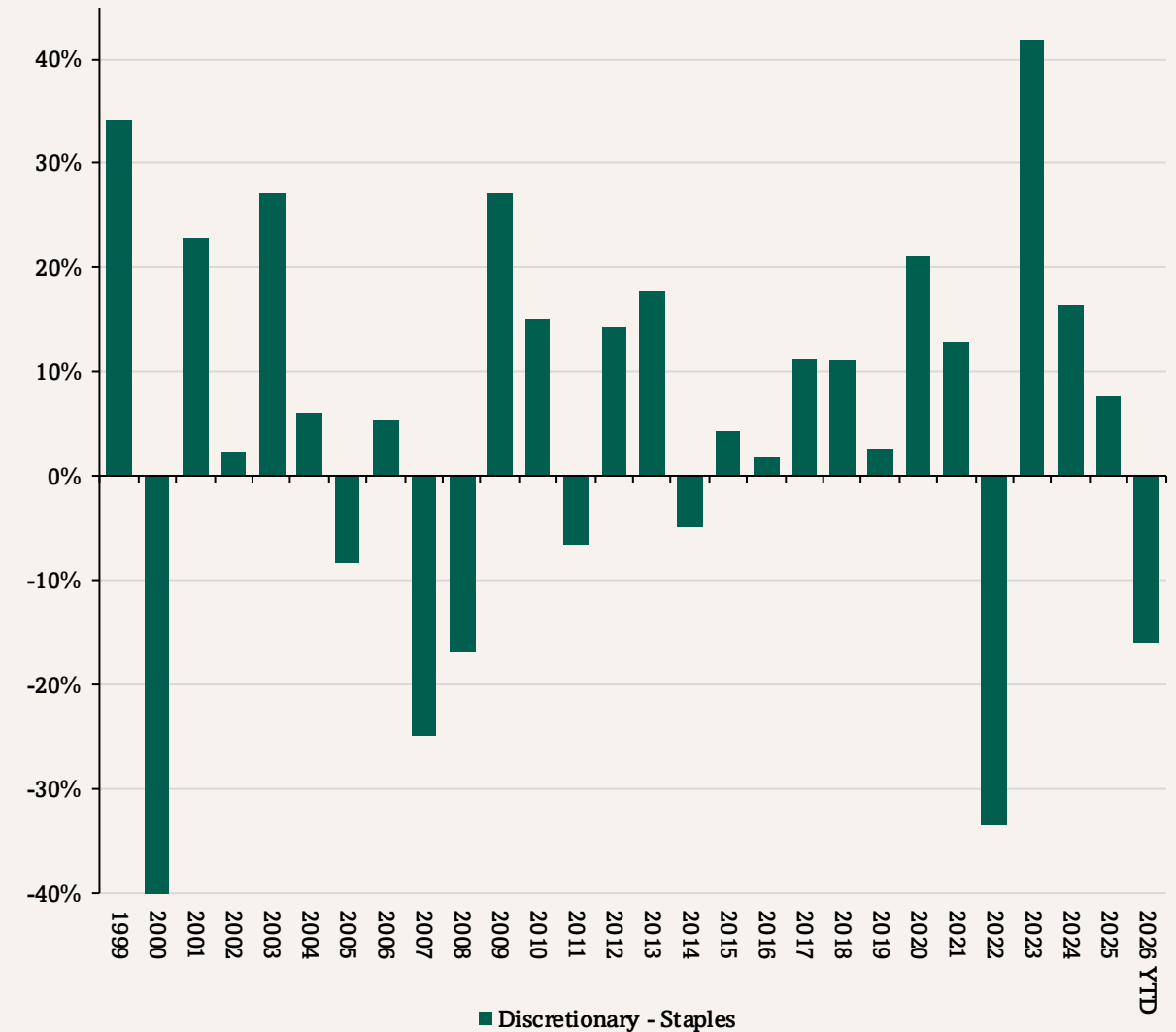


Year to date, the SPDR Staples ETF (XLP) has outperformed (+13.4%); Consumer Discretionary ETF (XLY) has returned -2.7%.

Annual Returns of XLP (Staples) and XLY (Cons. Disc.)

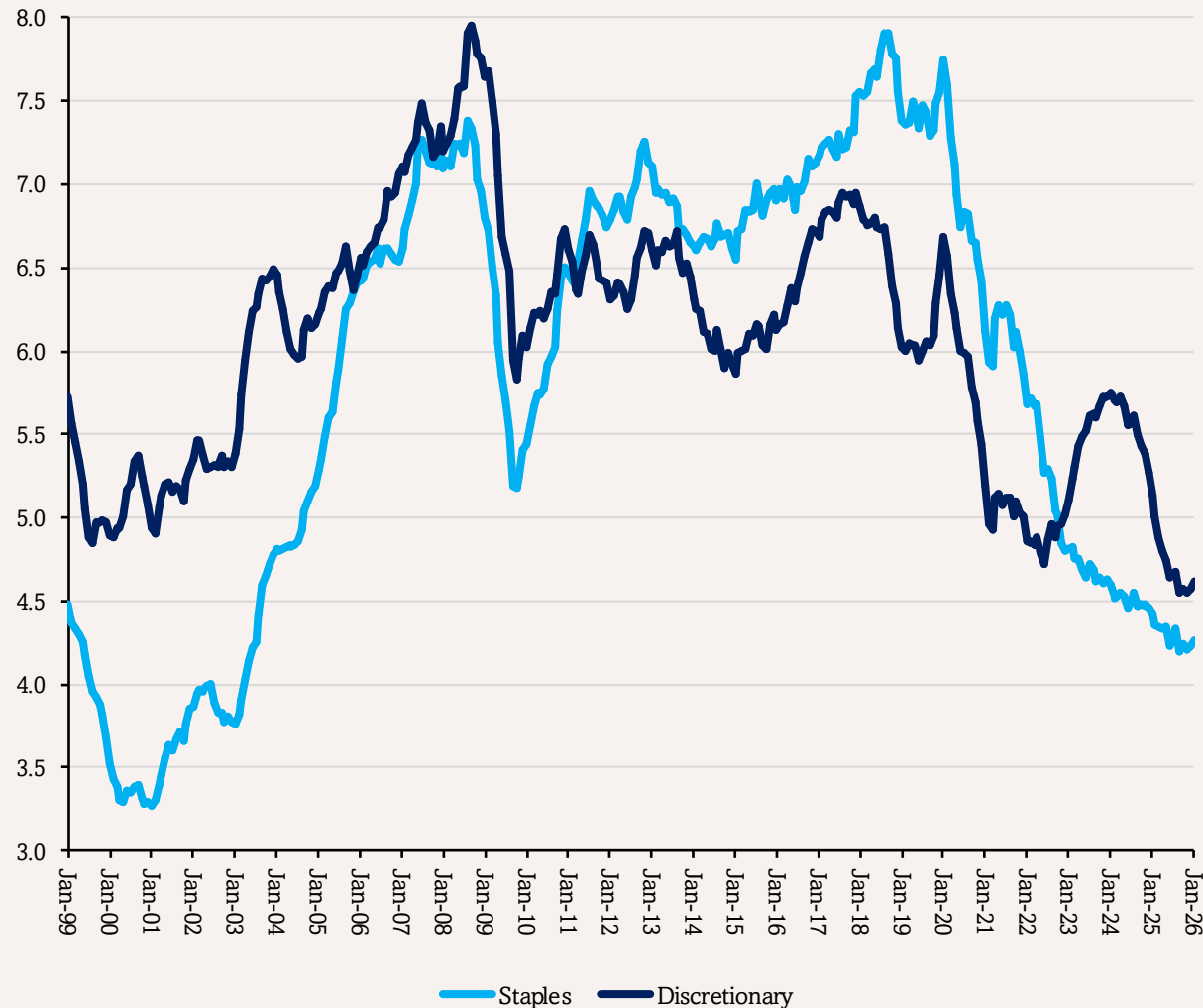


Annual Discretionary Performance Relative to Staples



The average short ratio for the more than 250 consumer staples and discretionary names in the S&P 1500 has trended downward since the GFC. The right chart unpacks the largest movers (by average daily traded volume) in short interest for consumer names in the last month.

Average Short Interest Ratio of Consumer Names (TTM Avg)



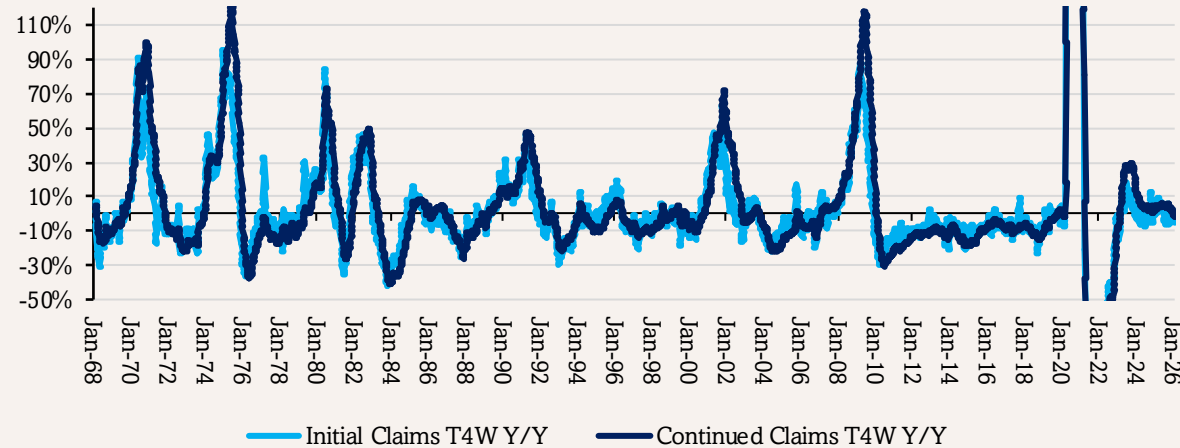
Consumer Short Ratio ▲

Ticker	Company	M/ T3M	T3M vs Prior Year T3M	T6M vs Prior Year T6M
GME	GameStop Corp	-57.5%	176.9%	133.7%
MDLZ	Mondelez International Inc	-19.7%	92.1%	63.0%
F	Ford Motor Co	-7.7%	102.4%	62.2%
SBUX	Starbucks Corp	-42.4%	45.2%	58.2%
UAA	Under Armour Inc	-20.0%	41.6%	56.4%
NKE	NIKE Inc	21.9%	16.1%	33.9%
MO	Altria Group Inc	-22.0%	27.6%	33.5%
KO	Coca-Cola Co	-23.5%	29.2%	8.7%
TSLA	Tesla Inc	13.5%	14.1%	2.2%
WMT	Walmart Inc	-41.3%	4.8%	-4.1%
KHC	Kraft Heinz Co	1.5%	11.6%	-5.9%
TSCO	Tractor Supply Co	-40.0%	-12.2%	-7.1%
NCLH	Norwegian Cruise Line	-31.8%	-13.3%	-7.8%
KDP	Keurig Dr Pepper Inc	29.1%	35.1%	-12.1%
GM	General Motors Co	-3.7%	-7.4%	-13.2%
CAG	Conagra Brands Inc	-15.0%	9.1%	-17.8%
PG	Procter & Gamble Co	-14.4%	-16.6%	-21.2%
CCL	Carnival Corp	-6.7%	-31.4%	-24.2%
VFC	VF Corp	-34.3%	-27.2%	-27.9%
KVUE	Kenvue Inc	-45.1%	-37.6%	-41.0%
CMG	Chipotle Mexican Grill Inc	29.0%	-40.7%	-44.6%

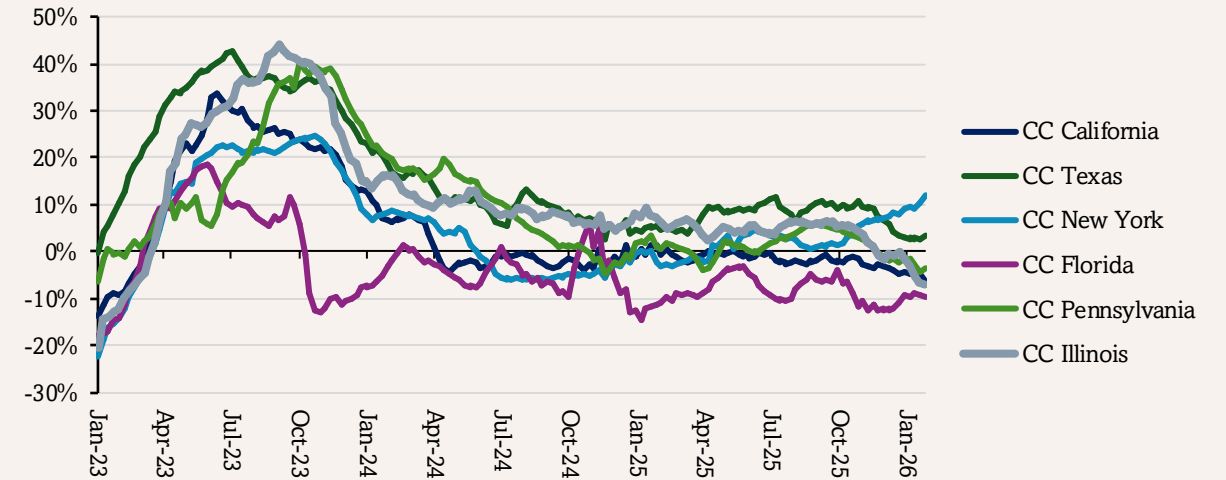
# Consumer Macro

National continued and initial claims moving lower in recent weeks. Continued claims running down -0.7% y/y over T4W while initial claims running up +1.9% y/y over the same time frame. We note a significant uptick in claims in New York (the 2<sup>nd</sup> largest state by claims). Initial claims running up +28% y/y while continued claims up +12% y/y over T4W.

### Unemployment Claims T4W Y/Y



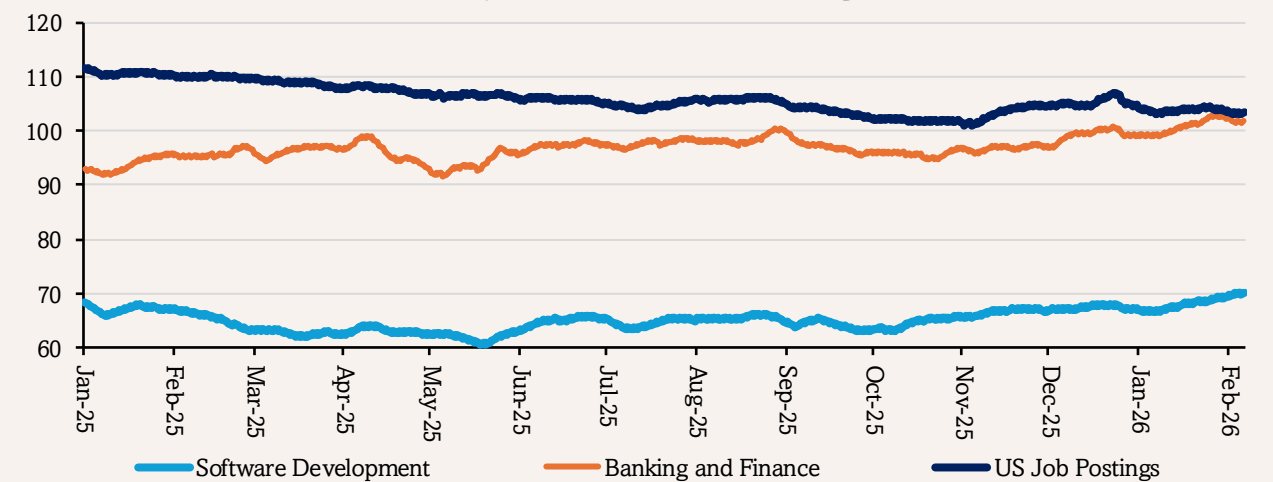
### State Continued Claims T4W Y/Y



### Industry Indeed Job Postings Leaders & Laggards

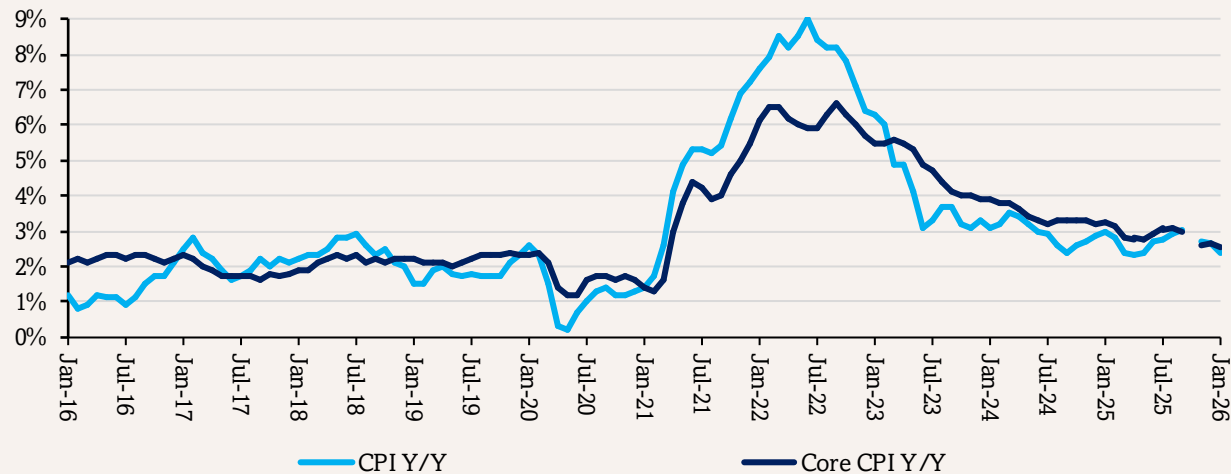
Industry	Posting Level Relative, Pre-Pandemic = 100	Y/Y Job Postings
Driving	107.31	-23.6%
Logistic Support	114.58	-15.3%
Scientific Research and Development	72.21	-15.1%
Childcare	99.28	-13.6%
Retail	85.9	-13.2%
<b>US Job Postings</b>	<b>103.45</b>	<b>-6.1%</b>
Production and Manufacturing	115.09	4.7%
Software Development	70.17	5.2%
Banking and Finance	101.7	6.4%

### Daily Indeed Job Postings

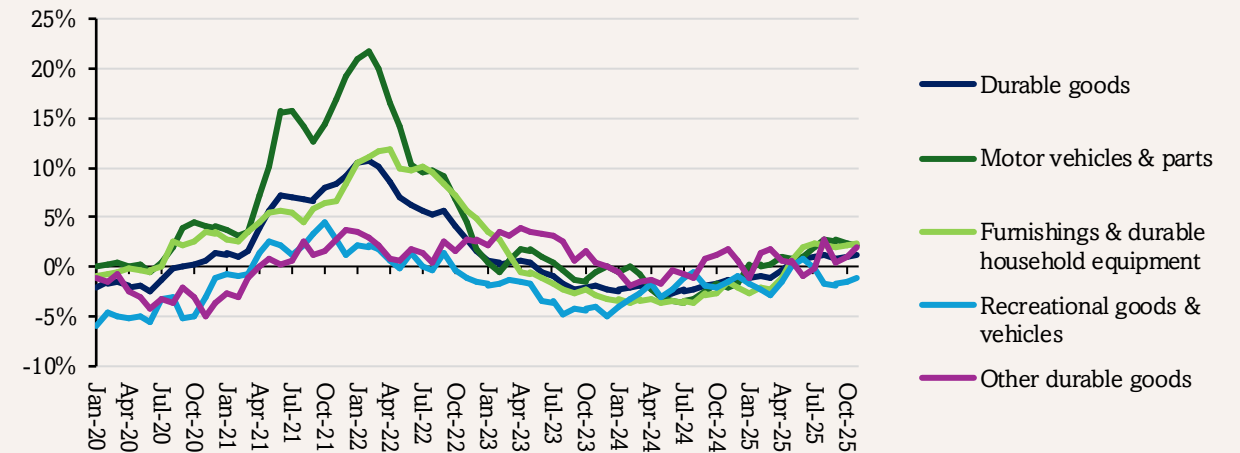


Despite missed data for October 2025, CPI y/y has moved lower at both the headline and core level. Headline CPI running up +2.4% as of January (lowest y/y level since Feb 2021). Core CPI also at its lowest y/y level since early 2021, running up +2.5% y/y.

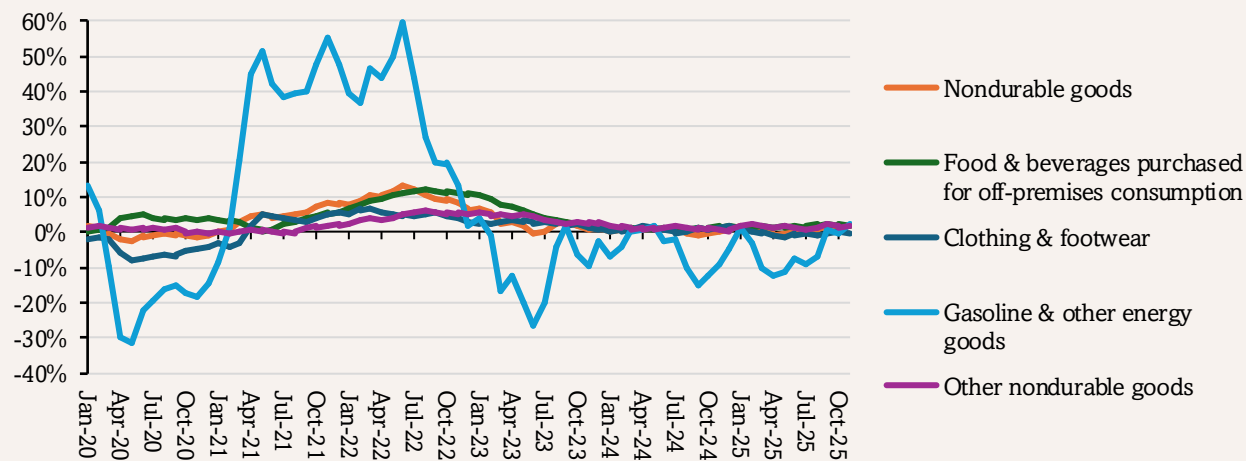
Consumer Price Index



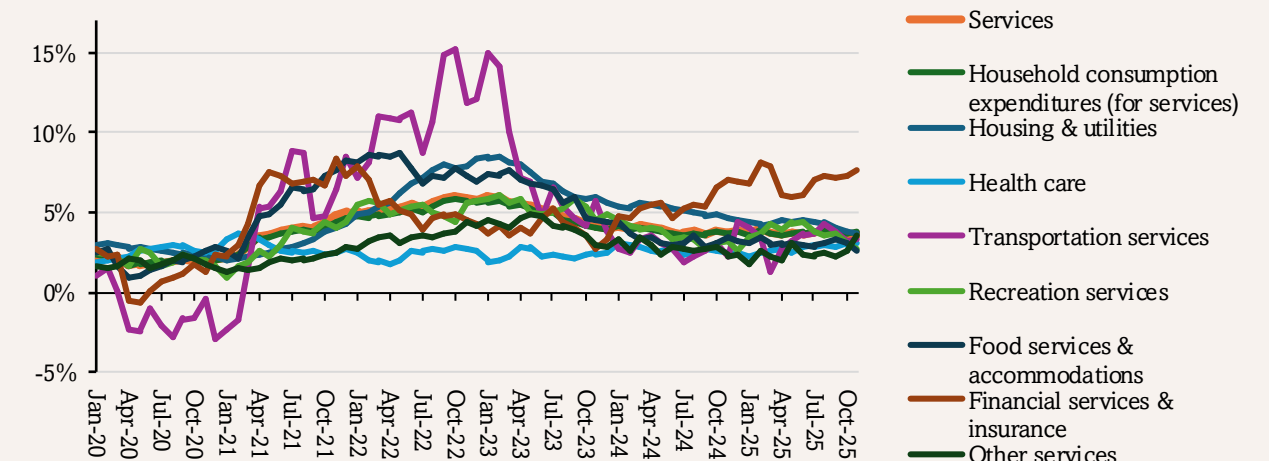
PCE Price Index: Durables



PCE Price Index: Nondurables

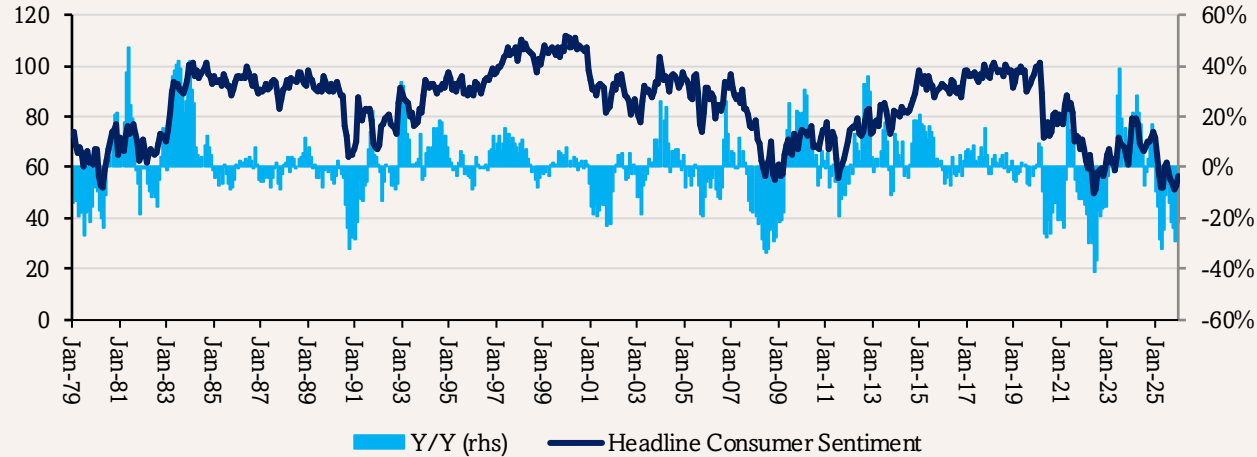


PCE Price Index: Services

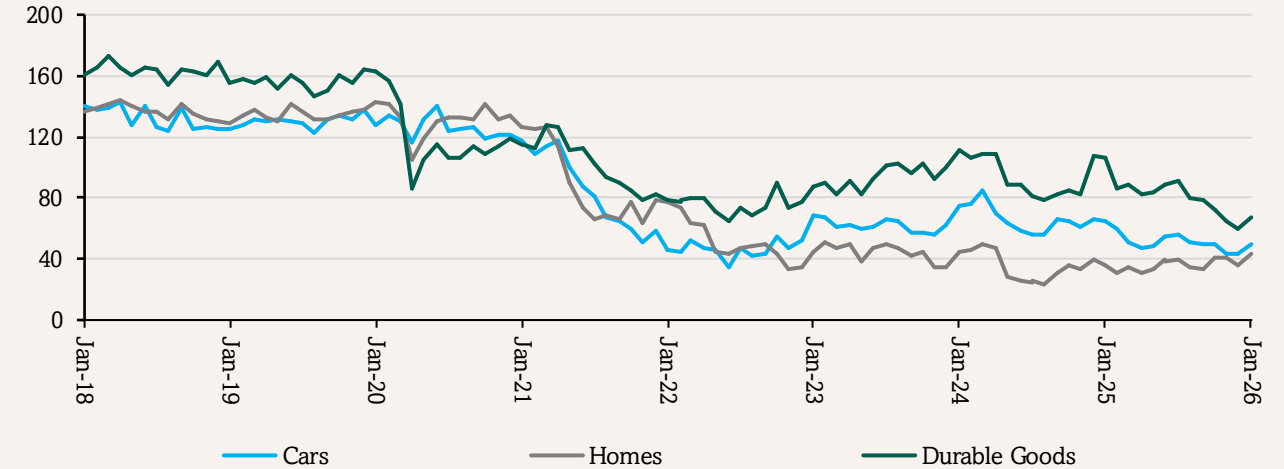


Headline Sentiment for January has continues to run down, but less negative than the last 4 months. Sentiment is now running -21.3% y/y. Declines are particularly strong among age 35-54 (-34.9% y/y) and higher-income (-23.5% y/y) respondents.

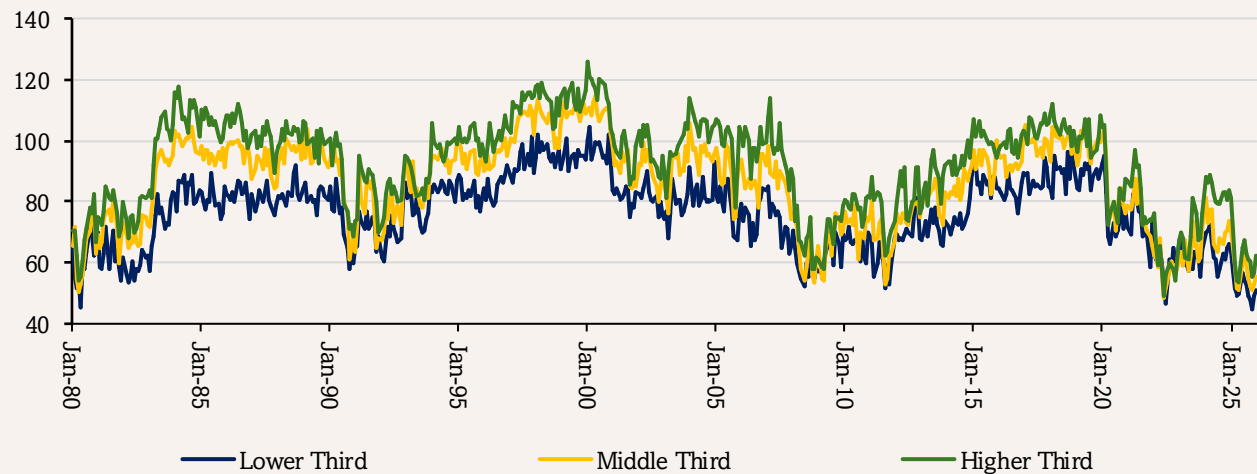
Headline Consumer Sentiment



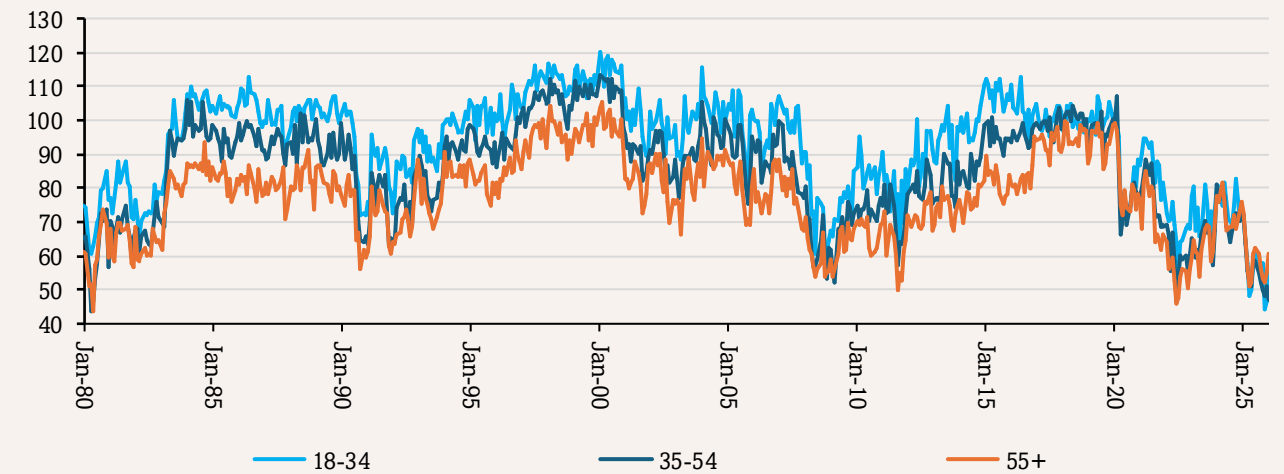
Purchasing Conditions



Consumer Sentiment by Income Terciles

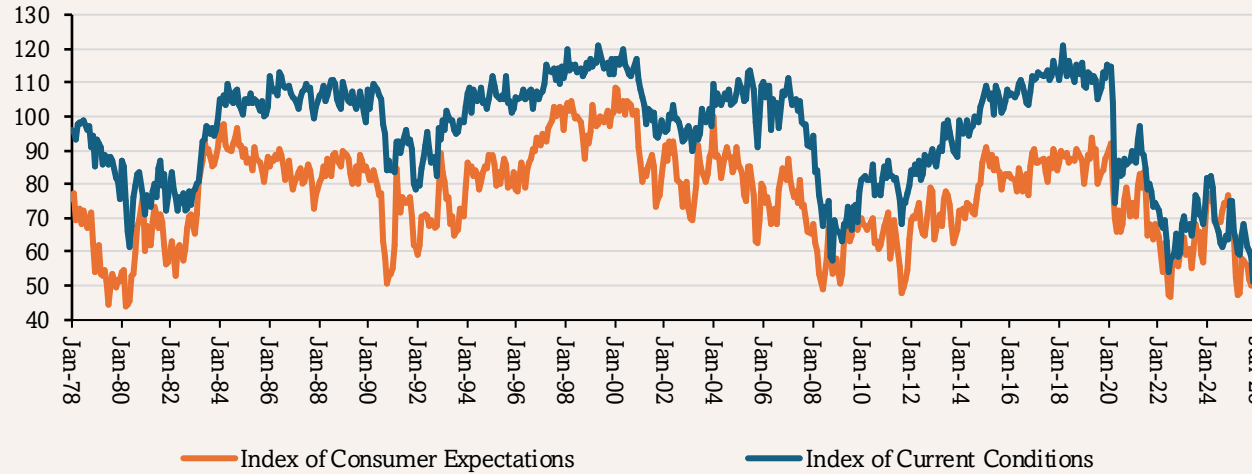


Consumer Sentiment by Age

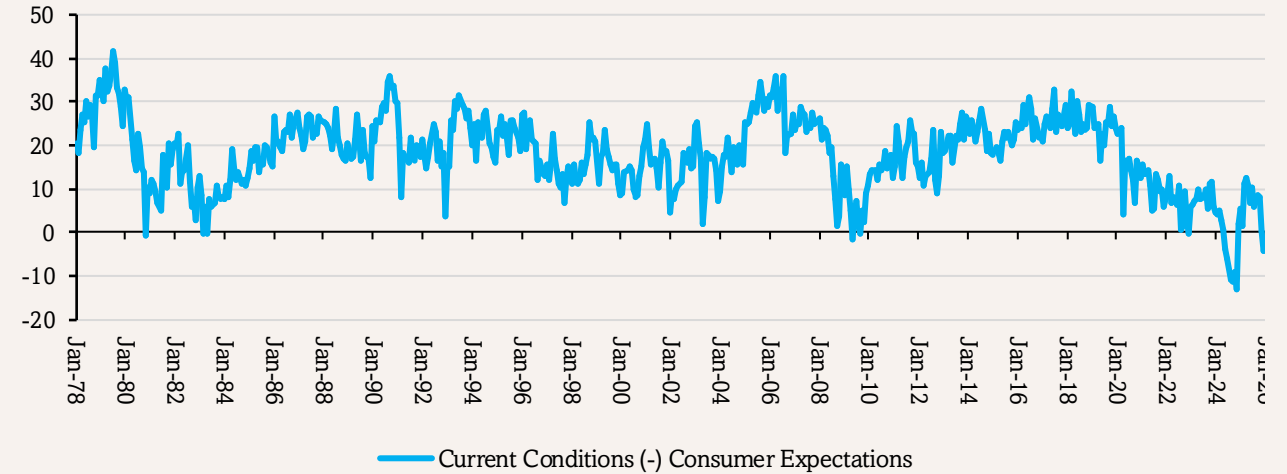


Survey respondents are pessimistic about current conditions. The index of current conditions is running below the index of expectations for only the 4<sup>th</sup> time since the '80s. Durable goods buying conditions are running down -37% y/y, and current financial situation is running down -15% y/y after -4% y/y in October.

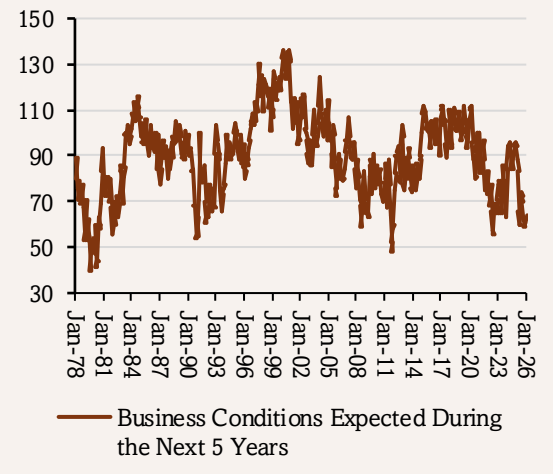
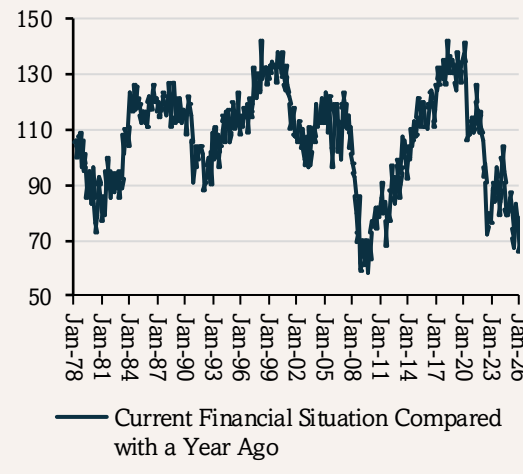
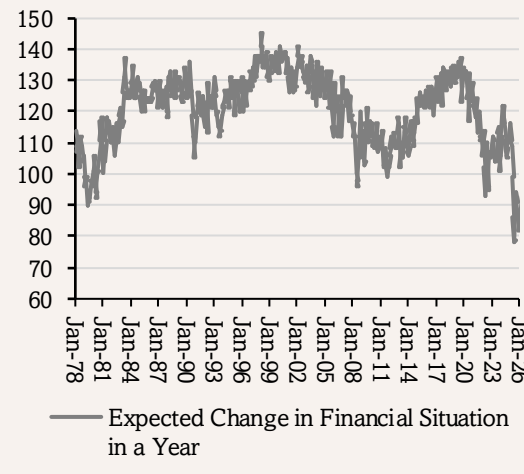
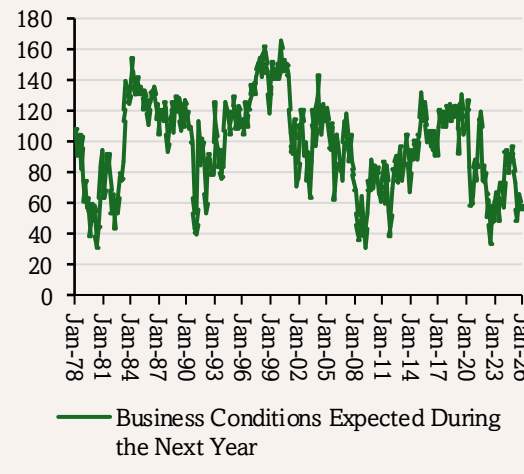
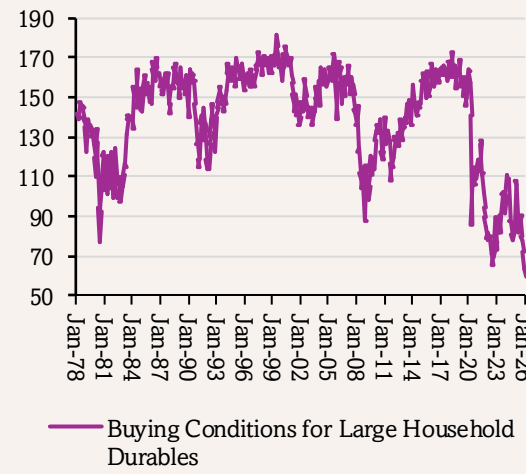
### Expectations vs. Current Conditions



### Current Conditions - Expectations

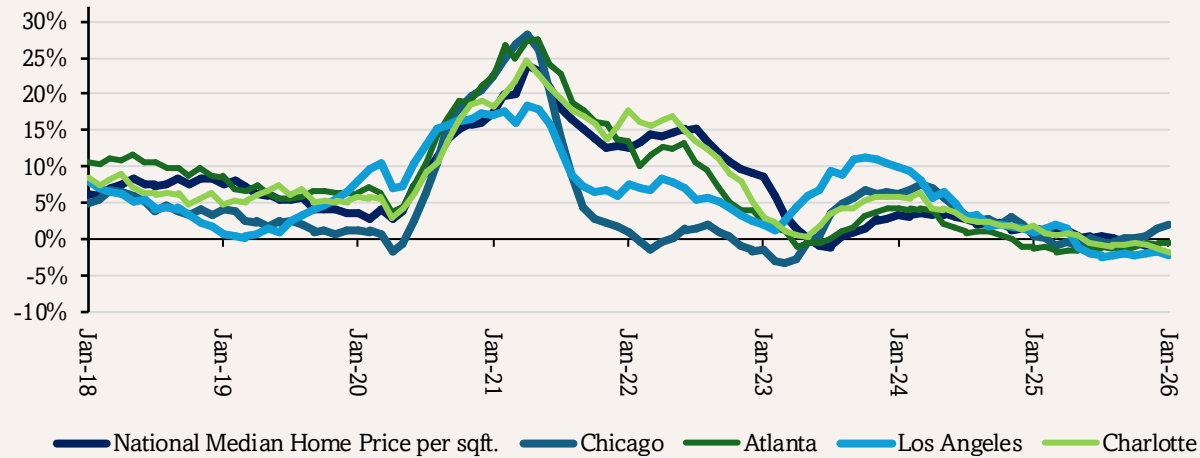


### Components of Consumer Sentiment

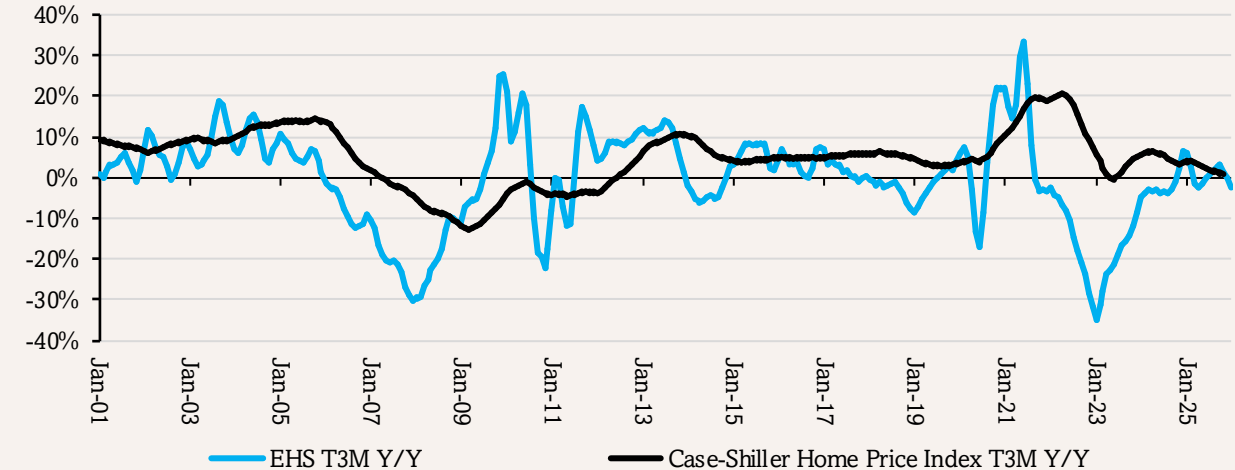


Mortgage rates have stabilized around 6% over the last 4 weeks. We note significant pickup in mortgage applications for home purchase (up 19% y/y) is an early sign of potential for more robust 2H26 activity. Roughly 18% of US GDP is related to the selling, budling, fixing, lending, and furnishing of homes – velocity matters for the broader economy.

Median Home Price Per Sqft. Y/Y



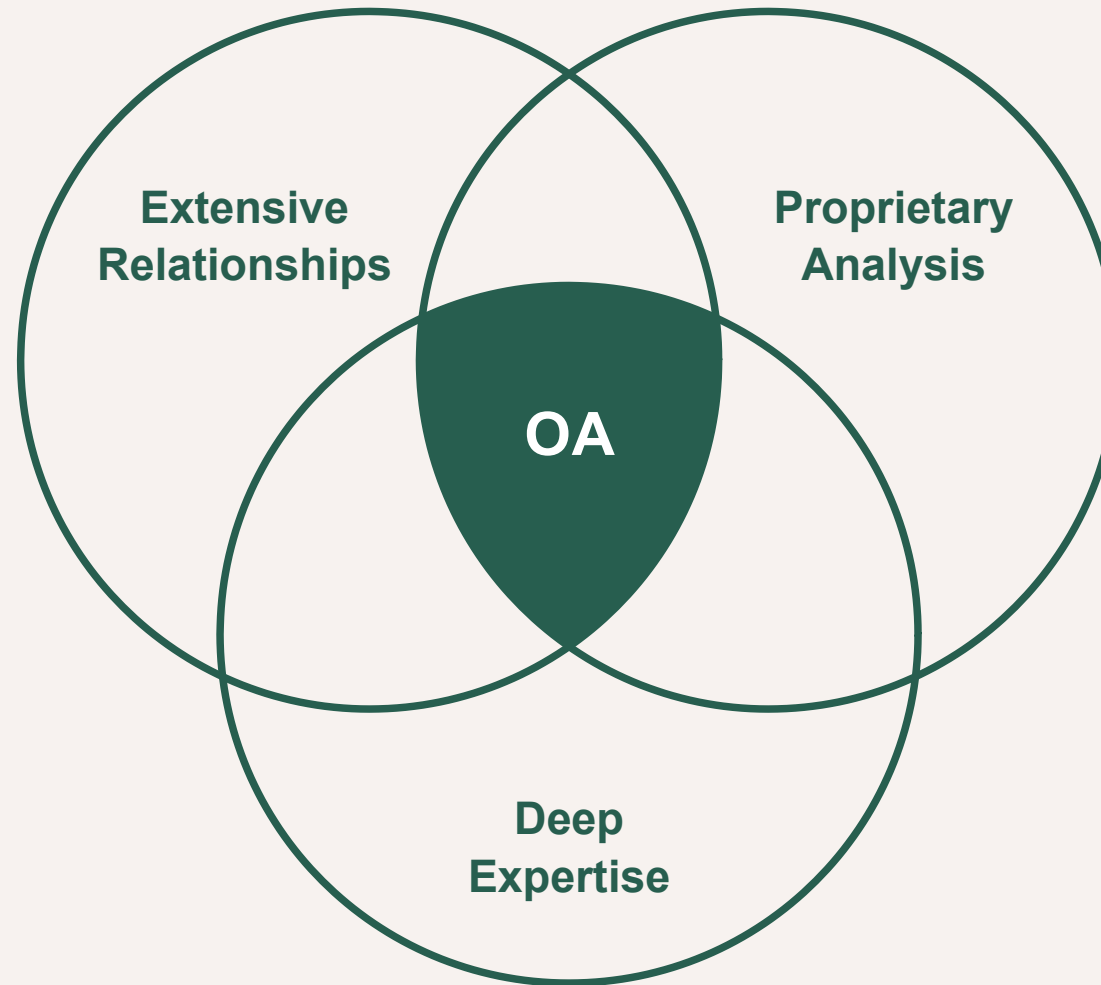
Existing Home Sales



Metro Area Case Shiller Home Price Index Y/Y Heat Map

	Boston	Chicago	Denver	Las Vegas	Los Angeles	Miami	New York	San Diego	San Francisco	Washington, D.C.
Dec-24	6.4%	6.6%	1.5%	5.5%	3.5%	3.3%	7.6%	5.4%	2.8%	5.6%
Jan-25	6.6%	7.5%	1.9%	5.5%	4.0%	3.3%	8.2%	3.3%	3.0%	5.1%
Feb-25	5.9%	7.0%	1.6%	4.9%	4.4%	2.9%	7.9%	2.6%	3.1%	4.5%
Mar-25	4.7%	6.5%	1.4%	4.7%	4.1%	1.8%	8.2%	1.5%	1.6%	4.4%
Apr-25	3.9%	5.9%	0.8%	4.0%	2.5%	1.3%	8.1%	1.0%	0.2%	4.2%
May-25	4.7%	5.9%	0.0%	3.2%	0.9%	0.5%	7.6%	0.3%	-0.7%	3.2%
Jun-25	4.2%	6.0%	-0.6%	2.4%	0.0%	-0.2%	7.2%	-0.7%	-2.1%	2.2%
Jul-25	4.0%	6.0%	-0.6%	1.0%	0.1%	-1.3%	6.5%	-0.8%	-1.9%	1.3%
Aug-25	4.0%	5.8%	-0.8%	0.3%	0.1%	-1.6%	6.1%	-0.9%	-1.5%	0.9%
Sep-25	4.0%	5.4%	-0.8%	-0.7%	0.4%	-1.2%	5.4%	-0.9%	-0.9%	0.6%
Oct-25	3.0%	5.8%	-1.4%	-0.7%	0.2%	-1.0%	5.1%	-0.5%	0.2%	0.4%
Nov-25	1.9%	5.8%	-1.3%	-0.4%	0.5%	-1.0%	5.1%	0.2%	0.7%	0.4%

Advisory Board  
Consumer Collective  
Experienced OA Team



OA runs proprietary math on top of value-added data sets including polling, transaction, location, digital traction, and scanner.

Our quantamental work constantly analyzes for magnitude and duration of non-normal change.

Work and relationships all across the consumer sector.

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