

Consumer Discretionary Briefing Book

March 2026

OPTIMAL

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19/32 categories inflected negatively in March trends, slightly more than the 18/32 negative in February (despite increased inflation as driver of incremental nominal growth). We have added 2-week trend analysis (to 4- and 12-week) due to the dynamism of fuel prices.

Gasoline prices are now up nearly 50% year over year — historically, +30% sustained increases hit other discretionary spending within 6-8 weeks.

Our March spending trend positive category analysis (pace and inflection) include airlines, accommodations, auto parts, and gas stations. We note airlines and accommodations are booked in advance.

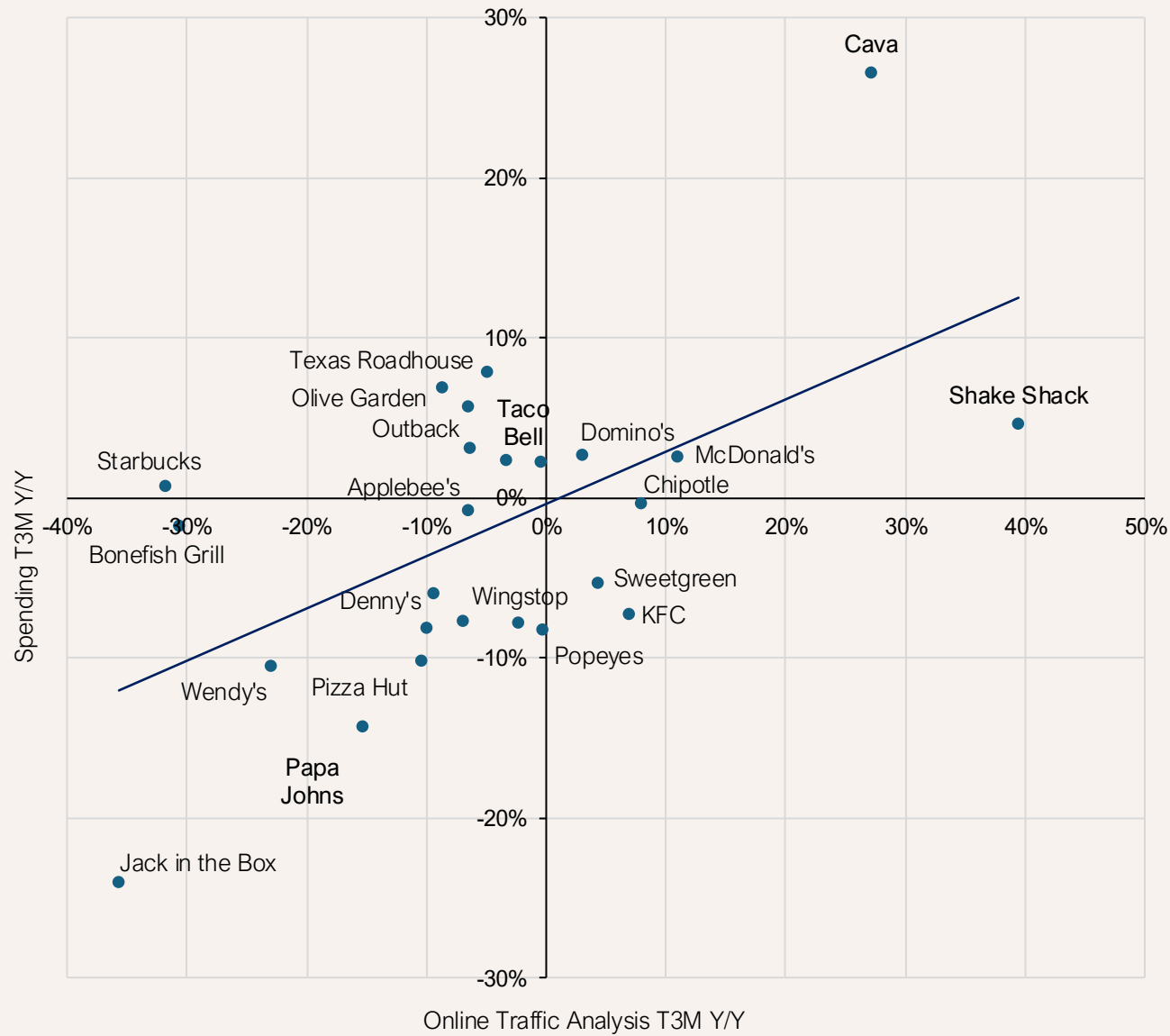
Our March spending trend negative category analysis (pace and inflection) callouts include pizza, events, luxury, consumer electronics.

Our "early mindshare indicator" Attention Economy analysis positive callouts include CAVA, SHOO, HLT, F while negative callouts include JACK, UA, TJX.

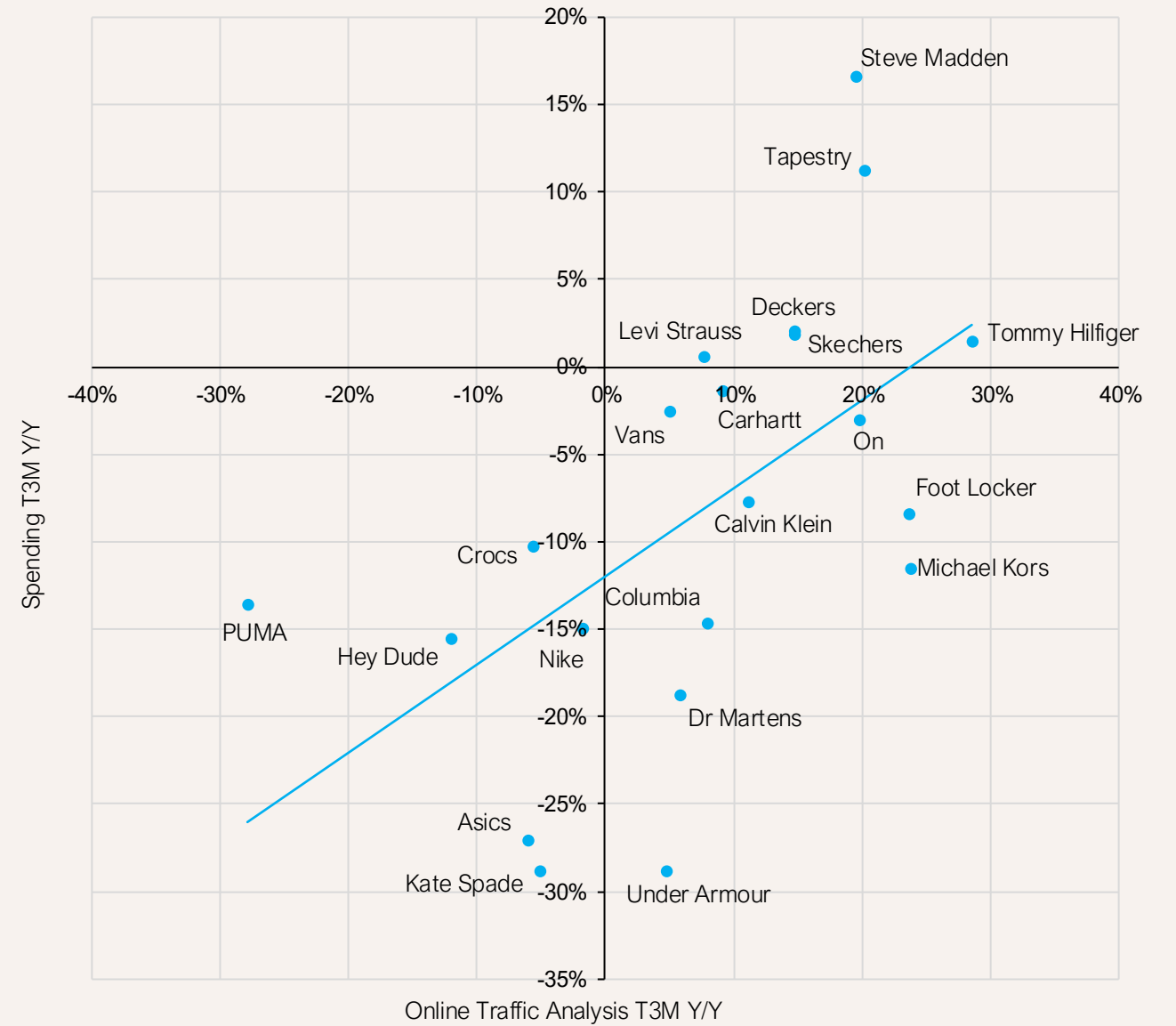
Optimal's Spring 2026 Luxury Summit NYC is 4/14 with brands from around the ecosystem and a discussion of wellness / longevity / luxury convergence.

Attention Economy Inflections

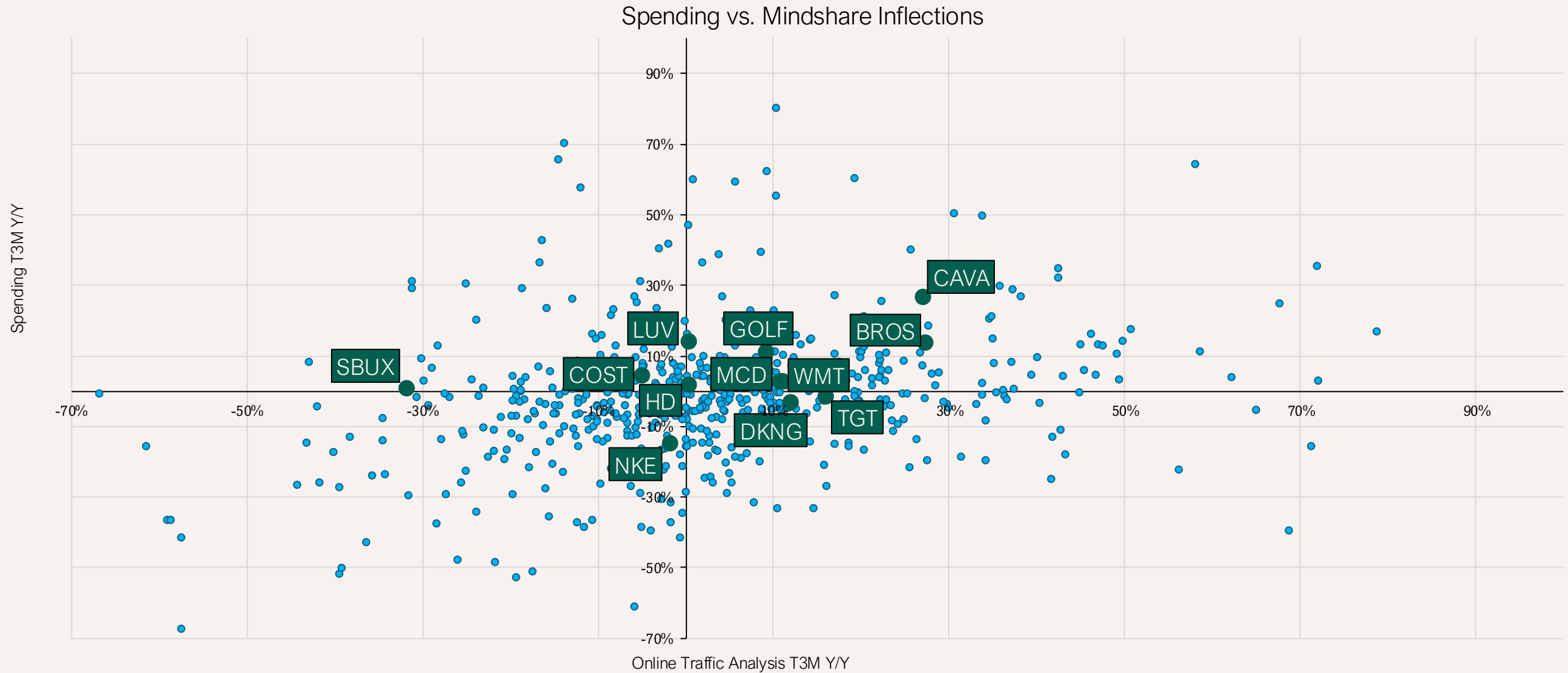
Restaurants



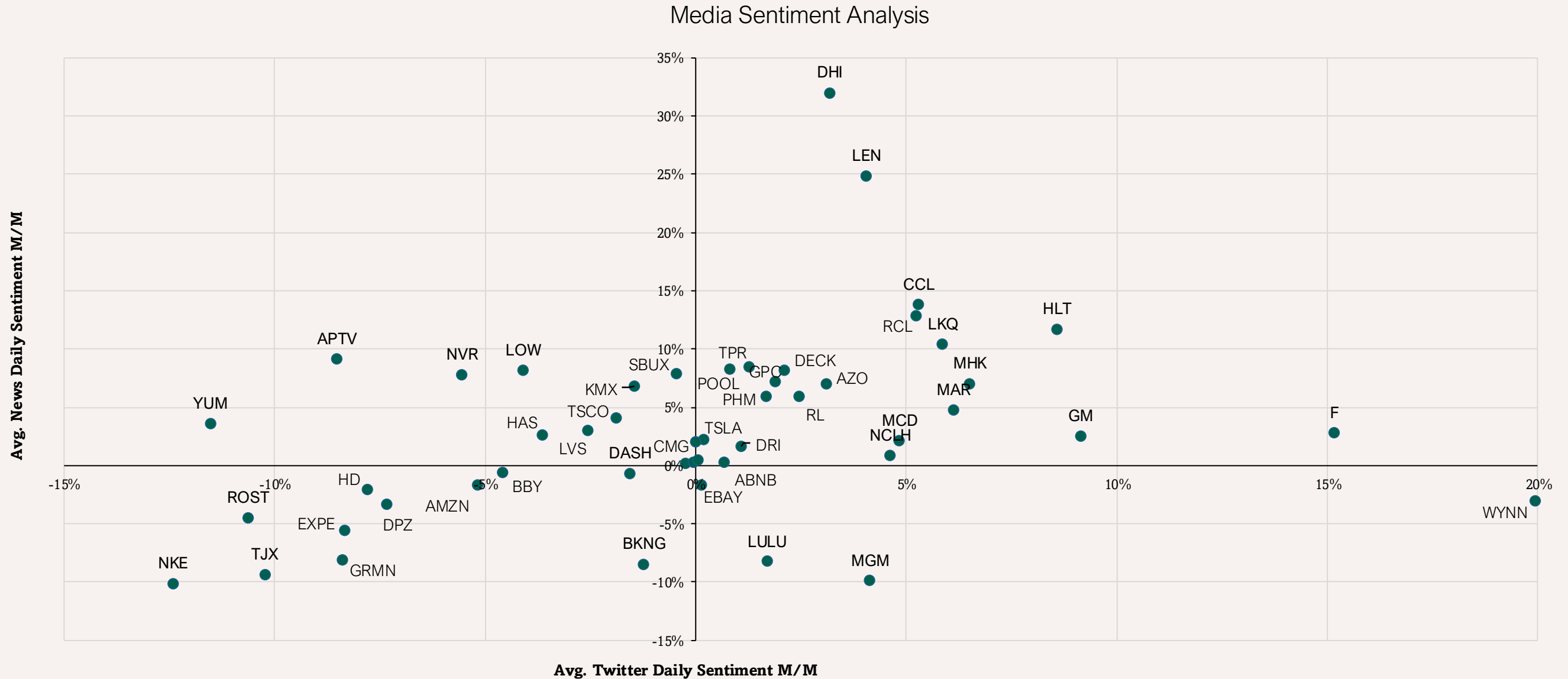
Apparel & Footwear



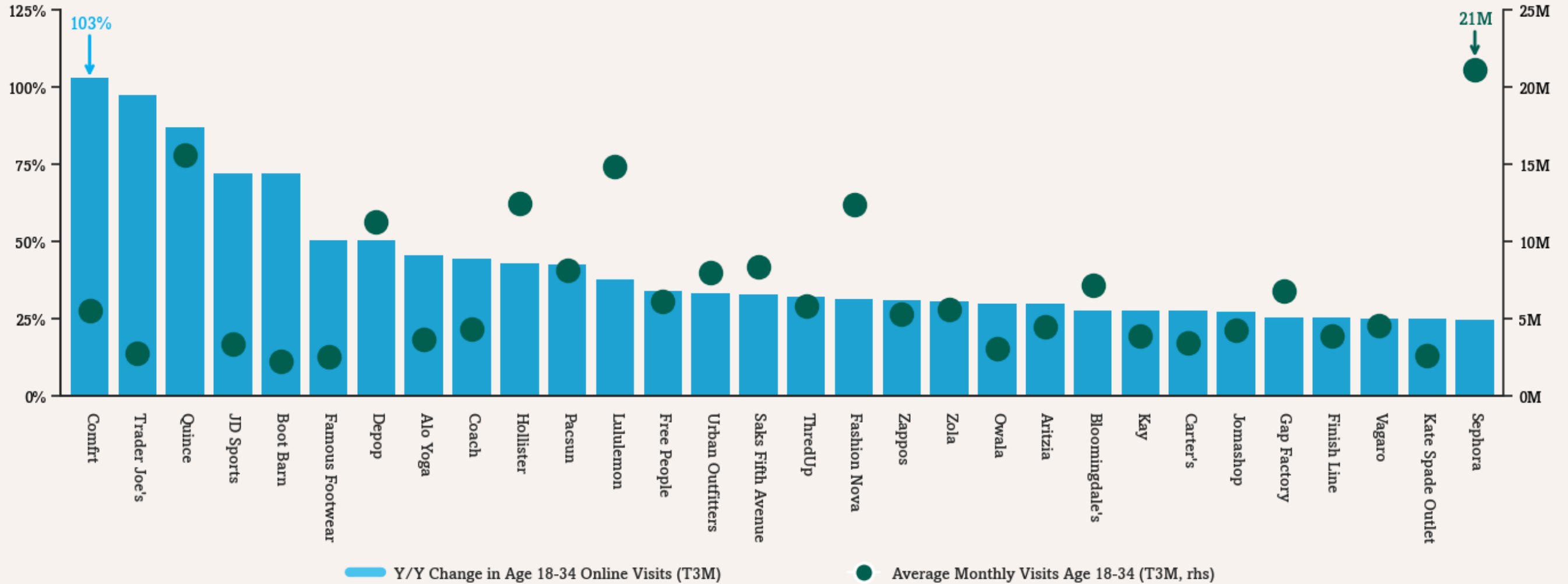
Optimal proprietary analyzes 800+ public and 10,000+ private companies in real time to unpack brand positioning and changes in consumer behavior.



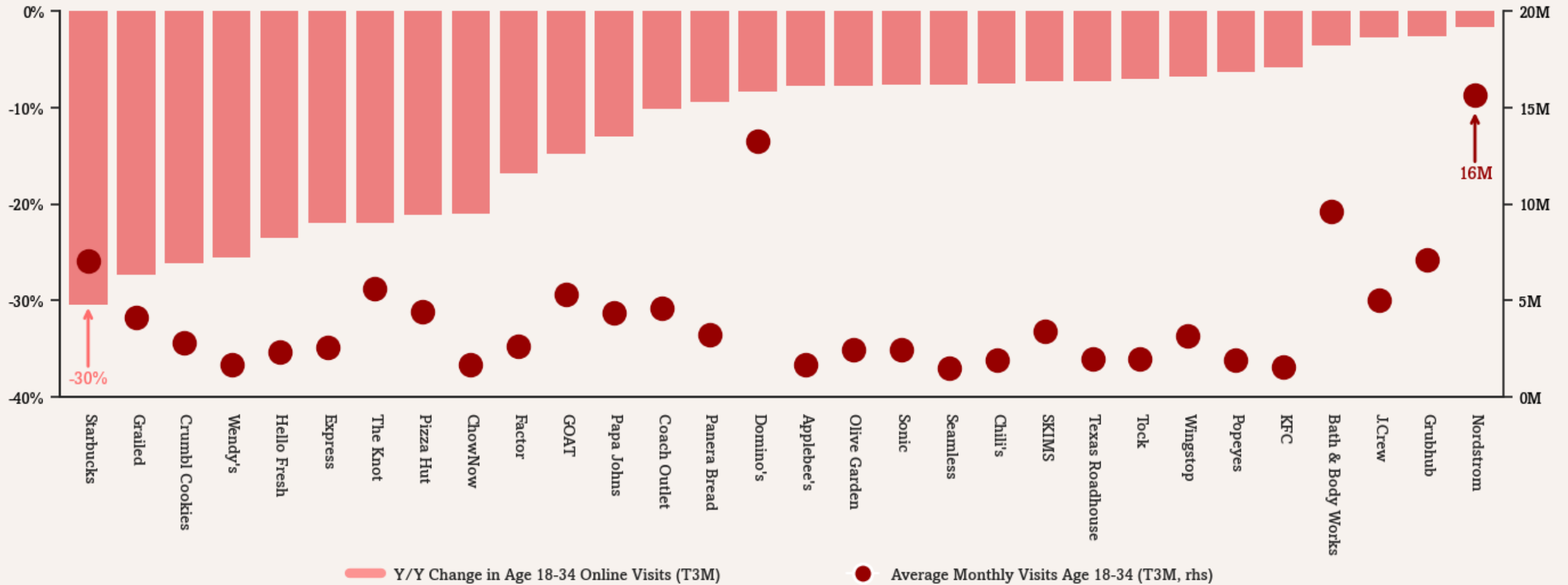
Mixed media sentiment has improved m/m for F, HLT, LEN, DHI while NKE & TJX are seeing m/m declines in both metrics. NKE was a “top right” brand the last two Discretionary Briefing Books.



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



We note digital breakdowns for Starbucks, Grailed, Crumbl Cookies, Wendy's, Hello Fresh, Express, The Knot, & Pizza Hut among age 18-34 consumers.



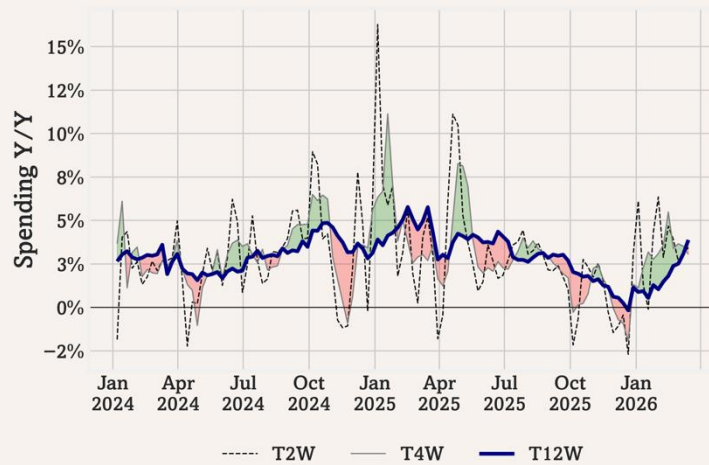
Proprietary Subsector Spending Analysis

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

Optimal Subsector	SPENDING			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	3.0%	3.9%	-0.8%	2.9%	1.8%	0.1%	2.0%
E-commerce	9.0%	8.8%	0.2%	10.7%	10.7%	-1.5%	-1.7%
Consumer Fintech	3.3%	3.2%	0.0%	3.2%	2.5%	0.1%	0.7%
Grocery	-0.1%	1.1%	-1.2%	-0.9%	-0.5%	0.8%	1.6%
Home Improvement	4.0%	3.2%	0.8%	1.3%	1.1%	2.7%	2.1%
Meal Delivery	10.7%	9.2%	1.5%	7.1%	5.5%	3.4%	3.4%
Ride Share	2.5%	4.1%	-1.6%	-3.7%	-3.6%	6.4%	8.0%
Gas Stations	12.2%	6.8%	5.4%	8.4%	6.8%	3.6%	0.0%
Fast Food	0.6%	0.6%	0.1%	-0.6%	-1.1%	1.2%	1.7%
Discount Retail	4.9%	6.2%	-1.3%	3.8%	3.4%	1.0%	2.7%
Pharmacy	0.4%	-0.9%	1.3%	-0.8%	-2.0%	1.2%	1.1%
Accommodations	5.9%	2.1%	3.8%	0.1%	-0.1%	5.8%	2.2%
Cruises	-3.0%	-2.5%	-0.5%	-1.9%	-0.7%	-1.1%	-1.8%
Entertainment	1.6%	4.5%	-2.9%	-1.9%	-2.0%	3.5%	6.7%
Auto Parts	7.6%	6.5%	1.1%	2.2%	1.3%	5.3%	5.1%
Airlines	9.4%	4.0%	5.5%	-0.5%	-1.8%	10.0%	5.8%
Pet Specialty	2.4%	3.4%	-1.0%	0.6%	1.3%	1.8%	2.1%
Beauty	0.2%	3.2%	-2.9%	-2.7%	-1.0%	3.1%	4.2%
Luxury	-7.4%	10.6%	-18.0%	2.0%	12.8%	-9.2%	-1.9%
Sports Retail	4.3%	5.9%	-1.5%	-0.9%	-0.4%	5.3%	6.3%
Apparel	-2.8%	-3.2%	0.4%	-4.6%	-3.6%	1.8%	0.4%
Home Furnishings	3.4%	3.8%	-0.4%	-1.1%	0.6%	4.6%	3.1%
Fast Casual	0.6%	-0.1%	0.7%	0.1%	-0.9%	0.5%	0.8%
Casual Dining	-0.7%	0.2%	-0.9%	-5.7%	-5.8%	5.4%	6.5%
Coffee	4.6%	4.1%	0.6%	1.9%	1.6%	2.7%	2.4%
Department Stores	-4.4%	-1.9%	-2.4%	-6.0%	-3.6%	1.8%	1.7%
Golf	-1.0%	1.6%	-2.6%	8.4%	8.5%	-8.7%	-6.3%
Outdoor Recreation	-0.3%	1.4%	-1.7%	-1.7%	-0.7%	1.5%	2.1%
Pizza	-6.3%	-5.1%	-1.1%	-4.1%	-4.8%	-2.2%	-0.4%
Gambling	-1.6%	0.6%	-2.2%	1.8%	5.4%	-3.3%	-4.5%
Events	-10.7%	-3.1%	-7.6%	-5.2%	-3.1%	-5.8%	-0.1%
Consumer Electronics	-9.2%	-5.2%	-4.0%	-6.3%	-5.7%	-3.0%	0.5%

Broadline retail (including WMT & TGT) spending inflecting positively driven by accelerating transaction growth while ticket inflects negatively. E-Commerce (including AMZN, EBAY, & Shein) with similar spending growth pick-up despite decel in ticket growth.

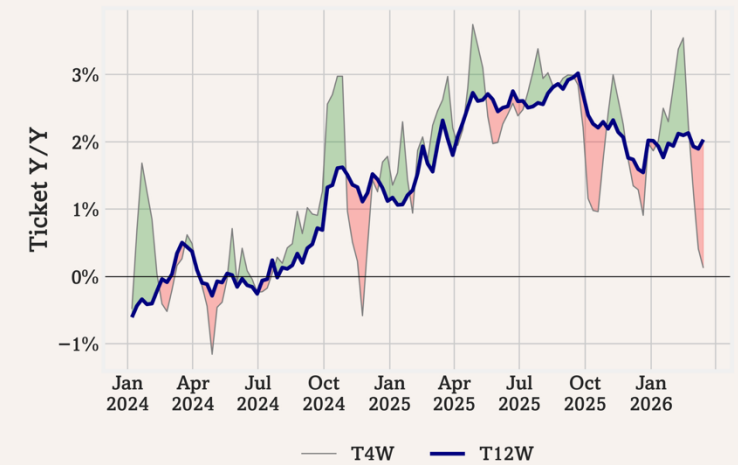
Broadline Retail Spending



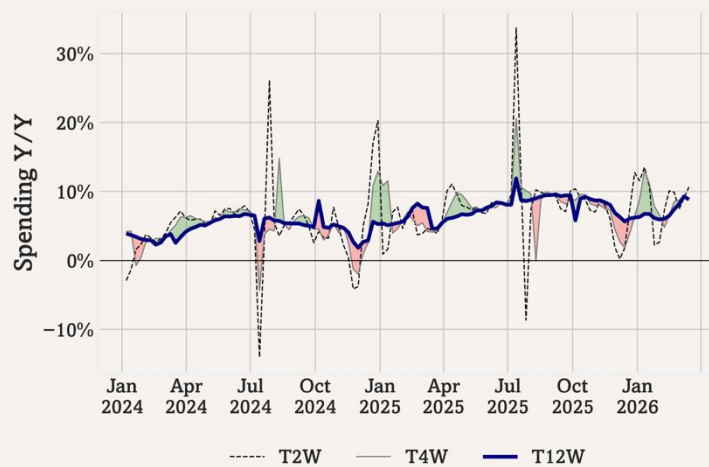
Broadline Retail Transactions



Broadline Retail Ticket



E-Commerce Spending



E-Commerce Transactions

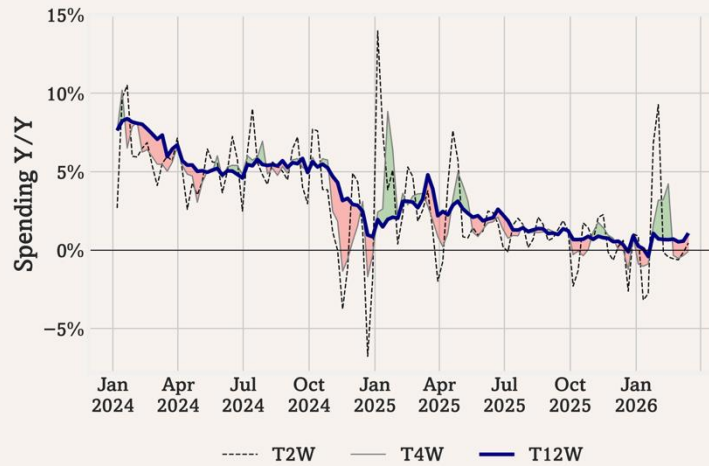


E-Commerce Ticket



Grocery spending growth positive y/y, sustained by ticket growth while transaction growth running down y/y. Spending trends for casual dining (including Applebee's, CRBL, & CAKE) now flat y/y on a T12W trend as transaction growth has moved less negative with sustained +6% y/y ticket growth.

Grocery Spending



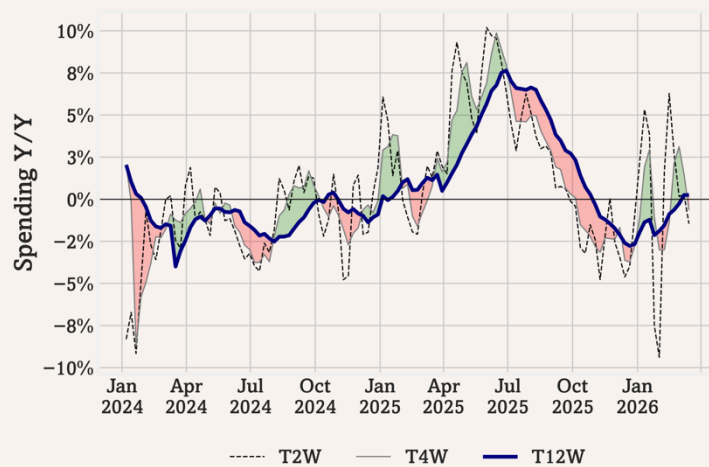
Grocery Transactions



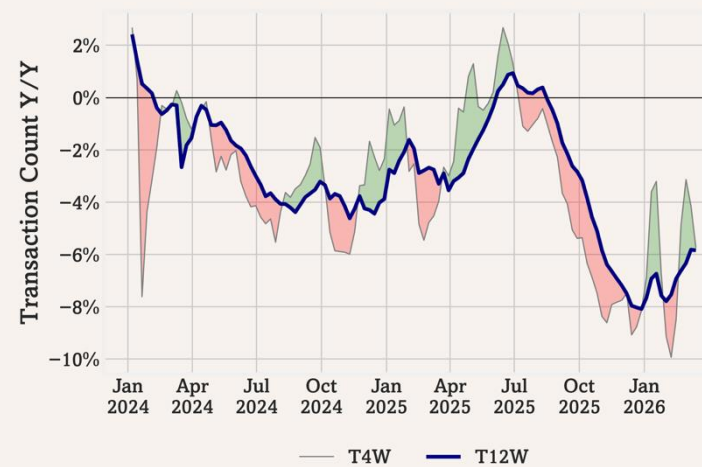
Grocery Ticket



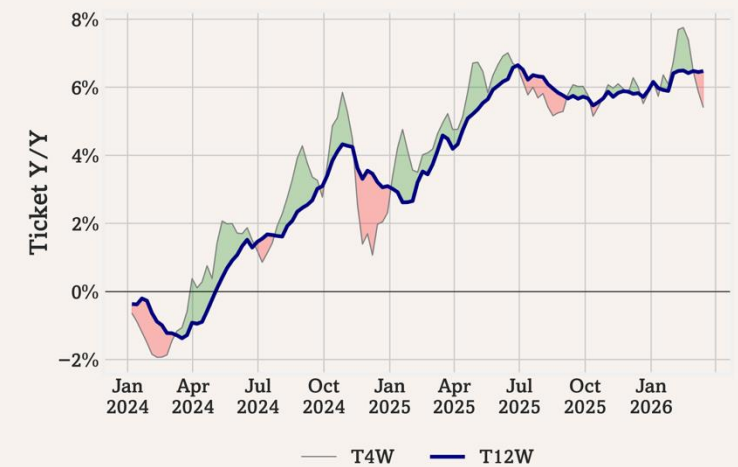
Casual Dining Spending



Casual Dining Transactions

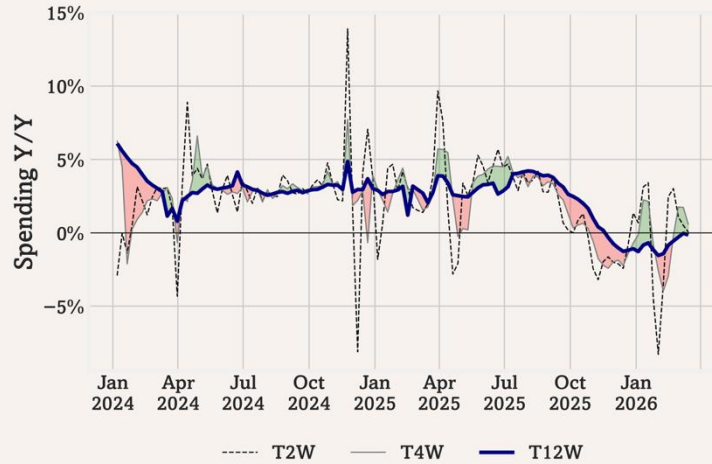


Casual Dining Ticket



Fast casual (including CMG & PNRA) spending inflecting back positive and now running flat on a T12W trend as negative transaction and positive ticket growth reversing trend. Fast food (including MCD, Taco Bell, & Chick-fil-A) spending also approaching flat on a T12W trend as ticket growth is decelerating.

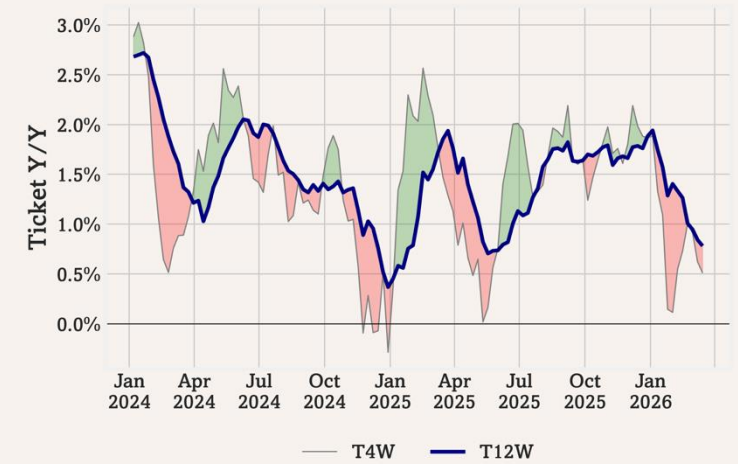
Fast Casual Spending



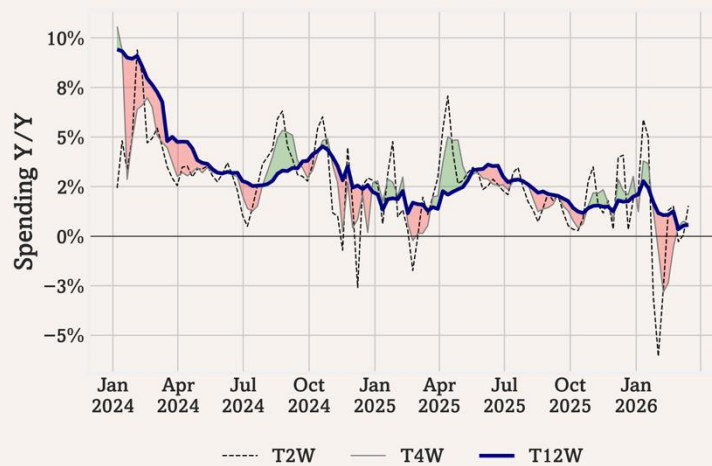
Fast Casual Transactions



Fast Casual Ticket



Fast Food Spending



Fast Food Transactions

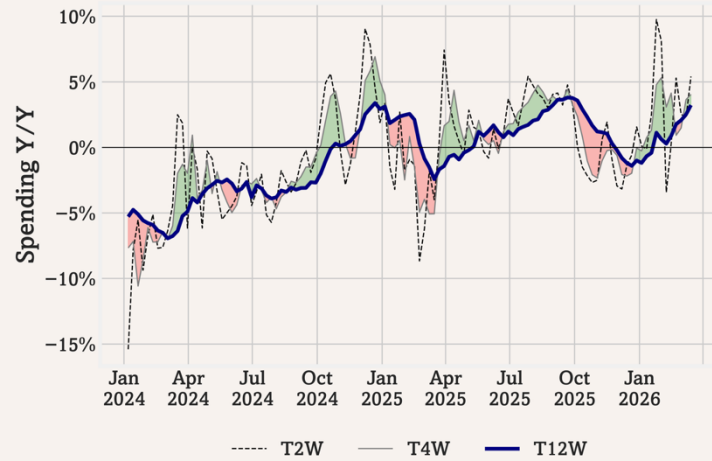


Fast Food Ticket



Home improvement (including HD & LOW) spending & transactions inflecting positive in recent weeks. Similar trends in home furnishing (including HomeGoods & Ikea) as transaction growth is now flat y/y paired with positive ticket growth.

Home Improvement Spending



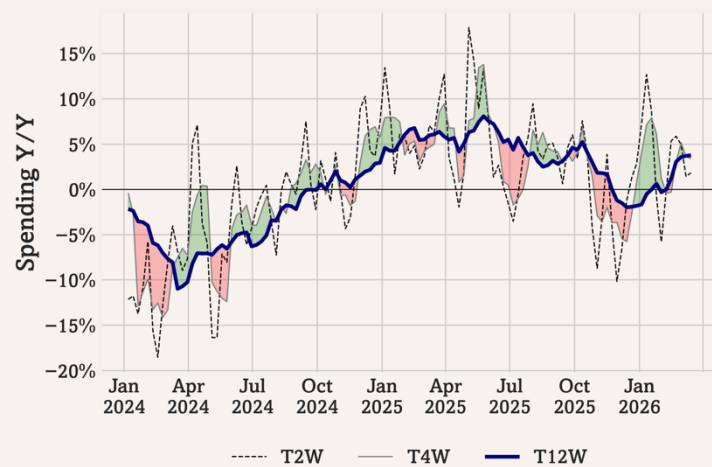
Home Improvement Transactions



Home Improvement Ticket



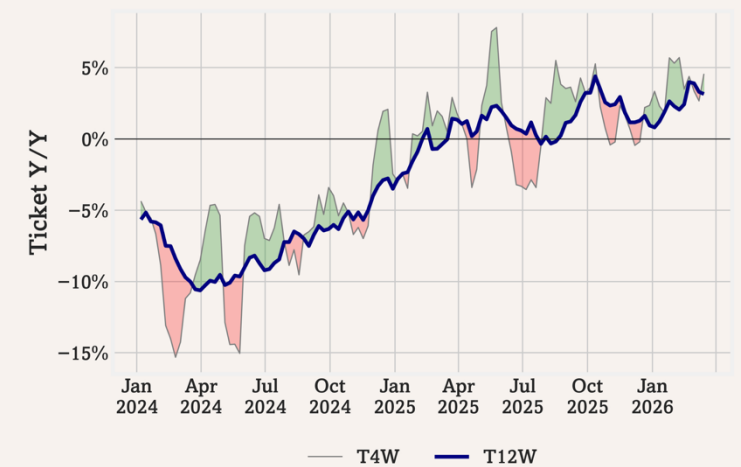
Home Furnishing Spending



Home Furnishings Transactions

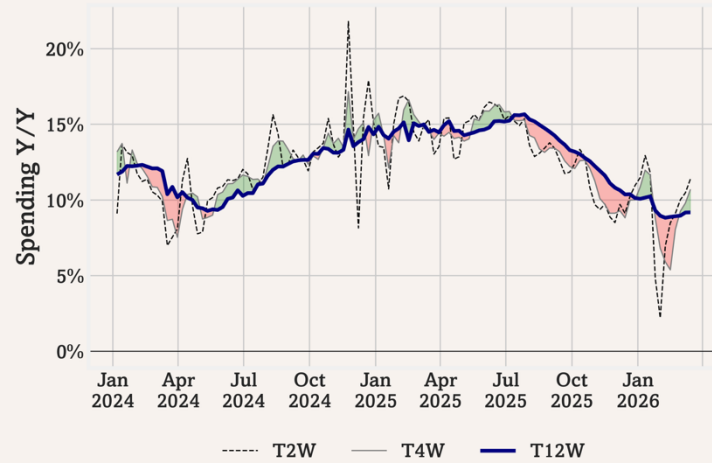


Home Furnishings Ticket



Meal delivery (DASH, GrubHub, Uber Eats) spending and transactions inflecting positively after negative inflection over the last 4 weeks, while ticket continues to accelerate. Ride share (UBER & LYFT) spending growth running up despite negative transaction growth with ticket growth inflecting negative.

Meal Delivery Spending



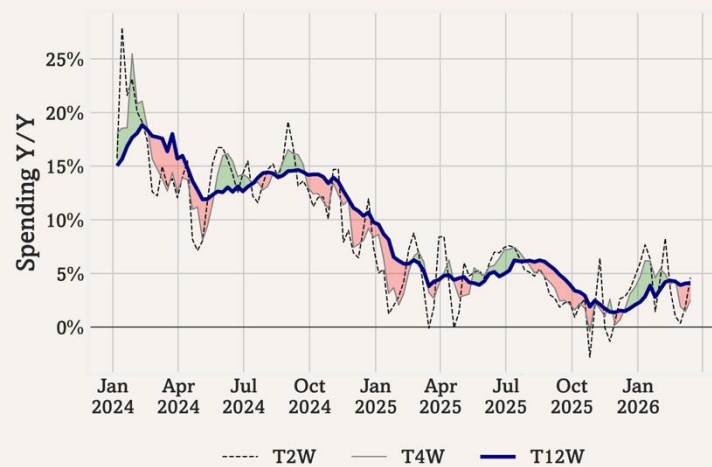
Meal Delivery Transactions



Meal Delivery Ticket



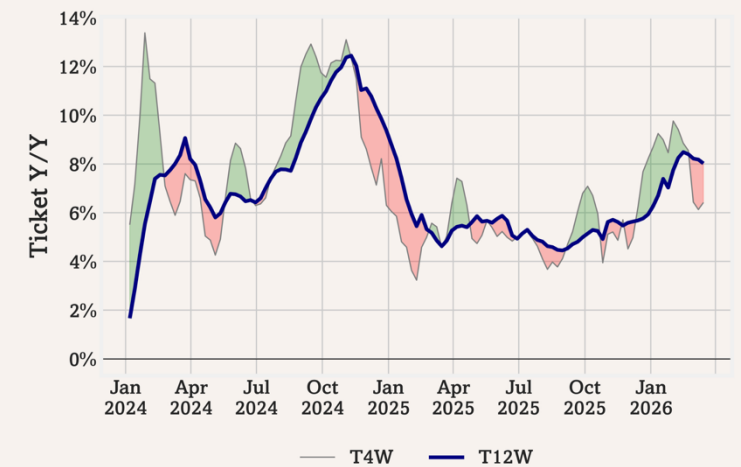
Ride Share Spending



Ride Share Transactions

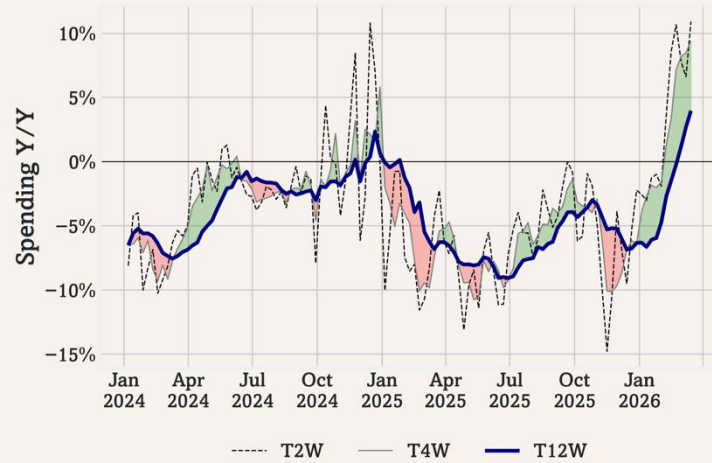


Ride Share Ticket

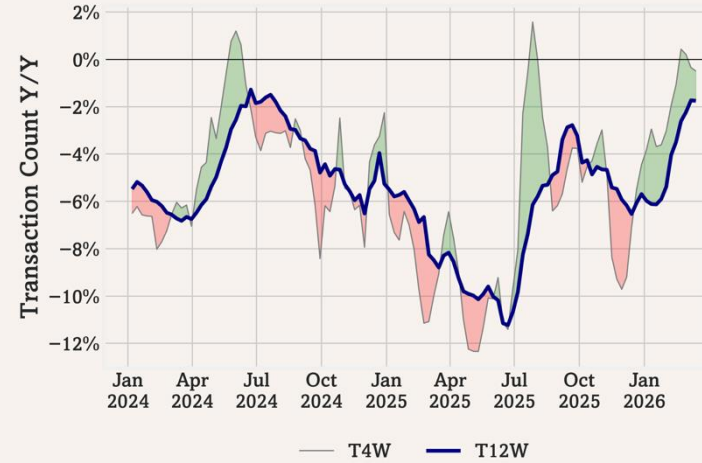


Airlines (AAL, DAL, LUV, etc.) spending and ticket growth have moved up sharply as transaction counts approaching flat y/y. Accommodations (ABNB, HLT, EXPE) with similar trends while spending & ticket run up and inflecting positively.

Airlines Spending



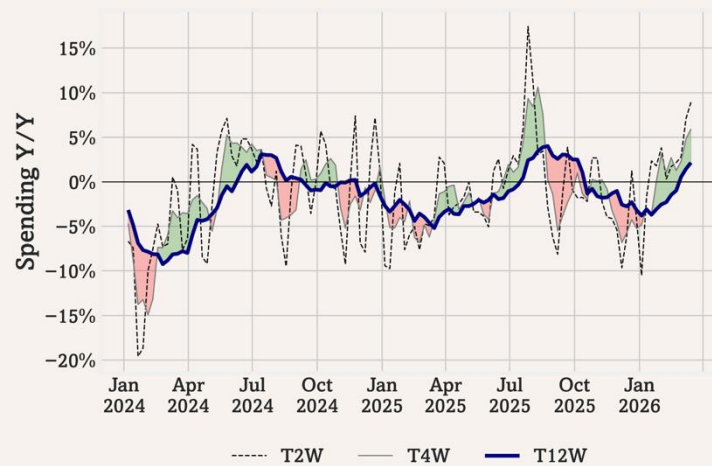
Airlines Transactions



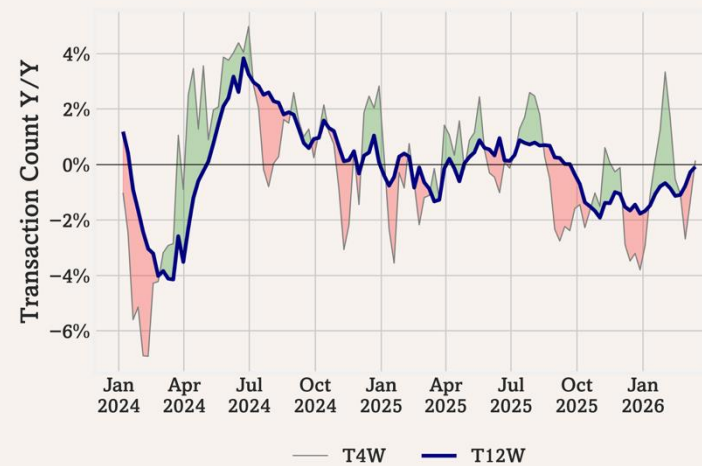
Airlines Ticket



Accommodations Spending



Accommodations Transactions

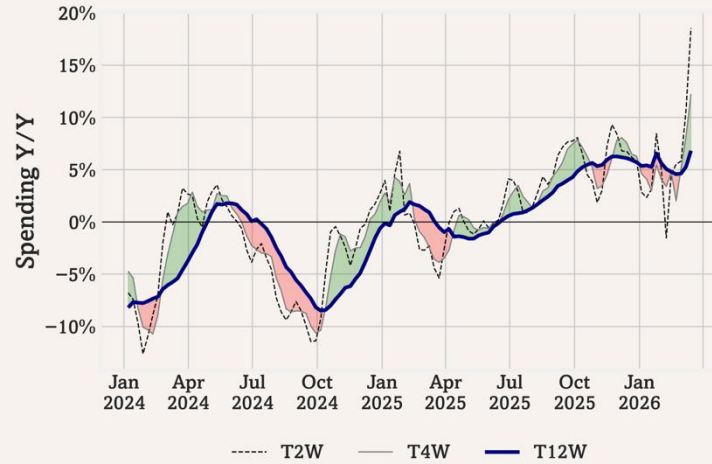


Accommodations Ticket



Gas station spending continues to move higher driven by higher gasoline prices. We continue to monitor energy price volatility in our weekly Macro Monday report and impacts on the consumer / economy.

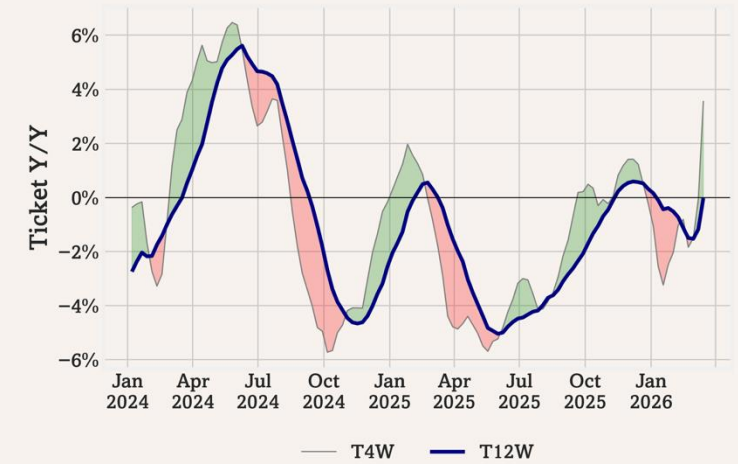
Gas Stations Spending



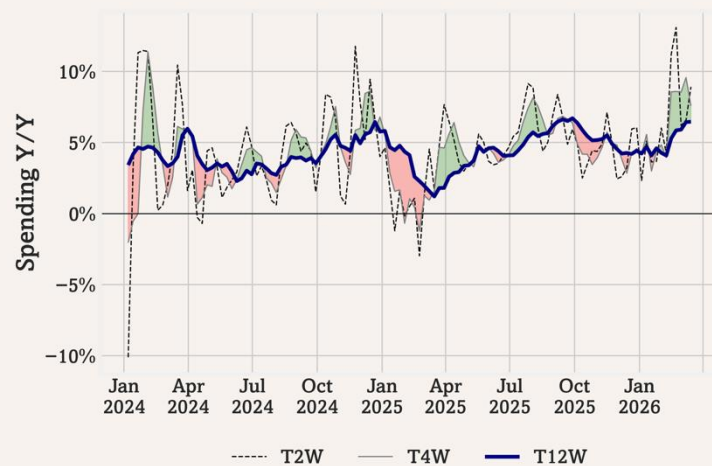
Gas Stations Transactions



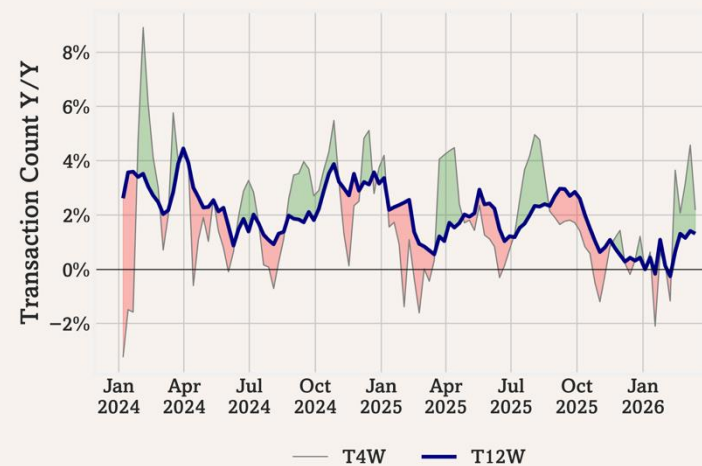
Gas Stations Ticket



Auto Parts Spending



Auto Parts Transactions

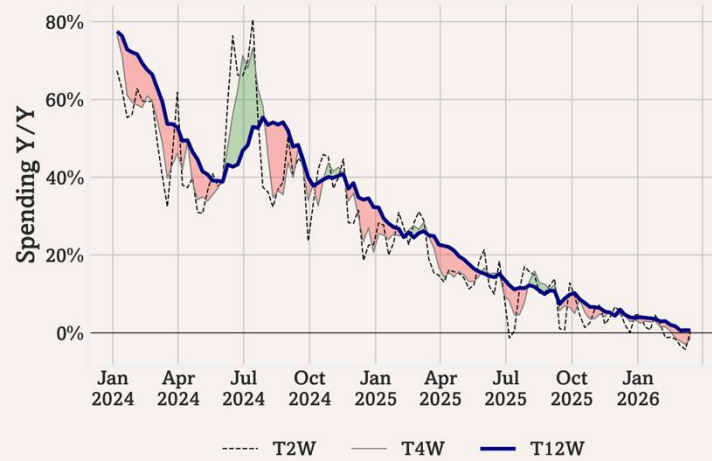


Auto Parts Ticket



Gambling (including DKNNG, PENN, CZR) spending approaching flat y/y following a high transaction growth period in early 2024. Entertainment (including NFLX, Hulu, LYV) transactions running down while spending and ticket both inflecting negatively this week.

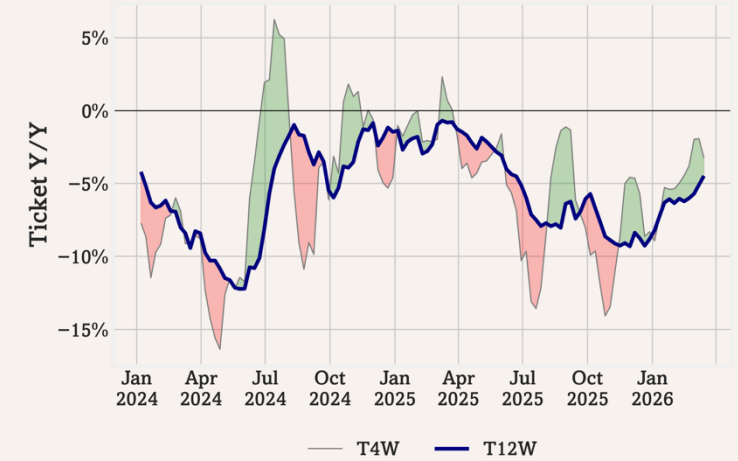
Gambling Spending



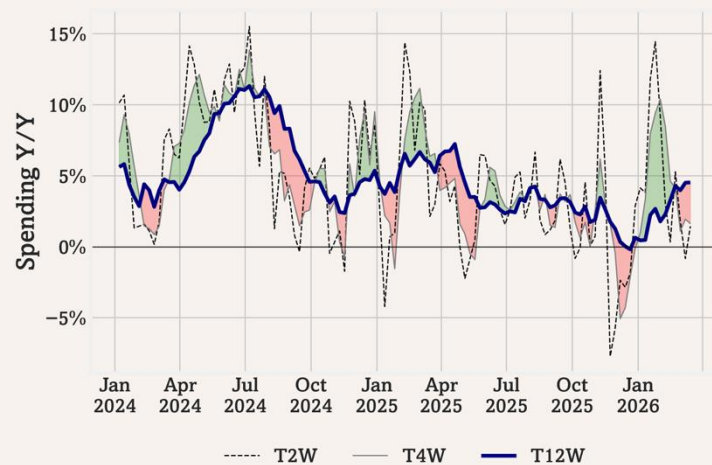
Gambling Transactions



Gambling Ticket



Entertainment Spending



Entertainment Transactions

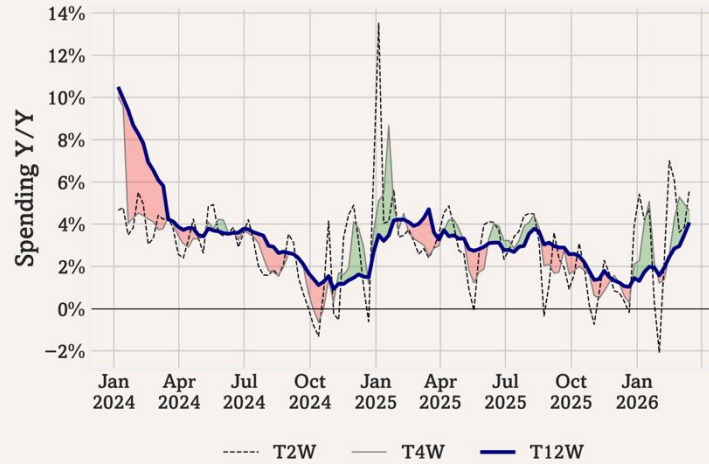


Entertainment Ticket



Coffee (SBUX, DNKN, BROS) spending and transaction counts inflecting positively y while ticket growth continues to accelerate more positive y/y. Pizza (including DPZ, Pizza Hut, & PZZA) spending declines driven by transaction declines and inflecting negativity this week while with ticket growth flat y/y.

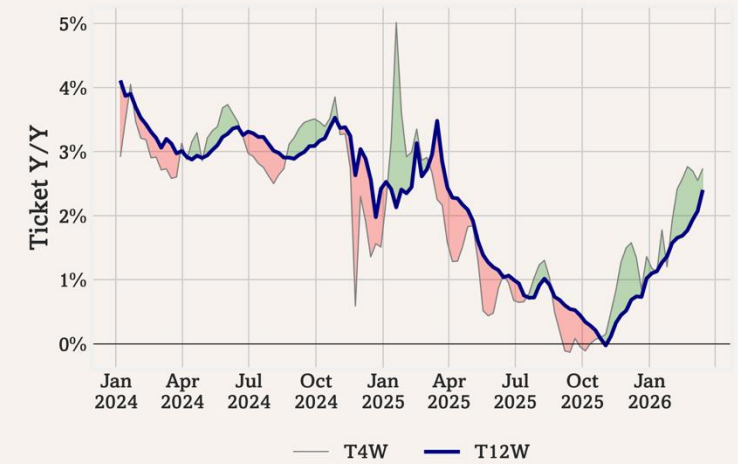
Coffee Spending



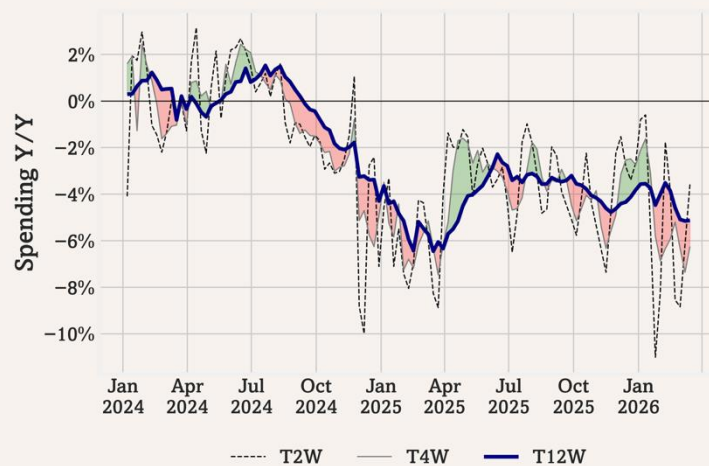
Coffee Transactions



Coffee Ticket



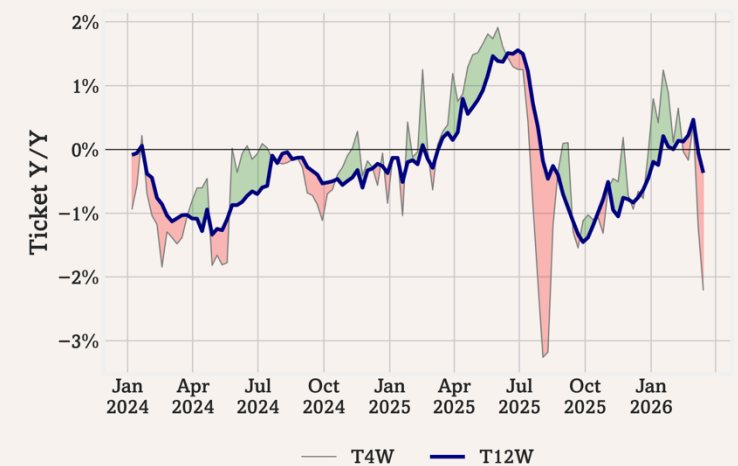
Pizza Spending



Pizza Transactions

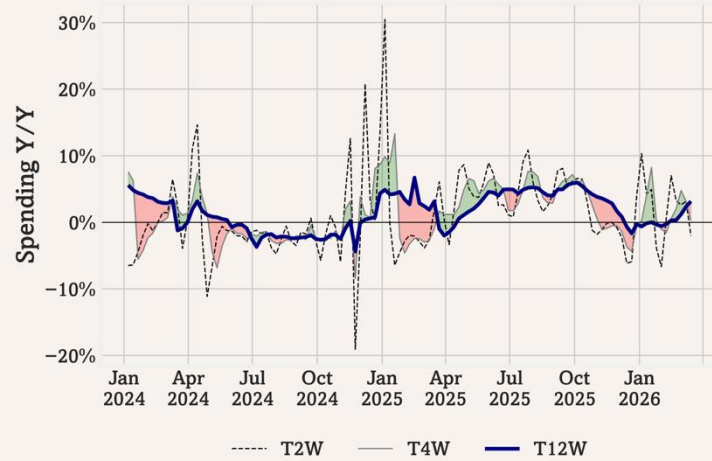


Pizza Ticket

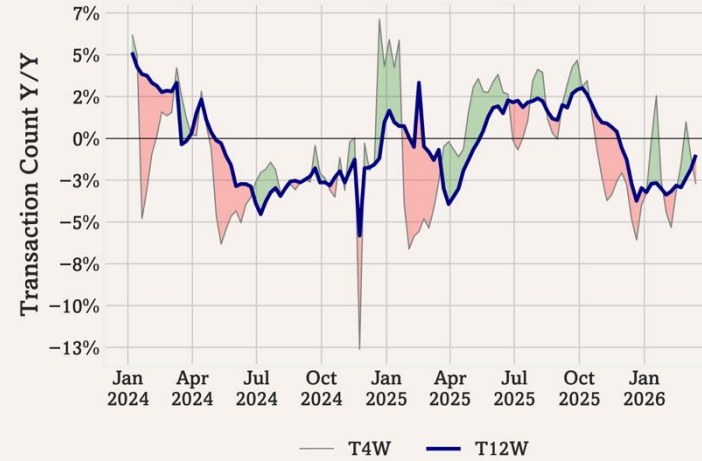


Luxury (including Tiffany, Louis Vuitton, & Coach) spending and transaction inflection normalizing and running up +10% y/y while ticket runs flat y/y. Beauty (including ULTA & Sephora) spending is inflecting positively in as ticket growth continues to lead spending higher despite transaction growth running down.

Beauty Spending



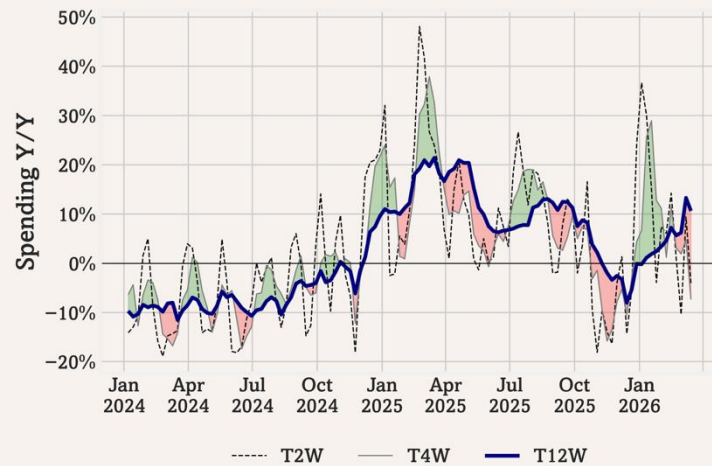
Beauty Transactions



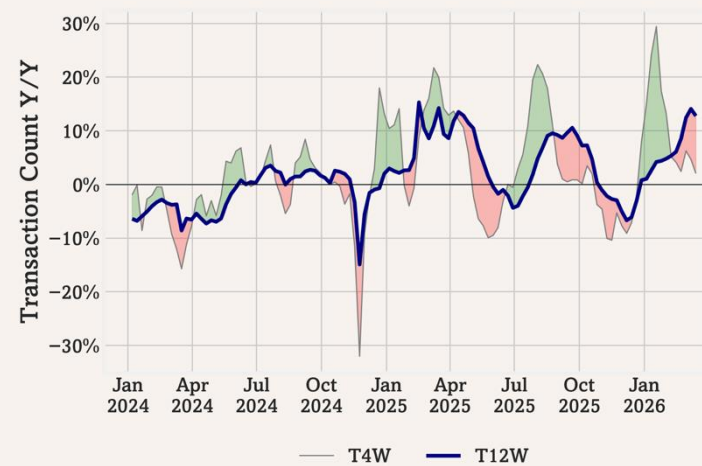
Beauty Ticket



Luxury Spending



Luxury Transactions

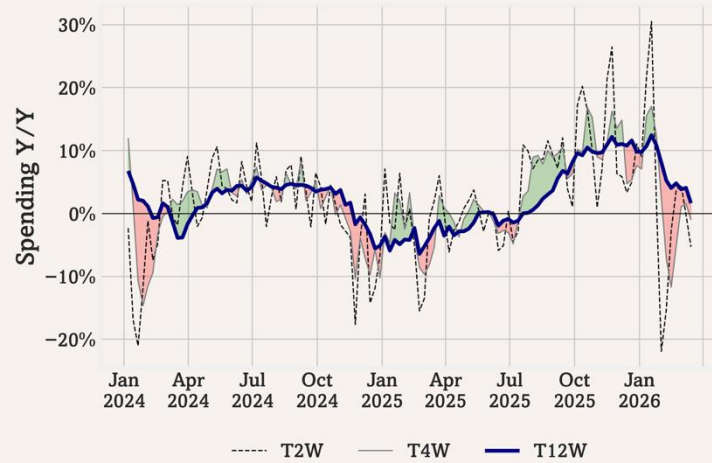


Luxury Ticket



Golf spending & transaction growth normalizing after winter weather halted many outdoor activities. Sports retailers (including ASO & DKS) ticket continues to run up y/y and inflect positively.

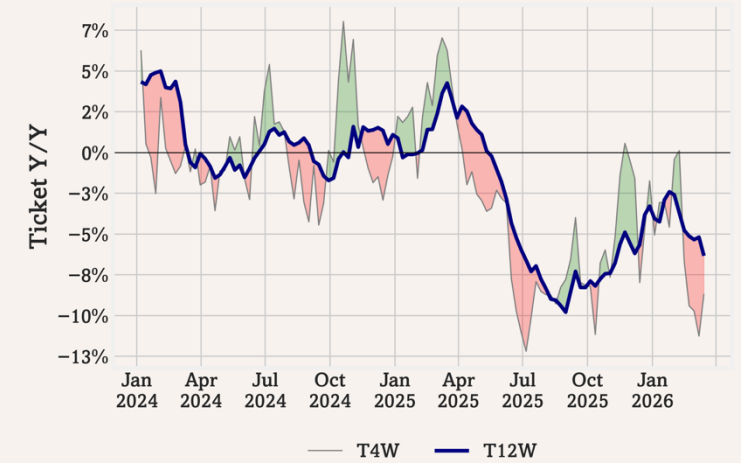
Golf Spending



Golf Transactions



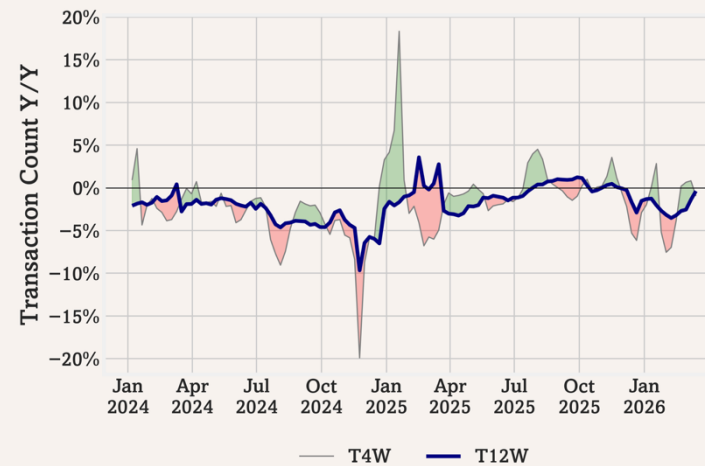
Golf Ticket



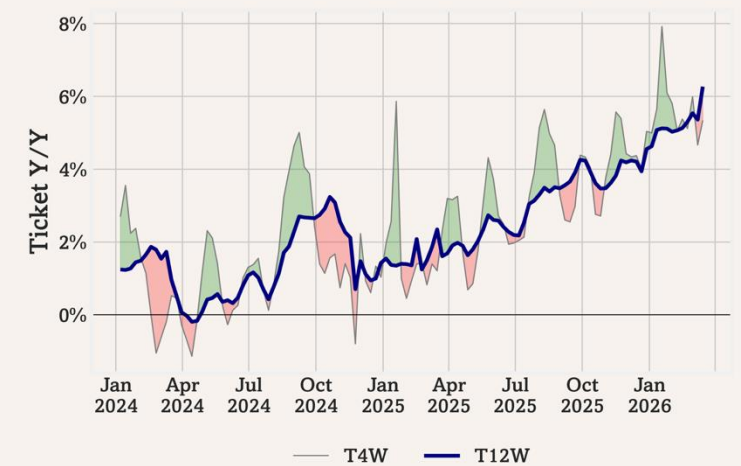
Sports Retail Spending



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		\$207.24	\$2,224.71	14.8	10.9	8.8	3.1	2.8	2.5
WMT	Walmart Inc		\$122.05	\$973.03	22.9	21.2	19.4	1.4	1.3	1.2
COST	Costco Wholesale Corp		\$973.82	\$432.04	31.6	28.7	26.5	1.5	1.4	1.3
HD	Home Depot Inc/The		\$330.91	\$329.59	15.9	15.4	14.6	2.0	1.9	1.8
TJX	TJX Cos Inc/The		\$158.38	\$175.88	21.1	20.7	19.0	2.9	2.8	2.6
LOW	Lowe's Cos Inc		\$234.43	\$131.30	14.4	13.3	12.7	1.5	1.4	1.4
ROST	Ross Stores Inc		\$215.80	\$69.80	21.9	19.6	18.2	3.1	2.9	2.7
TGT	Target Corp		\$115.92	\$52.50	8.1	8.1	7.8	0.5	0.5	0.5
TSCO	Tractor Supply Co		\$45.49	\$23.94	15.1	14.4	13.3	1.5	1.5	1.4
WSM	Williams-Sonoma Inc		\$181.09	\$21.51	13.3	13.0	12.3	2.8	2.6	2.5
DG	Dollar General Corp		\$117.88	\$25.96	12.5	11.6	10.9	0.6	0.6	0.6
DKS	Dick's Sporting Goods Inc		\$193.77	\$17.43	11.9	10.4	9.3	1.0	0.8	0.8
DLTR	Dollar Tree Inc		\$106.53	\$21.02	11.8	10.6	9.9	1.1	1.0	1.0
BURL	Burlington Stores Inc		\$325.15	\$20.38	19.5	16.8	14.7	1.8	1.6	1.5
BBY	Best Buy Co Inc		\$61.71	\$12.90	5.9	5.8	5.6	0.3	0.3	0.3
DECK	Deckers Outdoor Corp		\$101.39	\$14.39	9.4	9.7	9.0	2.7	2.5	2.3
BJ	BJ's Wholesale Club Holdings I		\$97.80	\$12.68	13.2	12.5	11.7	0.6	0.6	0.5
URBN	Urban Outfitters Inc		\$61.69	\$5.53	7.6	6.9	6.4	0.9	0.8	0.8
BBWI	Bath & Body Works Inc		\$18.06	\$3.63	5.5	6.4	6.1	0.5	0.5	0.5
M	Macy's Inc		\$18.38	\$4.83	4.8	4.9	5.0	0.2	0.2	0.2
ASO	Academy Sports & Outdoors Inc		\$53.54	\$3.45	7.5	7.1	6.7	0.6	0.5	0.5
KSS	Kohl's Corp		\$12.35	\$1.39	5.5	6.2	6.2	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		\$383.03	\$1,437.29	96.5	95.9	74.8	15.2	13.9	11.9
ORLY	O'Reilly Automotive Inc		\$87.99	\$73.78	20.6	19.3	18.1	4.1	3.9	3.7
CVNA	Carvana Co		\$300.97	\$63.42	30.2	22.9	17.6	3.1	2.4	1.9
AZO	AutoZone Inc		\$3,345.84	\$55.13	16.0	14.6	13.2	2.8	2.6	2.4
GM	General Motors Co		\$76.57	\$69.22	2.7	3.1	2.9	0.4	0.4	0.4
F	Ford Motor Co		\$11.84	\$47.24	3.2	3.3	2.9	0.3	0.3	0.3
GPC	Genuine Parts Co		\$103.01	\$14.33	10.4	9.8	9.1	0.6	0.6	0.5
RIVN	Rivian Automotive Inc		\$16.10	\$19.98	N.A.	N.A.	N.A.	3.7	2.8	1.7
PAG	Penske Automotive Group Inc		\$146.17	\$9.61	12.6	12.3	11.7	0.3	0.3	0.3
AN	AutoNation Inc		\$189.66	\$6.51	7.6	7.1	6.9	0.2	0.2	0.2
LAD	Lithia Motors Inc		\$251.95	\$5.87	11.2	10.8	9.6	0.2	0.2	0.1
LCID	Lucid Group Inc		\$10.36	\$3.39	N.A.	N.A.	N.A.	2.5	1.5	0.8
KMX	CarMax Inc		\$42.10	\$5.97	8.1	9.3	9.4	0.2	0.2	0.2
GPI	Group 1 Automotive Inc		\$317.85	\$3.77	8.9	9.0	8.4	0.2	0.2	0.2
ABG	Asbury Automotive Group Inc		\$189.89	\$3.66	9.4	9.5	9.1	0.2	0.2	0.2
VVV	Valvoline Inc		\$34.38	\$4.38	12.4	10.7	9.7	2.5	2.1	1.9
AAP	Advance Auto Parts Inc		\$50.90	\$3.06	11.5	9.1	7.9	0.4	0.4	0.3
HOG	Harley-Davidson Inc		\$18.61	\$2.08	N.A.	21.4	10.9	0.5	0.6	0.5

Apparel & 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		\$53.49	\$79.19	21.3	20.2	15.6	1.7	1.7	1.6
TPR	Tapestry Inc		\$144.02	\$29.16	17.8	16.4	15.0	3.9	3.6	3.5
LULU	Lululemon Athletica Inc		\$160.95	\$18.61	6.9	7.2	6.9	1.7	1.6	1.5
AS	Amer Sports Inc		\$33.09	\$19.24	17.7	14.6	12.4	2.9	2.5	2.2
ONON	On Holding AG		\$39.59	\$13.10	18.1	14.7	11.9	3.6	2.9	2.4
BIRK	Birkenstock Holding Plc		\$36.48	\$6.71	10.4	9.4	8.0	2.8	2.4	2.1
GAP	Gap Inc/The		\$25.49	\$9.50	7.5	7.1	6.6	0.6	0.6	0.6
VFC	VF Corp		\$17.30	\$6.77	13.0	12.7	11.6	0.7	0.7	0.7
BOOT	Boot Barn Holdings Inc		\$157.05	\$4.78	14.4	12.3	10.6	2.2	1.9	1.7
KTB	Kontoor Brands Inc		\$71.17	\$3.93	10.1	9.2	8.7	1.2	1.1	1.1
CROX	Crocs Inc		\$79.99	\$4.02	5.6	5.6	5.5	1.0	1.0	1.0
PVH	PVH Corp		\$65.82	\$3.01	5.3	5.6	5.2	0.3	0.3	0.3
COLM	Columbia Sportswear Co		\$55.53	\$2.91	8.9	7.7	7.2	0.9	0.8	0.8
AEO	American Eagle Outfitters Inc		\$16.32	\$2.77	7.9	6.7	6.1	0.5	0.5	0.5
SHOO	Steven Madden Ltd		\$33.47	\$2.44	13.6	11.6	9.9	1.0	0.9	0.8
UA	Under Armour Inc		\$5.90	\$2.56	17.6	13.3	10.9	0.5	0.5	0.5
WWW	Wolverine World Wide Inc		\$16.93	\$1.38	10.0	9.6	8.7	0.7	0.7	0.7
GOLF	Acushnet Holdings Corp		\$93.33	\$5.47	15.8	15.3	14.7	2.1	2.1	2.0
CALY	Callaway Golf Co		\$13.67	\$2.52	14.8	17.3	15.4	1.2	1.2	1.2

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		\$307.84	\$218.69	20.9	17.2	16.1	8.1	7.6	7.2
DASH	DoorDash Inc		\$154.73	\$67.22	23.1	17.7	13.4	4.9	3.8	3.1
SBUX	Starbucks Corp		\$91.98	\$104.79	22.4	21.8	18.4	2.8	2.7	2.6
CMG	Chipotle Mexican Grill Inc		\$32.76	\$42.67	20.0	20.1	17.4	3.6	3.3	3.0
YUM	Yum! Brands Inc		\$159.43	\$44.07	19.5	18.1	16.7	5.4	4.8	4.6
QSR	Restaurant Brands Internationa		\$73.85	\$33.57	16.2	15.2	14.4	3.6	3.4	3.3
DRI	Darden Restaurants Inc		\$200.52	\$23.09	15.0	13.4	12.8	1.8	1.7	1.6
DPZ	Domino's Pizza Inc		\$360.09	\$12.11	16.3	15.0	14.2	2.5	2.3	2.2
TXRH	Texas Roadhouse Inc		\$167.92	\$11.07	17.5	16.5	14.1	1.9	1.7	1.5
BROS	Dutch Bros Inc		\$52.67	\$8.67	32.1	26.6	21.0	5.3	4.2	3.4
CAVA	Cava Group Inc		\$84.43	\$9.83	64.8	53.9	42.7	8.3	6.8	5.6
WING	Wingstop Inc		\$172.07	\$4.70	23.6	20.6	17.5	6.7	5.8	5.0
EAT	Brinker International Inc		\$151.59	\$6.60	10.0	9.5	8.8	1.2	1.1	1.1
SHAK	Shake Shack Inc		\$90.04	\$3.85	21.1	18.3	15.6	2.7	2.3	2.0
CAKE	Cheesecake Factory Inc/The		\$56.99	\$2.84	16.0	13.9	12.8	0.8	0.7	0.7
WEN	Wendy's Co/The		\$7.10	\$1.35	9.9	11.1	10.8	0.6	0.6	0.6
PZZA	Papa John's International Inc		\$34.58	\$1.13	10.1	10.1	9.6	0.6	0.6	0.6
CBRL	Cracker Barrel Old Country Sto		\$27.23	\$0.61	11.7	13.0	9.9	0.2	0.2	0.2
BJRI	BJ's Restaurants Inc		\$36.16	\$0.77	9.2	8.4	7.9	0.5	0.5	0.5
BLMN	Bloomin' Brands Inc		\$5.73	\$0.49	16.6	8.9	8.3	0.1	0.1	0.1
JACK	Jack in the Box Inc		\$10.83	\$0.21	13.6	14.2	13.7	0.2	0.2	0.2

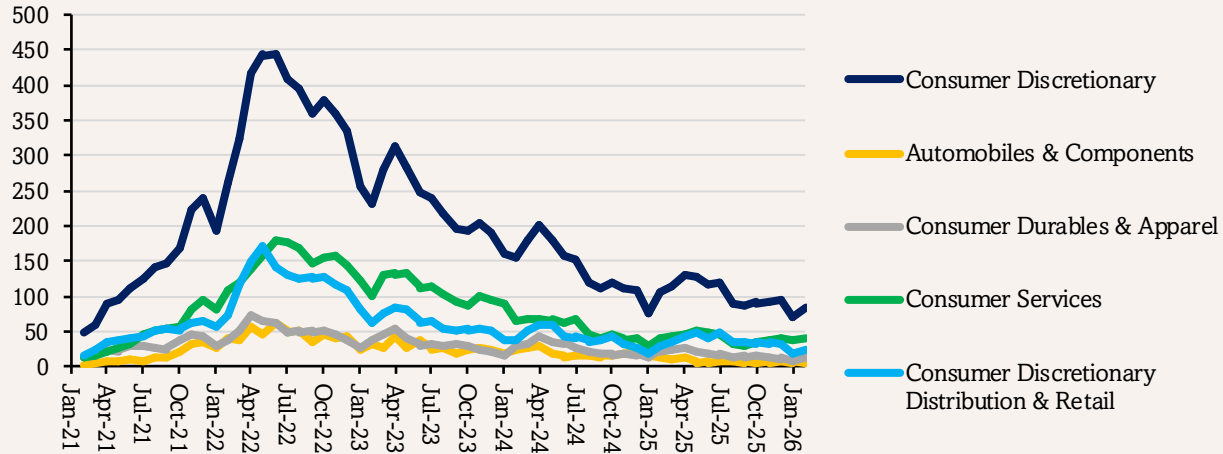
Leisure, Accommodations & Travel Comps

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		\$4,290.65	\$135.90	13.8	12.2	11.0	5.0	4.5	4.2
RCL	Royal Caribbean Cruises Ltd		\$273.39	\$73.96	13.6	12.1	11.0	4.1	3.7	3.5
ABNB	Airbnb Inc		\$130.00	\$79.13	16.4	14.6	13.0	6.5	5.8	5.2
MAR	Marriott International Inc/MD		\$324.29	\$85.93	19.1	17.4	16.3	3.3	3.1	2.9
HLT	Hilton Worldwide Holdings Inc		\$299.91	\$68.77	21.8	20.1	18.5	5.7	5.3	4.9
CCL	Carnival Corp		\$25.47	\$35.28	8.5	8.2	7.7	1.3	1.3	1.2
EXPE	Expedia Group Inc		\$236.99	\$29.04	8.9	7.9	7.2	2.0	1.8	1.7
VIK	Viking Holdings Ltd		\$72.67	\$32.40	18.4	16.0	13.6	5.0	4.4	3.9
H	Hyatt Hotels Corp		\$145.68	\$13.76	15.4	15.1	13.7	1.9	1.9	1.8
WYNN	Wynn Resorts Ltd		\$102.77	\$10.72	10.2	9.8	9.2	1.5	1.4	1.4
NCLH	Norwegian Cruise Line Holdings		\$19.66	\$8.96	8.9	8.4	7.6	0.9	0.8	0.8
MGM	MGM Resorts International		\$37.11	\$9.49	8.5	8.4	8.0	0.5	0.5	0.5
BYD	Boyd Gaming Corp		\$84.47	\$6.36	6.4	6.8	6.7	1.6	1.5	1.5
WH	Wyndham Hotels & Resorts Inc		\$77.39	\$5.82	11.6	11.3	10.5	4.1	3.9	3.7
MTN	Vail Resorts Inc		\$130.01	\$4.63	9.8	9.9	8.9	1.6	1.6	1.5
CHH	Choice Hotels International In		\$99.00	\$4.55	10.4	10.2	10.0	2.9	2.8	2.7
TNL	Travel + Leisure Co		\$70.71	\$4.41	7.8	7.4	7.1	1.1	1.1	1.0
DAL	Delta Air Lines Inc		\$66.65	\$43.53	7.2	6.5	5.8	0.7	0.7	0.7
UAL	United Airlines Holdings Inc		\$93.56	\$30.66	6.1	5.6	4.9	0.5	0.5	0.4
LUV	Southwest Airlines Co		\$39.83	\$19.57	10.6	5.3	4.6	0.7	0.6	0.6
AAL	American Airlines Group Inc		\$10.71	\$7.07	10.6	8.4	6.6	0.1	0.1	0.1
ALK	Alaska Air Group Inc		\$38.48	\$4.41	5.7	5.4	4.0	0.3	0.3	0.3

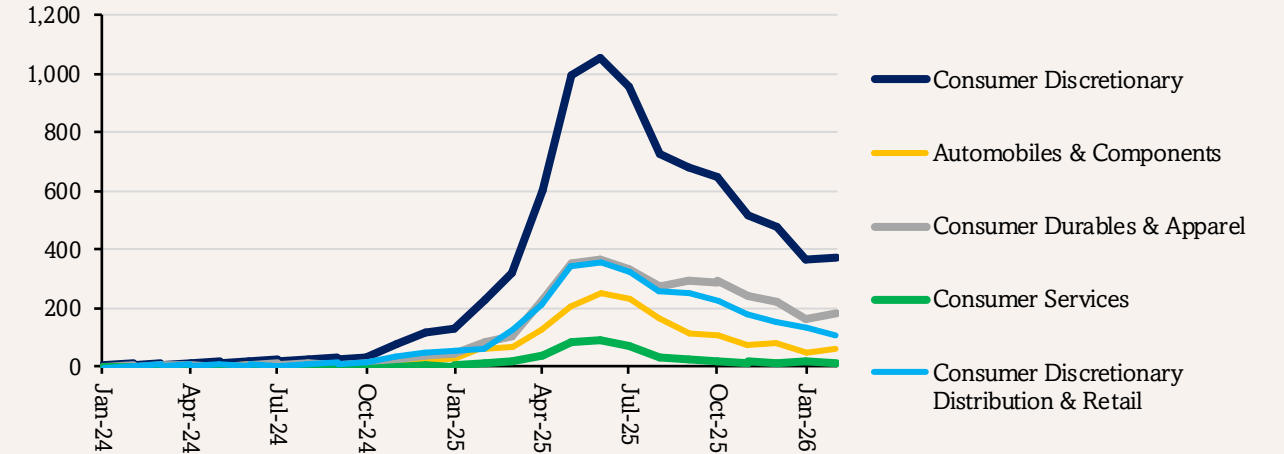
Thematic Analysis

Across constituents of the Russell 3000, Optimal tracks key themes in EPS transcripts; AI mentions have accelerated again among CD names (+115% y/y on a T3M basis). Tariff & Inflation mentions higher m/m off war in Middle East & recent SCOTUS ruling. Economic Slowdown mentions however remain unchanged.

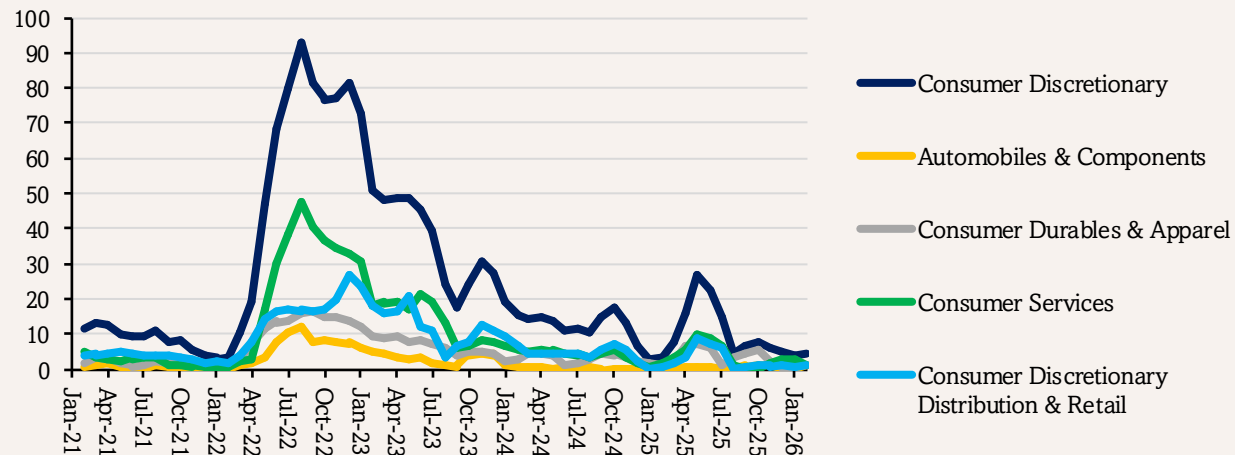
Inflation Mentions



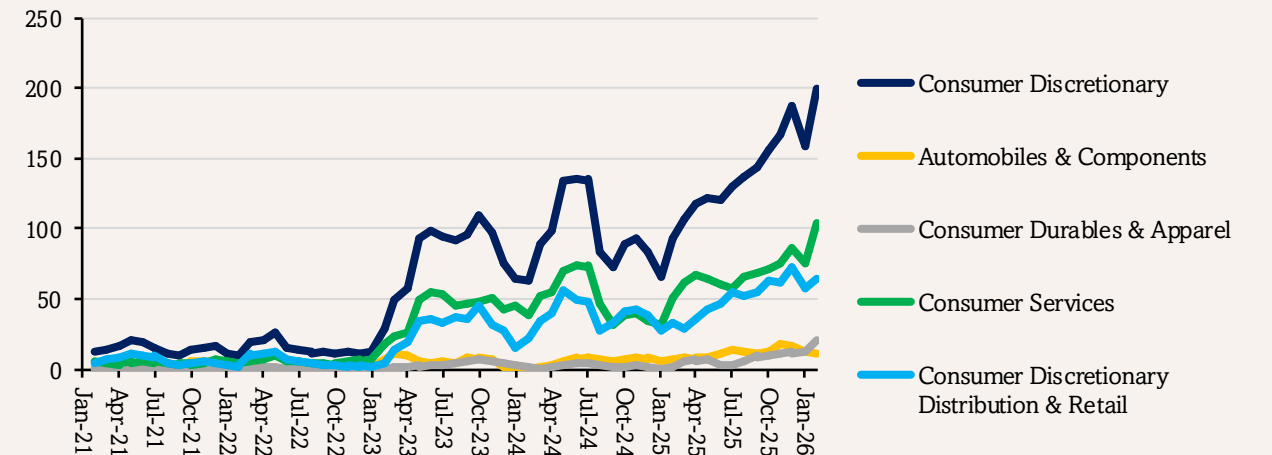
Tariffs Mentions



Economic Slowdown Mentions

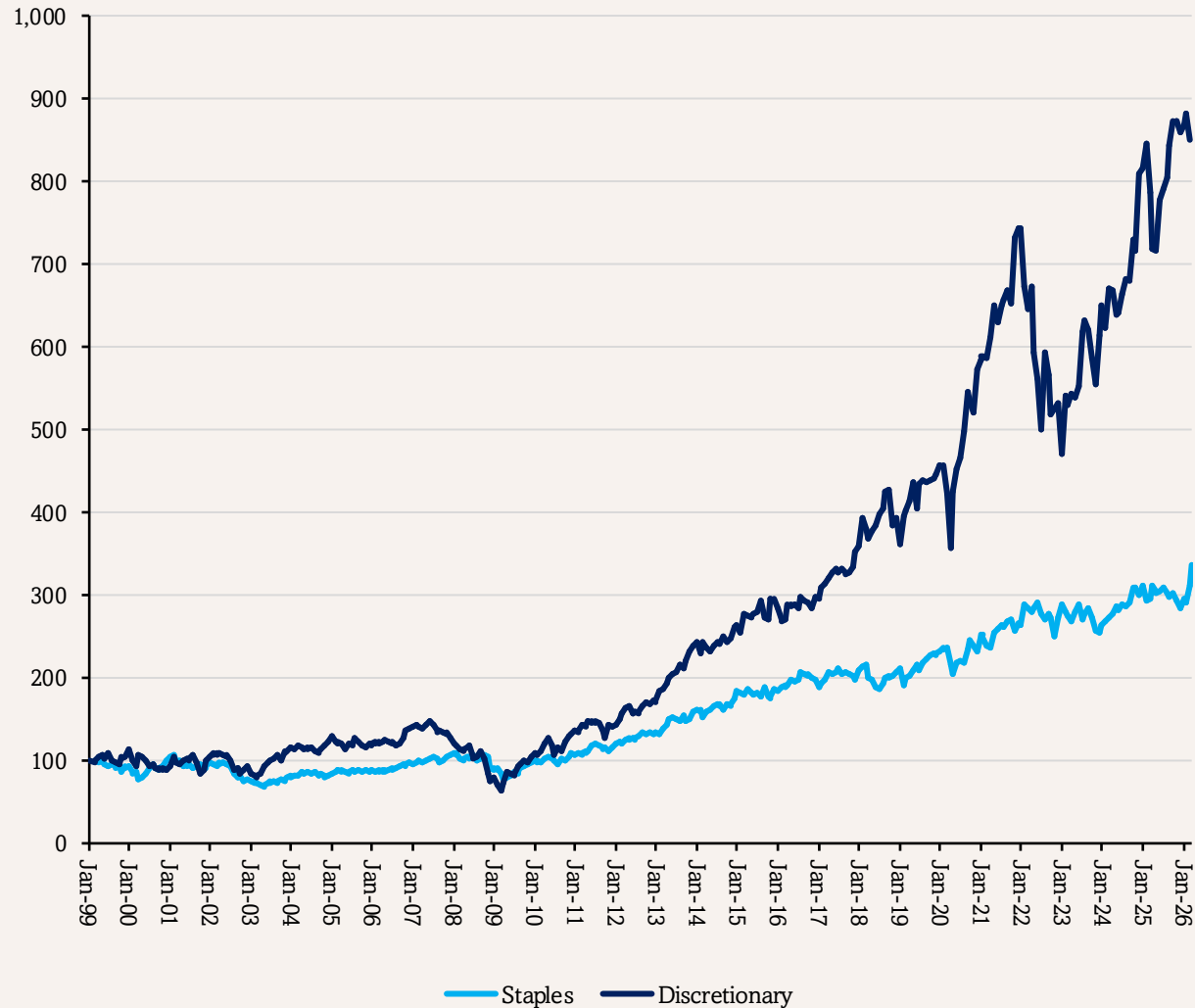


AI Mentions

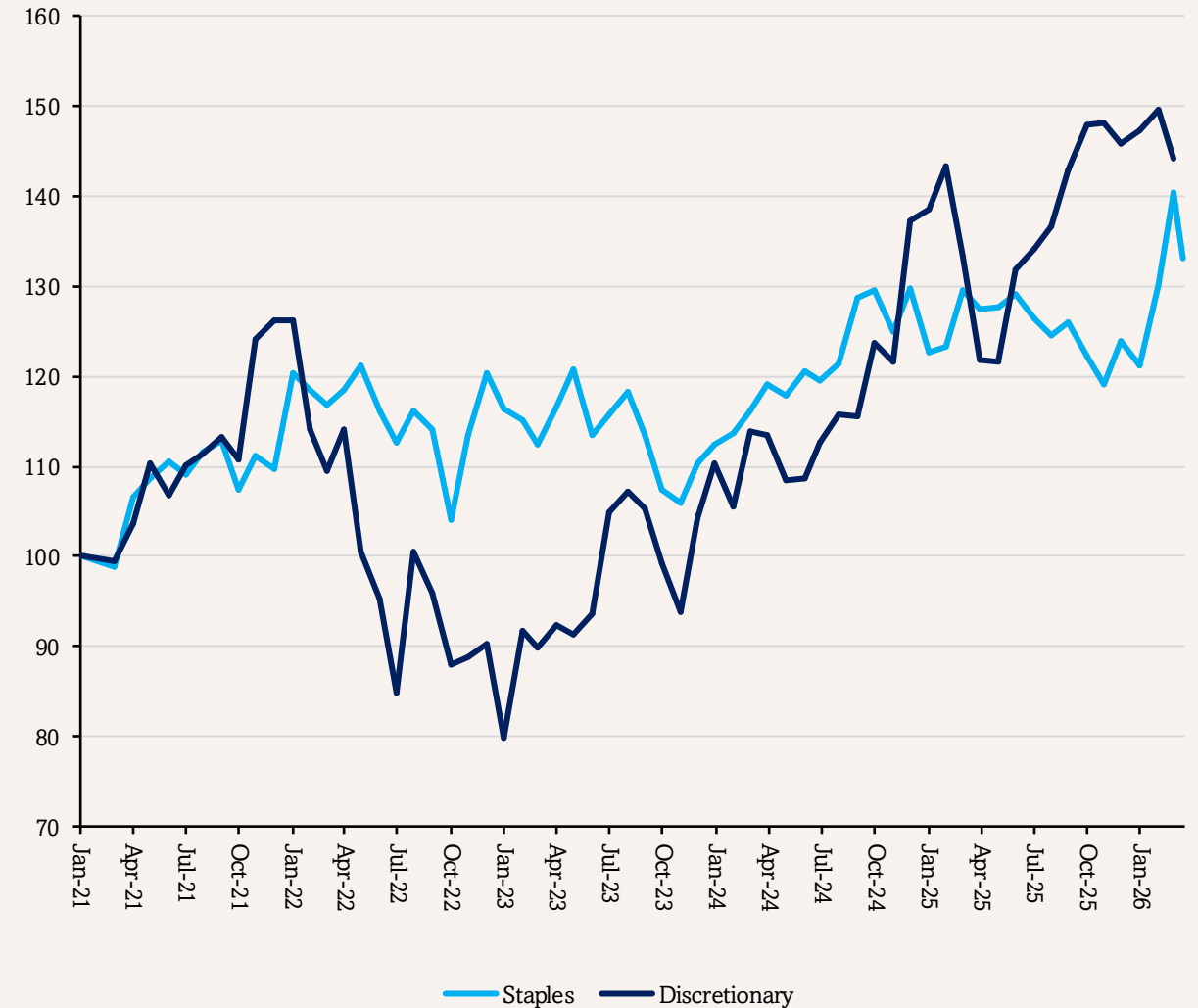


Discretionary outperformed staples from 2010-2020. After a hot start to 2026, Staples performance moving lower off global conflict.

Sector Equity Returns (Jan 1999 = 100)

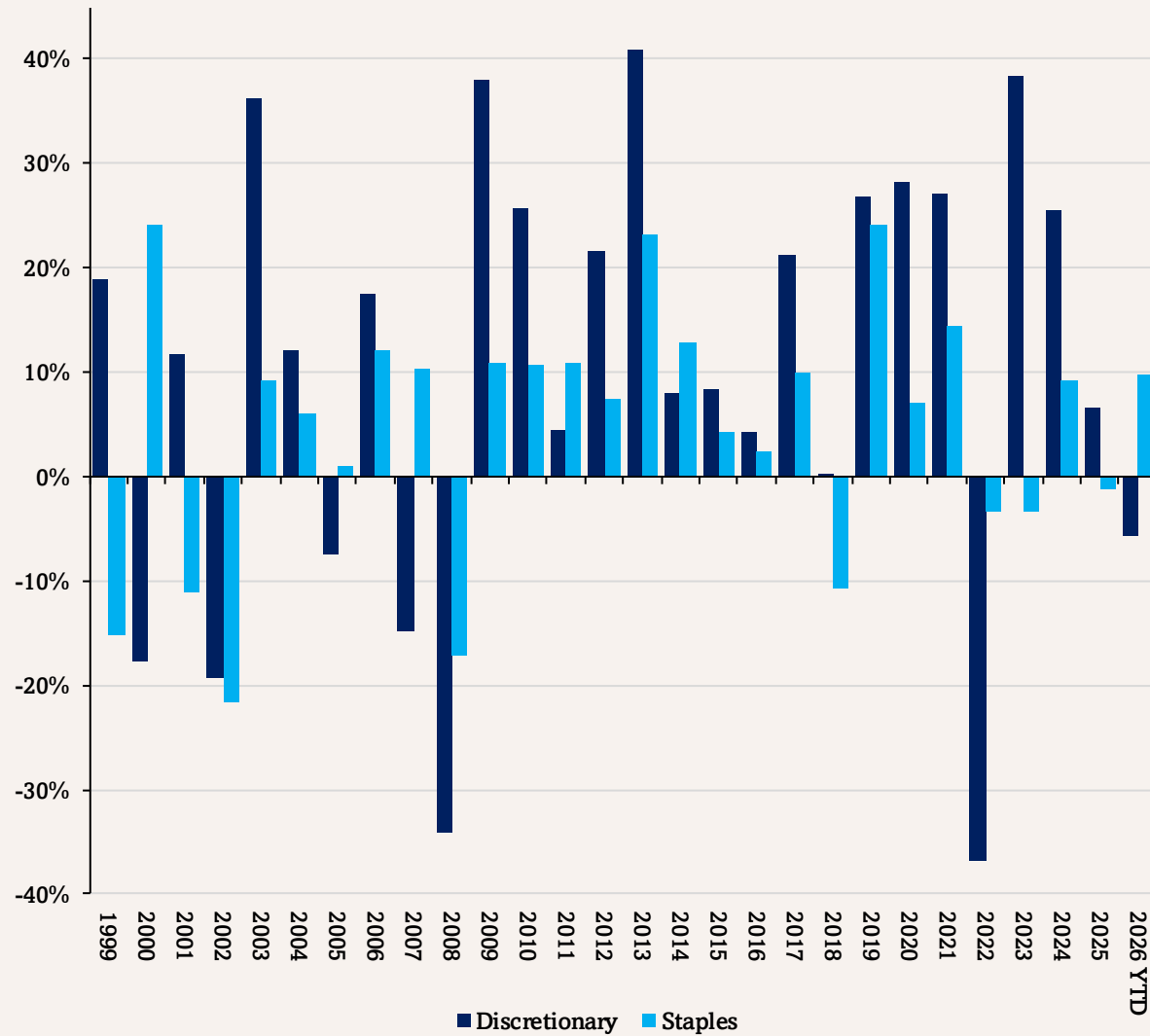


Sector Equity Returns (Jan 2021 = 100)

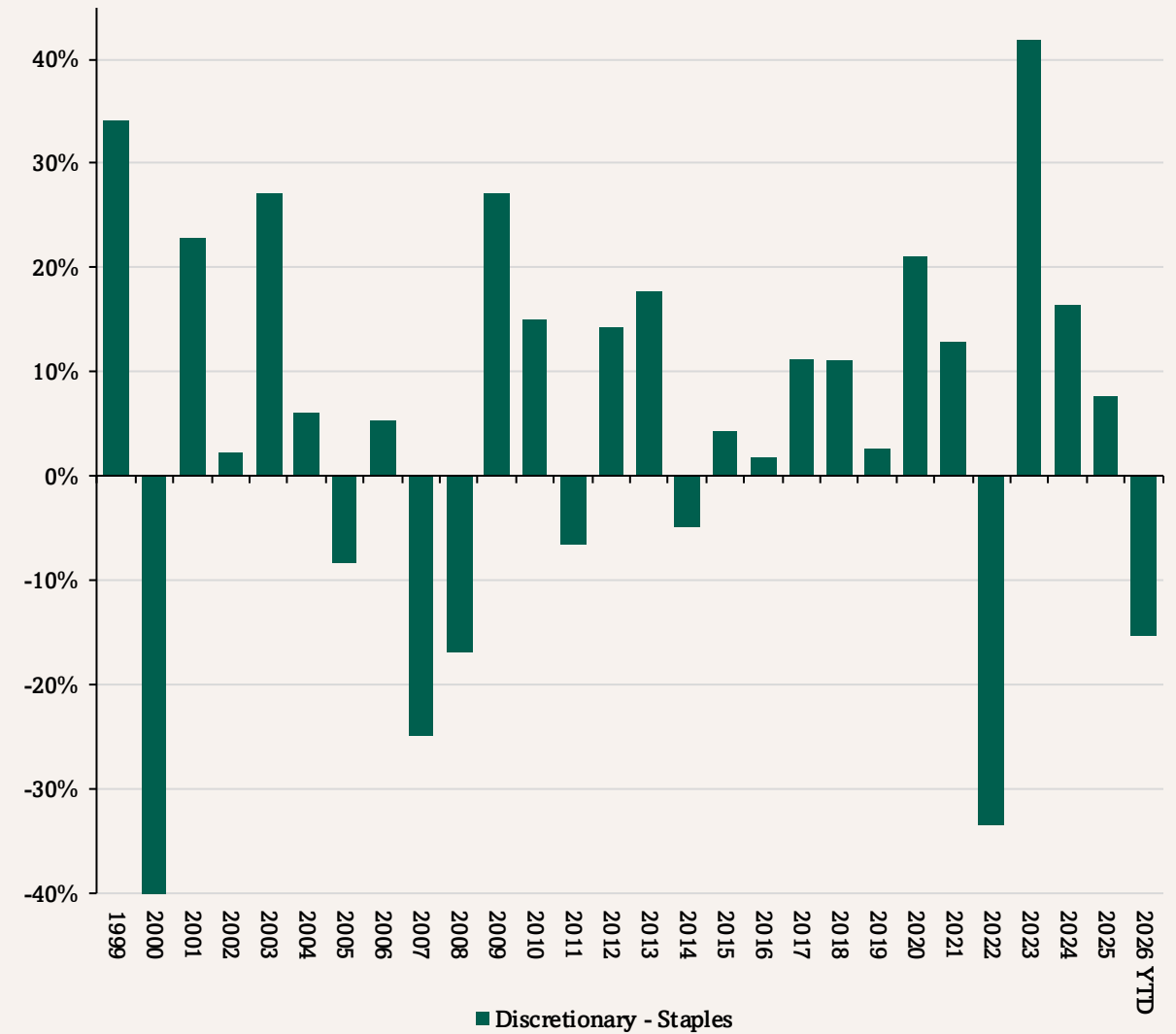


Year to date, the SPDR Staples ETF (XLP) has performed well (+4.6%); Consumer Discretionary ETF (XLY) has returned -6.4%.

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

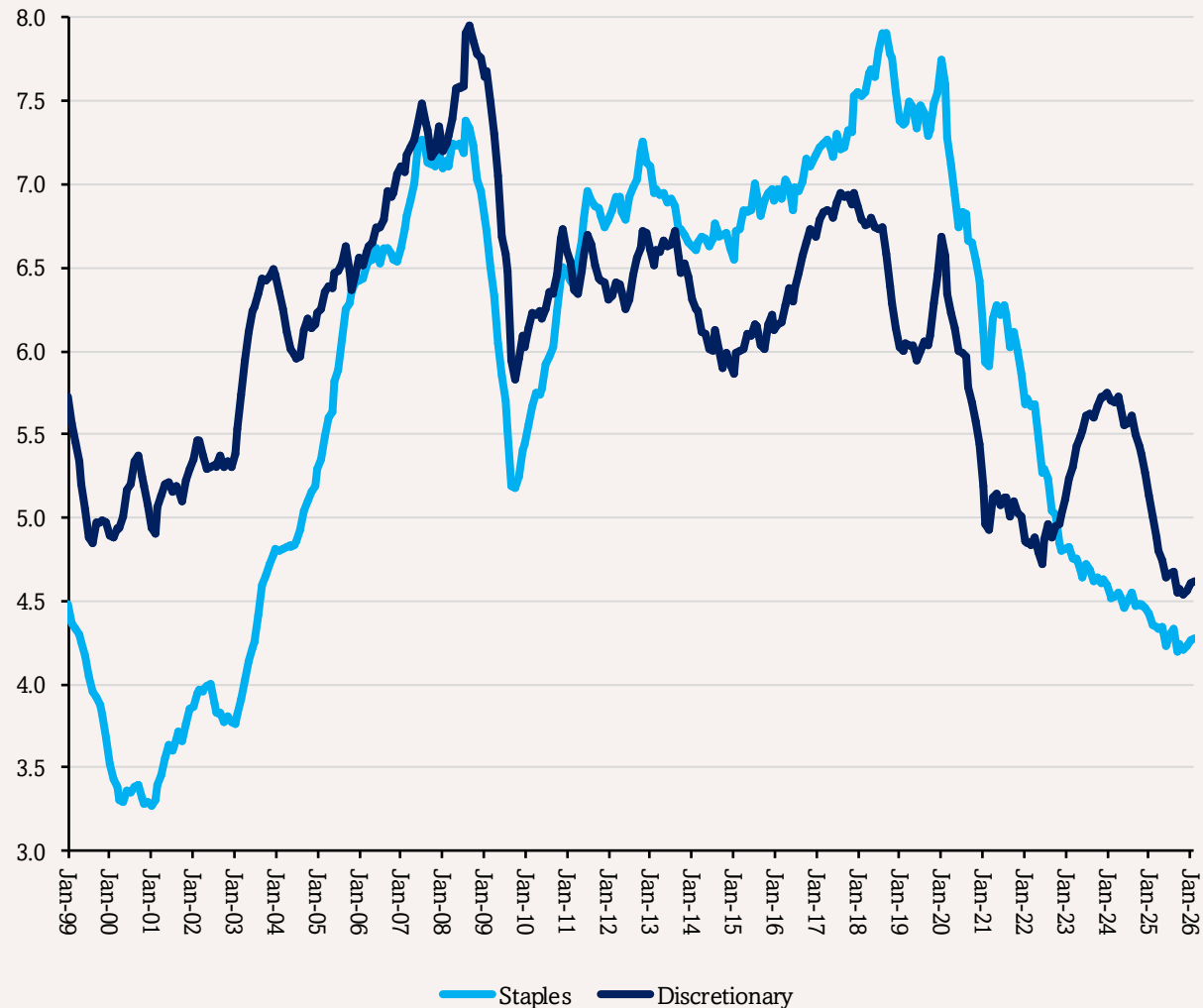


Annual Discretionary Performance Relative to Staples



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)



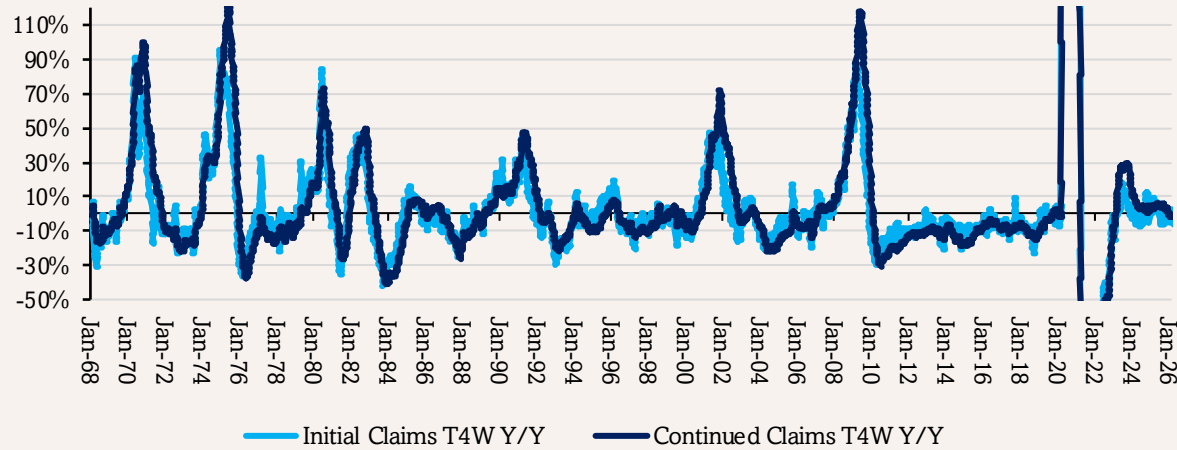
Consumer Short Ratio ▲

Ticker	Company	M/ T3M	T3M vs Prior Year T3M	T6M vs Prior Year T6M
MDLZ	Mondelez Int.	14.4%	65.0%	72.6%
UAA	Under Armour Inc	15.7%	34.8%	59.3%
F	Ford Motor Co	-27.0%	86.9%	53.4%
KDP	Keurig Dr Pepper Inc	16.4%	79.9%	35.6%
WEN	Wendy's Co	-34.9%	64.0%	31.1%
WMT	Walmart Inc	25.0%	36.6%	20.0%
CZR	Caesars Entertainment	-40.5%	70.8%	19.0%
NKE	NIKE Inc	16.4%	2.9%	18.6%
KO	Coca-Cola Co	5.2%	20.0%	15.5%
TSLA	Tesla Inc	14.3%	35.2%	11.1%
KHC	Kraft Heinz Co	21.0%	29.4%	5.6%
NCLH	Norwegian Cruise Line	-24.5%	-14.5%	-1.8%
SABR	Sabre Corp	-56.5%	37.7%	-2.1%
GM	General Motors Co	5.6%	-16.5%	-12.4%
CAG	Conagra Brands Inc	-13.3%	-4.6%	-12.5%
GIS	General Mills Inc	-4.7%	-13.7%	-12.8%
PG	Procter & Gamble Co	-1.2%	-15.7%	-17.4%
CCL	Carnival Corp	5.7%	-31.2%	-26.5%
CMG	Chipotle Mexican Grill	28.5%	-3.2%	-33.1%
KVUE	Kenvue Inc	-3.7%	-19.9%	-43.0%

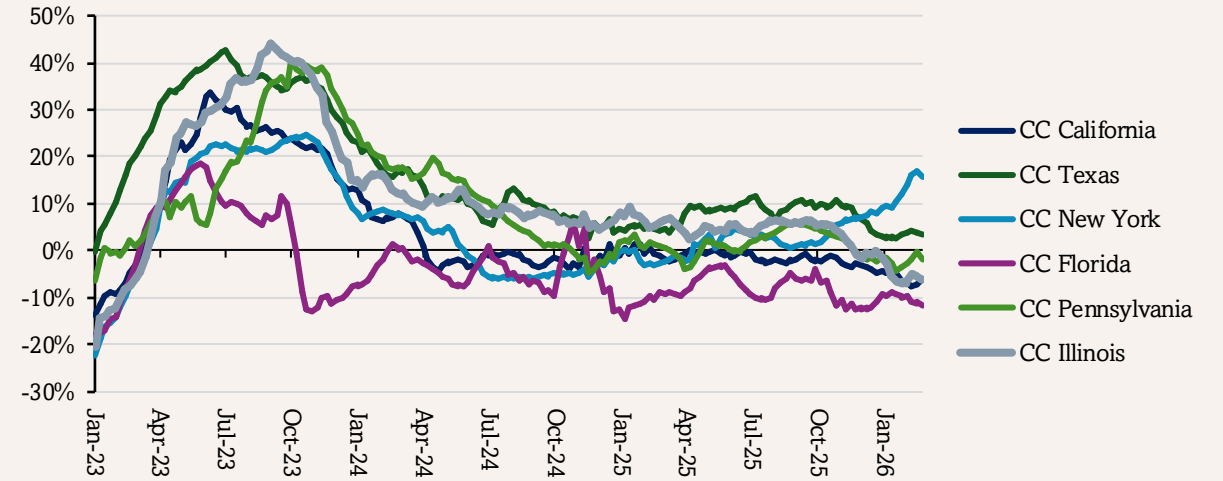
Consumer Macro

National continued and initial claims moving lower in recent weeks. Continued claims running down -0.5% y/y over T4W while initial claims running down -6.8% y/y over the same time frame.

Unemployment Claims T4W Y/Y



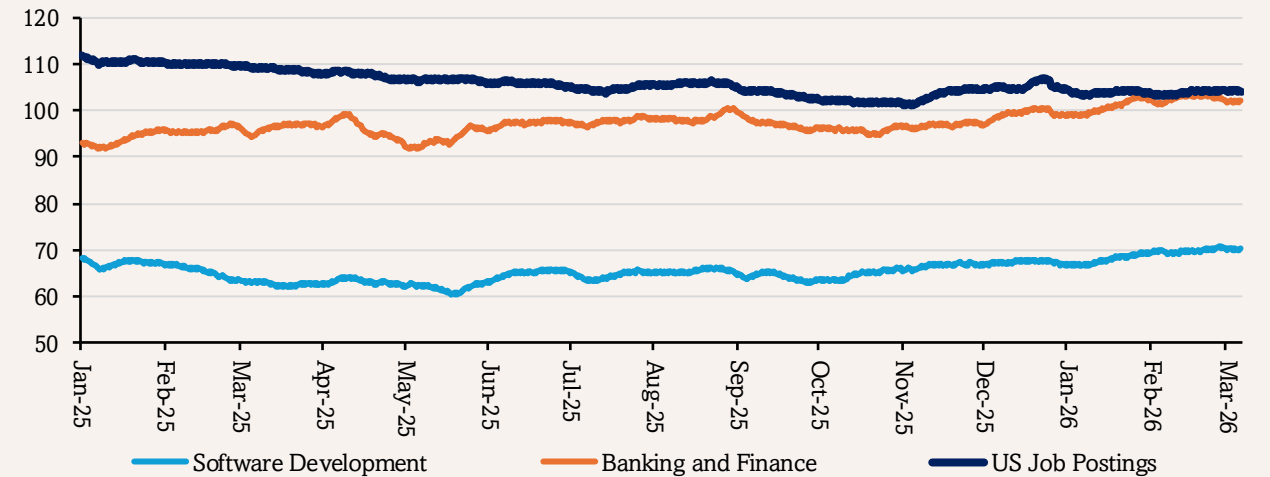
State Continued Claims T4W Y/Y



Industry Indeed Job Postings Leaders & Laggards

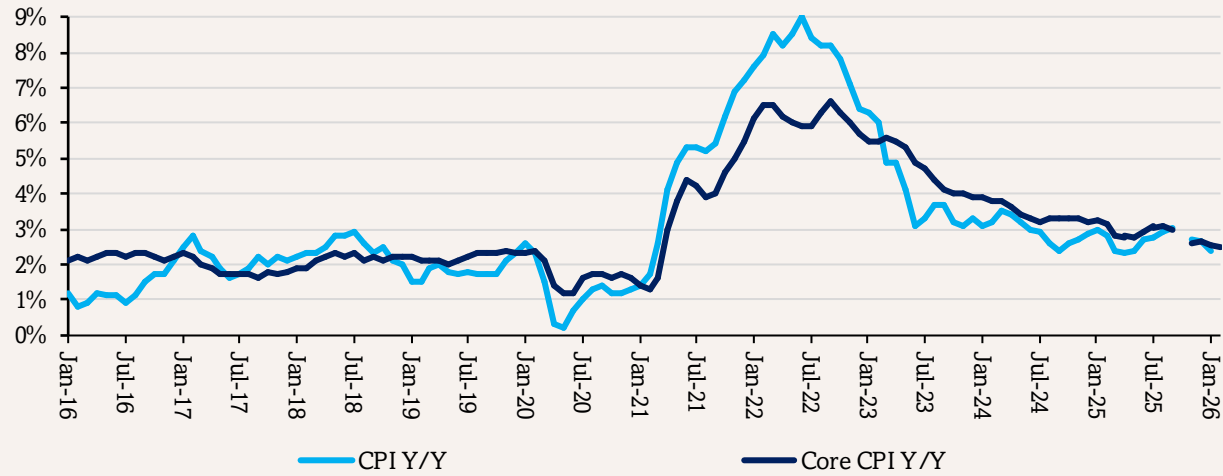
Industry	Posting Level Relative, Pre-Pandemic = 100	Y/Y Job Postings
Driving	101.12	-30.9%
Dental	127.29	-13.6%
Civil Engineering	143.44	-13.1%
Community and Social Service	109.15	-11.0%
Retail	88.43	-10.4%
Nursing	105.95	-9.8%
US Job Postings	104.23	-4.7%
Banking and Finance	102.16	7.8%
Customer Service	91.05	8.8%
Industrial Engineering	96.72	9.5%
Software Development	70.13	10.6%

Daily Indeed Job Postings

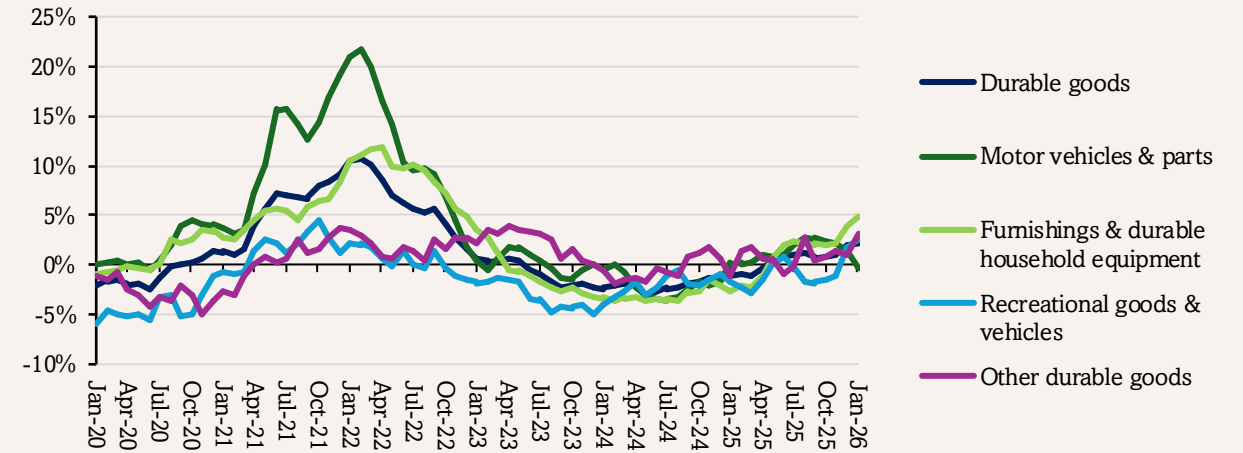


CPI unchanged y/y for February, still at lowest levels since 2021 at both the headline and core level. Headline CPI running up +2.4%, core CPI running up +2.5% y/y. PCE price index running up y/y for Durable Goods (+2.2% y/y), Nondurable Goods (+0.8%) & Services (+3.5%), but all lower that last month.

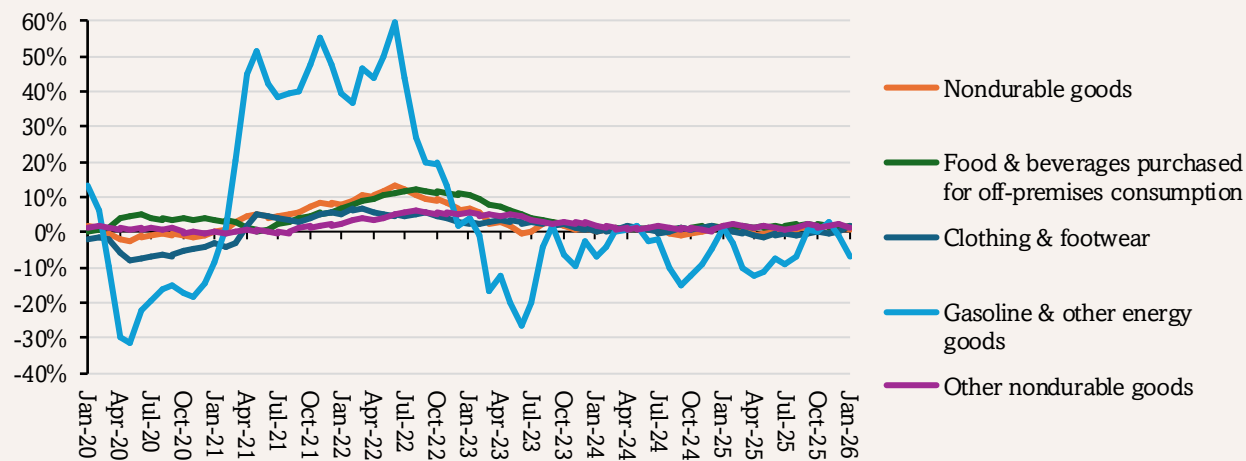
Consumer Price Index



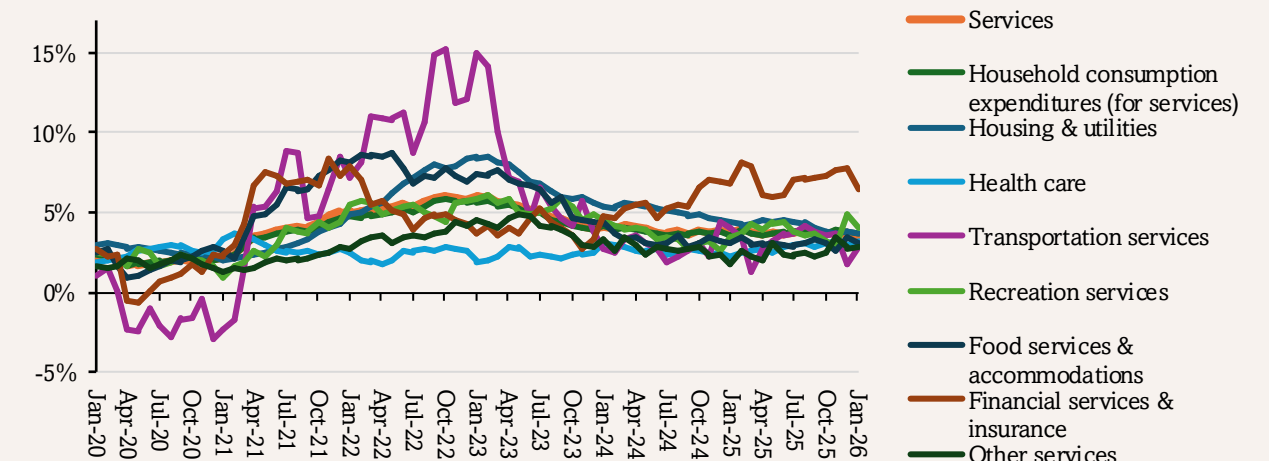
PCE Price Index: Durables



PCE Price Index: Nondurables

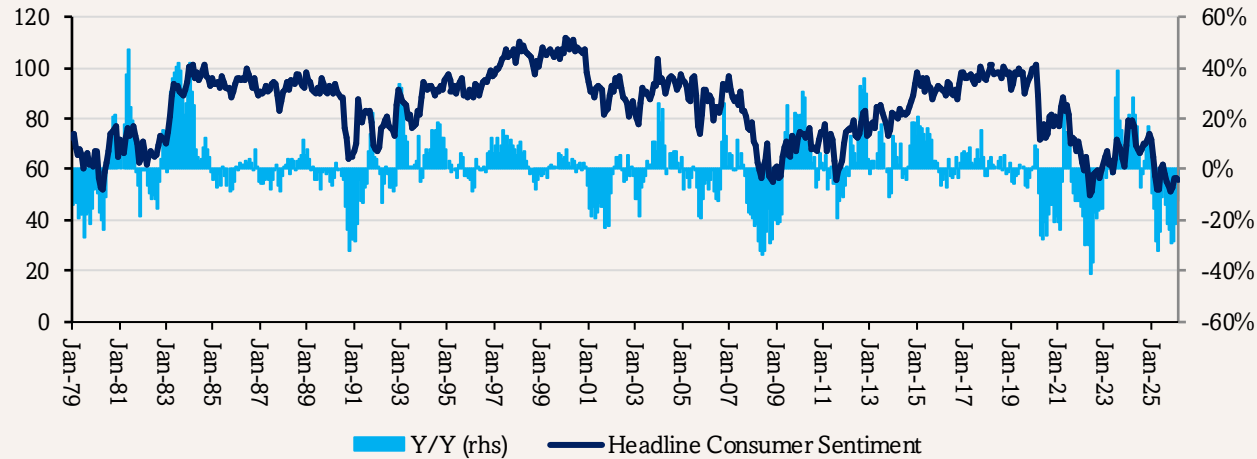


PCE Price Index: Services

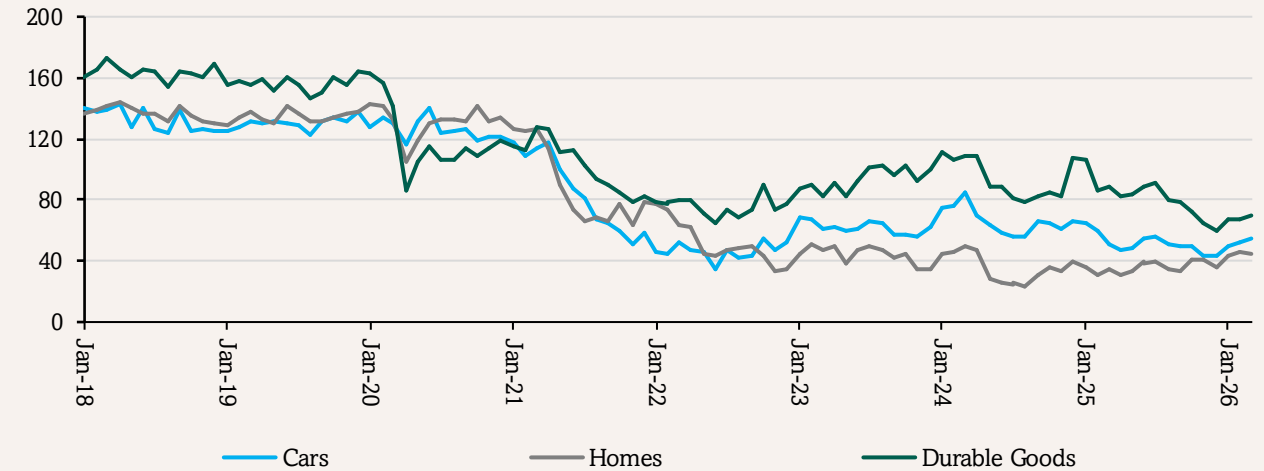


Preliminary Headline Sentiment for March has continued to run down, but less negative than the last 5 months. Sentiment is now running -2.6% y/y off easier compares. Declines are particularly strong among age 18-24 (-12.8% y/y) and middle-income (-6.6% y/y) respondents.

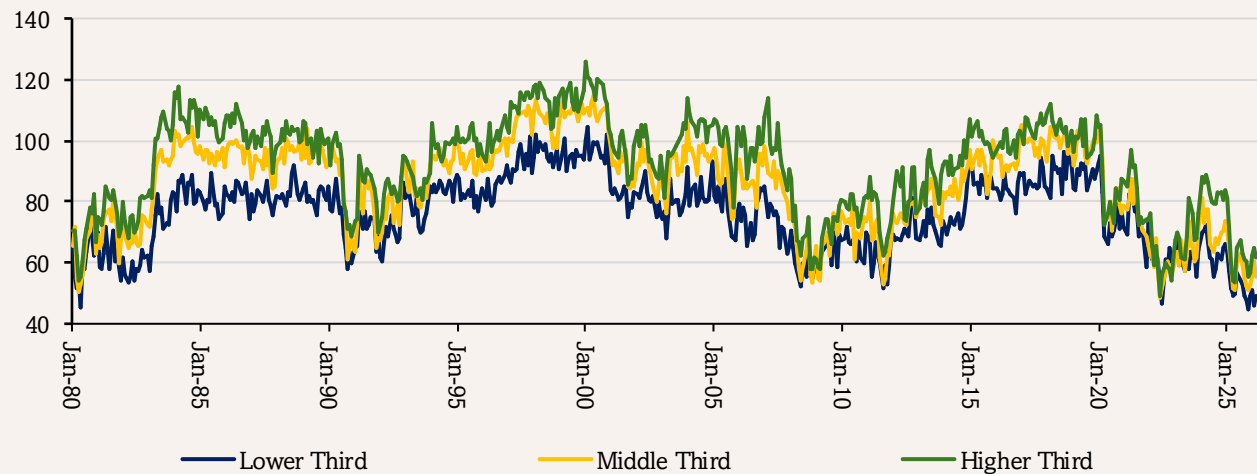
Headline Consumer Sentiment



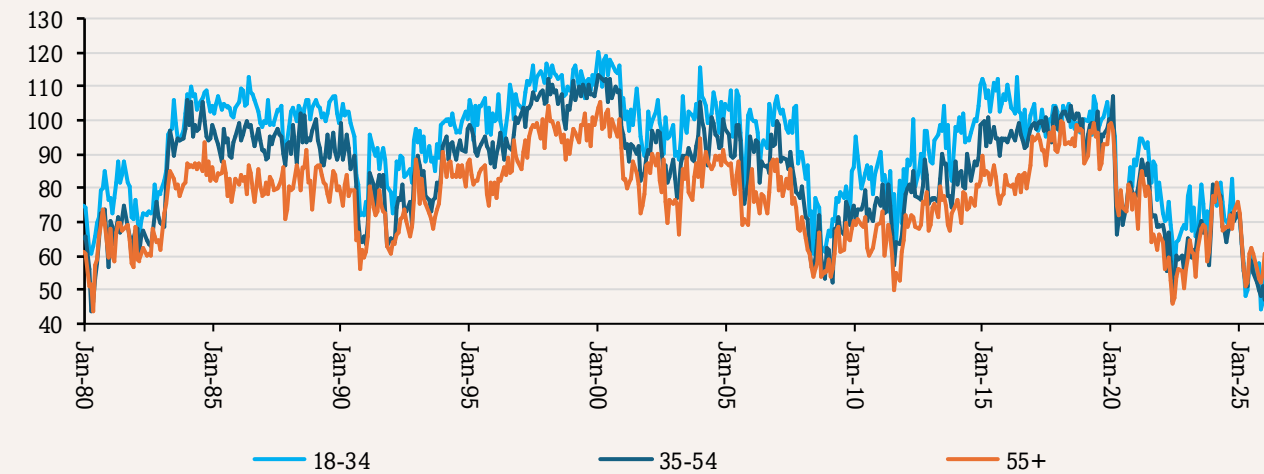
Purchasing Conditions



Consumer Sentiment by Income Terciles

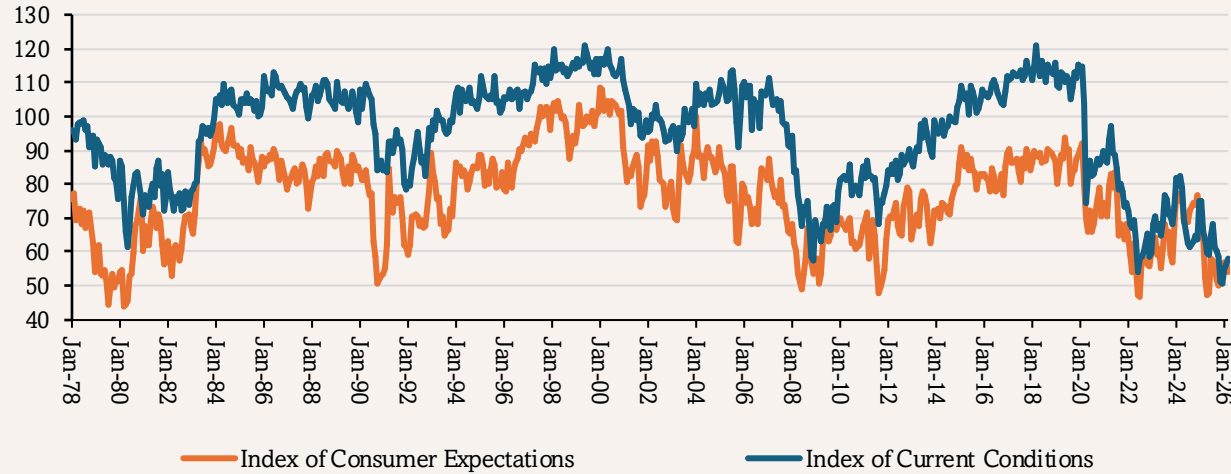


Consumer Sentiment by Age

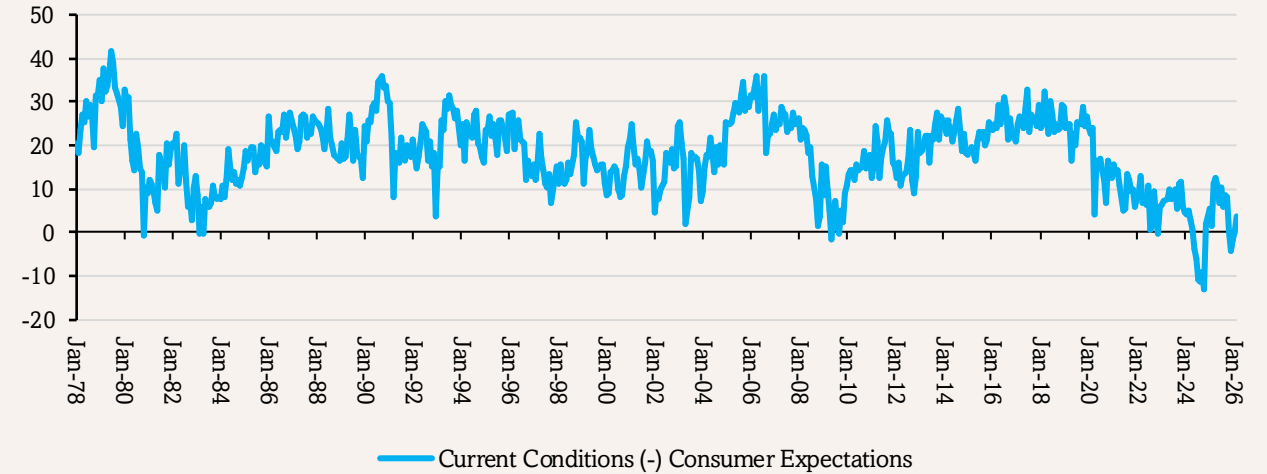


Consumer expectations are improving. Durable goods buying conditions continue to be the largest source of pessimism, running down -21% y/y. Meanwhile expected business conditions during the next year running up +10.7% y/y and current financial situation running up +4.1% y/y.

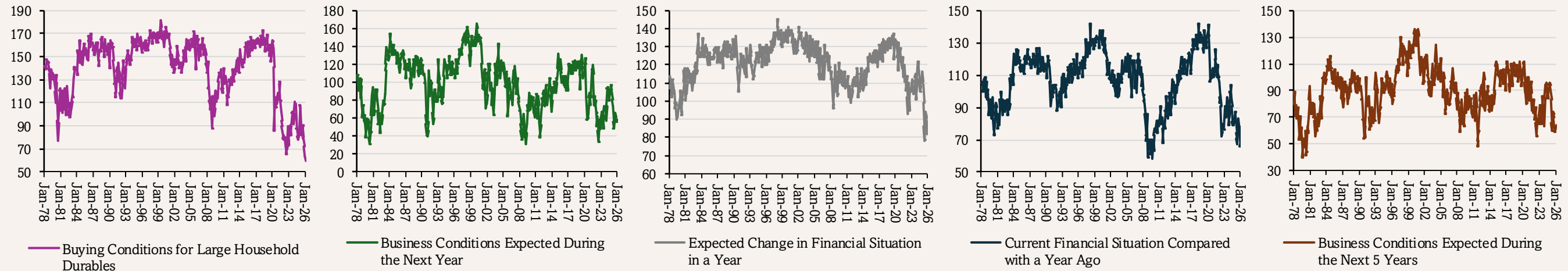
Expectations vs. Current Conditions



Current Conditions - Expectations

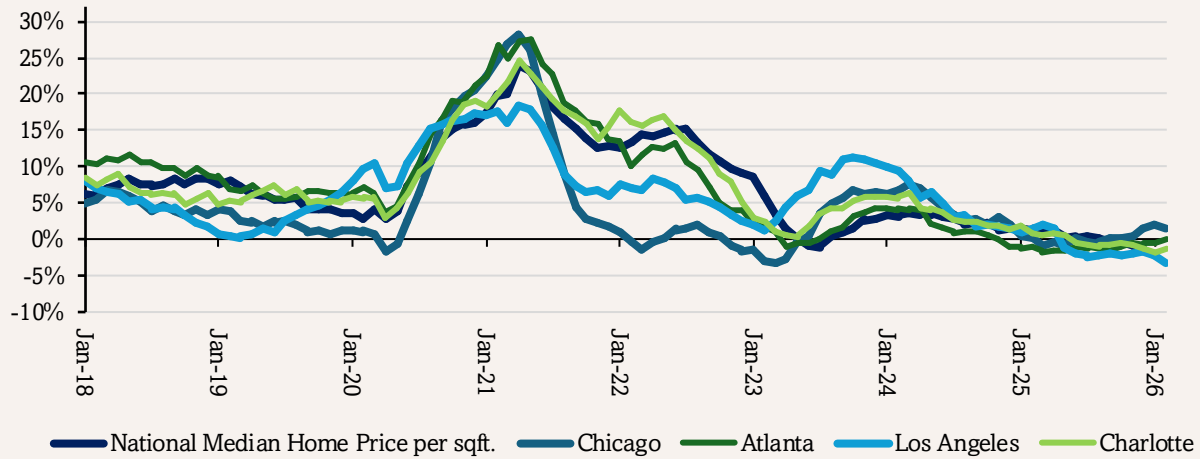


Components of Consumer Sentiment

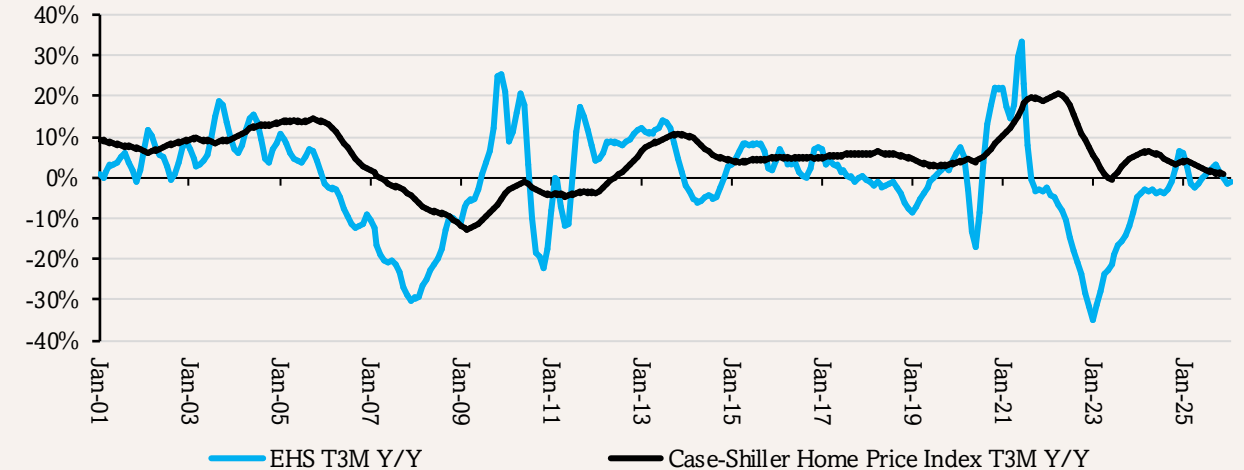


Mortgage rates have stabilized around 6% (some of the lowest levels since Fall '24, and Fall '22 before that). We note significant pickup in mortgage applications for refinance (up +80% y/y) is a sign of for more 2H26 activity. Roughly 18% of US GDP is related to the selling, budling, fixing, lending, and furnishing of homes – velocity matters for the broader economy.

Median Home Price Per Sqft. Y/Y



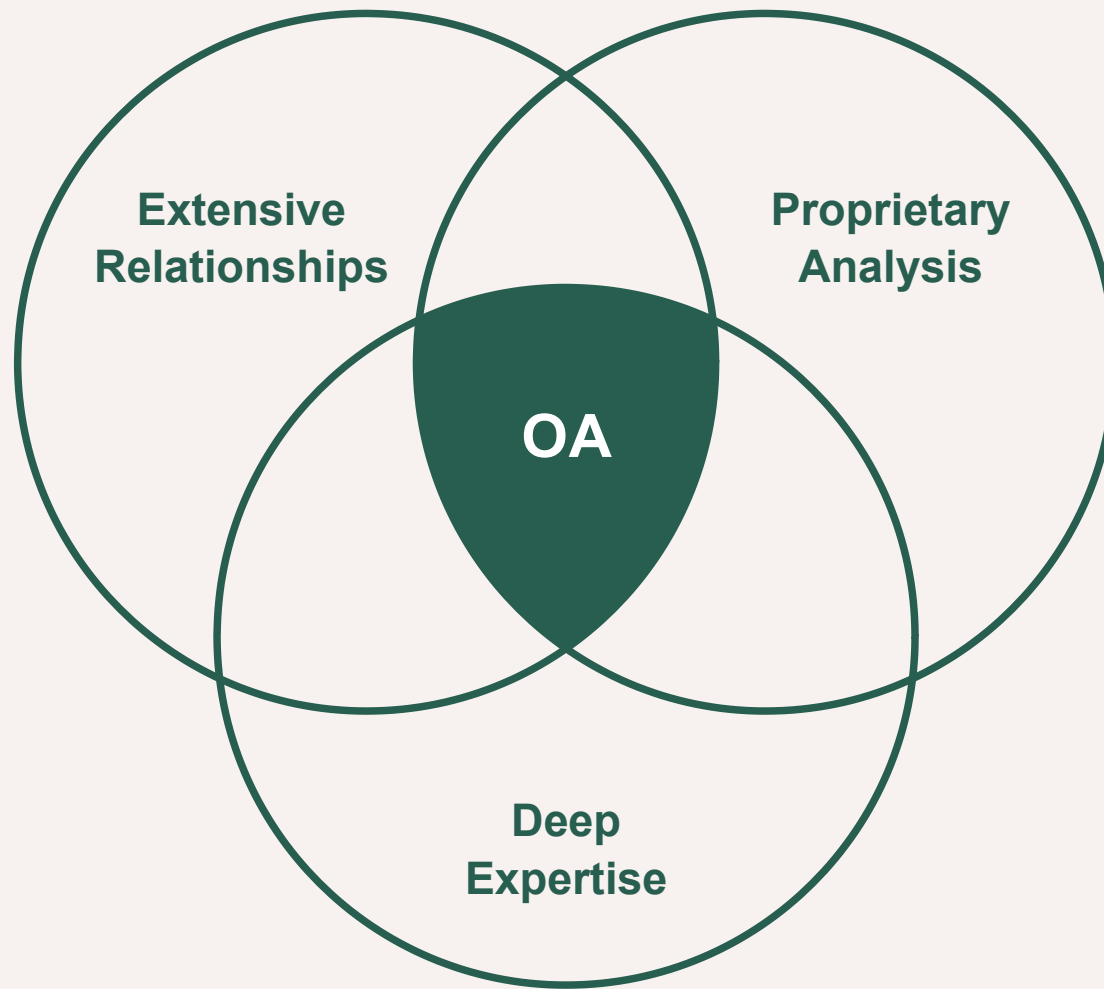
Existing Home Sales



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.
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%	0.3%	-1.2%	5.4%	-0.9%	-0.9%	0.6%
Oct-25	3.0%	5.7%	-1.4%	-0.6%	0.1%	-1.0%	5.2%	-0.6%	0.1%	0.4%
Nov-25	1.9%	5.8%	-1.4%	-0.4%	0.5%	-1.1%	5.2%	0.2%	0.5%	0.3%
Dec-25	0.9%	5.4%	-2.1%	-0.9%	0.7%	-1.4%	5.3%	0.6%	-0.1%	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.

Experience and relationships across consumer sectors