

OPTIMAL

Consumer Discretionary Briefing Book

June 2026
Optimal Advisory

Summary

Spending - 20/33 subsectors inflected negatively in June, more negative than May.

Inflation is the story with T4W ticket up in 29/33 subsectors. Demand destruction signs with only 6/33 subsectors with positive T4W transaction count.

June **positive callouts** airlines, luxury, off-price retail, and home furnishings. June **negative callouts** include cruises, pizza, and consumer electronics.

Early “canary in coalmine” traction indicators (including Gen Z) **positive callouts** include TPR, LULU, ONON, SHAK; **negative callouts** include JACK, CCL, WING.

Macro themes: Higher energy costs remain elevated but retreating from peaks; Real Disposable Income growth at concerning levels.

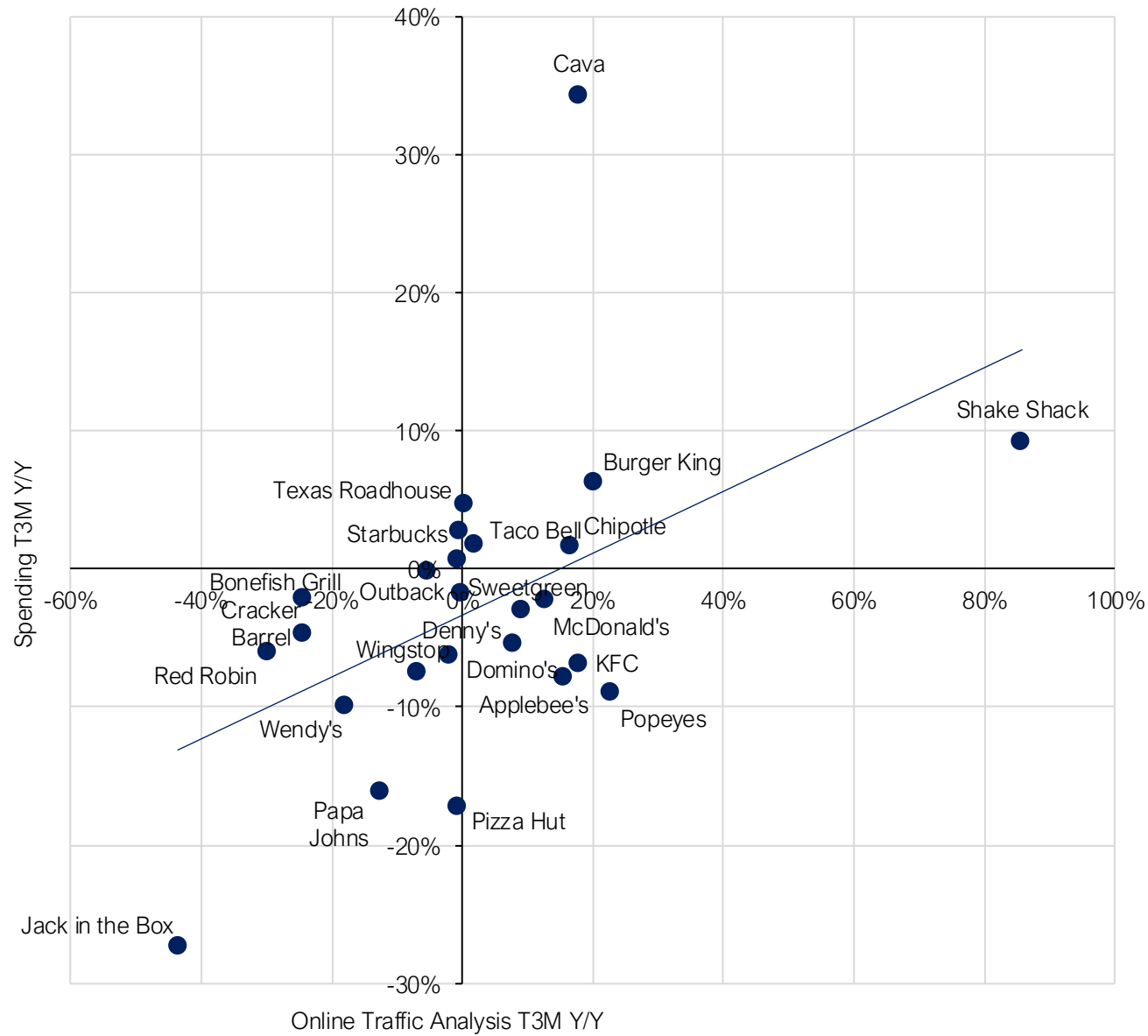
Optimal Subsector	REVENUE TREND			TRANSACTION COUNT		AVERAGE TICKET	
	T4W Y/Y	T12W Y/Y	Inflection	T4W Y/Y	T12W Y/Y	T4W Y/Y	T12W Y/Y
Broadline Retail	0.7%	1.3%	-0.5%	0.7%	0.8%	0.0%	0.4%
E-commerce	6.0%	7.1%	-1.0%	9.9%	10.7%	-3.5%	-3.3%
Grocery	-1.8%	-0.6%	-1.3%	-2.0%	-0.8%	0.2%	0.3%
Home Improvement	-0.2%	-0.4%	0.2%	-1.5%	-1.9%	1.3%	1.6%
Meal Delivery	10.9%	11.4%	-0.5%	6.8%	7.2%	3.8%	3.9%
Ride Share	2.3%	1.6%	0.7%	-5.9%	-4.0%	8.7%	5.8%
Gas Stations	18.7%	19.9%	-1.2%	1.6%	2.1%	16.9%	17.4%
Fast Food	-1.2%	-1.7%	0.6%	-3.7%	-3.5%	2.6%	1.9%
Dollar Stores	1.9%	2.2%	-0.3%	-0.1%	0.1%	2.0%	2.0%
Pharmacy	-0.6%	-0.9%	0.3%	-2.5%	-2.5%	1.9%	1.7%
Accommodations	-1.8%	-0.2%	-1.6%	-8.2%	-6.5%	6.9%	6.8%
Cruises	-10.6%	-8.5%	-2.1%	-6.0%	-3.4%	-4.9%	-5.3%
Entertainment	5.8%	5.6%	0.2%	-4.4%	-3.1%	10.7%	9.0%
Auto Parts	2.1%	4.5%	-2.3%	-3.0%	-1.1%	5.3%	5.6%
Airlines	9.1%	7.7%	1.4%	-6.1%	-4.7%	16.2%	13.0%
Pet Specialty	-1.1%	-0.7%	-0.4%	-2.1%	-1.2%	1.0%	0.4%
Beauty	-3.5%	-2.0%	-1.4%	-4.5%	-3.6%	1.1%	1.7%
Luxury	11.8%	6.6%	5.3%	-1.3%	-0.5%	13.3%	7.2%
Sports Retail	-3.3%	0.0%	-3.3%	-7.7%	-4.6%	4.7%	4.8%
Athleisure	-8.0%	-9.6%	1.7%	-10.8%	-11.7%	3.2%	2.3%
Apparel	-3.6%	-3.3%	-0.4%	-6.7%	-7.2%	3.3%	4.3%
Home Furnishings	3.5%	1.1%	2.4%	-1.5%	-0.3%	5.1%	1.4%
Fast Casual	1.9%	1.3%	0.6%	-0.5%	-1.0%	2.4%	2.3%
Casual Dining	-4.6%	-3.9%	-0.7%	-8.2%	-7.7%	3.9%	4.1%
Coffee	3.3%	3.8%	-0.5%	-0.2%	0.7%	3.5%	3.0%
Department Stores	-1.3%	-2.6%	1.3%	-2.7%	-4.9%	1.5%	2.4%
Golf	0.4%	4.7%	-4.3%	-7.6%	1.6%	8.7%	3.1%
Outdoor Recreation	-2.1%	-0.7%	-1.4%	-8.2%	-6.1%	6.6%	5.7%
Pizza	-12.5%	-12.3%	-0.2%	-9.8%	-9.3%	-3.0%	-3.3%
Gambling	9.5%	9.2%	0.3%	8.2%	6.7%	1.2%	2.3%
Events	-4.4%	-12.0%	7.6%	-8.0%	-6.5%	3.9%	-5.9%
Consumer Electronics	-9.5%	-5.5%	-4.0%	-9.6%	-1.4%	0.1%	-4.2%
Off-Price Retail	7.4%	8.2%	-0.8%	4.2%	4.8%	3.0%	3.2%

Section 01

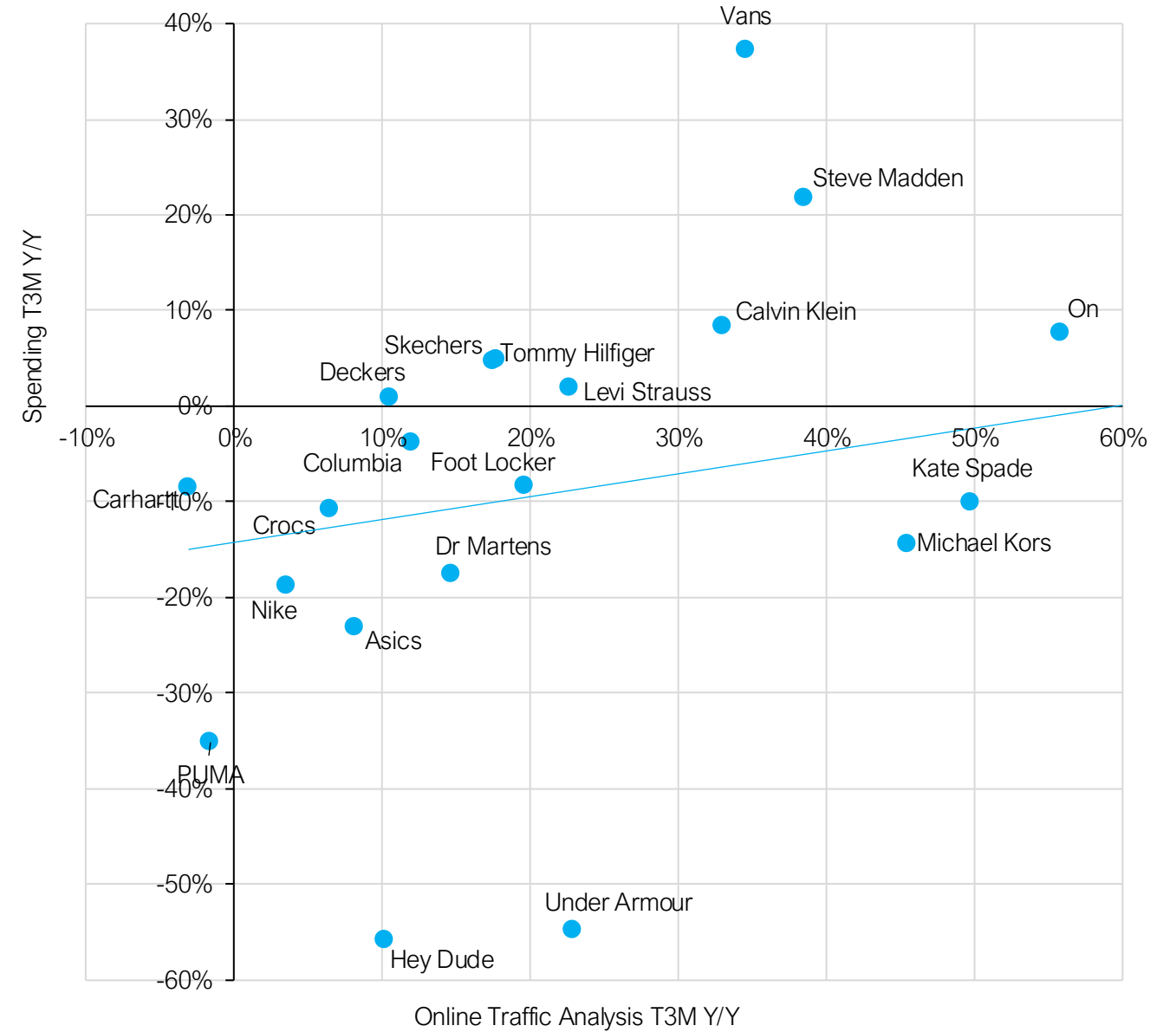
Attention Economy Inflections

Spending vs. Mindshare Inflections

Restaurants

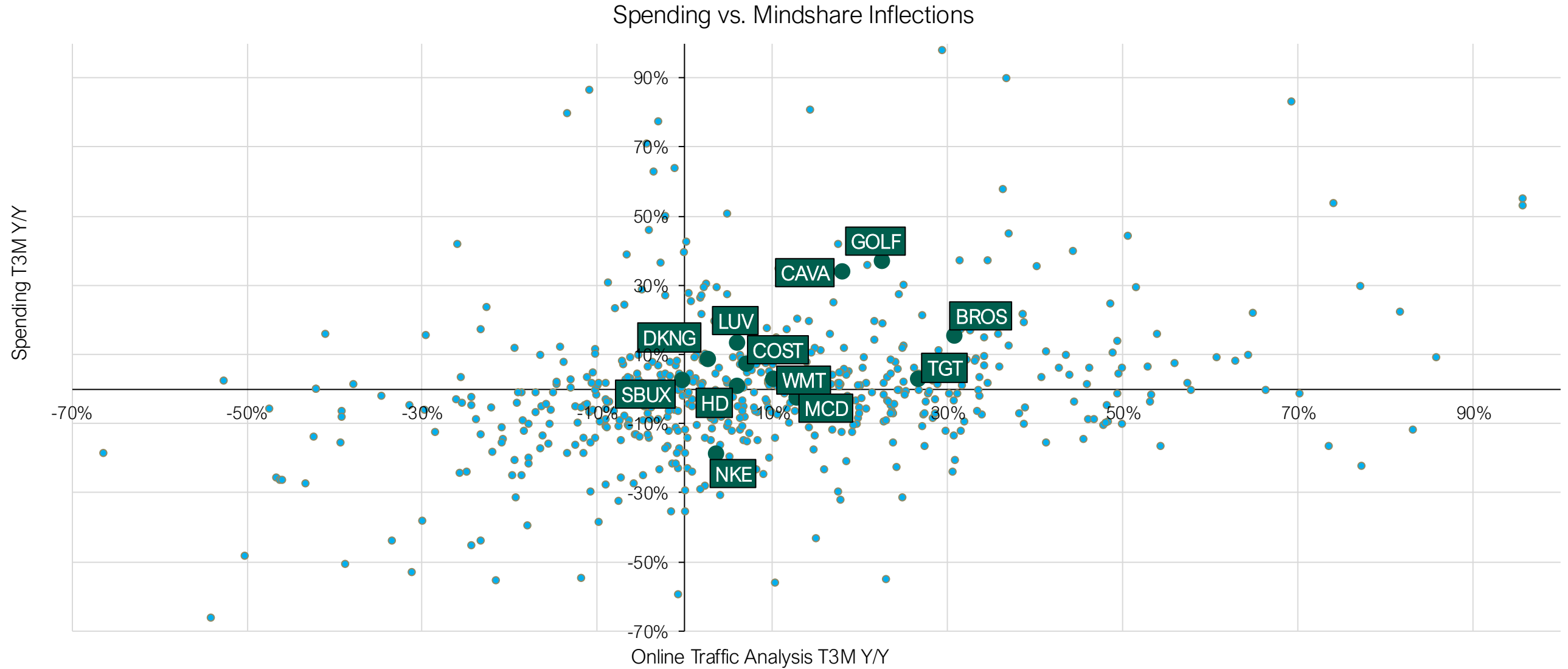


Apparel & Footwear



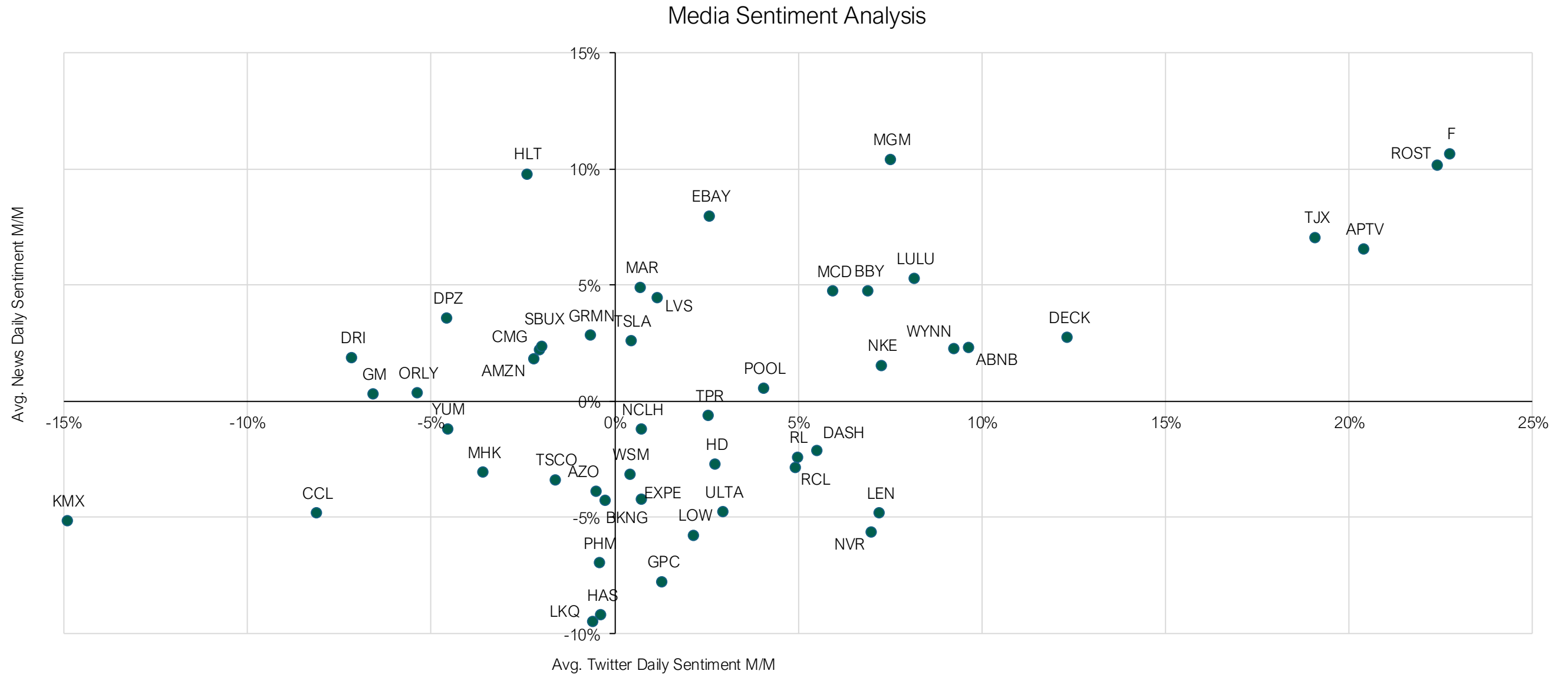
Spending vs. Mindshare Inflections

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



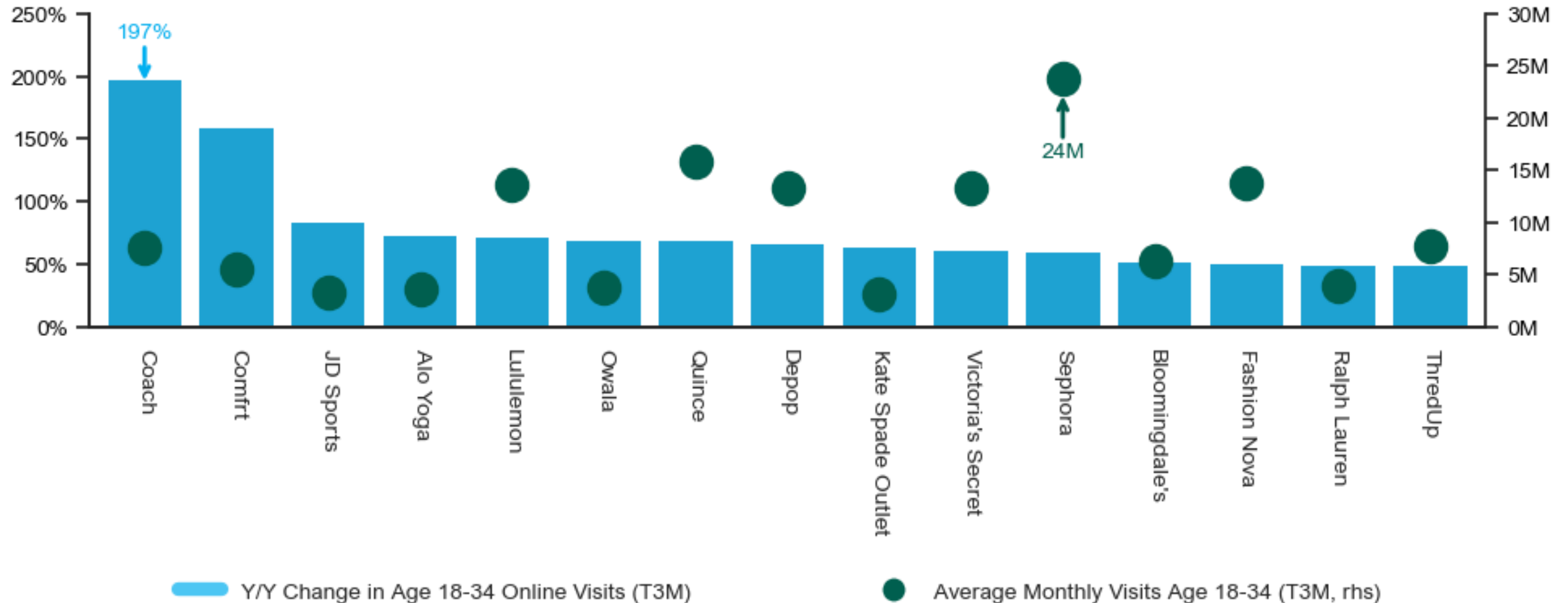
Social Sentiment Analysis

Mixed media sentiment has improved m/m for F, ROST, MGM, & TJX while KMX, DHI & CCL are seeing m/m declines in both metrics.



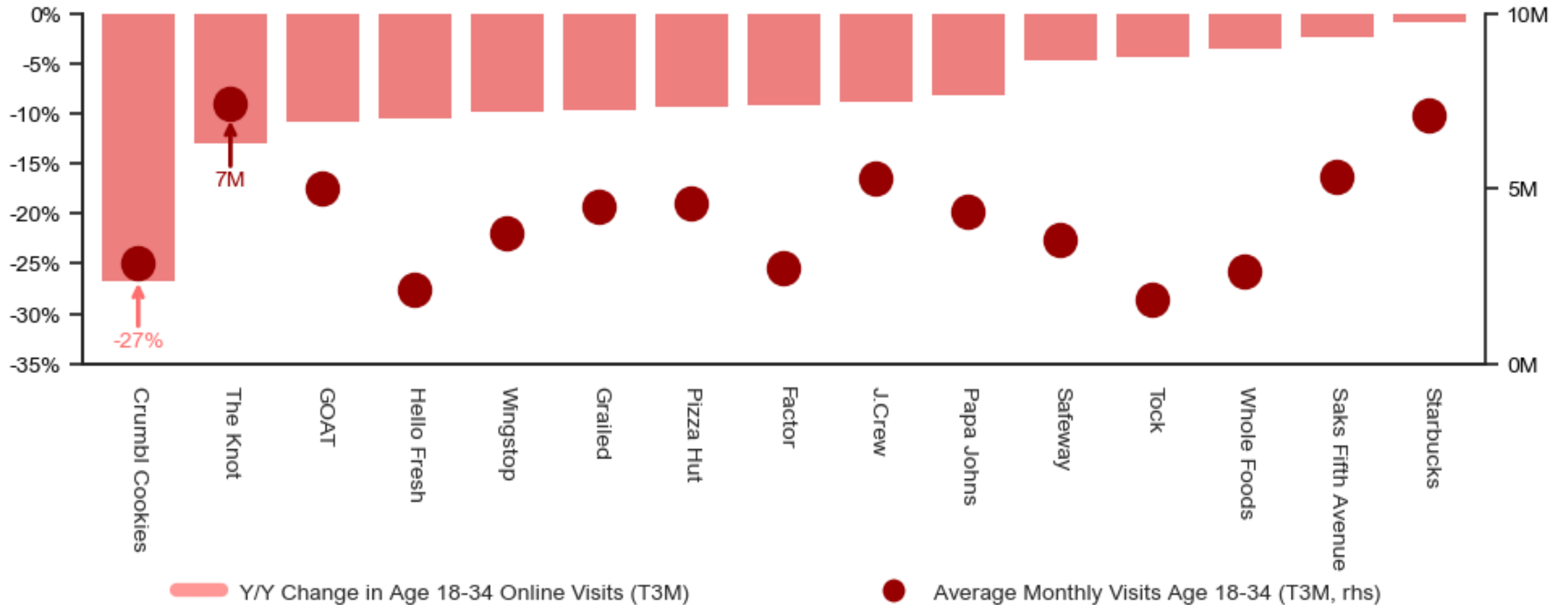
Digital Traffic Breakouts & Breakdowns

We note digital breakouts for Coach, Comfrit, JD Sports, Alo Yoga, Lululemon, Owala, & Quince among age 18-34 consumers.



Digital Traffic Breakouts & Breakdowns

We note digital breakdowns for Crumbl Cookies, The Knot, GOAT, Hello Fresh, Wingstop, Grailed, & Pizza Hut among age 18-34 consumers.



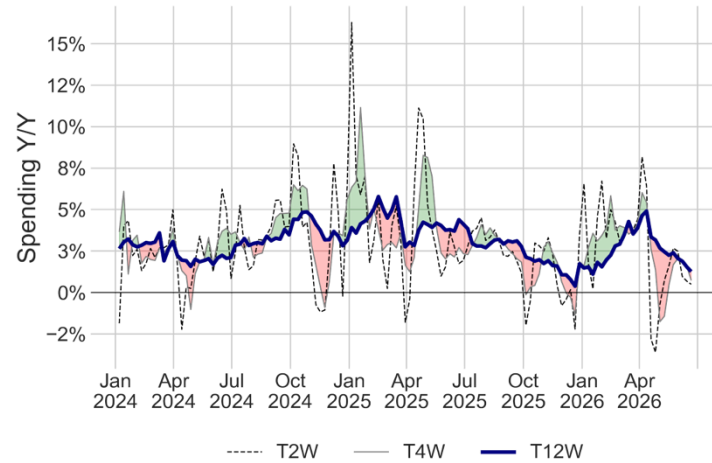
Section 02

Optimal Subsector Spending Analysis

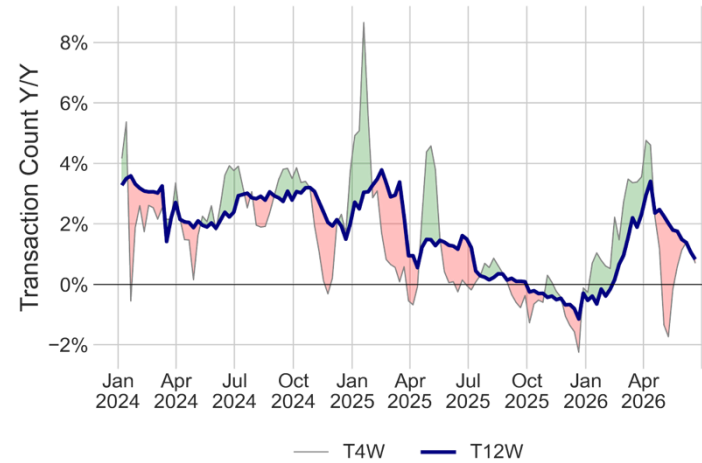
Consumer Spending Trends

Broadline retail (including WMT & TGT) spending is inflecting negatively as transaction growth and ticket soften. E-Commerce (including AMZN, EBAY, & Shein) spending continues to run up as transaction growth accelerates.

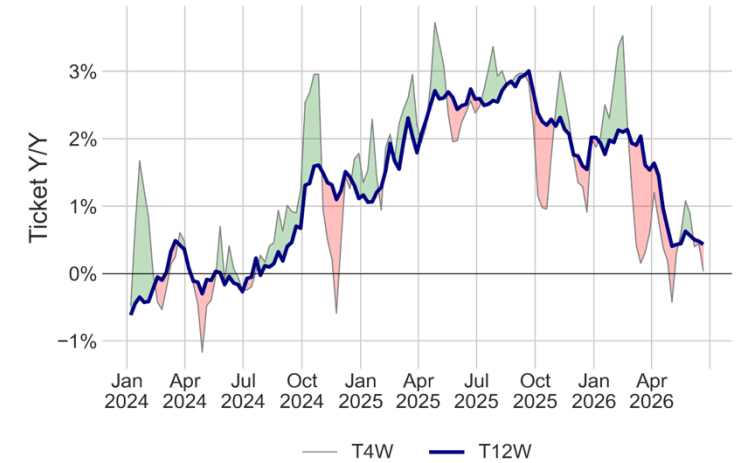
Broadline Retail Spending



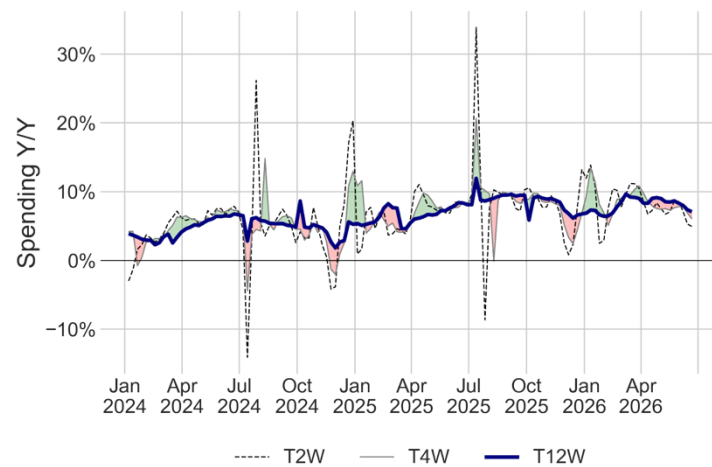
Broadline Retail Transactions



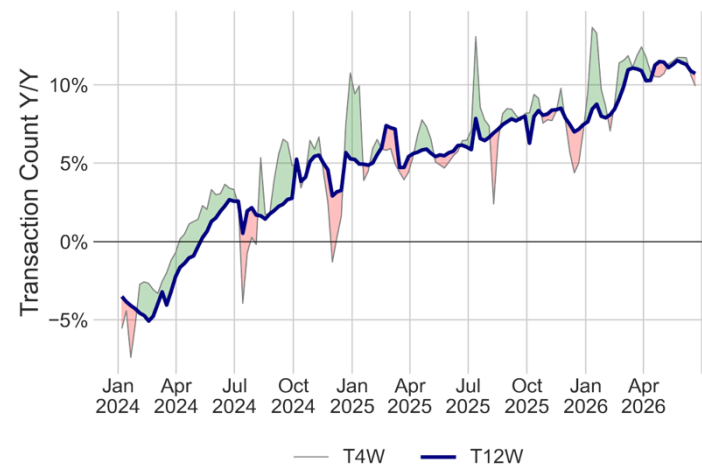
Broadline Retail Ticket



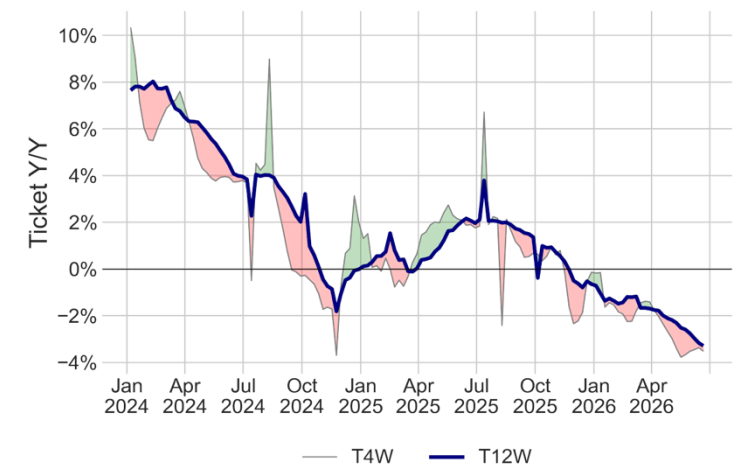
E-Commerce Spending



E-Commerce Transactions



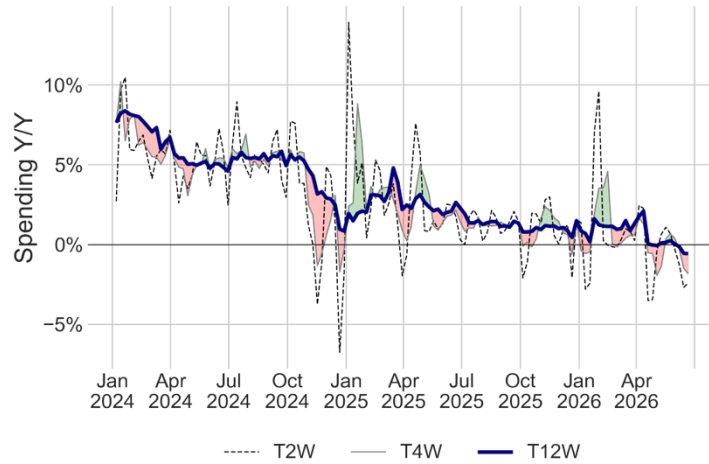
E-Commerce Ticket



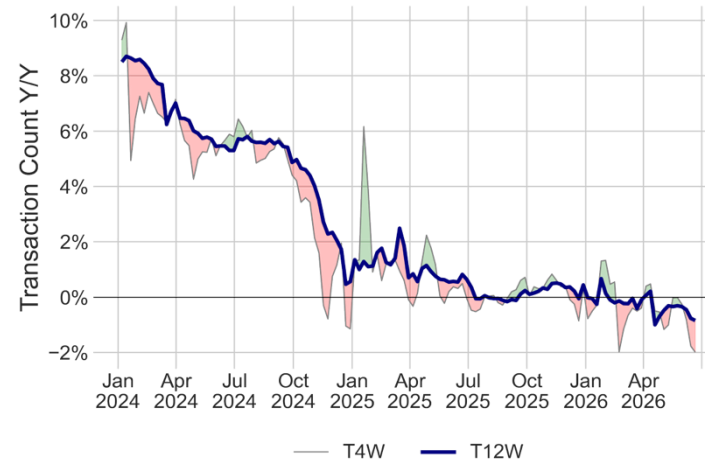
Consumer Spending Trends

Grocery spending now negative y/y, hurt by negative inflection in transaction growth as ticket growth has decelerated since April. Casual dining (including Applebee's, CRBL, & CAKE) is moving more negative y/y on a T12W basis.

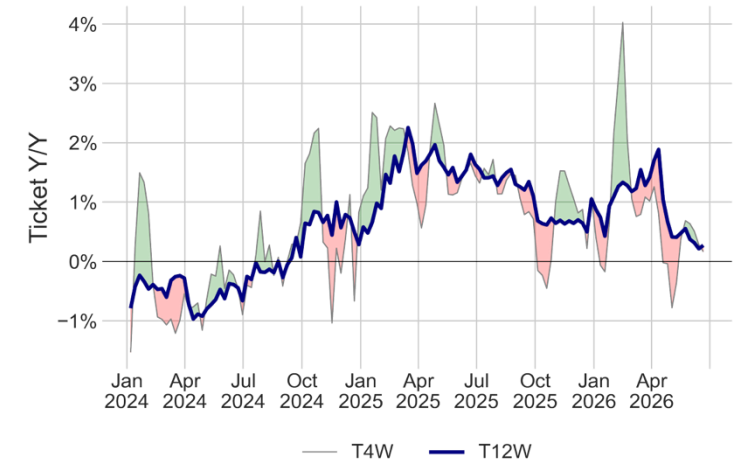
Grocery Spending



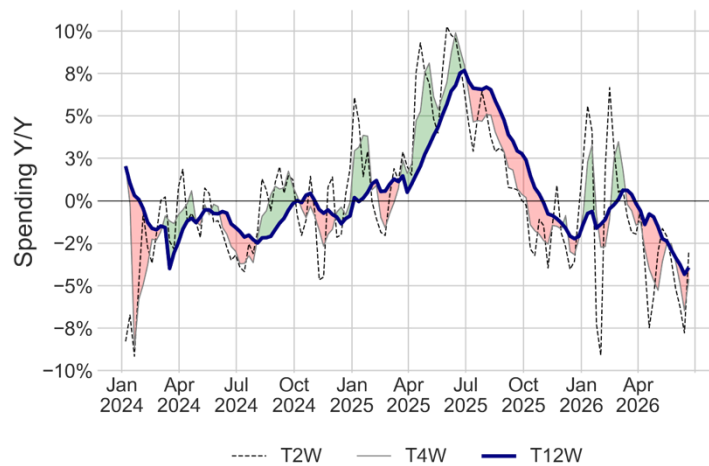
Grocery Transactions



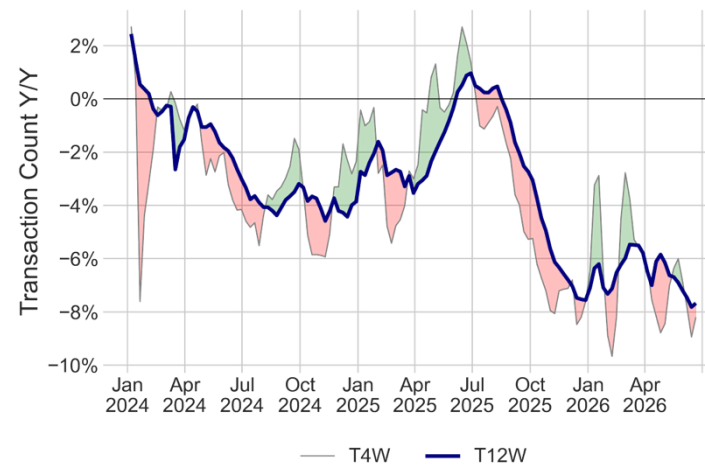
Grocery Ticket



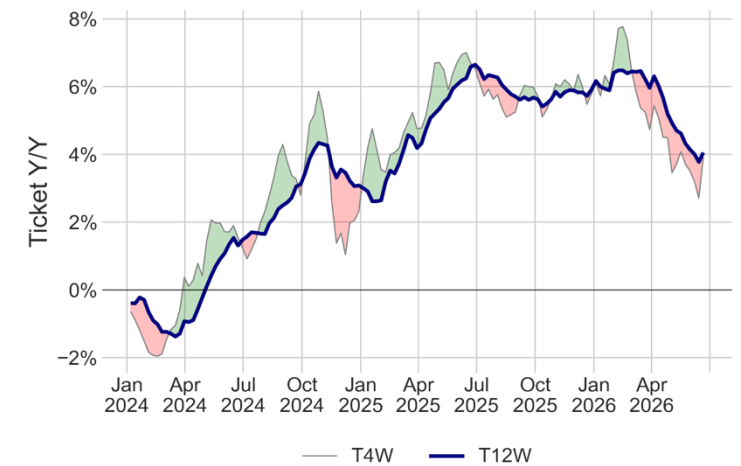
Casual Dining Spending



Casual Dining Transactions



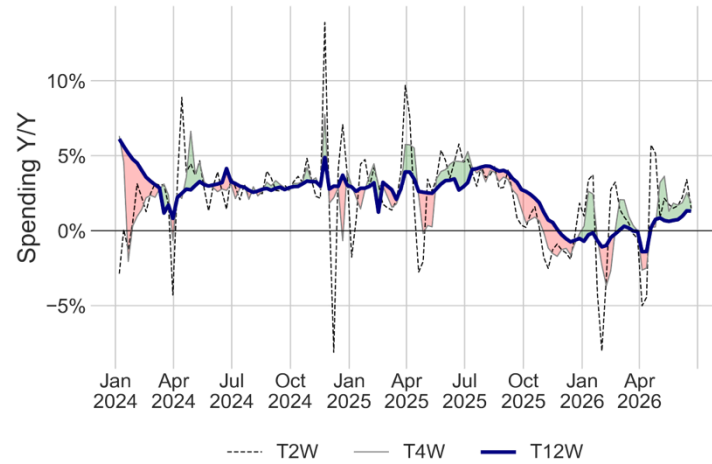
Casual Dining Ticket



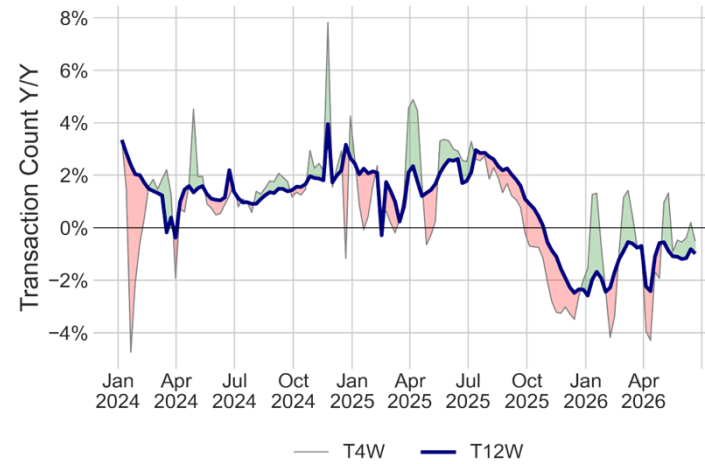
Consumer Spending Trends

Fast casual (including CMG & PNRA) spending inflecting positively, ticket continues to run up and accelerate. Fast food (including MCD, Taco Bell, & Chick-fil-A) spending decelerating driven by softer transaction trends.

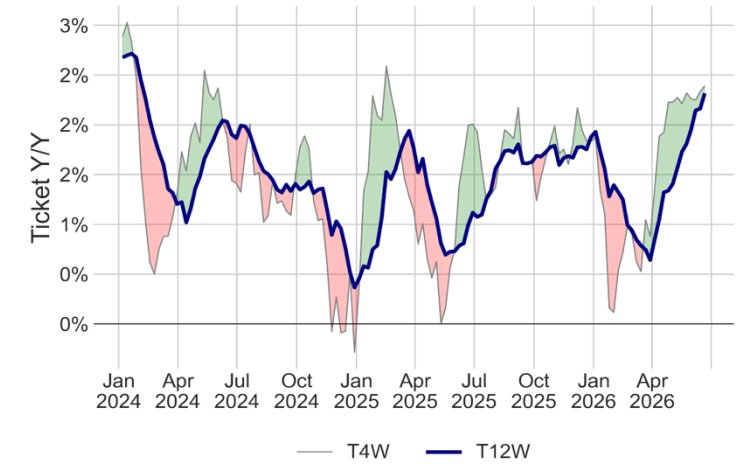
Fast Casual Spending



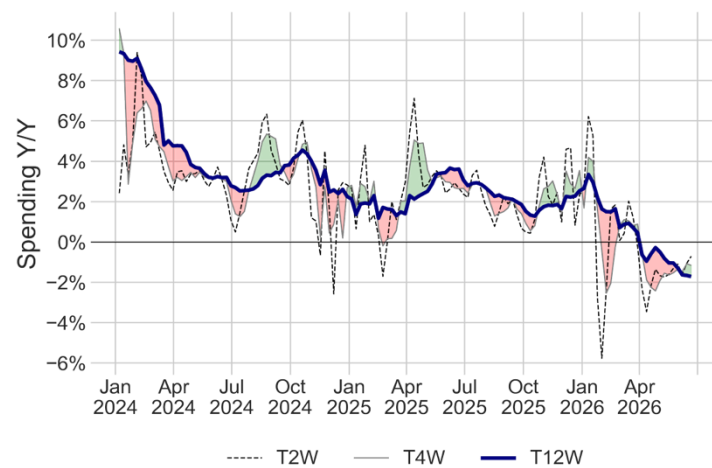
Fast Casual Transactions



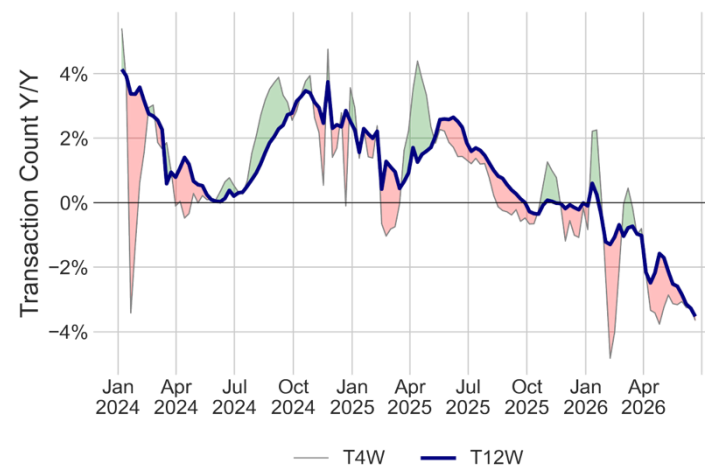
Fast Casual Ticket



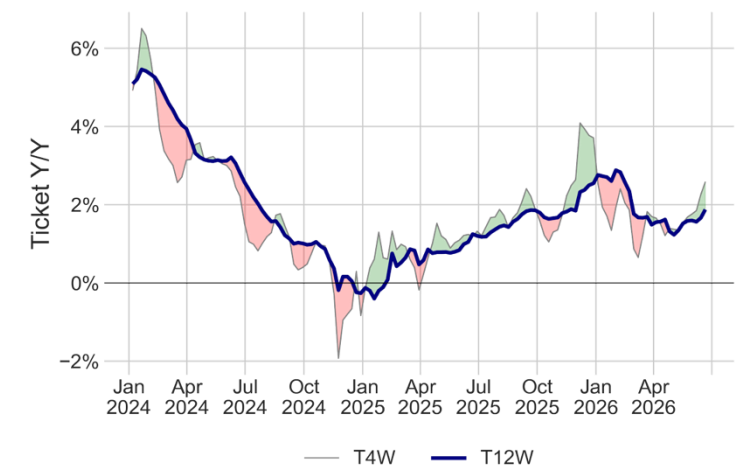
Fast Food Spending



Fast Food Transactions



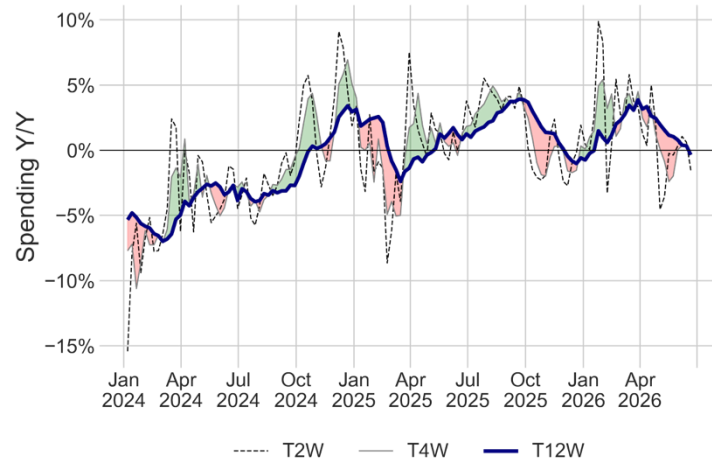
Fast Food Ticket



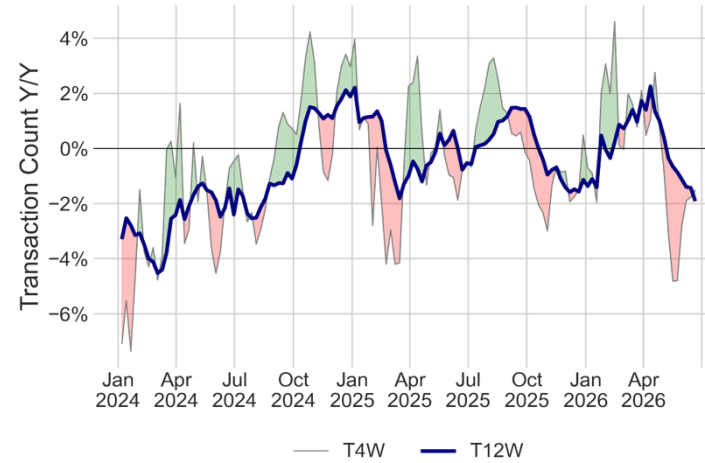
Consumer Spending Trends

Home improvement (including HD & LOW) spending inflecting negatively and running down on a T12W trend. Home furnishing (including HomeGoods & Ikea) spending moving higher off accelerating ticket growth.

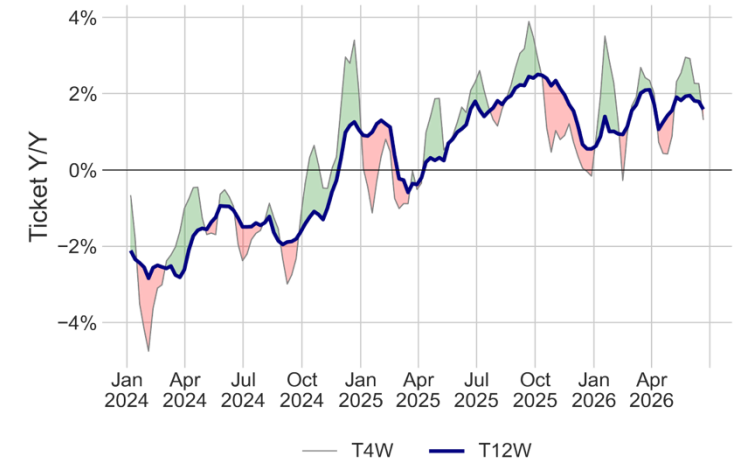
Home Improvement Spending



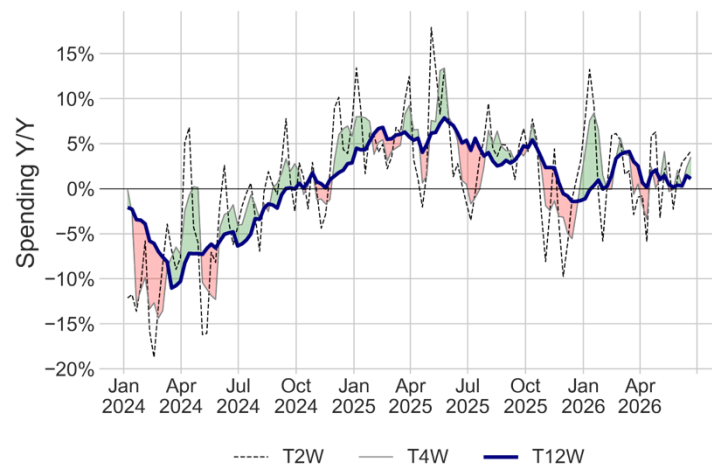
Home Improvement Transactions



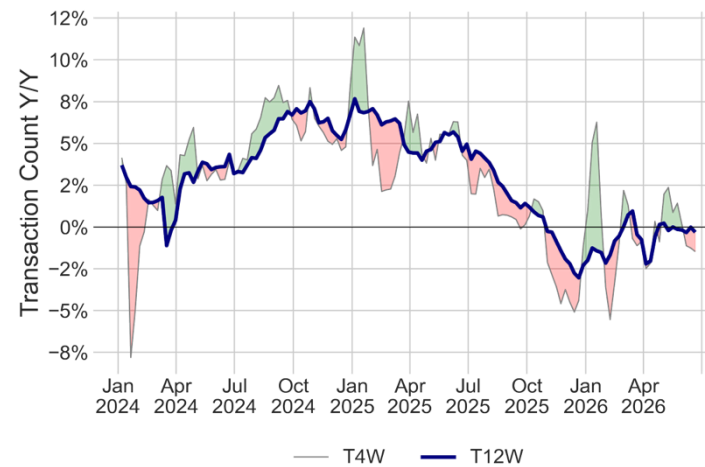
Home Improvement Ticket



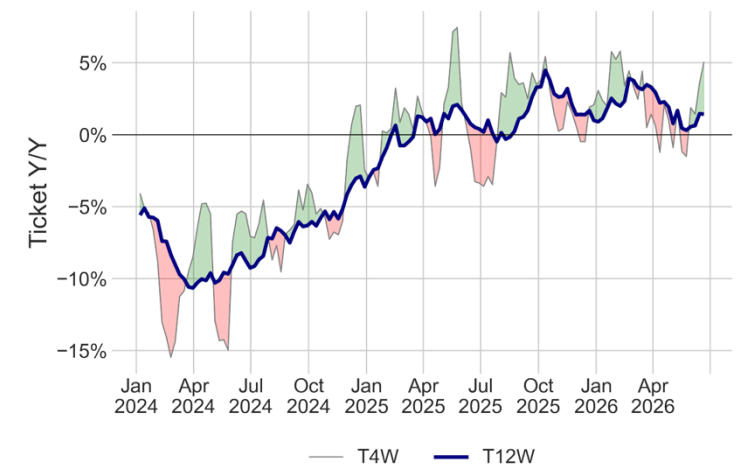
Home Furnishings Spending



Home Furnishings Transactions



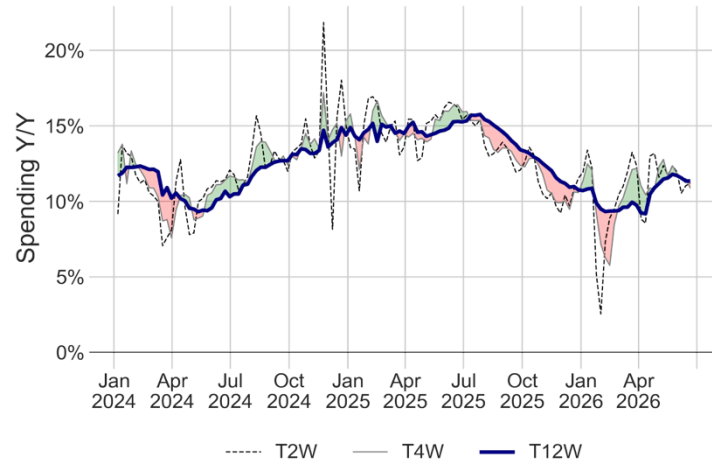
Home Furnishings Ticket



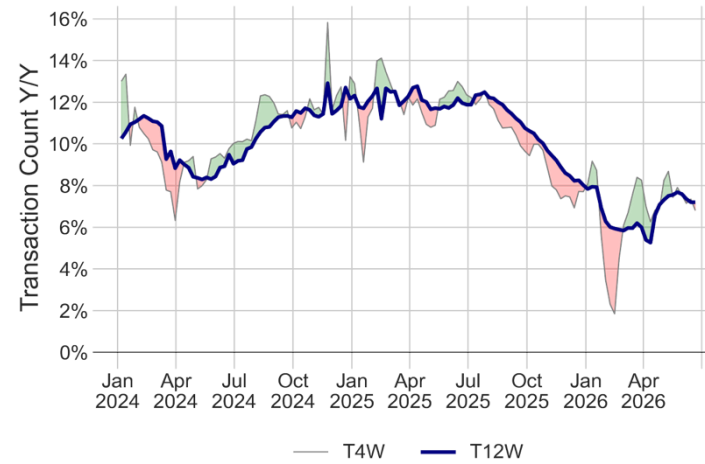
Consumer Spending Trends

Meal delivery (DASH, GrubHub, Uber Eats) spending continues to run up +10% y/y as transactions and ticket-accelerate. Ride share (UBER & LYFT) ticket inflecting positively while transaction growth continues to decelerate.

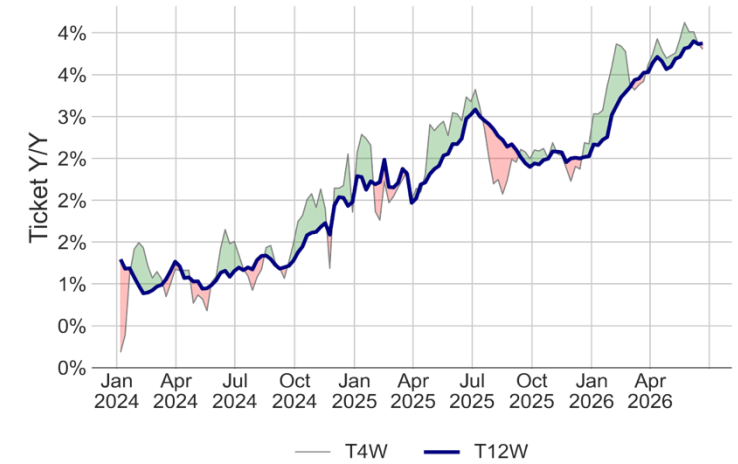
Meal Delivery Spending



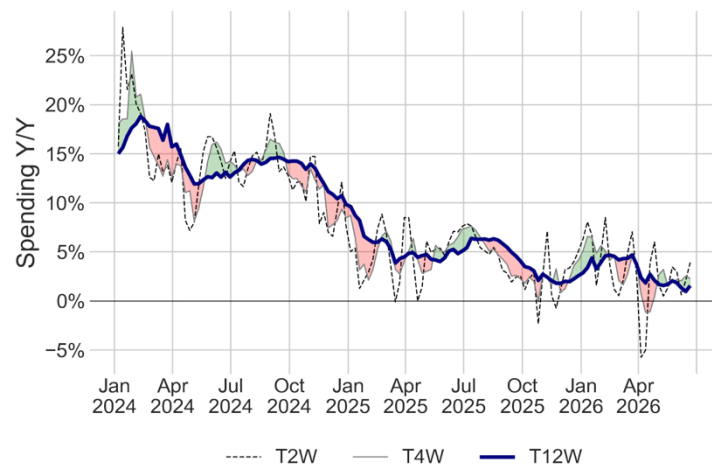
Meal Delivery Transactions



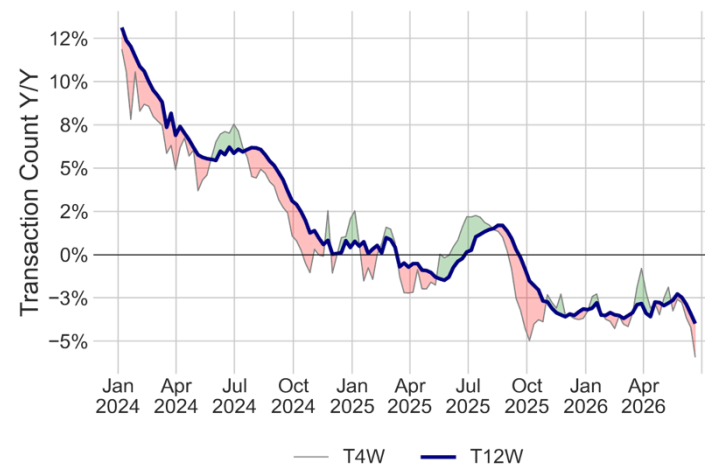
Meal Delivery Ticket



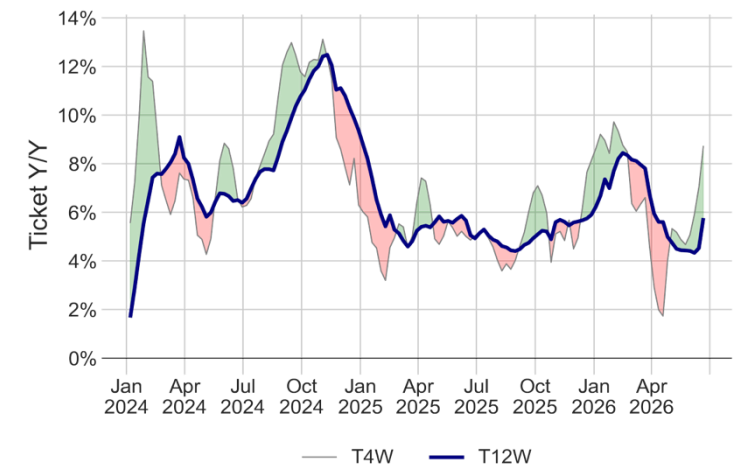
Ride Share Spending



Ride Share Transactions



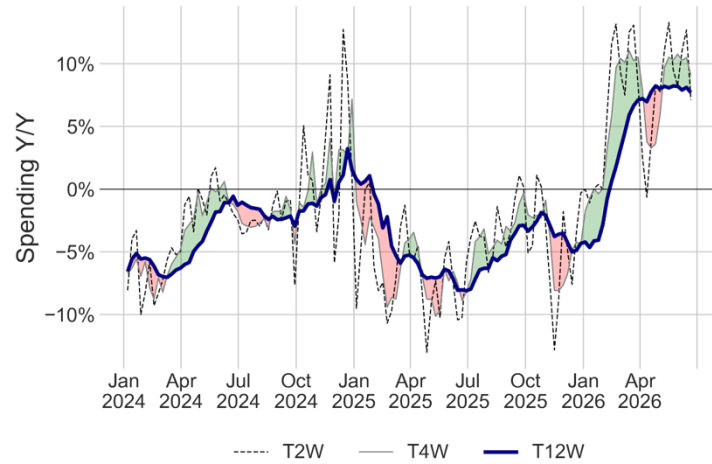
Ride Share Ticket



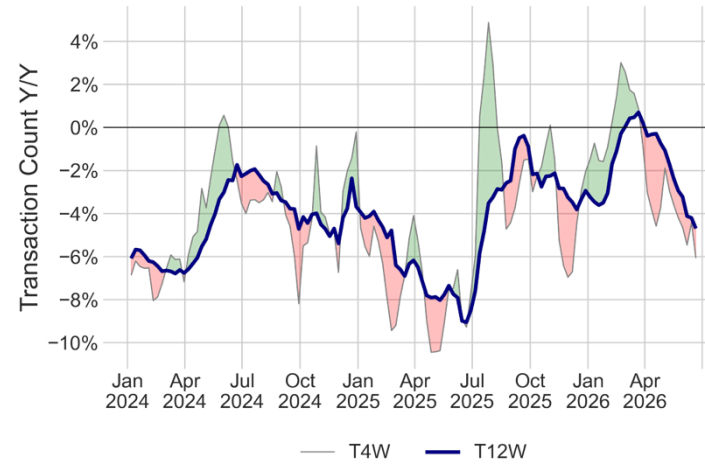
Consumer Spending Trends

Airlines (AAL, DAL, LUV, etc.) spending growth has stabilized around +8% y/y as higher fuel costs in the short-term decrease volume demand. Accommodations (ABNB, HLT, EXPE) with similar trends in ticket and transaction growth.

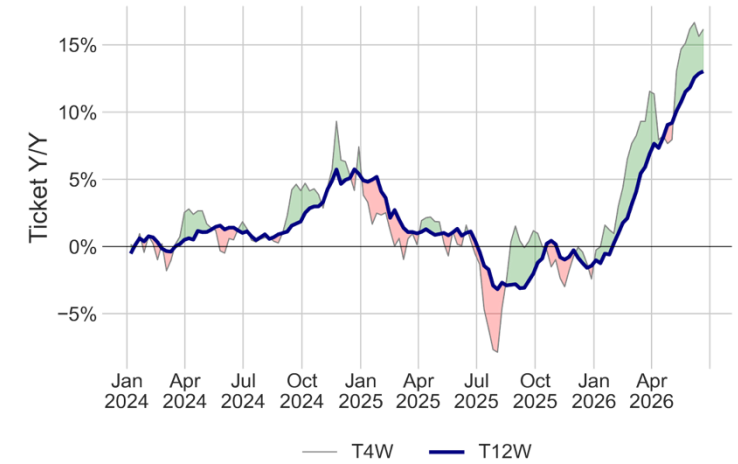
Airlines Spending



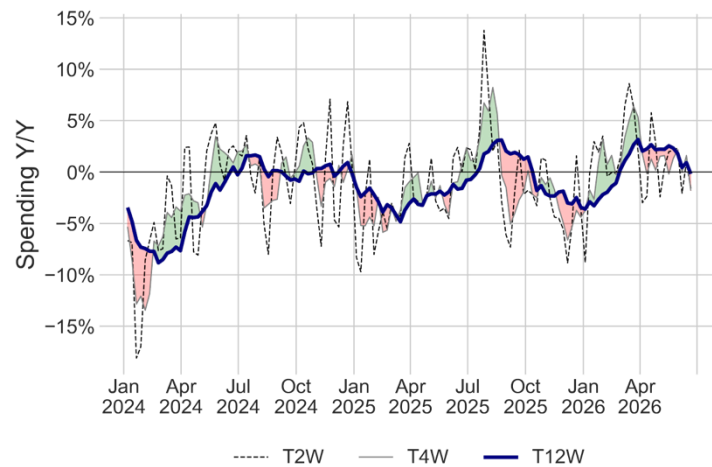
Airlines Transactions



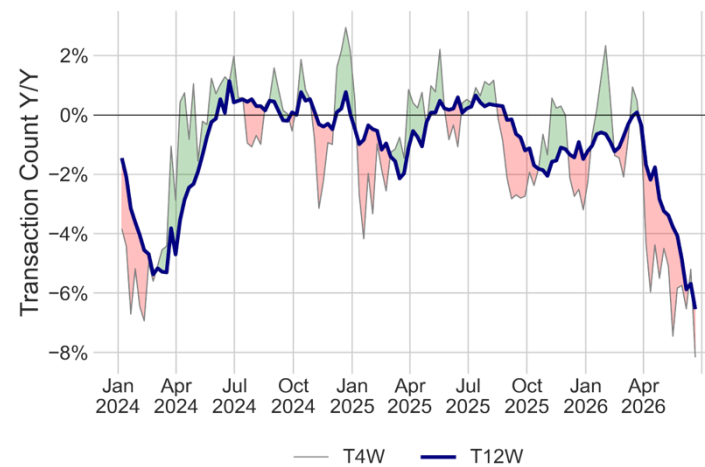
Airlines Ticket



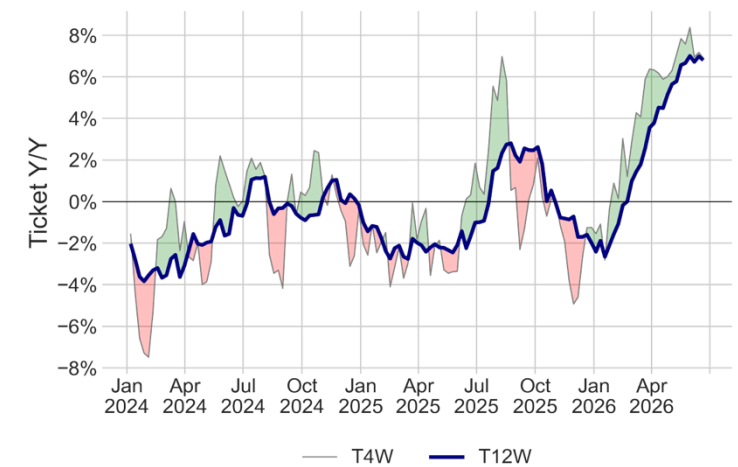
Accommodations Spending



Accommodations Transactions



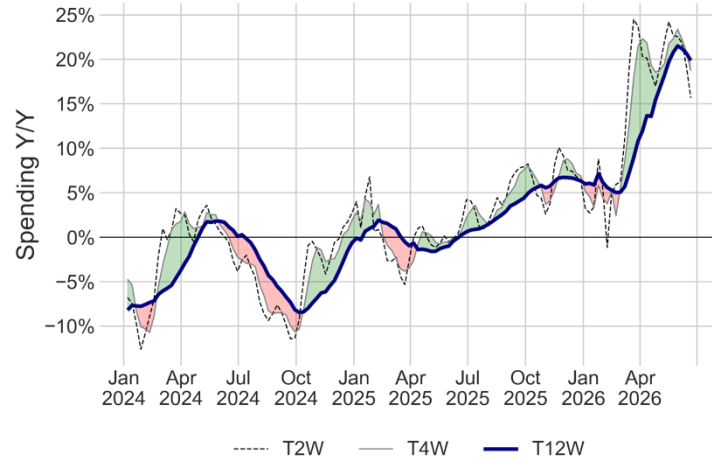
Accommodations Ticket



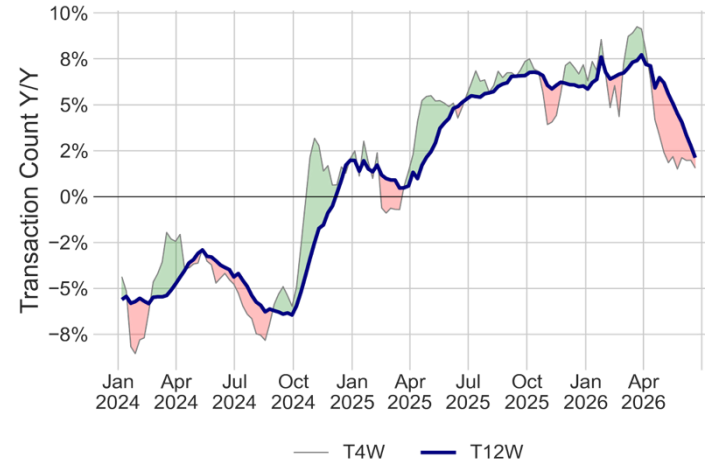
Consumer Spending Trends

Gas station spending decelerating from peaks as gas prices have begun to work down, Sharp decel in transaction growth as elastic demand is deferred. We continue to monitor energy price volatility in our weekly Macro Monday report and impacts.

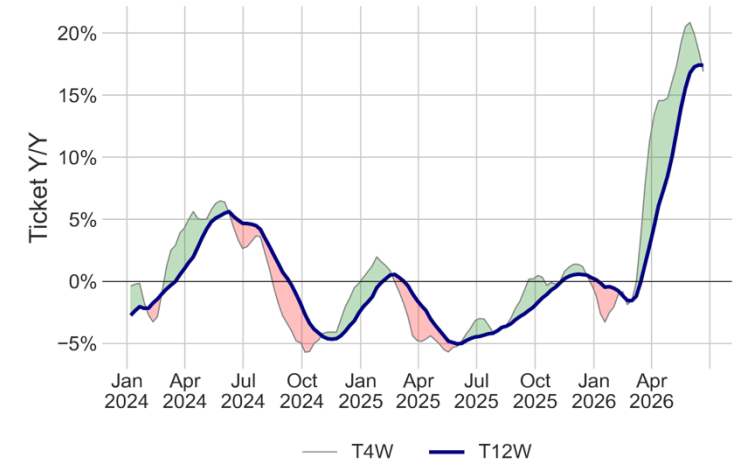
Gas Stations Spending



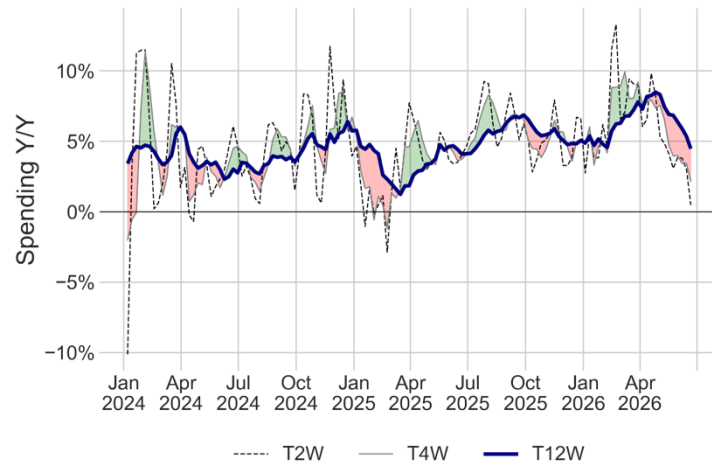
Gas Stations Transactions



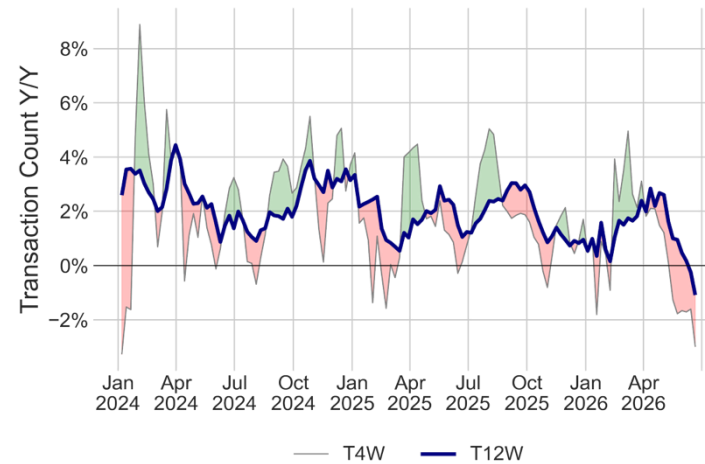
Gas Stations Ticket



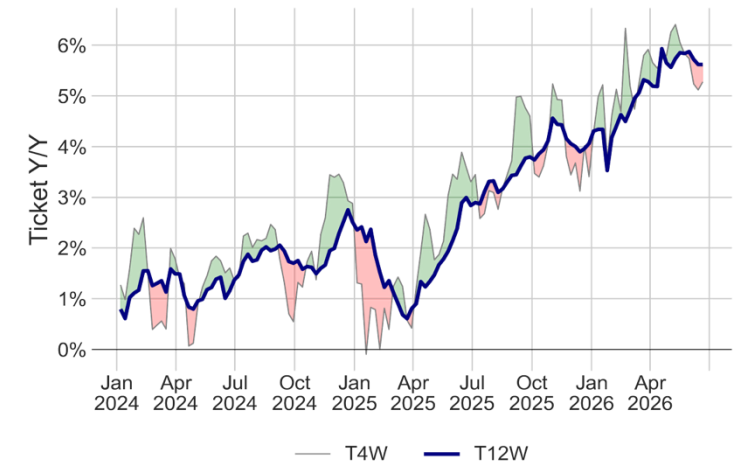
Auto Parts Spending



Auto Parts Transactions



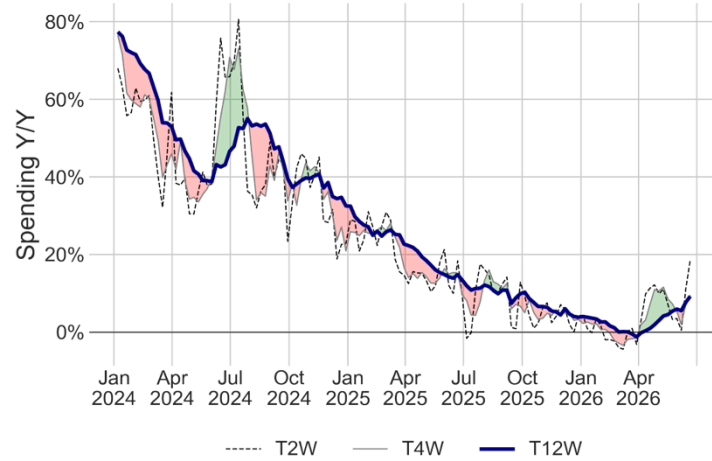
Auto Parts Ticket



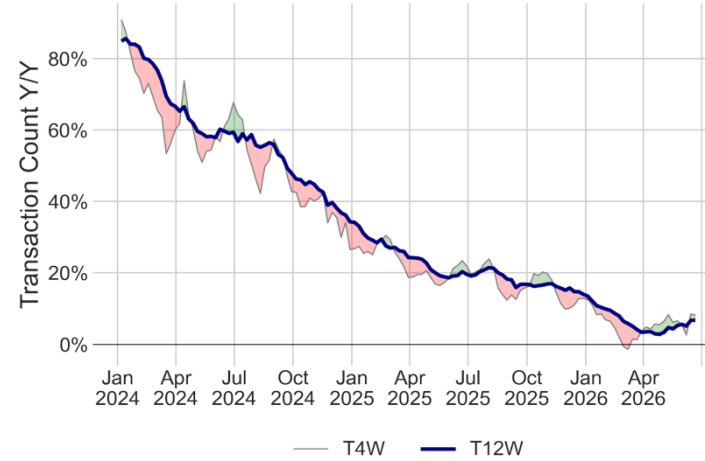
Consumer Spending Trends

Gambling (including DKNNG, PENN, CZR) spending accelerating as both transaction growth and ticket accelerate.
 Entertainment (including NFLX & Hulu) transactions running down and decelerating while ticket inflects positively.

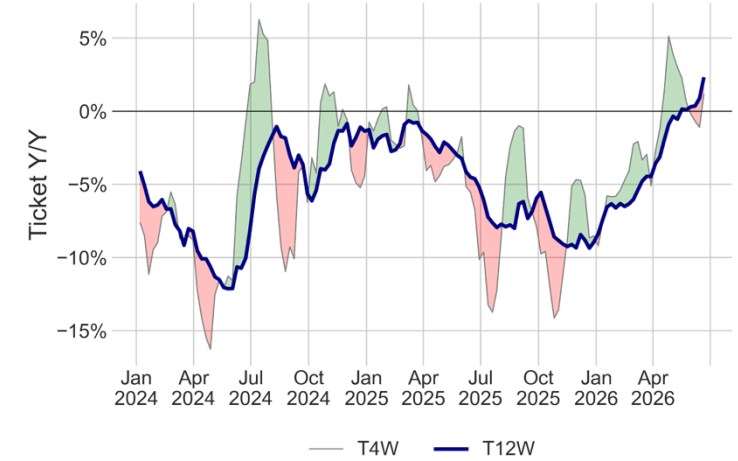
Gambling Spending



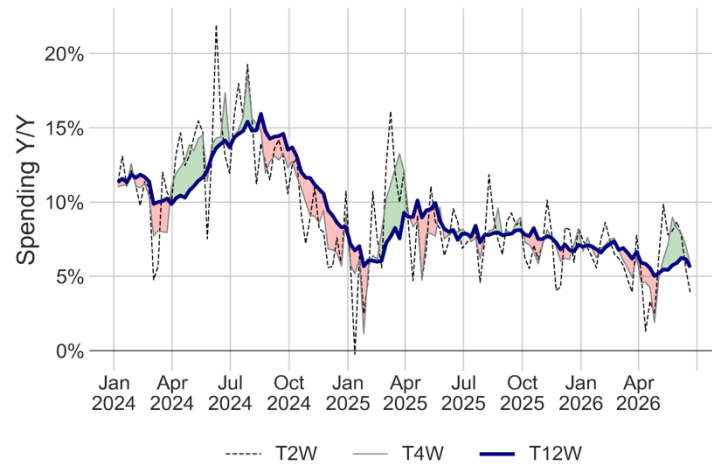
Gambling Transactions



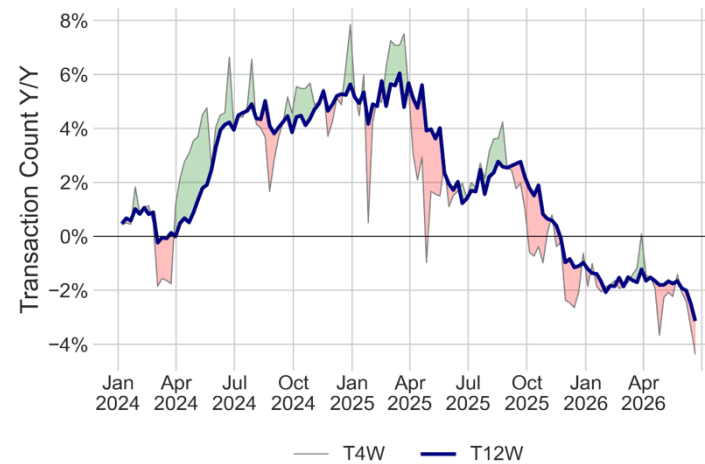
Gambling Ticket



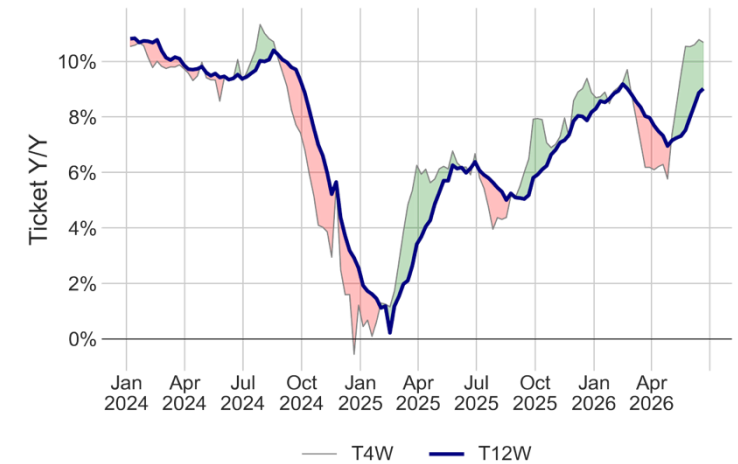
Entertainment Spending



Entertainment Transactions



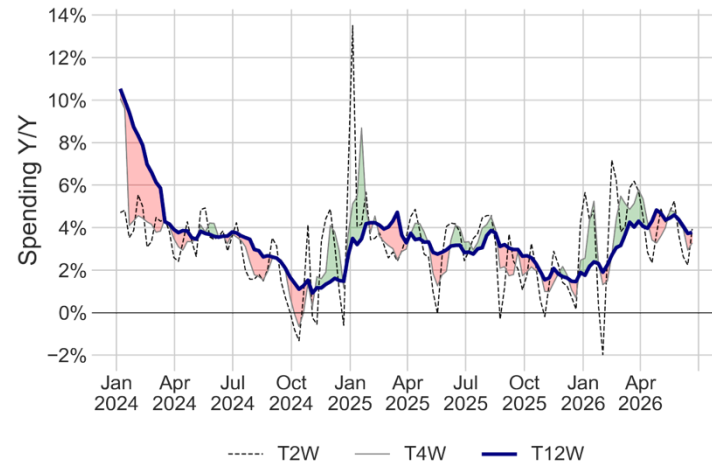
Entertainment Ticket



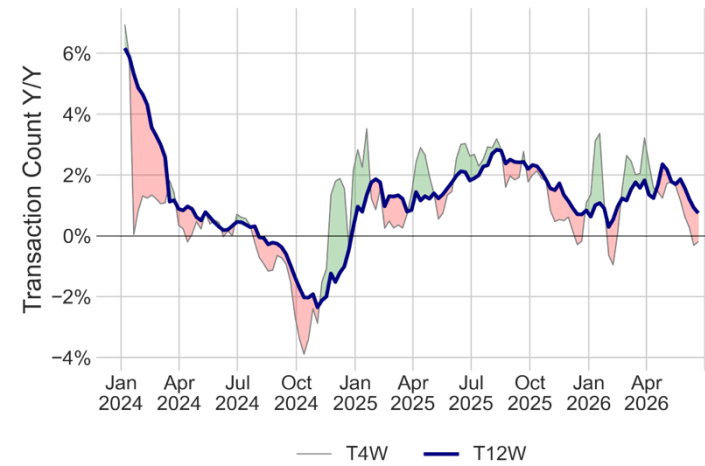
Consumer Spending Trends

Coffee (SBUX, DNKN, BROS) spending running up +4% y/y on T12W trend while continues to accelerate. We note coffee bean costs moving higher from a recent low. Pizza (including DPZ, Pizza Hut, & PZZA) spending declines worsen.

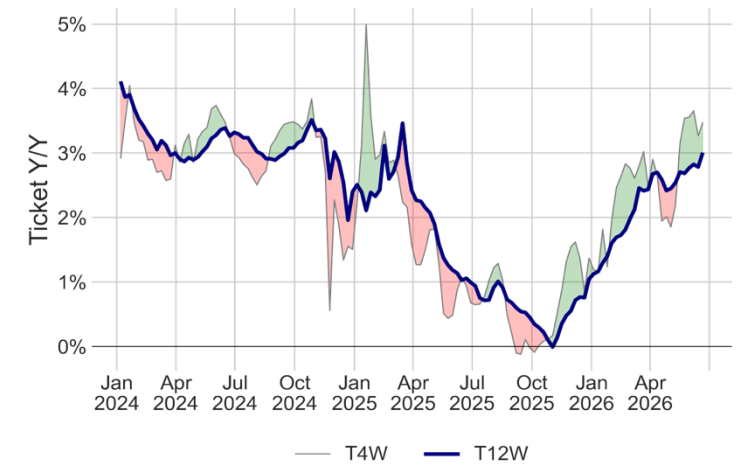
Coffee Spending



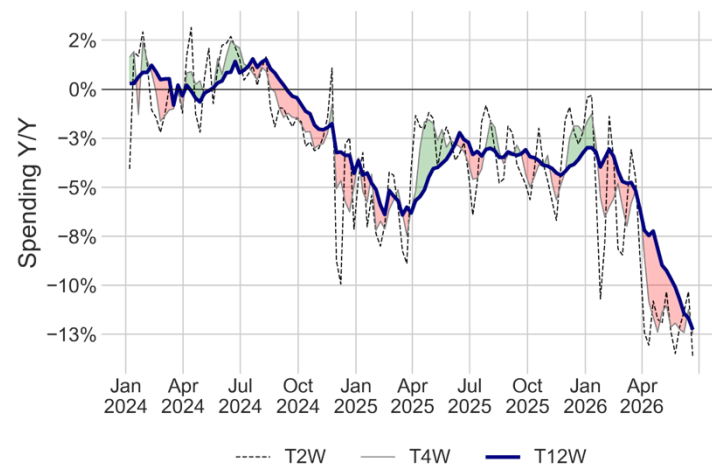
Coffee Transactions



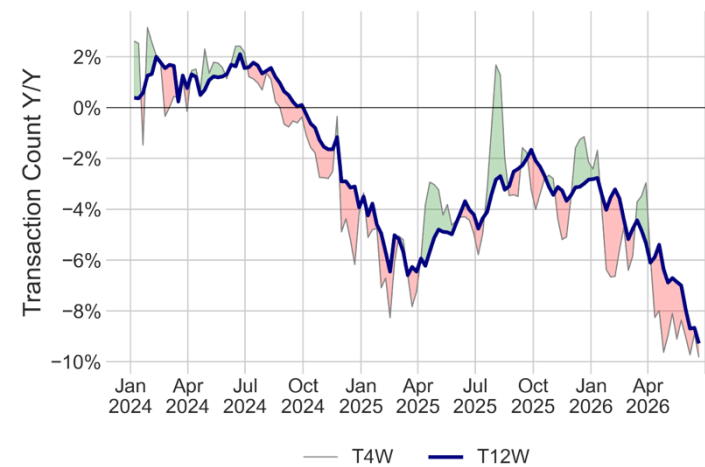
Coffee Ticket



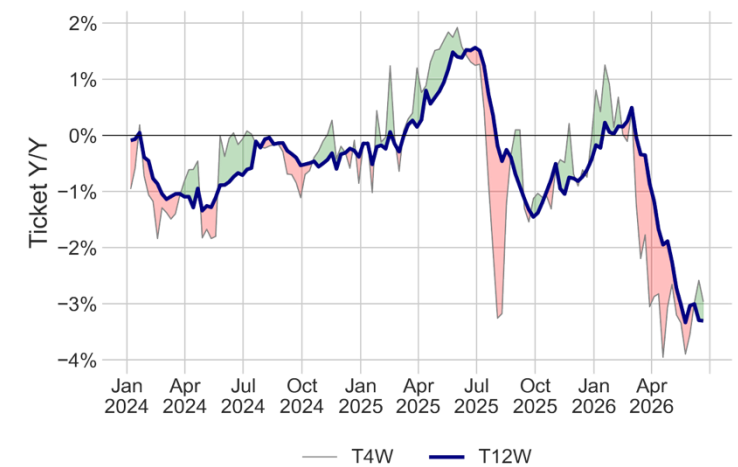
Pizza Spending



Pizza Transactions



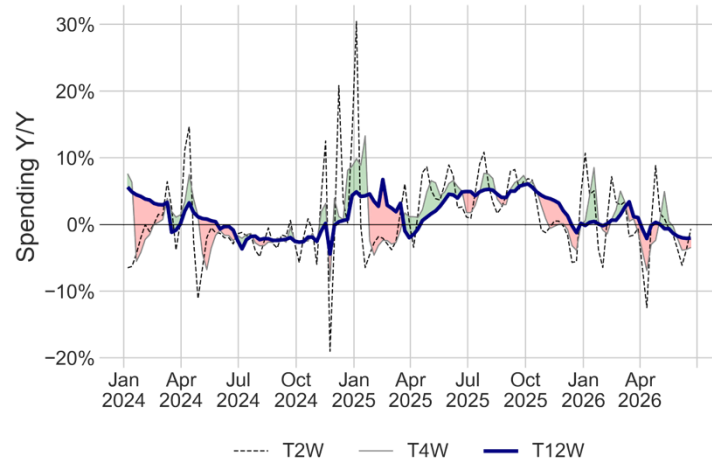
Pizza Ticket



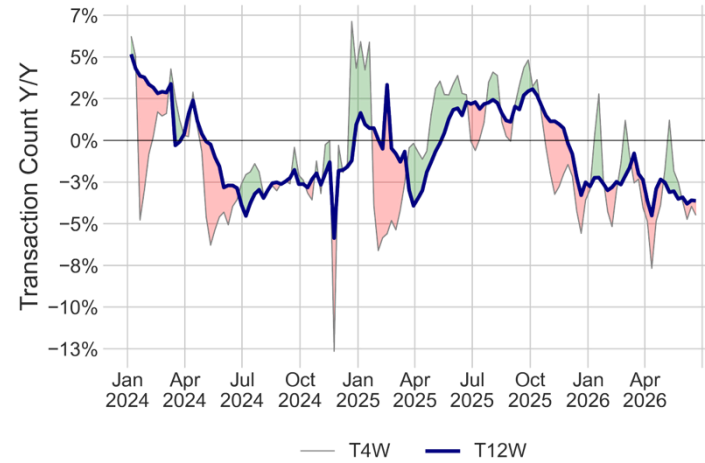
Consumer Spending Trends

Luxury (including Bloomingdale's, Louis Vuitton, & Coach) spending accelerating as ticket growth continues to inflect positively. Beauty (including ULTA & Sephora) spending is down y/y as ticket & transaction growth decelerates.

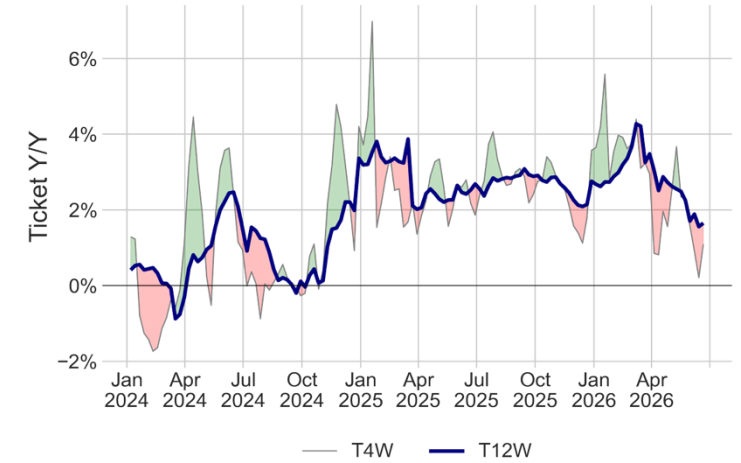
Beauty Spending



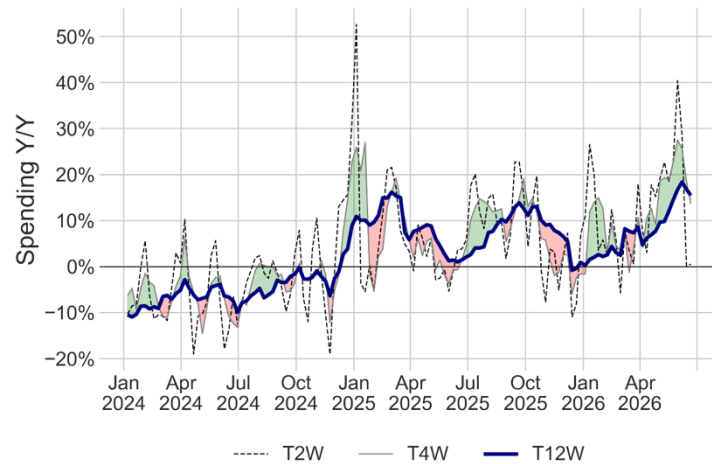
Beauty Transactions



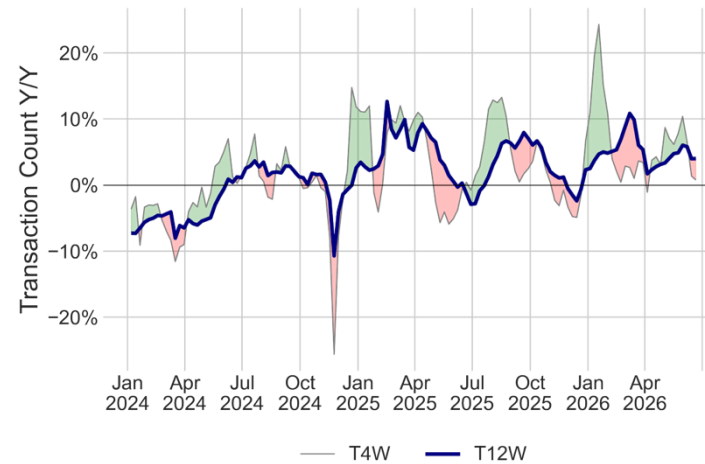
Beauty Ticket



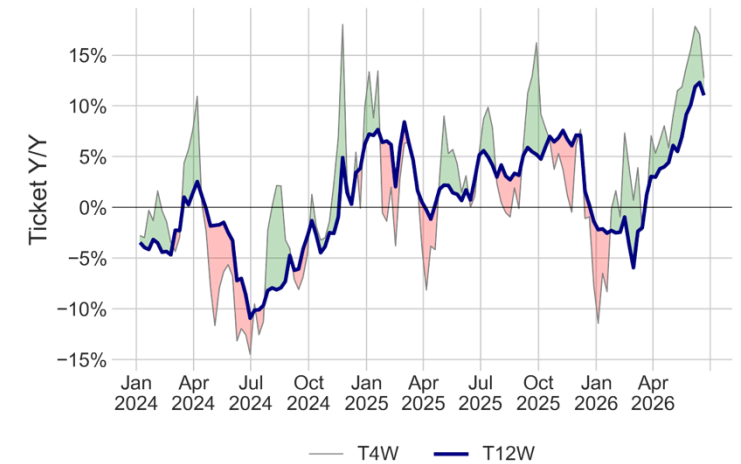
Luxury Spending



Luxury Transactions



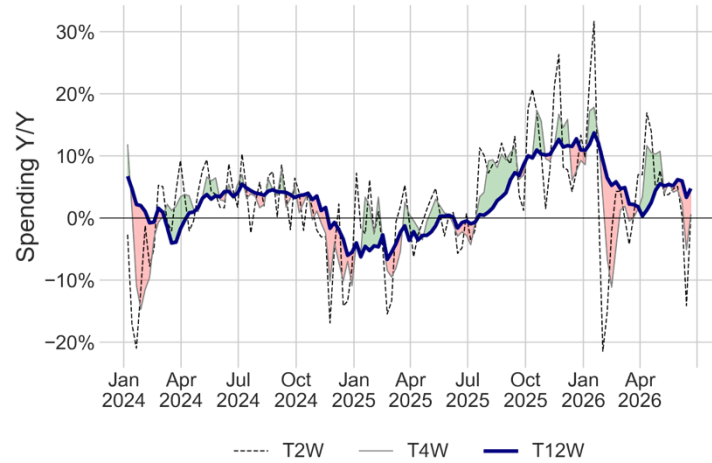
Luxury Ticket



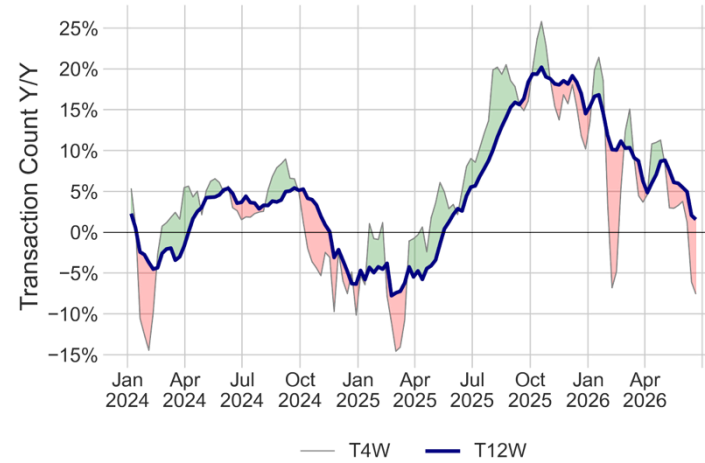
Consumer Spending Trends

Golf spending ticket growth inflecting negatively (primarily driven by recent pick-up in Titleist spending). Sports retailers (including ASO & DKS) ticket continues to run up y/y but inflecting negatively over recent weeks.

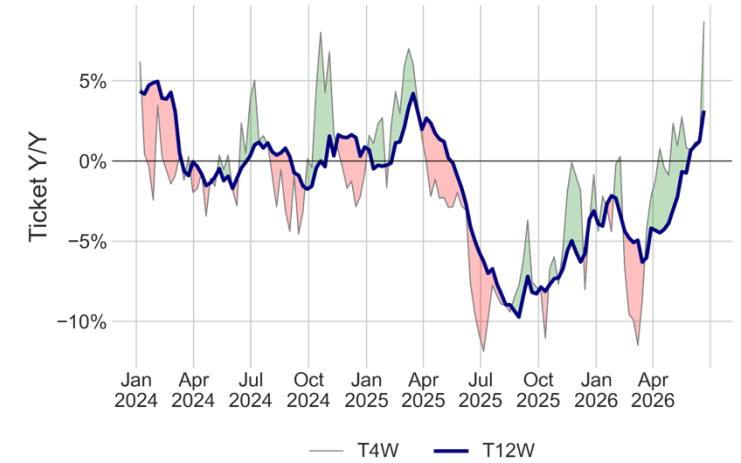
Golf Spending



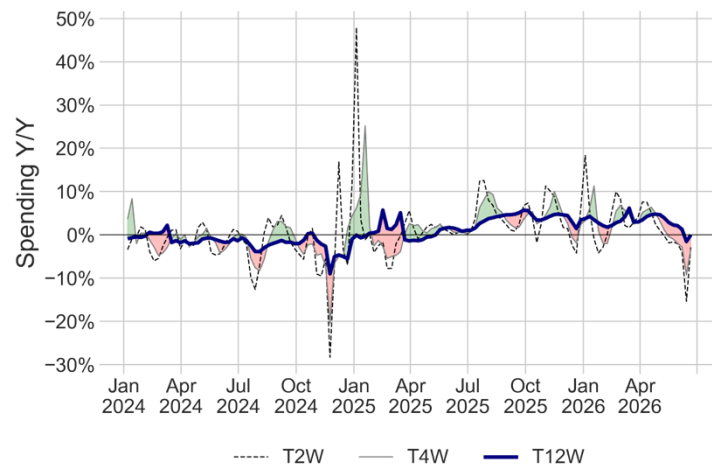
Golf Transactions



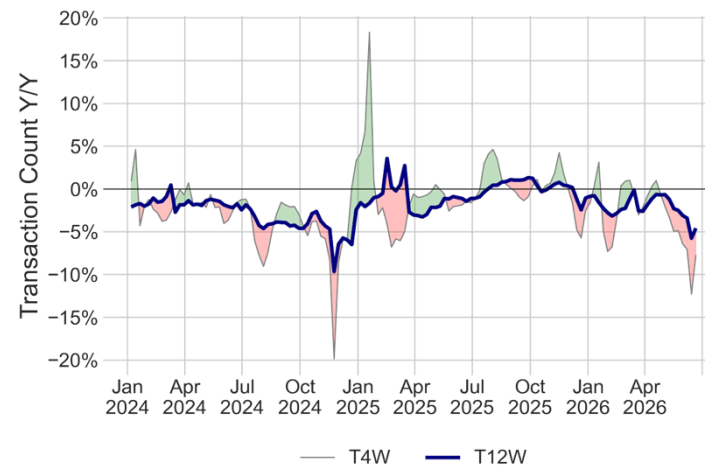
Golf Ticket



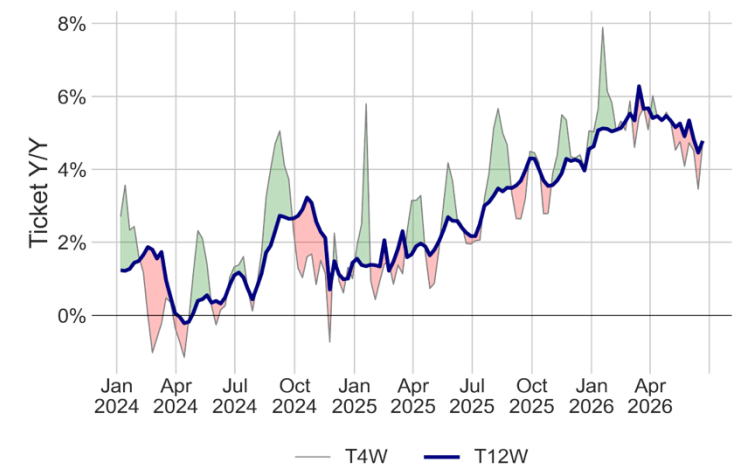
Sports Retail Spending



Sports Retail Transactions



Sports Retail Ticket



Section 03

Valuation Snapshot

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		\$208.27	\$2,503.07	19.5	13.3	10.6	3.4	2.9	2.6
WMT	Walmart Inc		\$124.28	\$920.67	21.9	20.1	18.2	1.3	1.2	1.2
COST	Costco Wholesale Corp		\$996.43	\$422.43	31.8	28.3	26.2	1.4	1.3	1.2
HD	Home Depot Inc/The		\$328.89	\$347.85	15.6	14.9	14.0	2.1	2.0	1.9
TJX	TJX Cos Inc/The		\$159.70	\$171.70	20.0	20.0	18.3	2.8	2.6	2.5
LOW	Lowe's Cos Inc		\$236.28	\$124.75	13.3	12.6	12.0	1.4	1.3	1.3
ROST	Ross Stores Inc		\$216.63	\$68.41	22.1	19.8	18.1	2.9	2.7	2.5
TGT	Target Corp		\$121.20	\$63.76	9.1	8.6	8.1	0.6	0.6	0.6
TSCO	Tractor Supply Co		\$45.30	\$16.37	11.2	10.6	9.9	1.0	1.0	0.9
WSM	Williams-Sonoma Inc		\$182.33	\$28.16	14.8	14.2	13.3	3.6	3.4	3.3
DG	Dollar General Corp		\$118.73	\$26.36	11.3	10.4	9.9	0.6	0.6	0.6
DKS	Dick's Sporting Goods Inc		\$198.29	\$21.41	12.5	11.1	10.2	1.1	1.0	0.9
DLTR	Dollar Tree Inc		\$109.51	\$23.80	10.3	9.5	8.6	1.2	1.1	1.1
BURL	Burlington Stores Inc		\$325.38	\$20.19	18.9	16.2	14.2	1.7	1.5	1.4
BBY	Best Buy Co Inc		\$64.20	\$16.38	6.1	6.0	5.7	0.4	0.4	0.4
BJ	BJ's Wholesale Club Holdings I		\$98.42	\$11.35	11.4	10.8	10.0	0.5	0.5	0.5
URBN	Urban Outfitters Inc		\$63.35	\$6.30	8.6	7.8	7.2	1.0	0.9	0.9
BBWI	Bath & Body Works Inc		\$18.67	\$4.61	5.9	6.6	6.6	0.6	0.6	0.6
M	Macy's Inc		\$18.09	\$6.83	5.6	5.6	5.4	0.3	0.3	0.3
ASO	Academy Sports & Outdoors Inc		\$56.45	\$3.01	7.4	6.9	6.5	0.5	0.5	0.4
KSS	Kohl's Corp		\$12.90	\$2.18	6.2	6.3	6.8	0.1	0.1	0.1

Valuation Snapshot: Auto 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		\$371.75	\$1,426.09	105.2	97.1	72.0	14.6	13.5	11.7
ORLY	O'Reilly Automotive Inc		\$92.31	\$74.21	20.0	18.7	17.5	4.1	3.8	3.6
CVNA	Carvana Co		\$62.88	\$65.78	33.5	25.2	17.9	2.9	2.2	1.7
AZO	AutoZone Inc		\$3,377.78	\$51.08	14.5	12.9	12.1	2.6	2.4	2.2
GM	General Motors Co		\$74.50	\$70.42	2.8	3.2	2.9	0.4	0.4	0.4
F	Ford Motor Co		\$11.54	\$56.30	3.4	4.6	4.0	0.3	0.3	0.3
GPC	Genuine Parts Co		\$105.75	\$15.97	9.9	9.2	8.5	0.6	0.6	0.6
RIVN	Rivian Automotive Inc		\$15.05	\$19.70	N.A.	N.A.	N.A.	3.6	2.4	1.6
PAG	Penske Automotive Group Inc		\$149.52	\$11.98	11.0	10.3	9.7	0.4	0.4	0.4
AN	AutoNation Inc		\$195.26	\$6.41	7.1	7.2	6.8	0.2	0.2	0.2
LAD	Lithia Motors Inc		\$249.72	\$6.66	11.7	11.2	10.3	0.2	0.2	0.2
LCID	Lucid Group Inc		\$9.53	\$2.31	N.A.	N.A.	N.A.	1.6	1.0	0.5
KMX	CarMax Inc		\$41.58	\$7.49	11.6	9.1	8.1	0.3	0.3	0.3
GPI	Group 1 Automotive Inc		\$330.63	\$3.59	7.5	7.6	7.2	0.2	0.2	0.2
ABG	Asbury Automotive Group Inc		\$195.41	\$3.82	7.6	7.5	7.1	0.2	0.2	0.2
VV	Valvoline Inc		\$33.68	\$5.13	11.8	10.2	9.3	2.8	2.4	2.2
AAP	Advance Auto Parts Inc		\$52.75	\$3.75	10.4	9.9	7.9	0.4	0.4	0.4
HOG	Harley-Davidson Inc		\$20.22	\$2.65	N.A.	17.9	12.8	0.6	0.7	0.7

Valuation Snapshot: 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		\$52.82	\$60.35	19.8	18.9	15.4	1.3	1.3	1.3
TPR	Tapestry Inc		\$141.11	\$29.50	15.6	14.4	13.5	3.8	3.5	3.4
LULU	Lululemon Athletica Inc		\$153.10	\$13.35	5.9	6.5	6.3	1.2	1.2	1.2
AS	Amer Sports Inc		\$32.92	\$19.87	17.5	14.1	12.0	2.8	2.4	2.1
ONON	On Holding AG		\$34.02	\$12.36	16.1	13.9	11.4	3.2	2.7	2.2
BIRK	Birkenstock Holding Plc		\$35.83	\$8.17	11.7	10.3	9.0	3.2	2.8	2.5
GAP	Gap Inc/The		\$24.20	\$7.28	6.3	6.8	6.7	0.5	0.5	0.5
VFC	VF Corp		\$16.99	\$6.82	8.2	10.9	10.0	0.7	0.7	0.7
KTB	Kontoor Brands Inc		\$70.29	\$4.60	10.3	10.8	10.0	1.5	1.7	1.6
CROX	Crocs Inc		\$83.02	\$6.35	7.6	7.3	7.0	1.6	1.5	1.5
PVH	PVH Corp		\$69.76	\$3.43	7.8	7.6	7.3	0.4	0.4	0.4
COLM	Columbia Sportswear Co		\$54.81	\$3.30	11.9	9.5	7.7	1.0	0.9	0.9
AEO	American Eagle Outfitters Inc		\$16.70	\$3.00	6.9	7.0	6.5	0.5	0.5	0.5
SHOO	Steven Madden Ltd		\$33.92	\$3.16	17.6	14.3	11.7	1.2	1.1	1.0
UA	Under Armour Inc		\$5.79	\$2.65	18.8	15.8	13.8	0.5	0.5	0.5
WWW	Wolverine World Wide Inc		\$16.32	\$1.41	10.0	9.4	8.9	0.7	0.7	0.7
GOLF	Acushnet Holdings Corp		\$93.48	\$6.91	15.2	14.5	15.1	2.7	2.6	2.6
CALY	Callaway Golf Co		\$13.88	\$3.46	8.0	15.5	14.0	1.1	1.7	1.6

Valuation Snapshot: 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		\$310.79	\$191.67	19.0	15.9	14.9	7.0	6.6	6.3
DASH	DoorDash Inc		\$150.15	\$79.78	22.3	17.0	12.5	5.4	4.3	3.6
SBUX	Starbucks Corp		\$89.59	\$119.21	26.0	23.1	19.2	3.1	3.2	3.0
CMG	Chipotle Mexican Grill Inc		\$32.01	\$42.77	20.3	19.2	17.0	3.5	3.2	2.9
YUM	Yum! Brands Inc		\$155.48	\$43.11	18.4	17.1	16.0	5.1	4.7	4.5
QSR	Restaurant Brands Internationa		\$73.90	\$33.89	16.0	15.1	14.3	3.5	3.4	3.4
DRI	Darden Restaurants Inc		\$196.04	\$24.48	14.4	13.6	12.8	1.9	1.8	1.7
DPZ	Domino's Pizza Inc		\$358.79	\$9.92	14.4	13.6	13.0	2.0	1.9	1.8
TXRH	Texas Roadhouse Inc		\$165.14	\$12.92	18.2	16.7	14.5	2.1	1.9	1.8
BROS	Dutch Bros Inc		\$50.66	\$12.55	33.9	27.0	21.5	7.2	5.7	4.7
CAVA	Cava Group Inc		\$80.90	\$9.71	56.9	47.2	37.0	7.6	6.1	5.1
WING	Wingstop Inc		\$154.97	\$4.54	20.9	18.8	16.3	6.4	5.6	4.9
EAT	Brinker International Inc		\$142.77	\$7.35	9.3	8.6	8.0	1.3	1.2	1.2
SHAK	Shake Shack Inc		\$88.47	\$2.43	16.2	14.1	12.3	1.6	1.4	1.2
CAKE	Cheesecake Factory Inc/The		\$54.75	\$3.99	16.9	14.7	13.3	1.1	1.0	0.9
WEN	Wendy's Co/The		\$6.95	\$1.49	10.4	11.3	10.9	0.7	0.7	0.7
PZZA	Papa John's International Inc		\$32.41	\$1.21	10.0	9.8	9.2	0.6	0.6	0.6
CBRL	Cracker Barrel Old Country Sto		\$28.11	\$1.18	13.5	12.1	10.4	0.4	0.3	0.3
BJRI	BJ's Restaurants Inc		\$35.10	\$1.26	10.5	9.7	9.3	0.9	0.9	0.8
BLMN	Bloomin' Brands Inc		\$5.40	\$0.77	8.9	9.3	8.9	0.2	0.2	0.2
JACK	Jack in the Box Inc		\$9.67	\$0.26	14.5	14.4	14.5	0.2	0.2	0.2

Valuation Snapshot: 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		\$168.41	\$140.61	13.0	11.4	10.3	5.1	4.6	4.2
RCL	Royal Caribbean Cruises Ltd		\$275.18	\$85.32	13.0	12.0	11.0	4.6	4.3	4.0
ABNB	Airbnb Inc		\$126.28	\$87.73	16.1	14.1	12.5	6.9	6.1	5.4
MAR	Marriott International Inc/MD		\$327.07	\$99.49	21.3	19.7	18.3	3.7	3.4	3.4
HLT	Hilton Worldwide Holdings Inc		\$304.08	\$75.78	23.2	21.6	19.7	6.2	5.7	5.3
CCL	Carnival Corp		\$25.88	\$39.82	8.9	8.9	8.2	1.5	1.4	1.4
EXPE	Expedia Group Inc		\$230.89	\$31.54	7.8	7.2	6.5	2.1	1.9	1.8
VIK	Viking Holdings Ltd		\$73.48	\$46.07	22.7	19.9	16.1	6.9	6.0	5.1
H	Hyatt Hotels Corp		\$143.79	\$18.61	18.5	17.5	14.9	2.6	2.6	2.4
WYNN	Wynn Resorts Ltd		\$101.55	\$10.42	10.0	9.7	9.1	1.4	1.4	1.3
NCLH	Norwegian Cruise Line Holdings		\$18.70	\$9.75	8.4	9.3	8.1	1.0	1.0	0.9
MGM	MGM Resorts International		\$37.01	\$12.59	8.8	9.0	8.8	0.7	0.7	0.7
BYD	Boyd Gaming Corp		\$82.18	\$6.67	6.4	6.5	6.2	1.6	1.6	1.6
WH	Wyndham Hotels & Resorts Inc		\$81.23	\$6.54	12.0	11.8	11.0	4.5	4.4	4.1
MTN	Vail Resorts Inc		\$128.32	\$4.92	10.7	9.6	9.1	1.7	1.7	1.6
CHH	Choice Hotels International In		\$103.50	\$5.13	11.7	11.2	11.0	3.2	3.1	3.1
TNL	Travel + Leisure Co		\$69.19	\$4.87	7.5	7.3	6.9	1.2	1.2	1.1
DAL	Delta Air Lines Inc		\$66.48	\$60.82	8.4	8.5	6.5	0.9	0.9	0.9
UAL	United Airlines Holdings Inc		\$92.07	\$44.19	6.7	7.1	5.4	0.7	0.6	0.6
LUV	Southwest Airlines Co		\$37.57	\$25.37	9.4	7.1	4.8	0.9	0.8	0.7
AAL	American Airlines Group Inc		\$10.74	\$11.82	10.8	11.8	6.7	0.2	0.2	0.2
ALK	Alaska Air Group Inc		\$36.78	\$6.00	8.1	10.0	4.8	0.4	0.4	0.4

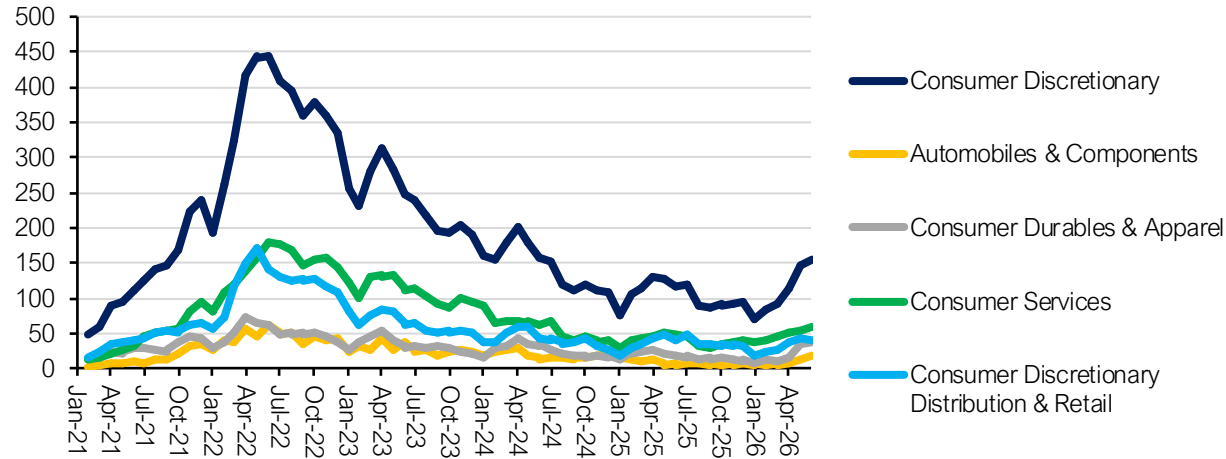
Section 04

Thematic Analysis

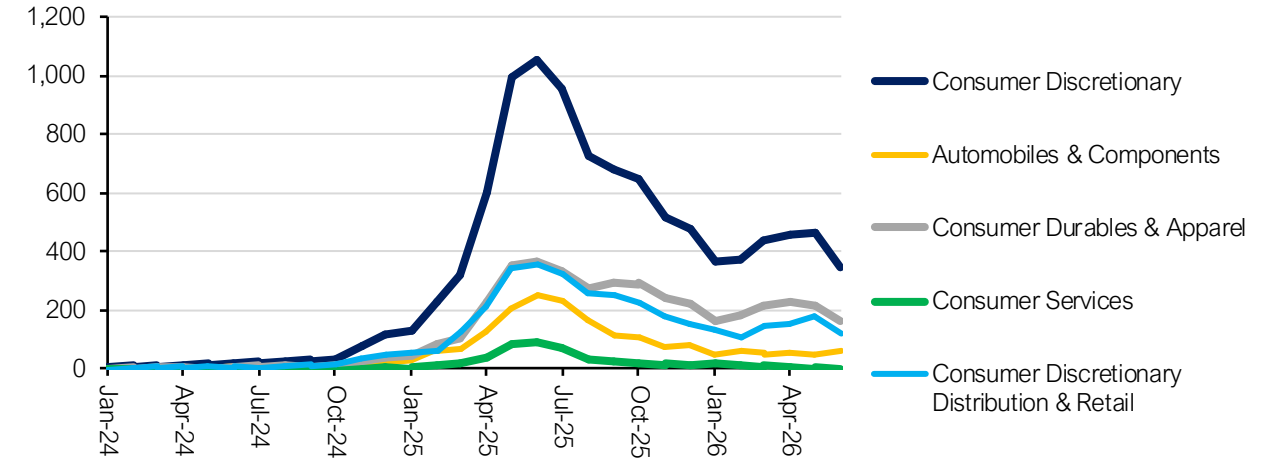
Thematic Analysis

Across constituents of the Russell 3000, Optimal tracks key themes in EPS transcripts; AI mentions have accelerated among CD names (+181% y/y on a T3M basis). Inflation mentions also up m/m off conflict in Middle East & higher energy prices.

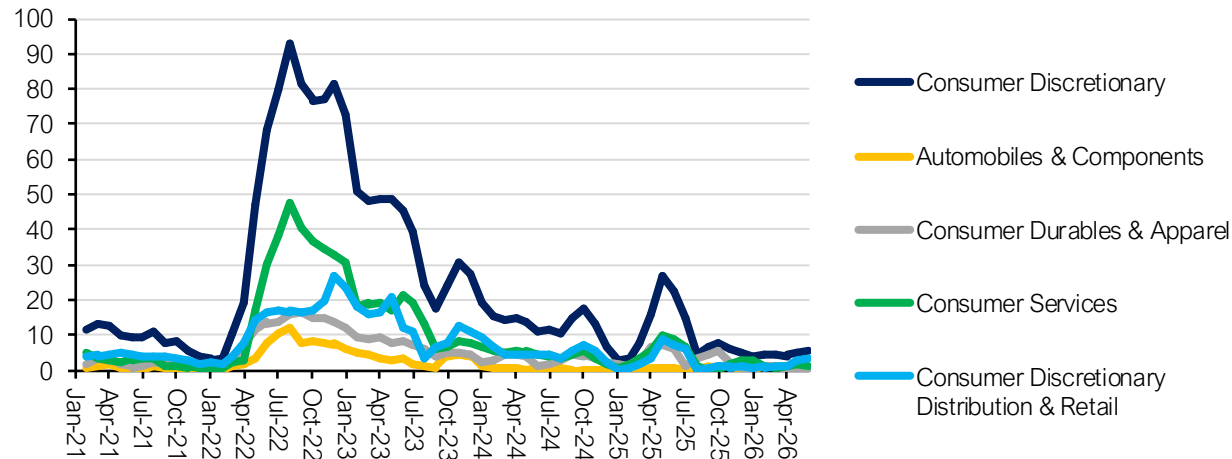
Inflation Mentions



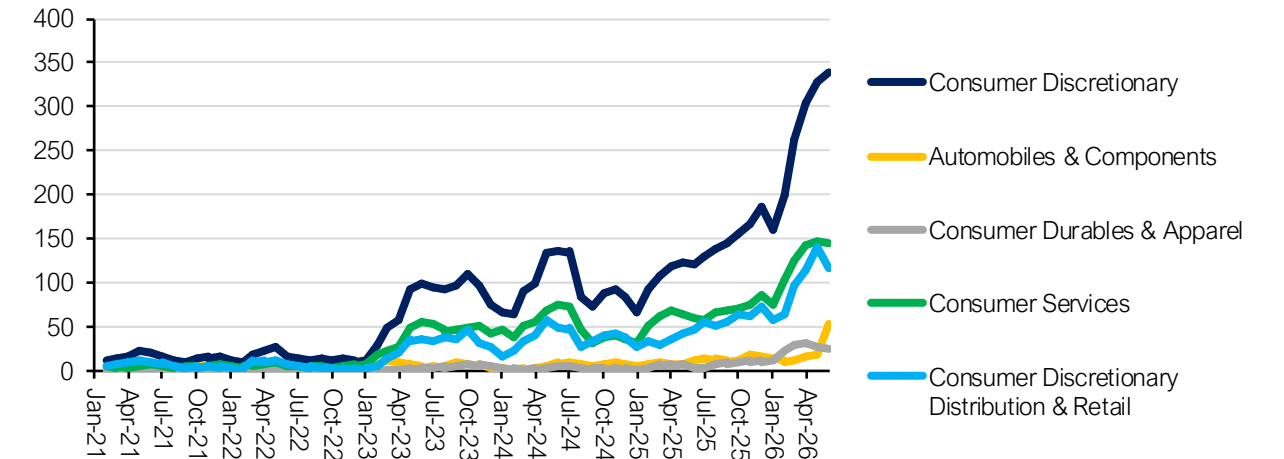
Tariffs Mentions



Economic Slowdown Mentions



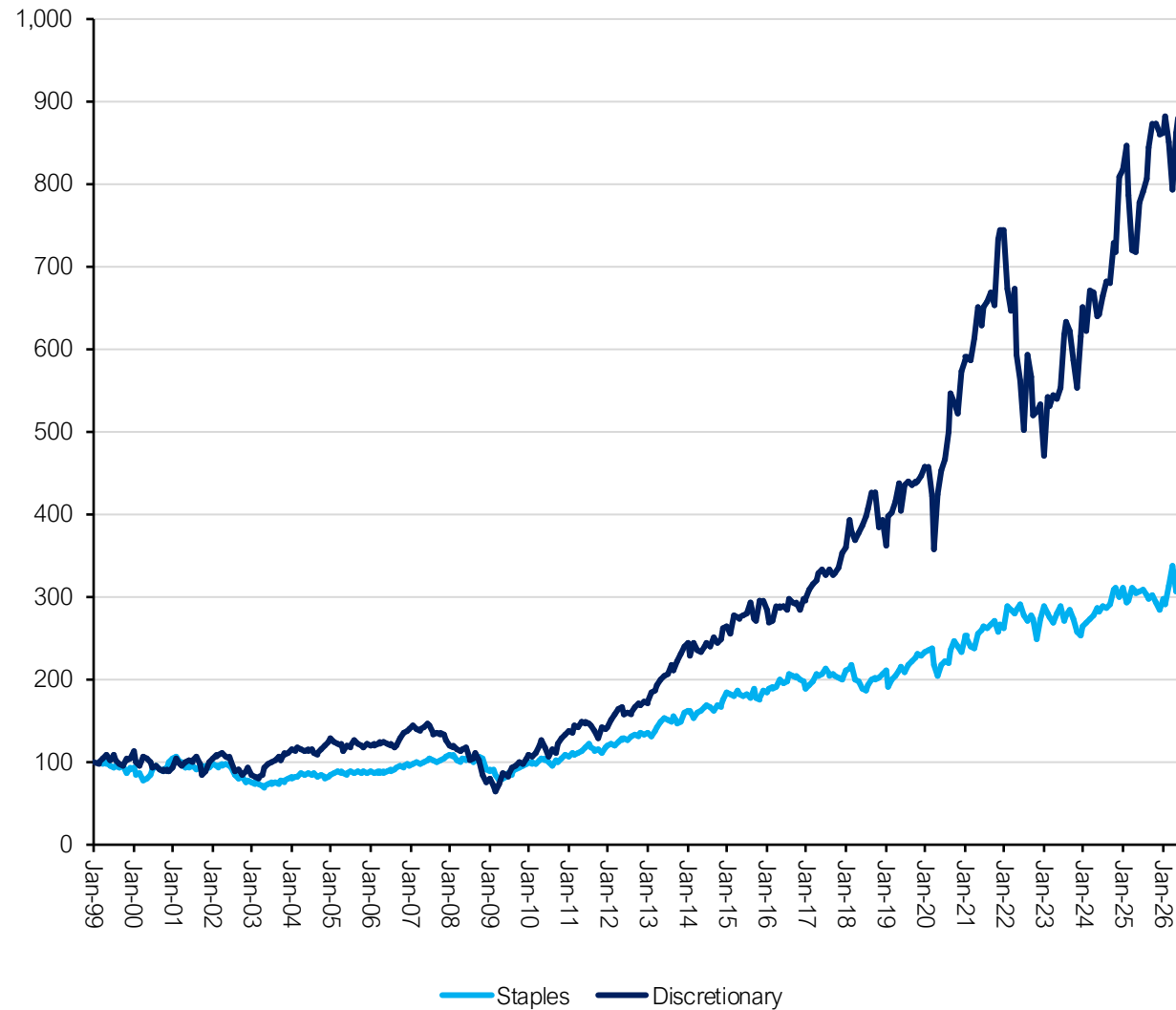
AI Mentions



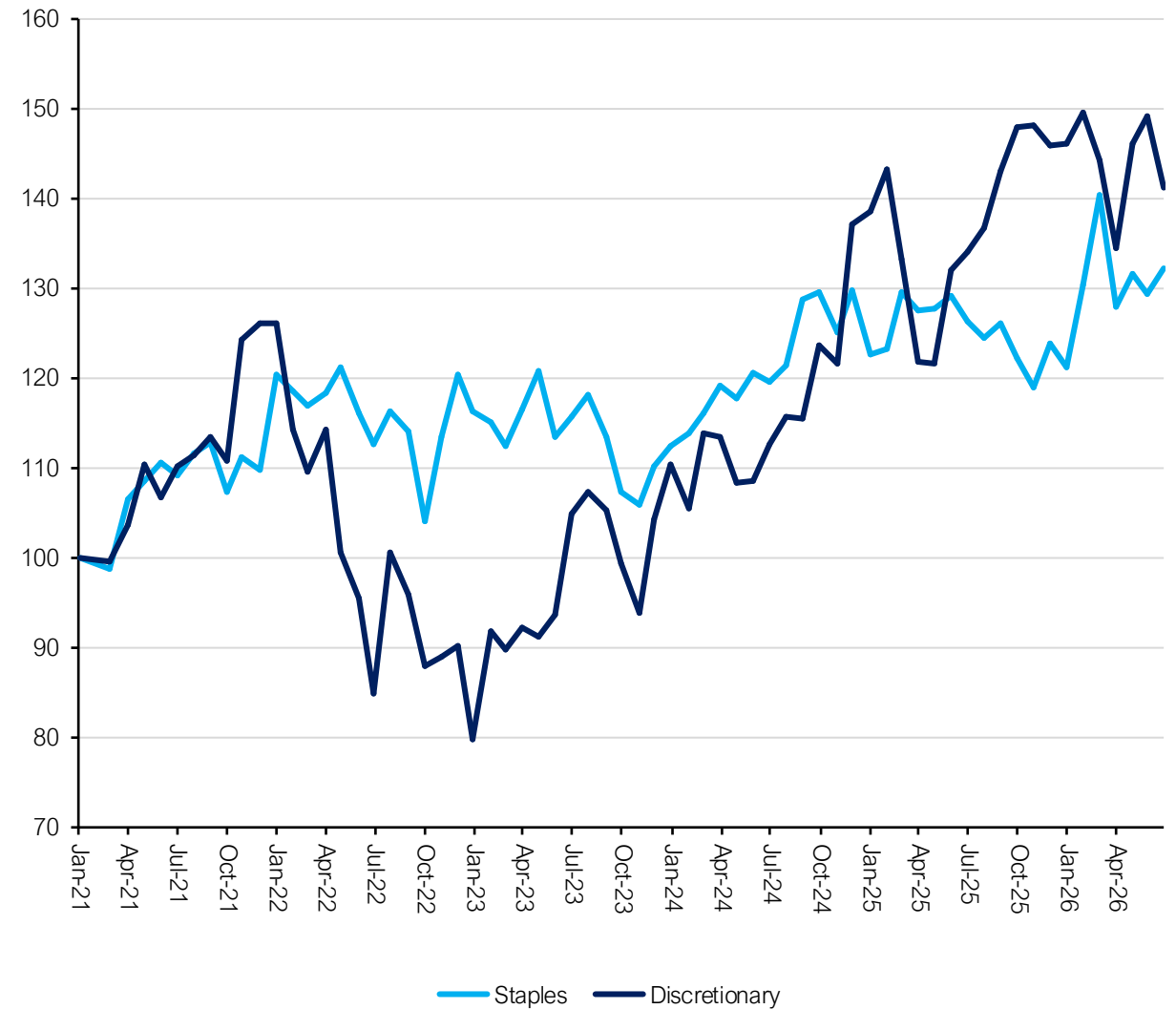
Thematic Analysis

Discretionary outperformed staples from 2010-2020. Halfway through the year, Discretionary stocks have sold off and regained losses, currently decelerating from all time highs in May.

Sector Equity Returns (Jan 1999 = 100)



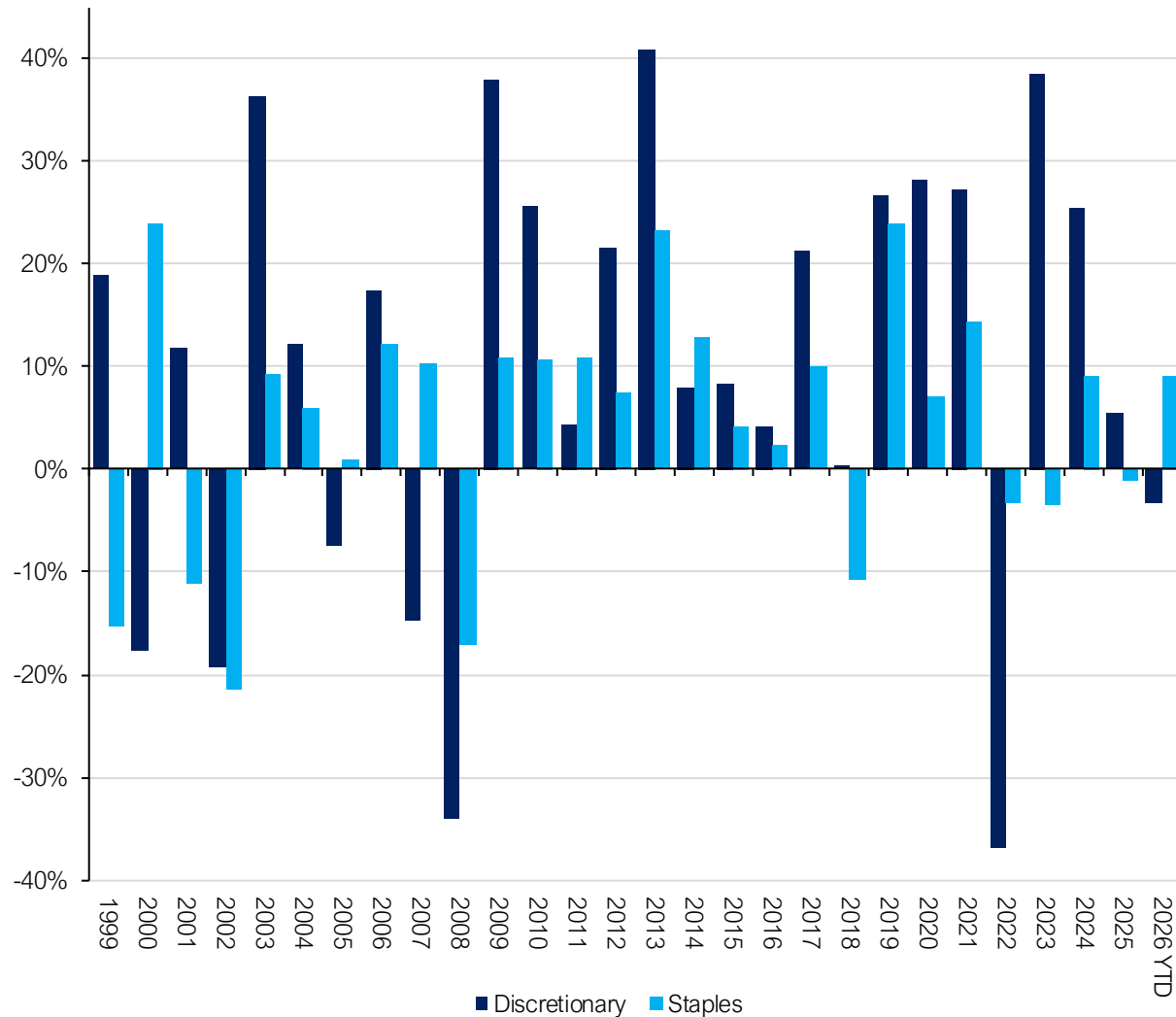
Sector Equity Returns (Jan 2021 = 100)



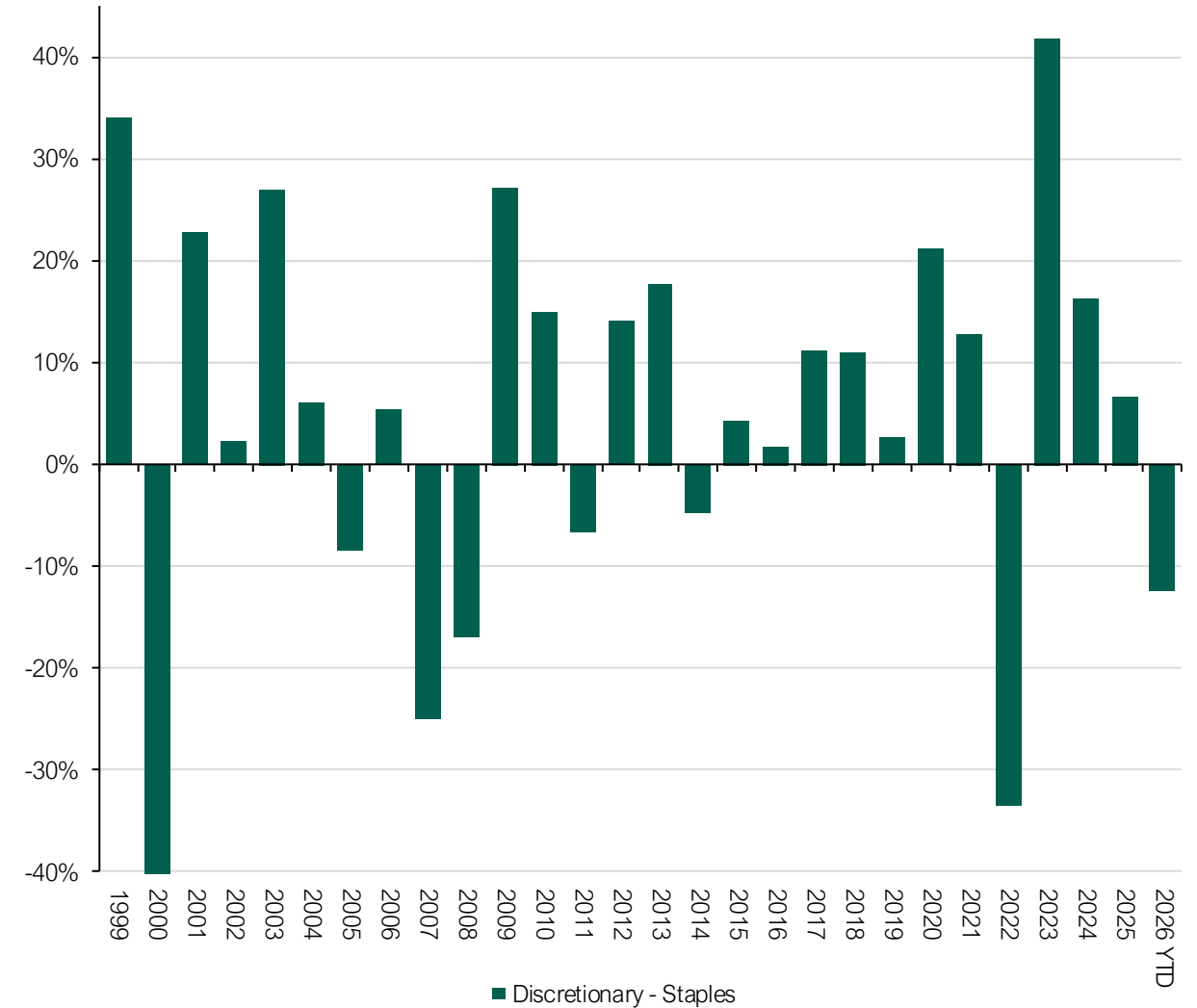
Thematic Analysis

Year to date, the SPDR Staples ETF (XLP) has performed well (+9.0%); Consumer Discretionary ETF (XLY) has returned -3.4%.

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



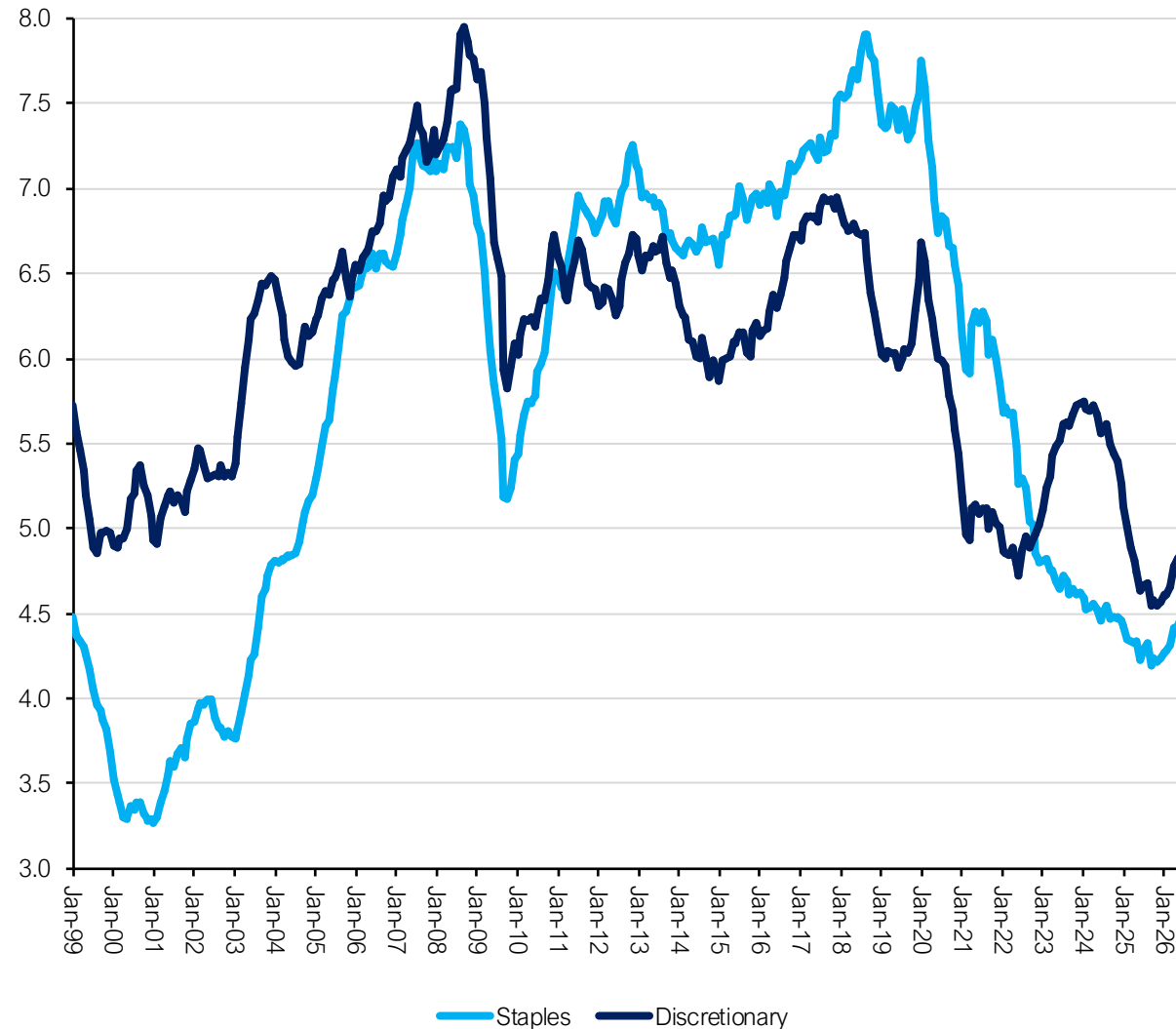
Annual Discretionary Performance Relative to Staples



Thematic Analysis

The average short ratio for the +250 consumer staples and discretionary names in the S&P 1500 has turned higher from a recent bottom. The right chart unpacks the largest movers (by SIR ▲) 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
NWL	Newell Brands Inc	-31.0%	111.6%	156.3%
ACI	Albertsons Cos Inc	6.5%	84.8%	127.7%
BBWI	Bath & Body Works Inc	22.9%	137.4%	123.5%
KDP	Keurig Dr Pepper Inc	3.4%	135.6%	121.5%
GME	GameStop Corp	-13.2%	101.0%	109.8%
PM	Philip Morris	11.7%	83.7%	100.7%
COTY	Coty Inc	-7.6%	112.2%	94.0%
UAA	Under Armour Inc	17.4%	132.8%	89.8%
CZR	Caesars Entertainment	-37.6%	-27.5%	-2.6%
VFC	VF Corp	8.0%	-13.4%	-7.0%
GIS	General Mills Inc	2.8%	-13.3%	-13.4%
LVS	Las Vegas Sands Corp	20.8%	18.0%	-13.4%
KR	Kroger	-12.5%	18.7%	-18.9%
CCL	Carnival Corp	6.7%	-38.7%	-34.2%
TSCO	Tractor Supply Co	-0.6%	-72.2%	-53.4%

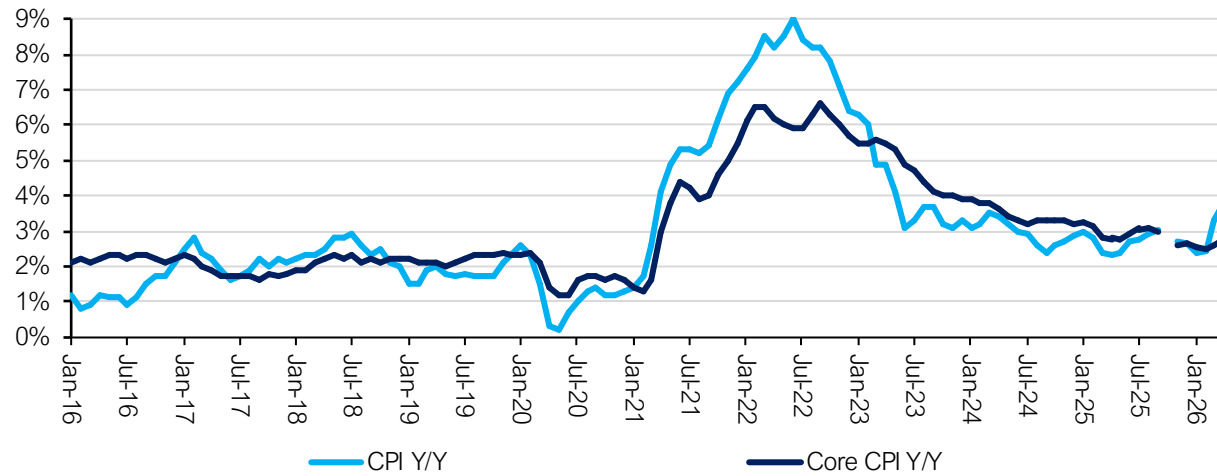
Section 05

Consumer Macro

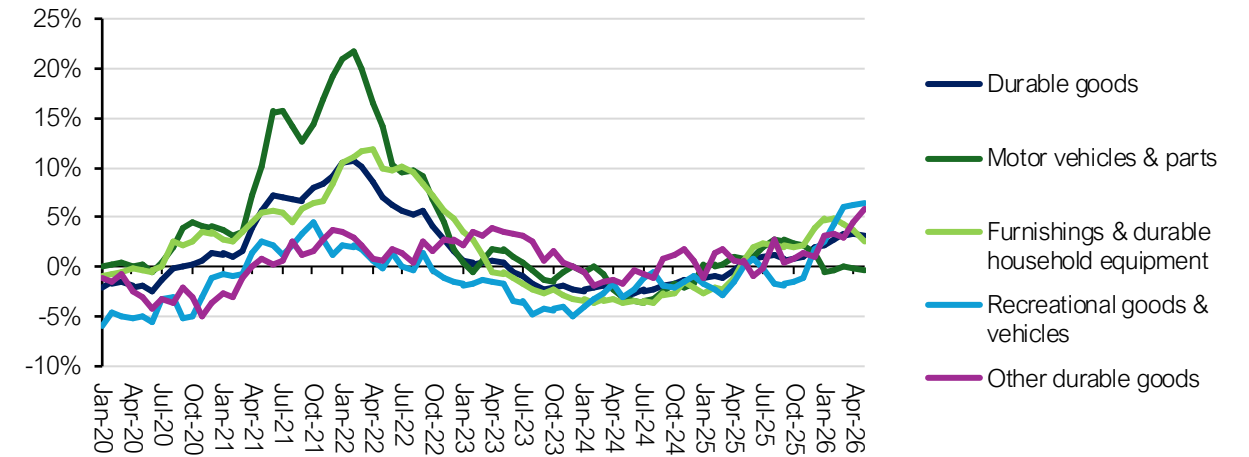
Consumer Macro

Headline CPI up sharply in May to +4.2%, the highest level in 36 months, primarily driven by higher energy prices. PCE price index for gasoline capturing higher energy prices, gasoline up +40% y/y in May.

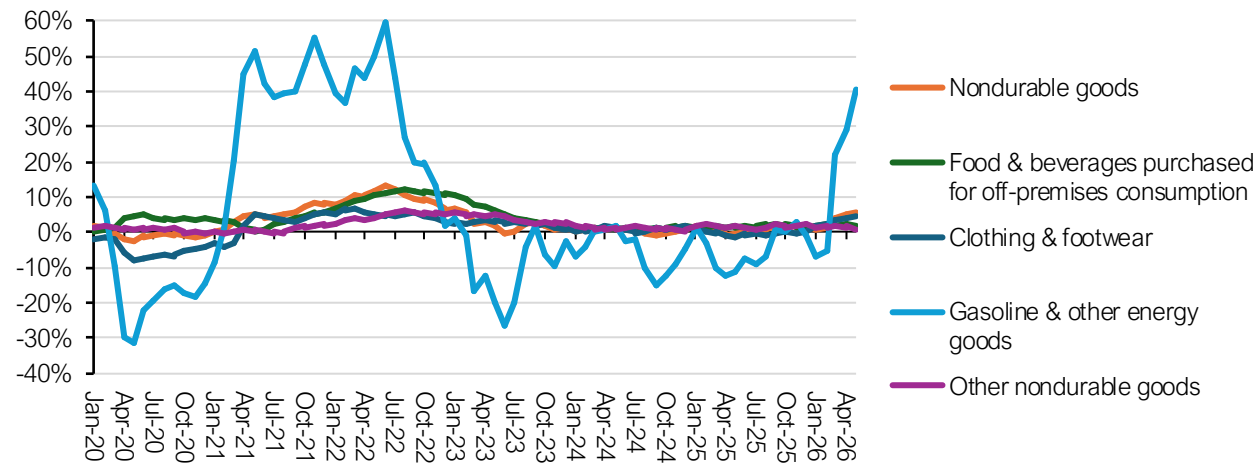
Consumer Price Index



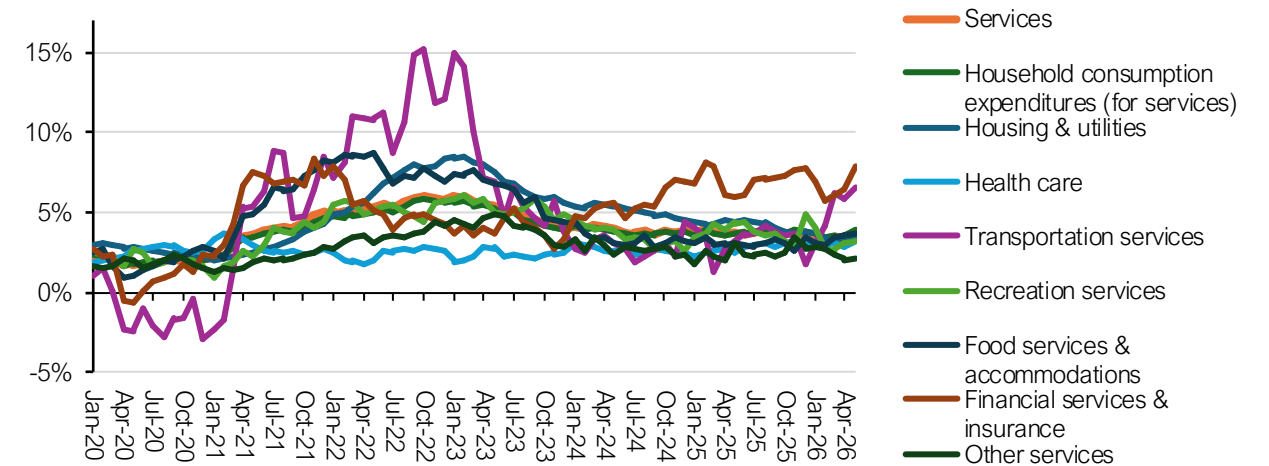
PCE Price Index: Durables



PCE Price Index: Nondurables



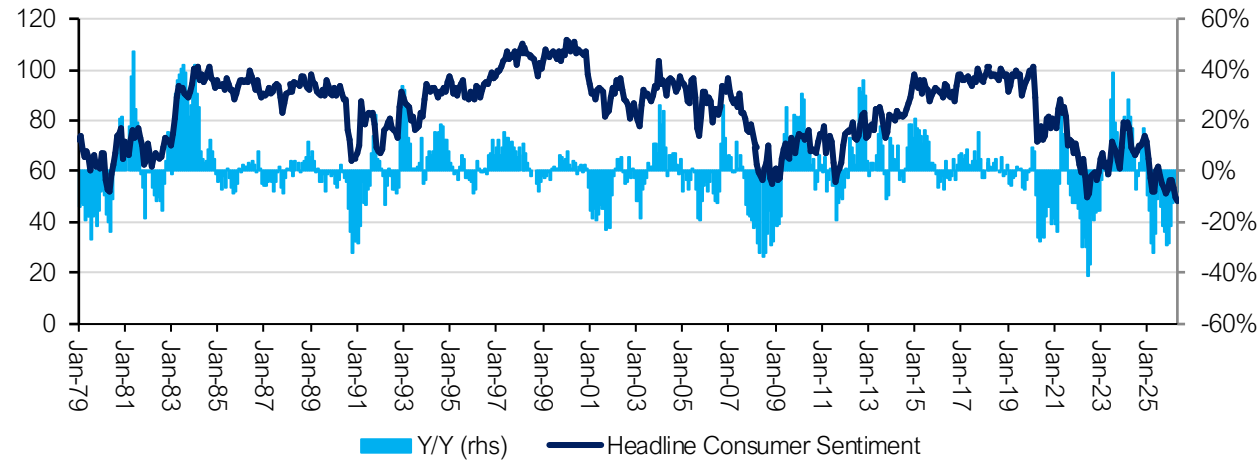
PCE Price Index: Services



Consumer Sentiment

Headline Sentiment for June accelerated from ALL-TIME LOW last month. Declines are particularly strong among age 35-54 (-23% y/y) and lower-income (-19% y/y) respondents.

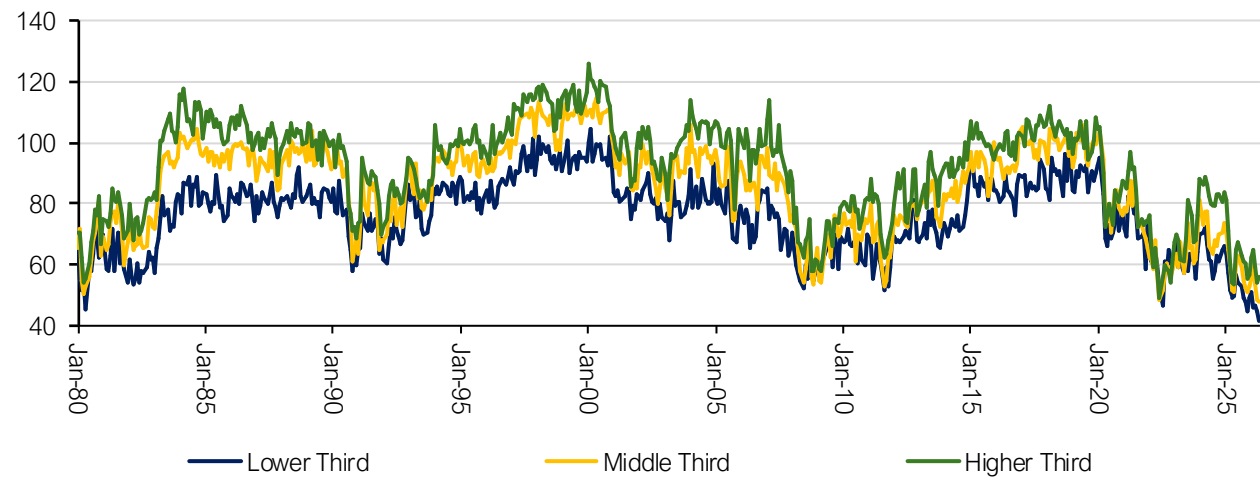
Headline Consumer Sentiment



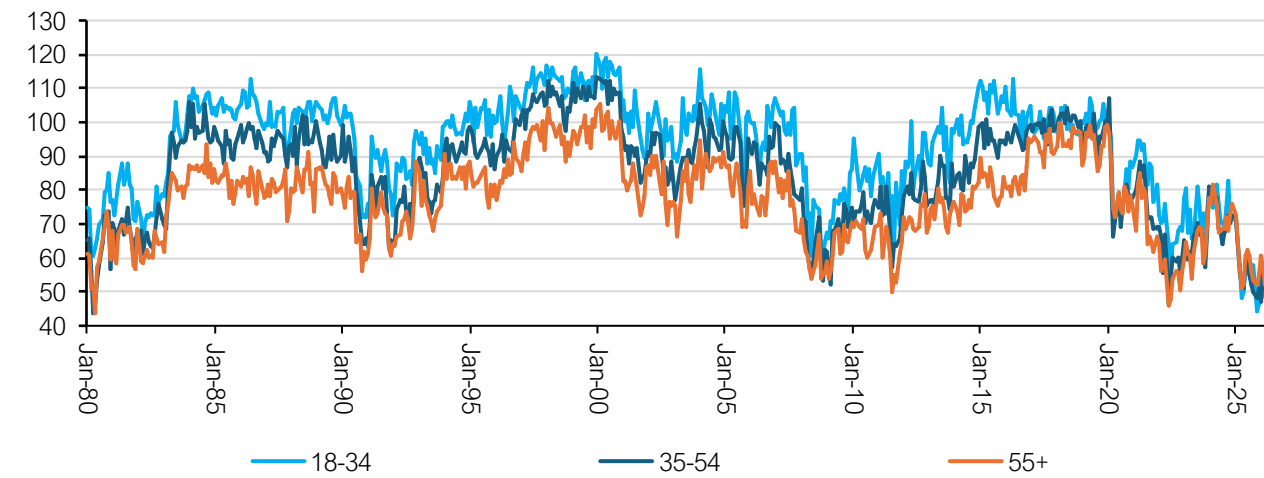
Purchasing Conditions



Consumer Sentiment by Income Terciles



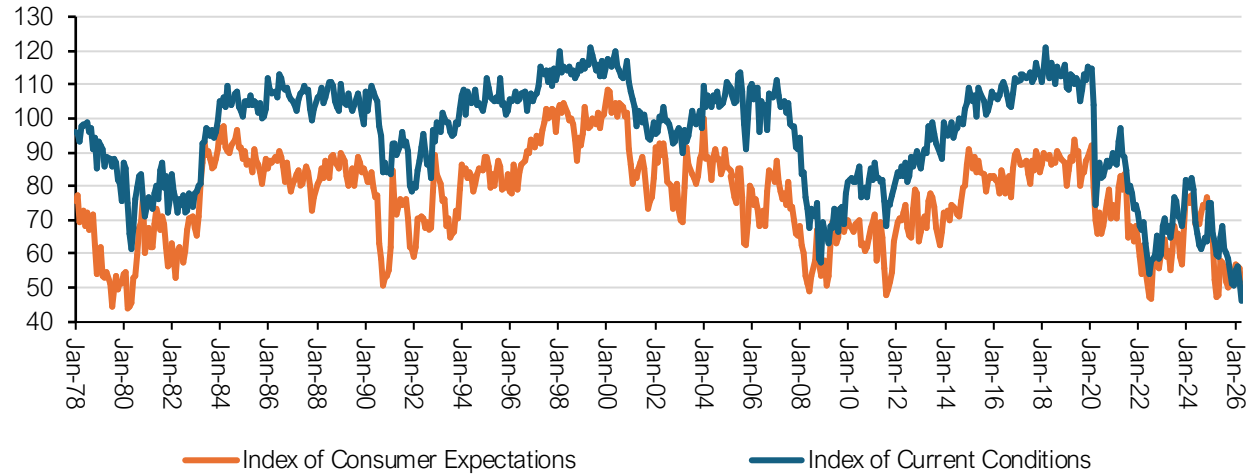
Consumer Sentiment by Age



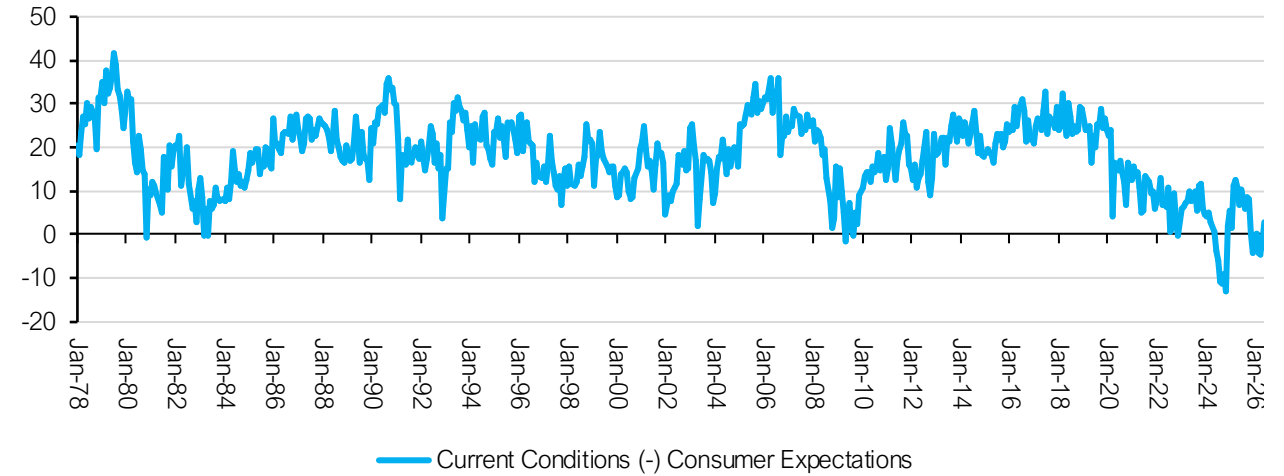
Components of Consumer Sentiment

Consumer expectations & reported current conditions are both up from all time lows in May. Durable goods buying conditions continue to be the largest source of pessimism, running down -34% y/y.

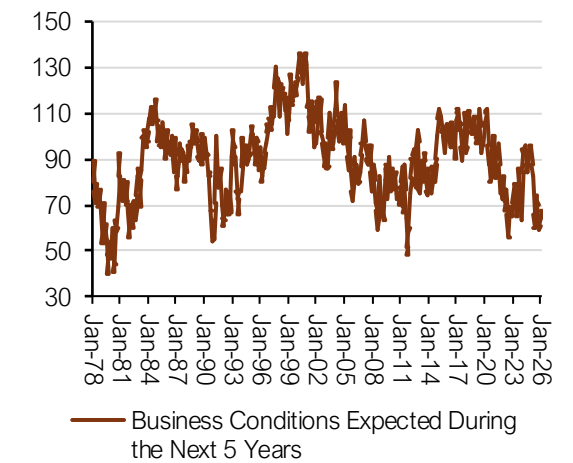
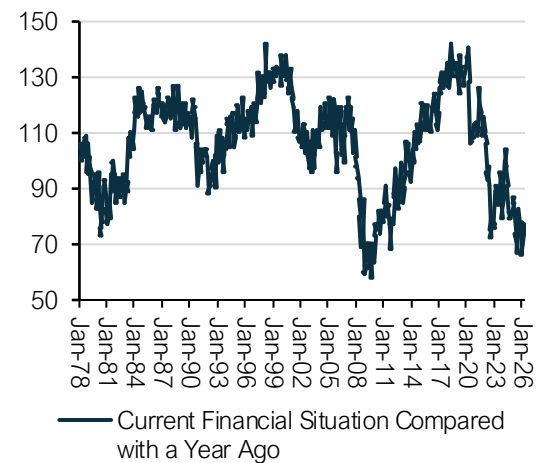
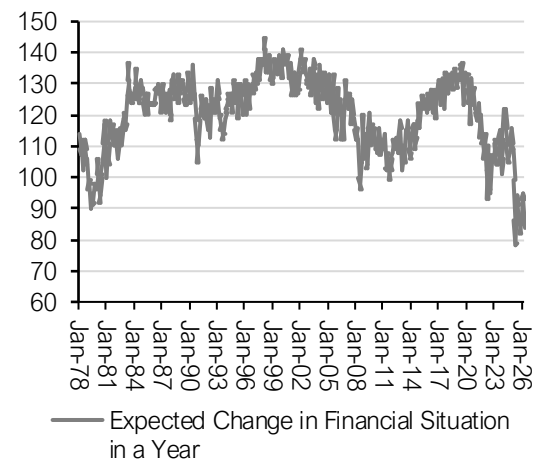
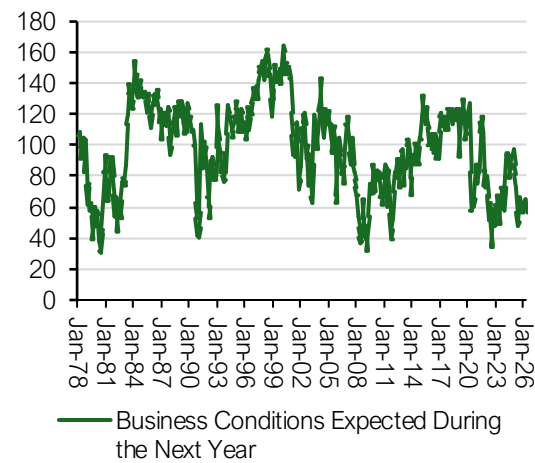
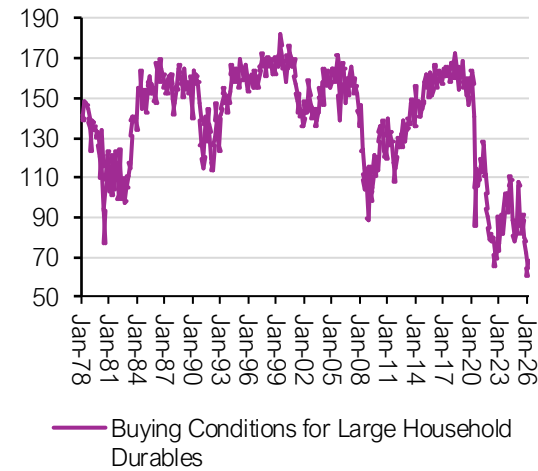
Expectations vs. Current Conditions



Current Conditions - Expectations



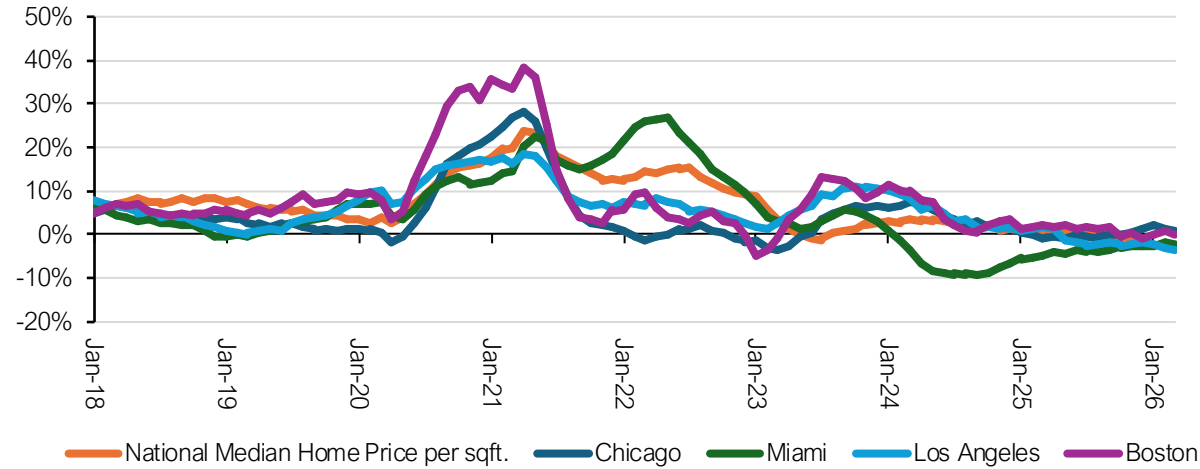
Components of Consumer Sentiment



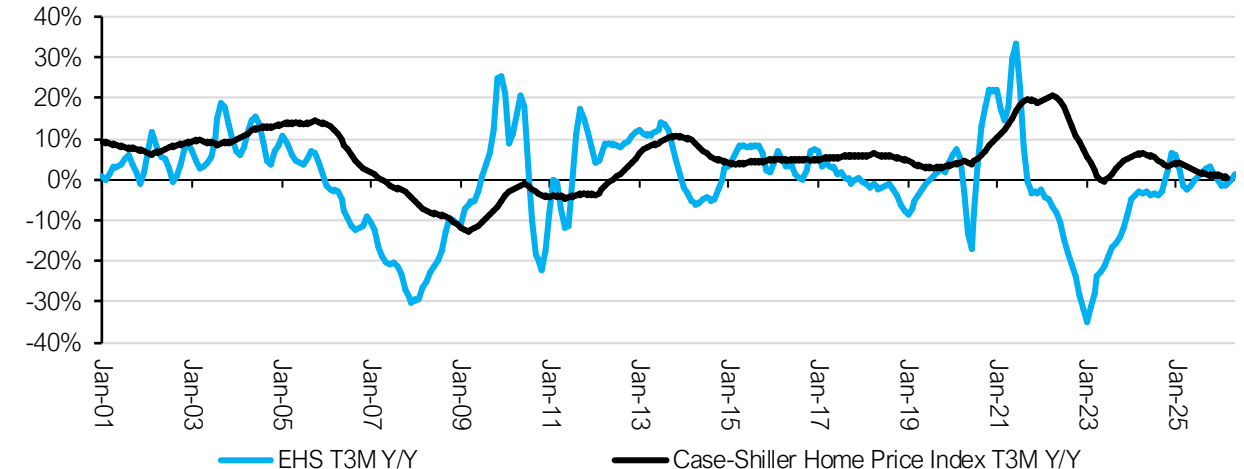
Housing Analysis

Mortgage rates have turned sharply higher off energy driven interest rate increases. Roughly 18% of US GDP is related to the selling, building, fixing, lending, and furnishing of homes – velocity matters for the broader economy.

Median Home Price Per Sqft. Y/Y



Existing Home Sales

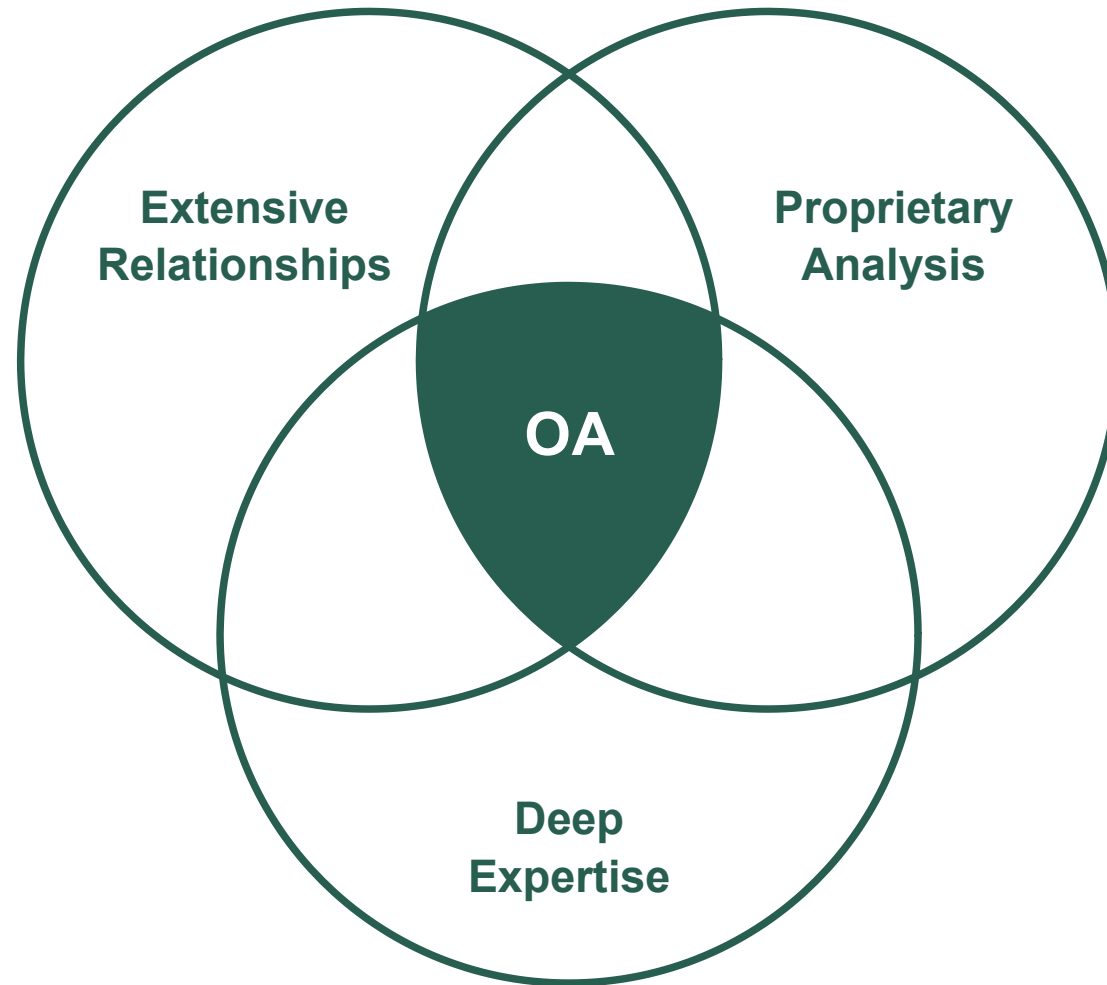


Metro Area Case Shiller Home Price Index Y/Y Heat Map

	Boston	Chicago	Denver	Las Vegas	Los Angeles	Miami	New York	San Diego	San Francisco	Washington, D.C.
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	1.8%	5.7%	-1.4%	-0.5%	0.5%	-1.1%	5.3%	0.2%	0.4%	0.3%
Dec-25	1.1%	5.3%	-2.2%	-0.9%	0.6%	-1.5%	5.4%	0.7%	-0.2%	0.2%
Jan-26	1.3%	4.7%	-2.2%	-1.1%	0.1%	-1.0%	5.2%	0.4%	-0.6%	0.1%
Feb-26	1.0%	4.9%	-2.4%	-1.3%	-0.9%	-0.3%	4.9%	0.5%	-0.7%	-0.2%
Mar-26	2.0%	5.9%	-2.0%	-1.4%	-1.6%	0.9%	4.0%	0.8%	0.5%	-0.3%

Optimal Advisory

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