

MONTHLY RESEARCH WEBINAR

CONSUMER DISCRETIONARY: RETAIL AND HOUSING OUTLOOK

Moderator:

Jim Kelleher, CFA

Director of Research

September 4, 2024

■ **Consumer Discretionary: Retail and Housing Outlook**

- Jim Kelleher, CFA, Director of Research
- John Eade, Argus President
- Chris Graja, CFA, Director of Economic Research, Senior Analyst

■ **Argus Quick Notes**

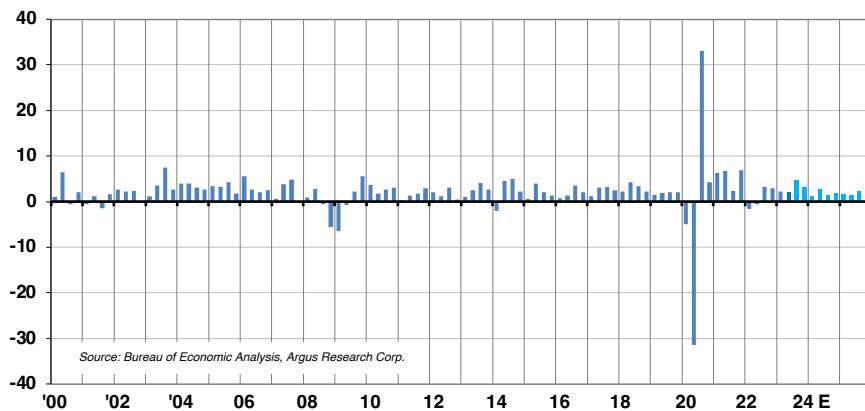
- Global Dividend Investing
- Inside the Minds of the Big Guns
- Companies Raising Guidance
- Min Vol: Playing it Safe
- Find these on the homepage of our website

■ **Portfolio Update: the Argus Min Vol Model Portfolio**

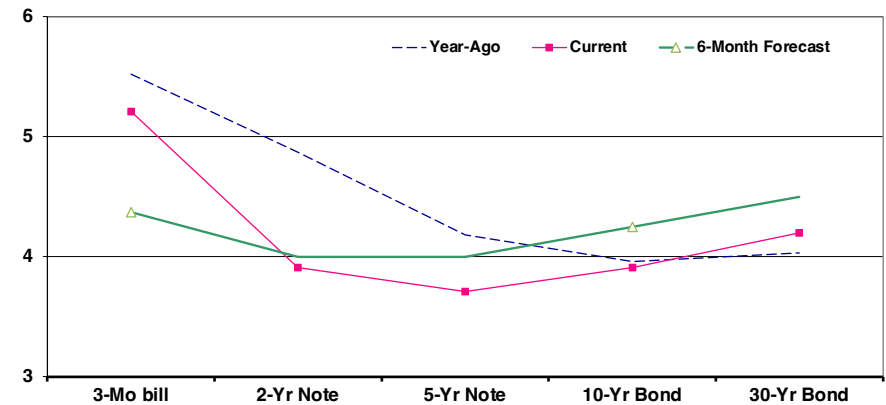
- Recession uncertainty driving rotation to low beta names
- Argus believes Min Vol is an all-weather strategy
- Potential for market-matching returns in a “normal” market
- Potential for relative outperformance in a volatile market
- Find the Argus Min Vol MP on the homepage of our website

MACRO FORECASTS

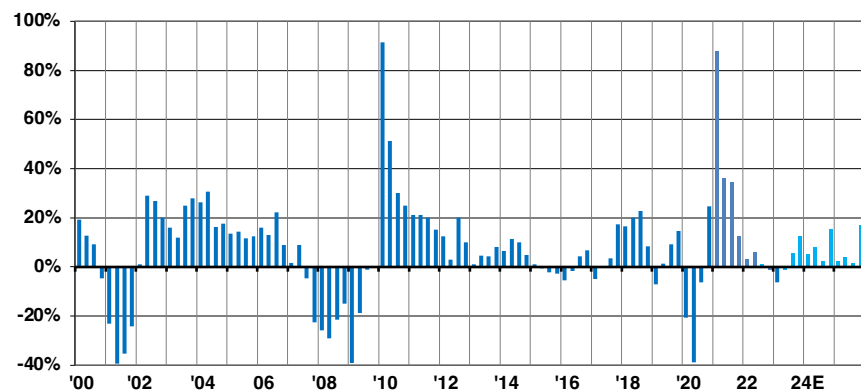
REAL GDP W/FORECASTS (%)



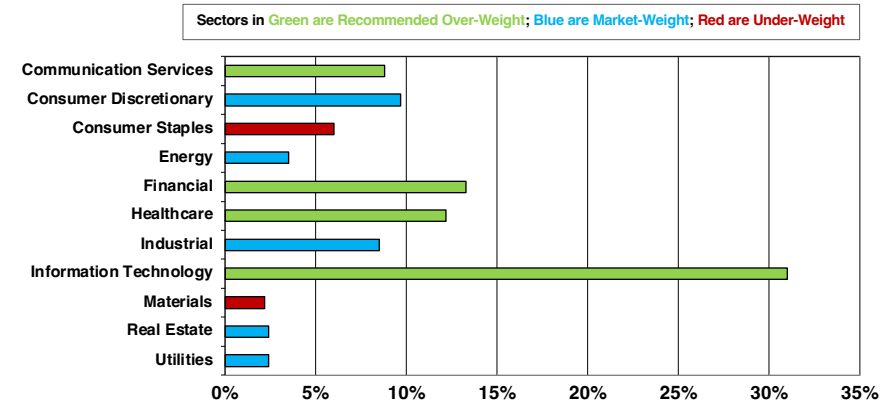
TREASURY YIELD CURVE (%)



S&P 500 QUARTERLY EARNINGS GROWTH



MARKET SECTOR DISTRIBUTION - PERCENT OF S&P 500

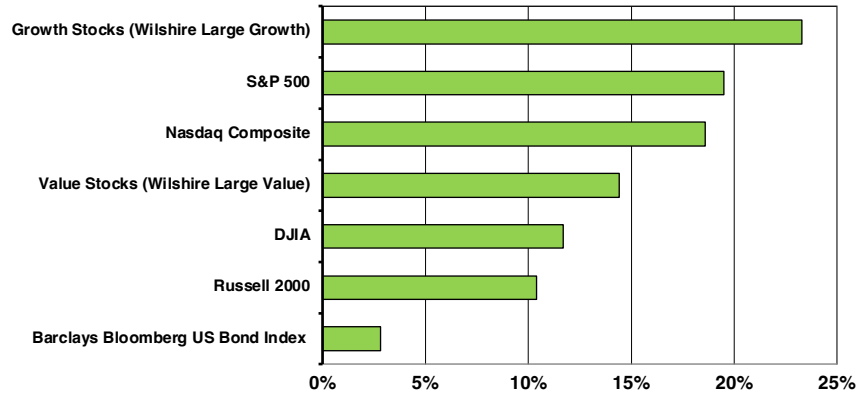


MARKET PERFORMANCE

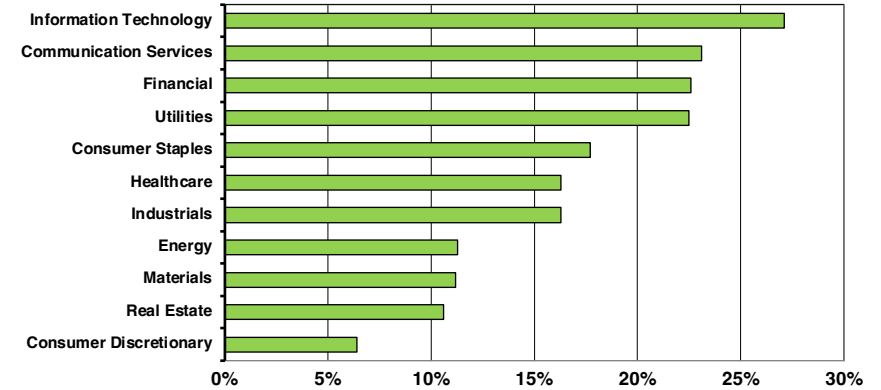
DATA AS AUGUST 30, 2024



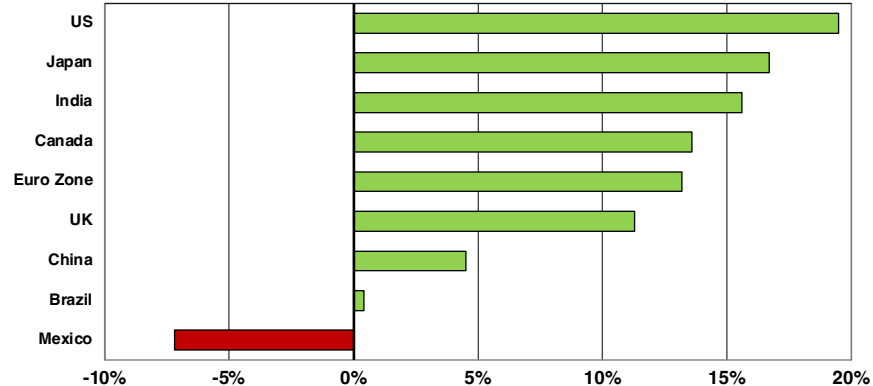
MAJOR INDEX



SECTOR



GLOBAL EQUITY MARKETS



3 BIG MACRO QUESTIONS:



- **What's your outlook for jobs on Friday and beyond?**
- **What's your GDP forecast and estimate of recession probability?**
- **Are monetary policy “lags” getting longer or shorter?**

3 BIG CONSUMER QUESTIONS:



- **What does recent back-to-school spending suggest for the holidays?**
- **Has discretionary spending improved?**
- **What are companies saying about cost inflation and future price increases?**

3 BIG RETAIL QUESTIONS:



■ How can AI and Big Data improve profitability for retailers?

- Buy Rated: Kroger (KR), Walmart (WMT)

■ Walmart is gaining market share. Who can win in this environment?

- Buy Rated: Walmart (WMT), Costco (COST), TJX (TJX), Target (TGT)

■ What strategies are working to win customers?

- Buy Rated: Williams-Sonoma (WSM)

3 BIG HOUSING QUESTIONS:



■ How are Housing-Related stocks using innovation to drive profits?

- Buy Rated: Home Depot (HD), Lowe's (LOW), Masco (MAS), Toll Brothers (TOL)

■ What is the outlook for housing stocks?

- Buy Rated: D.R. Horton (DHI), Lennar (LEN), Toll Brothers (TOL)

■ When will conditions improve for home improvement stocks?

- Buy Rated: Home Depot (HD), Lowe's (LOW), Masco (MAS)

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