

GS Consumer | Morning Trading Update (US)

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U.S. equities are mixed with the SPX down 10bps, NDX up 15bps, and small-cap RTY lagging at -45bps, while the UST 10-year yield rose 3.5bps to 4.48% and WTI crude jumped 2.7% to \$96.30. Overnight **geopolitical tensions escalated** as US forces intercepted Iranian missiles and drones targeting neighboring countries and struck a command center on Iran's Qeshm Island. On trade, the White House officially proposed **new tariffs** of at least 10% on imports from major partners (EU, Canada, Mexico), with China, Japan, Brazil, and others facing a 12.5% rate. Gold fell 75bps to \$4,454 and Bitcoin slipped 45bps to \$67,200 after notching another all-time high the prior day. Market focus shifts to **ISM Services** and a busy economic calendar (ADP, Durable Goods), Fed events including the Beige Book, and AVGO earnings after the close. Macro note: [Link](#).

Macro is a headwind again for consume to start with tariffs back in headlines and crude rallying again. **Momentum** factor moves also worked against sector yesterday and remain a dominant driver of performance each day. On EPS front, **OLLI** (+5%) and **ULTA** (+1%) results better feared and though **Macy's** (+1%) also beat, desk would view that print as more inline. Separately, **conferences** continue today with some updates already out again from presentations in Paris while there's multiple ratings changes away. In research here at GS, Bonnie's **beer survey** pointed to lackluster demand over Memorial Day weekend, albeit with **STZ** screening most favorably ([link](#)), while Brooke had takeaways out on **CROX** post walkthrough with mgmt ([link](#)).

Consumer Pre-Mkt

Ticker	Change	Volume	Ticker	Change	Volume
GME	13.2%	662,416	THO	-5.3%	7,477
MBC	3.6%	9,101	HGV	-4.3%	8,893
OLLI	3.6%	28,563	DRVN	-2.1%	32,951
M	1.9%	547,100	ODD	-2.0%	22,243
FIVE	1.6%	2,502	SMPL	-1.3%	5,195
WEN	1.6%	4,870	KHC	-1.1%	116,247
YUM	1.3%	7,604	CAG	-1.1%	138,708
KMX	1.1%	5,162	GIS	-1.0%	58,854
ELF	1.0%	18,601	RCL	-1.0%	2,679
COTY	1.0%	13,638	TSLA	-0.9%	401,375

Retail

OLLI +5%...better than feared quarter and guidance. EPS beat (\$0.91 vs. \$0.87 cons) on better margins while revs were \$658MM (vs. \$663MM cons) and comps 1.7% (vs. 2% cons but better than 1% bogey). FY EPS guidance raised by 5c to \$4.50 midpoint (vs. \$4.45 cons) on comps of 2% (vs. 1.7% cons) which doesn't include any impact from IEEPA tariff refunds. That's better than feared as some worried they could cut. Call at 8:30am.

Macy's +2%...another good/fine print but also no better than expectations for a modest beat (especially after KSS topped expectations). They did a +3% comp vs Consensus +1.4%. Gross margins beat by 30 bps and SG&A also beat. Tweaking FY EPS higher by \$0.10 (by the magnitude of the 1Q beat) and tweaking mid-point of the FY comp guide higher by 35 bps.

Beauty/Staples

ULTA +1%... top and bottom line beat alongside EPS/operating income guidance increased . A small top and bottom line beat was expected but the upside on EPS was even better, driven by margins (both gross and SG&A). Given some SG&A concerns post last quarters miss and underperformance, this seems like a relief. That said, would expect there to remain concerns on harder top-line compares going forward still. Details: 1Q EPS of \$7.74 vs Consensus \$6.89 on comp sales of +5.3% (we think bogey was +5.5%) vs Consensus +4.6%, and a revenue beat. Gross margins beat by 90 bps and SG&A beat by 40 bps. Reaffirming the FY sales guide but tweaking higher the FY EPS guide, with operating income growth raised at the low-end. First take form Kate/GIR: [Link](#).

Street Actions**Downgrades:**

SHAK. Jefferies and UBS downgrade **VSXY**. Bernstein downgrades **SMPL, CAG, CPB, GIS, KHC**. CBRE Equity

Research downgrades **MGM**. Freedom Broker downgrades **DG**.

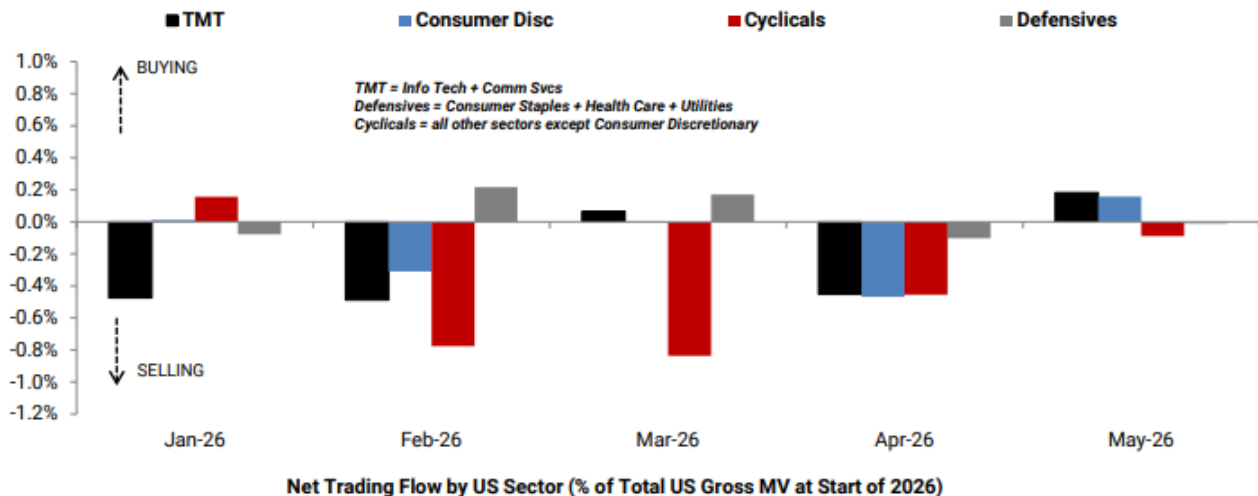
Initiations: Bernstein initiates **VIK** at Outperform and **NCLH** at Market Perform.

Prime/Positioning

May update: US Sector Positioning: 6 of 11 sectors were net bought led by Info Tech, Financials, and Consumer Discretionary, while Energy was the most net sold. [Link](#).

After heavily net selling the sector in April, HF's net bought **Consumer Discretionary** stocks in May, driven by long buys outpacing short sales 3.5 to 1. Most Consumer Discretionary subsectors were net bought in May, led by Automobiles, Household Durables, Textiles, Apparel & Luxury Goods, and Specialty Retail. US Consumer Discretionary long/short ratio now stands at 2.15, in the 31st percentile vs. the past year and 73rd percentile vs. the past five years.

Staples stocks were net sold for a second straight month, driven by short sales outpacing long buys (2.2 to 1). Staples Distribution & Retail, Beverages, and Household Products were the most net sold subsectors. US Staples long/short ratio now stands at 0.98, in the 17th percentile vs. the past year and in the 5th percentile vs. the past five years.



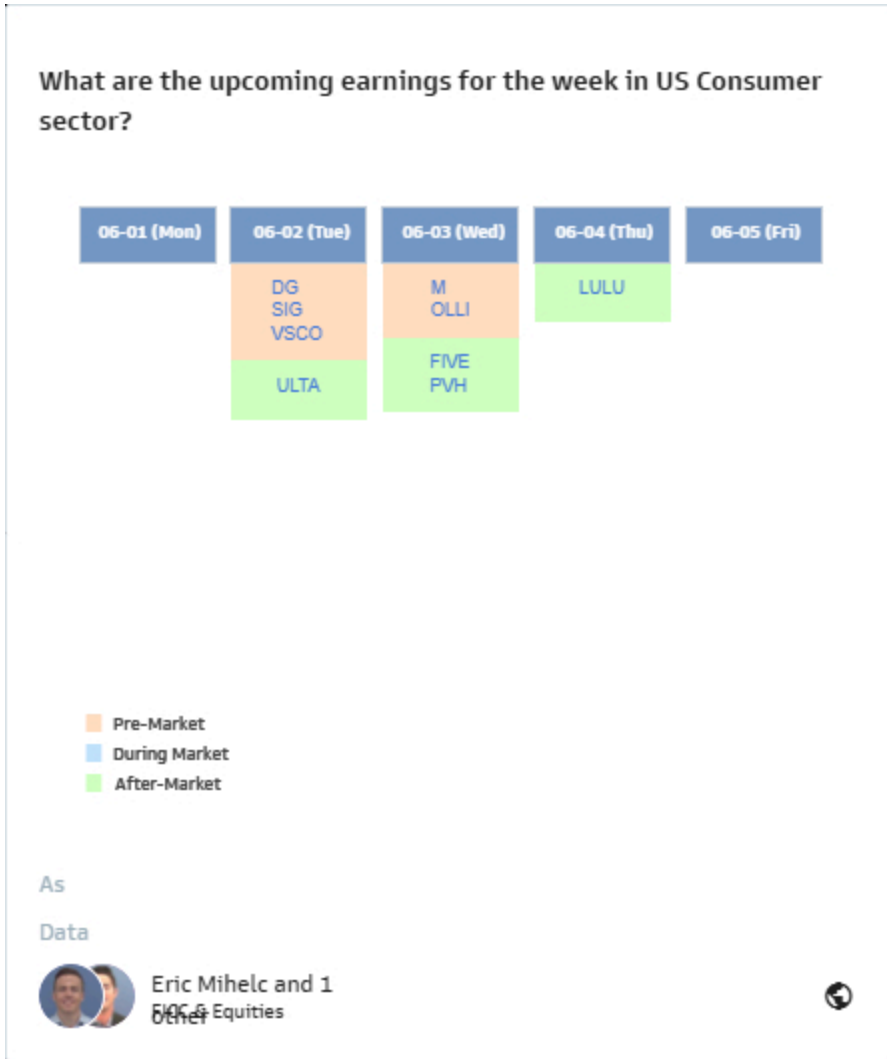
GS Research

CROX: Takeaways from CROX product walkthrough with management. GIR attended an investor product walkthrough with CROX's management team in New York City on June 2nd. Management participants included Patraic Reagan (CFO), Anne Mehlman (Crocs Brand President), and Abigail Ritter (Sr Manager, IR and Strategy), alongside other members of the CROX product team. Management's tone was constructive, highlighting a clear roadmap for category expansion, product innovation, and a disciplined approach to brand segmentation. The conversation highlighted continued diversification at Crocs

(led by sandals and sport) and early signs of improvement at HEYDUDE following meaningful strategic reset efforts. GIR discusses their key takeaways in more detail below. [Link](#).

Americas Beverages: "Bev Bytes" Beer Distr Survey - A tough start to the summer but STZ screens the most favorably. Beer trends over Memorial Day weekend were lackluster and below expectations per GIR's Beverage Bytes survey, weighed down by macro pressure on consumers and the wettest, coldest holiday weekend in 5 years. STZ stood out positively while HEIN, SAM, and TAP lagged, and distributors have turned more cautious on the summer selling season with 59% expecting flat-to-weaker sales (vs 46% in March) and the category now seen down 2.1% for the year (vs down 1.4% prior). Additional pressure points include a strained Hispanic consumer, continued softness in Miller Lite and Coors Light, mixed feedback on Monaco Cocktails and LYTT, though Sun Cruiser and Sunbrew skew positive, with FIFA World Cup and the US 250th anniversary seen as potential offsets. GIR reiterates Buy on STZ (most shelf space gains in spring resets, Modelo growth, event tailwinds) and Buy on TAP (event-driven upside despite softer core brands), while remaining cautious on SAM given ongoing Twisted Tea and Truly pressure. See within for more information. [Link](#).

[Calendar Ahead](#)



Source: Marquee MarketView

Ticker	Report Date	Implied Move	YTD	Positioning Score
DG	6/2/2026	9.4%	-17%	4
SIG	6/2/2026	11.9%	5%	5
VSCO	6/2/2026	12.0%	10%	7
ULTA	6/2/2026	8.2%	-14%	4
FIVE	6/3/2026	8.1%	19%	8
PVH	6/3/2026	9.0%	44%	6
BF.B	6/4/2026	7.4%	0%	3
LULU	6/4/2026	9.2%	-37%	3

Performance

Daily Recap

Ticker	1 day ↓	2 day	5 Day	1 Month	YTD	1 Yr	RSI	From High	Ticker
Indices (7)									
RTY	+0.9%	-2%	+2%	+4%	+18%	+40%	61	-1%	RTY
Discretionary	+0.7%	-1.5%	+2%	-1%	-2%	+6%	51	-13%	GXSUCOND
NDX	+0.5%	+1.4%	+4%	+1%	+21%	+42%	78	--	NDX
Retail	+0.5%	-2.2%	+1%	-2%	-2%	+9%	52	-9%	XRT
RSP US	+0.4%	-9%	+2%	+4%	-10%	-18%	69	--	RSP
SPX	+0.1%	+6%	+2%	+5%	+11%	+28%	75	--	SPX
Staples	+0.1%	-3.4%	-5%	-5%	+5%	-1%	34	-10%	SSCONS
Consumer Discretionary (16)									
Auto Components	+2.8%	+1.1%	+7%	+12%	+17%	+67%	63	-3%	GSSIAUTC
Brick & Mortar Retail	+1.2%	-2.1%	+2%	--	-1%	-18%	52	-11%	GSCNSBRM
Home Improvement/Fu	+0.8%	-1.3%	+4%	+4%	-11%	+6%	55	-27%	GSSIHOMI
Internet/Catalog	+0.7%	-2.1%	+1%	-3%	-6%	-15%	49	-15%	GSSINCR
Homebuilders	+0.6%	+2.1%	+3%	-1%	-2%	+19%	55	-19%	GSSIHOMI
Housing Durables	+0.3%	+1.1%	+4%	-1%	-2%	+14%	56	-17%	GSSIHODU
Hotels/Leisure	+0.1%	-3%	+5%	+6%	+3%	-12%	63	-3%	GSSIHOTL
Autos	+0.1%	+3%	+7%	+15%	--	+54%	67	-6%	GSSIAUTO
Travel	+0.8%	-2.1%	+5%	+8%	--	+20%	63	-8%	GXSUTRVL
Multiline/Department	+0.8%	-2.7%	+2%	-1%	-3%	+5%	60	-13%	GSSIMRET
Auto Retailers	+0.9%	-1.8%	-2%	-6%	+2%	-4%	48	-14%	GSSIAUTR
Specialty Retail	+1.1%	-3.9%	-1%	-5%	-9%	+5%	46	-17%	GSSISPST
Leisure Products	+1.4%	-1.6%	--	+1%	+3%	+34%	59	-8%	GSSILEPR
Gaming/Casinos	+2.3%	+4.7%	+9%	+7%	-12%	-2%	76	-24%	GXSUGMBL
Restaurants	+2.5%	-2.8%	-2%	-6%	-3%	-19%	47	-23%	GSSIREST
Staples (6)									
Tobacco	+0.7%	-3.3%	-7%	-2%	+13%	+3%	40	-9%	GSSITOBA
Beverages	+0.1%	-2.4%	-2%	-2%	+4%	-1%	44	-11%	GSSIBEVG
Householder Products	+0.2%	-3.6%	-2%	-6%	-10%	-2%	41	-27%	GSSIHOPR
Food Products	+0.6%	-1.9%	-1%	-5%	-6%	-16%	42	-19%	GSSIFDPR
Food/Staple Stores	+0.6%	-2.5%	-2%	-4%	+6%	+5%	41	-6%	GSSIFDSR
Markets Factors/Pairs (16)									
Momentum (reg)									
Momentum (reg)	+3.4%	-1.1%	-2%	+1%	+20%	+20%	40	-9%	GSPIMOMO
GSX1BFML	+1.2%	-6%	--	+7%	+29%	+56%	62	-1%	GSX1BFML
PORTCAS US	--	--	--	--	--	--	--	--	PORTCAS
GSX1BFMS	+2.2%	-6%	+3%	+5%	+6%	+23%	74	-3%	GSX1BFMS
Momentum (ex AI)									
Momentum (ex AI)	+2.1%	-2%	-4%	-2%	+9%	+22%	35	-7%	GSPUMOX
GSXUMOXL	+0.3%	-2%	--	+2%	+20%	+47%	58	-1%	GSXUMOXL
PORTCAS US	--	--	--	--	--	--	--	--	PORTCAS
GSXUMOX	+1.9%	-5%	+4%	+5%	+10%	+17%	74	-2%	GSXUMOX
Leading Themes	+1.3%	+1.4%	+2%	+9%	+17%	+10%	71	-3%	GSPUMKTP
Growth/value	+0.8%	-1.4%	-2%	+6%	-9%	-13%	56	-20%	GSPUMFGV
High momentum									
High momentum	+7.1%	-6%	-6%	+6%	+48%	+61%	44	-8%	GSPRHMO
GSXUHMOM	+3.7%	+2.7%	+1%	+15%	+65%	+127%	61	-1%	GSXUHMOM
PORTCAS US	--	--	--	--	--	--	--	--	PORTCAS
GSXULMOM	+3.4%	+1.5%	+6%	+7%	+8%	+35%	78	-4%	GSXULMOM
HF Positioning	+2.4%	+1.3%	-4%	-6%	-19%	-33%	27	-34%	GSPRHVMS
Consumer Themes (19)									
Mall Levered Retail	+5.6%	-1%	+8%	+7%	-2%	+36%	55	-15%	GSCNSMAL
Low Growth Consumer	+1.7%	+2.1%	+5%	+3%	+2%	+10%	59	-13%	GSCNDGRS
China Supply Chain	+1.3%	+1.2%	+6%	+12%	+55%	+117%	71	-2%	GXSUCSUP
Luxury (EU)	+1.1%	-2%	+4%	+8%	-9%	-2%	58	-13%	GXSXLUNG
Consumer Tariff	+0.8%	-3%	+6%	+8%	+12%	+37%	65	-4%	GSCNSTAR
Homebuilders	+0.6%	+2.1%	+3%	-1%	-2%	+19%	55	-19%	GSSIHOMI
Big Ticket Items	+0.2%	-1.6%	+3%	+2%	-9%	+18%	57	-18%	GXSUBIGT
Oil Input Cost	+0.3%	-2.4%	+1%	+1%	+4%	+7%	54	-10%	GXSUOILX
High Income Consumer	+0.3%	-1.5%	+3%	+4%	+1%	+20%	61	-7%	GXSUHICN
Low Oil Beneficiary	+0.4%	-1.2%	--	-2%	-1%	-7%	51	-16%	GSCNSGAS
High Leverage Consum	+0.5%	-5%	+1%	--	-3%	-7%	54	-14%	GSCNSDBT
Low-income consumer	+0.5%	-1.5%	-1%	-3%	-1%	+10%	47	-7%	GXSULDWD
Inflation Losers - Cons	+0.9%	-3.6%	-1%	-3%	-4%	-2%	47	-14%	GSCNSINF
Expensive Consumer	+0.9%	-2.1%	--	-3%	-8%	-4%	48	-13%	GSCNDVLS
Health Risk	+1.1%	-1.6%	+1%	+1%	+3%	-5%	56	-8%	GXSUMAHA
Middle Income Consum	+1.1%	-2.6%	+2%	+2%	+1%	+4%	60	-8%	GXSUMIDC
Labor Pressure Risk	+1.4%	-1.9%	-1%	-2%	+1%	-5%	54	-11%	GXSULABR
Gen Z brand loyalty	+1.9%	-1.6%	+1%	-1%	-11%	-6%	62	-16%	GXSULYTY
High Growth Consumer	+2.0%	-9%	+2%	-3%	-14%	-16%	60	-24%	GSCNDGRL
Consumer Credit (4)									
IG Cons Non Cyc	+6.7%	+6.4%	+6%	-2%	-1%	-24%	33	-24%	GSIGATCN
Fins Cons Finance	+4.9%	+5.0%	+2%	-6%	-3%	-33%	30	-33%	GSIGATCC
IG Cons Cyc	+4.9%	+5.0%	+2%	-6%	-3%	-33%	30	-33%	GSIGATCC
Consumer Factors (7)									
Low Growth - Consum	+1.7%	+2.1%	+5%	+3%	+2%	+10%	59	-13%	GSCNDGRS
Momentum Long - Cons	+1.1%	-1.3%	+2%	--	-3%	-7%	52	-11%	GSCNDMOL
Cheap - Consumer	+0.1%	-7%	+4%	+1%	+8%	+18%	60	-7%	GSCNDVLL
Expensive - Consumer	+0.9%	-2.1%	--	-3%	-8%	-4%	48	-13%	GSCNDVLS
High Growth - Consum	+2.0%	-9%	+2%	-3%	-14%	-16%	60	-24%	GSCNDGRL
Momentum Short - Con	+2.9%	-2.5%	+1%	-3%	-4%	+6%	63	-14%	GSCNDMOS
Consumer Positioning (6)									
MF tax loss '25	+0.6%	+1.9%	+4%	+3%	+5%	-4%	69	-6%	GSCBMF25
Cons Disc Short	+0.3%	--	+6%	+4%	+1%	-12%	65	-12%	GSCRMDSG



▸ Cons Disc Long	-0.4%	-3%	+4%	--	-15%	-10%	59	-22%	GSCBHVDS
▸ Staples Short	-0.6%	-3.7%	-3%	-6%	-6%	-11%	39	-18%	GSCBMSCS
▸ Staples Long	-0.9%	-8%	-1%	-2%	+8%	--	48	-9%	GSCBHVCS

Sources for all: GS GMD, Bloomberg, Street Account, WSJ, GS Research.
