GS Consumer | Morning Trading Update (US)

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US equity futures point lower with Nasdaq futures (-0.96%) leading declines amid a **global semiconductor rout** (SOXX -3.75% pre-market) driven by China chipmaking competition and AI capex sustainability concerns, triggering circuit breakers in Korea (Kospi -10.8%, Samsung -13.4%, SK Hynix -15%) and pushing MSCI Asia Pacific into correction. Europe trades higher ex-tech. Treasury yields eased (10-year -2.6bps to 4.62%) as WTI collapsed -1.83% to $81.10 on US-Iran optimism. The Fed's two-day meeting begins with swaps pricing ~40% hike odds. On micro, DINO (+5%), JNJ (+2.28%), and CDNS (+2.46%) outperformed, while UHS (-4.5%), AMKR (-6.8%), and CINF (-2.3%) lagged. Link.

Consumer focus is on earnings with **RCL** (-3%) and **HLT** (-2%) offered lower on weaker flow-through though bigger picture stories seem fine still there. **KO** (+4%) was a clear beat on stronger organic growth while **PII** (+3%) beat and raised driving the stock higher. Separately, **BetMGM** provided updated and noted they expect to come in toward lower end of FY guidance range while in GS Research, Joe Briggs out with his July **consumer dashboard** where he noted spending remains resilient but cashflow weaker (link).

Top-down for the consumer stocks, the two-day outperformance is notable (Retail +4%, Discretionary +4%, Staples +2.5% vs SPY unch) and seems to reflect a tired TMT sector (NDX now -8% from highs) along with rates and crude are settling. FOMC tomorrow will be important but s**lowing consumer supply** (to fund prior purchases elsewhere) may be all that's needed for stocks to finally trade better / higher from here.

Pre-Market - Movers and Most Active

UPSIDE			DOWNSIDE			MOST ACTIVE		
TICKER	CHANGE	VOLUME	TICKER	CHANGE	VOLUME	TICKER	CHANGE	VOLUME
PII	4.42%	5,737	RCL	-3.28%	28,742	TSLA	-1.59%	536,871
KO	3.83%	310,829	LEVI	-2.70%	21,974	KO	3.83%	310,829
RH	2.90%	3,185	HLT	-2.07%	1,131	CCL	-0.18%	201,760
DECK	2.19%	3,121	LCID	-1.60%	23,278	NKE	0.99%	140,495
PG	2.10%	24,246	TSLA	-1.59%	536,871	WMT	2.03%	74,845
WMT	2.03%	74,845	VIK	-1.11%	1,560	CELH	-0.31%	70,530
DKNG	1.94%	43,064	CAVA	-0.84%	1,976	CMG	0.78%	62,439
OC	1.78%	1,277	MAR	-0.80%	6,550	RIVN	-0.49%	56,298

Gaming/Lodging/Travel

HLT -1%...as flow-through a bit lower and bar was high. The quarter was expected to be very solid and RevPar was as good as most had been thinking. Mgmt also noted strength will continue, saying "Strengthening demand trends and broad-based momentum across our system, which we expect to continue for the remainder of the year and into 2027." Stock reaction: The hold-up is 2Q EBITDA flow-through was a bit below expected and the 3Q EBITDA guide is falling 3% below. It is not the end of the world, but the lack of bottom-line upside will likely keep the stock in check. Details: 2Q EPS of $2.29 vs $2.27 and EBITDA of $1.05B vs $1.04B. RevPar solid, as expected, at +3.9% vs Consensus +3.5%, with US RevPar also very solid at +5.4%. Guides 4Q RevPar strong at +4% but EBITDA 3% below (and a little below the $1.07B buy-side bar). Raising the FY guide, with EBITDA (mid) now $4.06B vs prior $4.04B and RevPar raised to +3-3.5% vs prior +2-3% (we think a 50 bps raise was expected, so this is roughly in-line with that).

RCL -3%...Puts and takes on quarter but overall it's really not that far off from investor expectations. Expectations were for a 2Q beat and a 3Q net yield guide below. We got both of those. The positives are net yield for 2Q (printed) and 3Q/FY (guided) are exactly as expected. The tone from mgmt. is also strong still overall, while noting a modest booking impact from geopolitical activities. The negative is costs in 2Q were a touch elevated and while net yield mid-point is reaffirmed, the total revenue guide comes down 100 bps, with the company acknowledging some geopolitical overhang. Would expect buyers to defend it if falls any more than -3%. Details: 2Q EPS of $4.21 vs Consensus $3.98, with EBITDA a smidge below ($1.80B vs Consensus $1.82B) and in-line revenues. Net yield was +1.2% vs expectations of +1-1.5% and NCC was +4.4% vs Consensus +4%, so it was a bit elevated. Guides 3Q EPS fine at $6.31 (mid) vs Consensus $6.26. 3Q net yields expected to be flat, which we think is exactly what investors expected. Raising FY EPS above the prior range and above consensus, now at $17.80 (mid) vs Consensus $17.32. However, revenues tweaked lower to +9% vs prior +10%. FY net yields (constant f/x) are now +1.75-2.25%, which means the mid-point of the FY guide was maintained. Comments: The outlook incorporates a modest booking impact for select itineraries primarily due to prolonged geopolitical activity. Since the last earnings call, the company has experienced a modest, near-term impact on bookings for select itineraries, primarily due to prolonged geopolitical activity. The company remains booked at record prices, booking volumes are above last year's levels, and load factors remain robust across its vacation portfolio.

MGM: BetMGM provided Q2 update and noted FY26 guidance expected to come in toward lower end of range. For quarter net revs +3% yoy with iGaming Net Revenue of $483 million (+8% YoY) and Online Sports Net Revenue of $228 million (flat YoY). FY 2026 guidance: reflecting year-to-date performance, expect both Net Revenue and Adjusted EBITDA towards lower end of existing guidance ranges. " While our industry faces regulatory complexity and an increasingly competitive environment, we remain agile and committed to our strategy that is delivering sustainable and profitable growth. Looking ahead, we will continue to prioritize our areas of strength, in particular leveraging our market leading iGaming offering across multi-product states, our omnichannel advantage in Nevada, and serving our higher-value customers. These strengths, combined with our disciplined strategic execution, underpin our confidence in the long-term outlook of our business."

Staples

KO +3%...on solid quarter and organic growth above expectations. We think KO is a well-liked name, but there was not necessarily expectations of a big beat this quarter. We think only modest upside was expected. However, they beat EPS by 4% and organic revs were very solid at +6%, a 250 bps beat. Remains best in class in Staples. Expect strength today, even with the stock hovering near the highs. Details: 2Q EPS of $0.97 vs Consensus $0.93, with revenues a nice beat. Organic was +6% vs Consensus +3.6% and we think a bogey of +4%. North America drove the upside (+7% vs Consensus +3.5%), with LatAm also 100 bps better, and EMEA 100 bps light. Gross margins beat by 100 bps and operating margins by 70 bps. Raising the FY organic revenue guide to +5% vs prior +4-5% and raising the EPS guide by 100 bps.

Vehicles/Recreation

PII +2%...Top and bottom line beat with guidance raise. EPS was $1.97 (vs $0.75 FactSet) helped by a $0.96 tariff refund benefit on revenue of $2.02B (vs $1.95B cons). Adjusted gross margin was 23.9% (vs 20.1% SA) and adjusted EBITDA margin was 11.8% (vs 7.8% SA). Powersports drove the beat, up 17%, with North America ORV retail up mid-single digits vs. estimated industry low-single digits. Guidance was raised for the second time this year: FY26 EPS to $3.00-$3.10 (vs $1.86 cons and $1.60-$1.70 guidance) of which ~$0.96 is tariff refunds, and sales to $7.30B-$7.50B (vs $7.29B cons and $7.15B-$7.30B guidance prior). Management expects a flattish 2H retail backdrop, noting they "remain confident in our ability to deliver long-term profitable growth and shareholder value." Conf Call at 9am.

Street Actions

Downgrades: Wells Fargo downgrades **LEVI.** UBS downgrades **ACI**. Jefferies downgrades **CLX.** **LAUR**.

GS Research

Consumer Dashboard: July 2026: Resilient spending, weak cashflow. Spending has remained reasonably resilient, with real PCE growing at a healthy 2.1% year-over-year but a softer 1.3% six-month annualized pace through May. The June retail sales report was also strong, as headline retail sales increased by 0.2% and core retail sales increased by 0.5% in nominal and 0.6% in real terms. We attribute much of the recent resilience in spending to an outsized boost from OBBBA-related tax cuts and estimate mid-term election-related spending by nonprofits (which is counted in the official PCE spending data; nonprofit spending has outpaced other categories over the last year) is boosting year-over-year growth by 0.2pp. We expect that spending headwinds from higher inflation will slow spending growth for the rest of the year. We therefore forecast only a 1.5% pace of annualized real spending growth in 2026H2 and 1.5% in 2026 on a Q4/Q4 basis (vs. 1.6% consensus). Link.

Calendar Earnings

Earnings Calendar (Mon–Fri)

Mon 7/27

No earnings

Tue 7/28

TICKER	IMPLIED
BEFORE OPEN	
JBLU	9.3%
RCL	7.6%
PII	6.4%
AWI	5.5%
HLT	3.2%
KO	2.6%
AFTER CLOSE	
CAR	10.6%
F	5.5%
CAKE	3.9%
MDLZ	3.2%
CZR	0.0%

Wed 7/29

TICKER	IMPLIED
BEFORE OPEN	
WING	13.9%
VFC	9.7%
HAYW	7.2%
MAS	6.6%
CHEF	6.5%
LAD	5.2%
SMG	3.6%
MHO	3.1%
PG	2.9%
PAG	0.0%
REYN	0.0%
AFTER CLOSE	
CVNA	11.7%
RSI	11.4%
BOOT	10.2%
SFM	9.8%
SFM	9.8%
CMG	8.8%
CWH	8.5%
CHDN	6.6%
SBUX	5.9%
ORLY	5.0%
MGM	4.3%
MTH	4.2%
PPC	0.0%

Thu 7/30

TICKER	IMPLIED
BEFORE OPEN	
LAUR	12.1%
CROX	10.8%
LKQ	9.9%
NCLH	9.3%
SHOO	8.6%
BLDR	6.1%
H	5.8%
YUM	5.8%
AOS	4.9%
HSY	4.2%
MO	3.8%
BC	2.6%
LTH	0.0%
HGV	0.0%
AFTER CLOSE	
BFAM	9.5%
RIVN	8.3%
MHK	6.7%
AMZN	6.3%
COLM	3.9%
FND	0.0%

Fri 7/31

TICKER	IMPLIED
BEFORE OPEN	
NWL	12.5%
AN	5.5%
LEA	4.6%
CHD	0.0%
TIME N/A	
MLCO	2.5%

Ticker	Report Date	Implied Move	YTD	Positioning Score
HLT	7/28/2026	3.3%	11%	9
KO	7/28/2026	2.8%	16%	8
RCL	7/28/2026	7.6%	2%	7
CAKE	7/28/2026	4.0%	67%	5
MDLZ	7/28/2026	2.8%	12%	7
MAS	7/29/2026	3.4%	22%	6
PG	7/29/2026	2.5%	3%	5
VFC	7/29/2026	10.2%	-9%	2
WING	7/29/2026	14.8%	-43%	3
BOOT	7/29/2026	10.5%	-16%	6
CMG	7/29/2026	9.3%	-13%	6
CVNA	7/29/2026	11.9%	-29%	4
MGM	7/29/2026	5.1%	23%	6
ORLY	7/29/2026	5.0%	-6%	6
SBUX	7/29/2026	2.9%	23%	3
SFM	7/29/2026	5.4%	-8%	5
CROX	7/30/2026	10.3%	55%	8
H	7/30/2026	4.6%	15%	7
HSY	7/30/2026	4.1%	-5%	3
LTH	7/30/2026	6.7%	58%	6
MO	7/30/2026	3.9%	25%	6
NCLH	7/30/2026	7.3%	-16%	5
YUM	7/30/2026	6.3%	-3%	6
FND	7/30/2026	5.3%	-13%	4
CHD	7/31/2026	3.0%	15%	8
CL	7/31/2026	3.0%	14%	6

Consumer and Retail Conference | 14-15 Sep | New York | *Registration now open here*

Daily Recap

Ticker	1 day	2 day	5 Day	1 Month	YTD	1 Yr	RSI	From High	Ticker
Indices (7)									
Retail	+2.9%	+3.7%	+1%	+1%	+5%	+10%	58	-2%	XRT
Discretionary	+2.2%	+4.3%	+2%	--	+2%	+4%	58	-8%	GSXUCOND
Staples	+1.6%	+2.6%	+1%	--	+9%	+7%	54	-6%	S5CONS
RSP US	+0.8%	+1.5%	+1%	+2%	+12%	+15%	60	-1%	RSP
RTY	+0.6%	+.3%	--	-2%	+19%	+31%	49	-3%	RTY
SPX	--	+.1%	--	+1%	+8%	+16%	45	-3%	SPX
NDX	-0.3%	-1.5%	-2%	-4%	+11%	+20%	38	-9%	NDX
Consumer Discretionary (16)									
Home Improvement/Fu	+4.1%	+7.1%	+3%	--	+1%	+3%	58	-16%	GSSIHOMI
Hotels/Leisure	+3.4%	+5.1%	+2%	-2%	+10%	+4%	57	-3%	GSSIHOTL
Travel	+2.9%	+5.7%	+2%	-6%	+6%	+13%	52	-7%	GSXUTRVL
Restaurants	+2.8%	+3.7%	+1%	-1%	+6%	-12%	56	-14%	GSSIREST
Internet/Catalog	+2.8%	+3.9%	+2%	+1%	+1%	+8%	60	-8%	GSSIINCR
Gaming/Casinos	+2.7%	+3.2%	+1%	-2%	-11%	-20%	54	-25%	GSXUGMBL
Brick & Mortar Retail	+2.7%	+4.3%	+1%	+1%	+4%	+12%	60	-6%	GSCNSBRM
Specialty Retail	+2.7%	+3.7%	+1%	-1%	-8%	-10%	55	-16%	GSSISPST
Multiline/Department	+2.6%	+2.7%	--	+1%	+2%	+1%	57	-10%	GSSIMRET
Autos	+2.3%	+1.9%	-1%	+1%	-7%	+24%	47	-14%	GSSIAUTO
Auto Retailers	+2.1%	+3.2%	+5%	+7%	+14%	+3%	66	-5%	GSSIAUTR
Leisure Products	+1.8%	+2.6%	+2%	--	+10%	+23%	61	-3%	GSSILEPR
Housing Durables	+1.0%	+3.6%	+3%	-6%	+4%	+5%	53	-12%	GSSIHODU
Auto Components	+0.6%	+.3%	--	-5%	+5%	+14%	44	-12%	GSSIAUTC
Homebuilders	+0.6%	+3.2%	+3%	-7%	+3%	+8%	52	-14%	GSSIHOME
Staples (6)									
Householder Products	+2.1%	+3.4%	+2%	+4%	+3%	-15%	60	-16%	GSSIHOPR
Food/Staple Stores	+2.1%	+2.9%	-1%	-1%	+12%	+7%	50	-4%	GSSIFDSR
Beverages	+2.0%	+2.8%	-1%	-4%	+5%	+1%	48	-10%	GSSIBEVG
Food Products	+1.6%	+2.6%	+1%	+4%	-1%	-11%	61	-14%	GSSIFDPR
Tobacco	+0.7%	+1.9%	--	+1%	+20%	+20%	55	-3%	GSSITOBA
Markets Factors/Pairs (7)									
Growth/value	-0.3%	-2.9%	-2%	-7%	-17%	-23%	36	-27%	GSPUMFGV
Leading Themes	-1.5%	-5.2%	-2%	-7%	+6%	-4%	38	-12%	GSXXMKTP
HF Positioning	-2.3%	-1.9%	+1%	+3%	-18%	-18%	51	-24%	GSPRHVMS
Momentum (ex AI)	-2.7%	-5.4%	-2%	-7%	+8%	+30%	40	-10%	GSPUMOXX
Momentum (reg)	-4.0%	-7.0%	-2%	-12%	+10%	+24%	38	-16%	GSP1MOMO
High momentum	-7.3%	-14.7%	-3%	-24%	+12%	+27%	38	-34%	GSPRHIMO
Consumer Themes (19)									
High Growth Consumer	+4.3%	+5.6%	+1%	--	-6%	-15%	57	-16%	GSCNDGRL
Low Oil Beneficiary	+3.1%	+5.3%	+4%	--	+7%	-5%	61	-10%	GSCNSGAS
Mall Levered Retail	+3.0%	+4.2%	+2%	-1%	+5%	+34%	59	-3%	GSCNSMAL
Gen Z brand loyalty	+3.0%	+4.7%	--	+3%	-7%	-8%	56	-14%	GSXULYTY
Expensive Consumer	+3.0%	+4.3%	+2%	+1%	-1%	--	59	-7%	GSCNDVLS
Labor Pressure Risk	+2.9%	+3.9%	+1%	-1%	+7%	-3%	55	-3%	GSXULABR
Big Ticket Items	+2.8%	+4.7%	+3%	+2%	-1%	+4%	60	-11%	GSXUBIGT
High Income Consumer	+2.4%	+3.7%	+1%	-2%	+9%	+14%	56	-2%	GSXUHICN
Low-income consumer	+2.2%	+2.9%	--	+1%	+6%	+8%	58	--	GSXULOWD
Middle Income Consum	+2.2%	+3.7%	+1%	+1%	+10%	+5%	60	-1%	GSXUMIDC
Inflation Losers - Cons	+2.1%	+3.6%	+1%	+3%	+3%	+1%	62	-9%	GSCNSINF
Low Growth Consumer	+2.0%	+3.8%	+2%	-2%	+8%	+1%	56	-7%	GSCNDGRS
Consumer Tariff	+1.9%	+3.2%	+2%	--	+12%	+20%	56	-3%	GSCNSTAR
High Leverage Consume	+1.7%	+3.0%	+1%	-2%	+2%	-7%	55	-8%	GSCNSDBT
Oil Input Cost	+1.4%	+2.7%	+1%	-1%	+11%	+7%	57	-4%	GSXUOILX
Health Risk	+0.8%	+.2%	--	+2%	+11%	-1%	56	-3%	GSXUMAHA
Homebuilders	+0.6%	+3.2%	+3%	-7%	+3%	+8%	52	-14%	GSSIHOME
Luxury (EU)	+0.1%	+1.0%	-3%	-3%	-9%	-3%	45	-13%	GSXELUXG
China Supply Chain	-0.2%	-1.2%	+2%	-5%	+44%	+79%	43	-13%	GSXUCSUP
Consumer Credit (4)									
IG Cons Non Cyc	+0.3%	+.5%	+3%	+7%	+6%	-1%	72	-11%	GSIGATCN
Fins Cons Finance	+0.2%	+.4%	+4%	+5%	+4%	-11%	71	-15%	GSIGATCC
IG Cons Cyc	+0.2%	+.4%	+4%	+5%	+4%	-11%	71	-15%	GSIGATCC
Consumer Factors (7)									
High Growth - Consume	+4.3%	+5.6%	+1%	--	-6%	-15%	57	-16%	GSCNDGRL
Momentum Short - Con	+3.5%	+4.9%	--	+1%	+2%	-2%	55	-9%	GSCNDMOS
Expensive - Consumer	+3.0%	+4.3%	+2%	+1%	-1%	--	59	-7%	GSCNDVLS
Cheap - Consumer	+2.7%	+4.2%	+4%	+1%	+20%	+17%	61	-1%	GSCNDVLL
Momentum Long - Cons	+2.1%	+2.7%	+1%	+1%	+5%	+1%	62	-3%	GSCNDMOL
Low Growth - Consume	+2.0%	+3.8%	+2%	-2%	+8%	+1%	56	-7%	GSCNDGRS
Consumer Positioning (6)									
Cons Disc Short	+3.1%	+3.8%	-1%	-1%	+8%	-2%	53	-4%	GSCBMSDS
Cons Disc Long	+2.3%	+3.4%	--	--	-14%	-18%	51	-22%	GSCBHVDS
Staples Short	+2.2%	+3.2%	-1%	-2%	-1%	-9%	51	-14%	GSCBMSCS
Staples Long	+1.4%	+2.4%	--	--	+15%	+10%	53	-4%	GSCBHVCS
MF tax loss '25	+0.8%	+1.7%	+1%	--	+6%	-1%	55	-1%	GSCBMF25
Consumer Factors/Pairs (6)									
Cons Growth long vs sh	+2.3%	+1.8%	-1%	+2%	-15%	-19%	50	-23%	GSCNDGRP
Cons Growth vs Value	+1.7%	+1.4%	-3%	-2%	-23%	-30%	44	-34%	GSCNDGVP
Cyclical/Defensives	+0.6%	+.9%	+1%	+1%	+6%	+9%	51	-4%	GSPUCYDE
Cons Cheap vs Expensi	-0.3%	-.2%	+2%	--	+22%	+17%	58	-1%	GSCNDVLP
Consumer Momentum	-1.4%	-2.2%	+1%	-1%	+2%	-1%	54	-6%	GSCNDMOP

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