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## 2024 Election: Consumer Outlook

We are continuing our series of 2024 election sectoral previews with an analysis of the potential impacts to the consumer sector post-2024 election. The election outcome will be closely watched across all sectors, but with tax cuts, tariff, trade wars, immigration fights, and Fed rate decisions looming large over the 2025 agenda, the outcome of the 2024 election will be key to understanding the impact on the consumer.

- **State of the race:** The departure of President Biden from the race adds more questions than answers, but we still view former President Trump as the frontrunner with a 60% chance of winning. We continue to highlight the 70% probability of either a Republican sweep (50%) or a Democratic sweep (20%), which would have a significant impact on the regulatory and legislative agenda.
- **Fiscal cliffs:** 2025 has the reemergence of the debt limit and the expiration of \$4.6 trillion of tax changes. Most of the tax changes are on the individual side of the code, but a corporate tax increase is possible in a Dem sweep. Changes to the limit on state and local taxes (SALT) have been a key driver of regional demographic trends. Tariffs loom large and could be implemented to pay for an extension of the existing tax rates, as they are estimated to raise \$3.4 trillion.
- **Inflation:** Inflation has been a significant drag on Biden's presidency, but would a second Trump term with a push for higher tariffs, stricter immigration policy, continued fiscal spending, and an extension of the 2017 tax cuts result in a second wave of inflation, potentially pressuring the Fed to hike again and causing Treasury yields to rise?
- **Consumer sector and elections:** The best scenario for the consumer sector would be a Democratic presidency + split Congress, as greater certainty emerges on trade given a lack of trade wars against China or Mexico. A Republican Sweep would be negative for the consumer sector due to aggressive tariffs placed on Chinese and global imports, increased tensions with Mexico, partially offset 2017 TCJA tax cuts extensions. In a Democratic sweep, individual tax cuts likely expire and potential new actions to raise tax rates, but positive impacts for low-income consumers. The best year for consumer stocks has been the time from the Friday before the presidential election to inauguration, with an average outperformance of approximately 6% versus the S&P 500.
- **How to use this report:** In this report we look at the performance of the consumer sector and various subsectors. Much of this analysis looks at the sector and subsector against the S&P 1500, for a broader view of each group. Analysts in each sector have submitted their top picks for a variety of potential election outcomes.

Please read domestic and foreign disclosure/risk information beginning on page 114 and Analyst Certification on page 114

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- **A look back at the 2020 report:** An analysis of [our 2020 report](#) shows that the analyst picks for a Dem sweep outperformed the S&P1500 by an average of 5.6% from the election to inauguration; (1.3%) in the year after the election; (4.0%) in year two following the election. Outperformance of picks compared to consumer sector (S&P1500) was 3.6% in year one, 9.3% in year two, and 7.6% election to inauguration.

Our full report is included below, and can be accessed in slide form [here](#).

**RAYMOND JAMES**



## 2024 ELECTION: CONSUMER OUTLOOK

Raymond James Equity Research

July 23, 2024

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2024 Election

## STOCK IMPLICATIONS

### RJ Analysts' Best-Positioned Consumer Names Under Different Election Scenarios

	DEM Sweep	DEM WH + Split Congress	GOP WH + Split Congress	GOP Sweep
<b>Household Durables, Consumer Staples Distribution &amp; Retail</b> <i>Bobby Griffin, Sam Darkatsh</i>	HLMN, MAS, TGLS, SWK	HLMN, MAS, MUSA, TGLS, TPX, SWK	GFF, MHK, TGLS	ARKO, ATD**, CASH, GFF, MHK, MUSA, TGLS, TPX
<b>Leisure Products, Household Products</b> <i>Joe Altobello</i>	CWH, PLNT, SMG	DOO**, HOG, PLNT, PII	GOLF, XPOF	GOLF, XPOF
<b>Textiles, Apparel, &amp; Luxury Goods</b> <i>Michael Glen, Rick Patel</i>		ATZ**	LULU, RL	LULU, RL
<b>Restaurants &amp; Leisure</b> <i>Brian Vaccaro, RJ Milligan</i>	BYD, MCD, PENN	CZR	CZR	CAKE, CMG, CZR, DRI, EAT, SHAK
<b>Broadline Retail</b> <i>Bobby Griffin</i>	DG, WMT	COST, WMT	COST, WMT	
<b>Specialty Retail</b> <i>Joe Altobello, Bobby Griffin, &amp; Rick Patel</i>	CROX, SKX	CROX, SKX, W		AZO, TSCO, UPBD
<b>Personal Products</b> <i>Olivia Tong</i>	ELF, HELE, NWL, PG, ULTA	CL, ELF, HELE, NWL, PG, SPB	BBWI, CHD, CL, ELF, PG, SPB, ULTA	BBWI, CHD, CL, SPB, ULTA

\*\* ATZ trades on the Toronto Stock Exchange and is covered by Michael Glen, ATD trades on the Toronto Stock Exchange and is covered by Bobby Griffin, DOO trades on the Toronto Stock Exchange and is covered by Joe Altobello.

## Overview

## 2024 ELECTION IMPACT ON CONSUMER

**Tax cuts, tariff, trade wars, immigration fights, and Fed rate decisions all loom large over the 2025 agenda, with the outcome of the 2024 elections key to understanding the impact on the consumer.**

- **State of the race:** The departure of President Biden from the race adds more questions than answers, but we still view former President Trump as the frontrunner with a 60% chance of winning, the House of Representatives is a toss-up, and Republicans have a clear advantage in the Senate (75%). Divided government is possible, but we continue to highlight the 70% probability of either a Republican sweep (50%) or a Democratic sweep (20%), which would have a significant impact on the regulatory and legislative agenda.
- **Fiscal cliffs:** 2025 has the reemergence of the debt limit and the expiration of \$4.6 trillion of tax changes. Most of the tax changes are on the individual side of the code, but a corporate tax increase is possible in a Dem sweep. Changes to the limit on state and local taxes (SALT) have been a key driver of regional demographic trends. Tariffs loom large and could be implemented to pay for an extension of the existing tax rates, as they are estimated to raise \$3.4 trillion.
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- **A look back at the 2020 report:** An analysis of [our 2020 report](#) shows that the analyst picks for a Dem sweep outperformed the S&P1500 by an average of 5.6% from the election to inauguration; (1.3%) in the year after the election; (4.0%) in year two following the election. Outperformance of picks compared to consumer sector (S&P1500) was 3.6% in year one, 9.3% in year two, and 7.6% election to inauguration.

2020 Picks

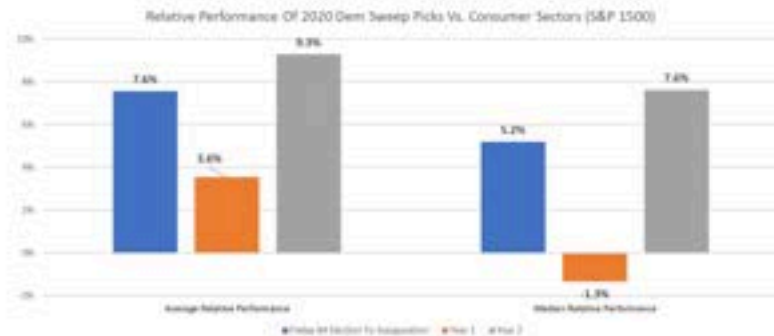
**OUTPERFORMANCE OF DEM SWEEP PICKS FROM 2020 REPORT**

Consumer Picks From 2020 Report Outperformed Other Consumer Names Materially And Quickly Post-Election & Over A 2-Year Horizon



2020 Dem Sweep Picks - Consumer	
<b>Furniture &amp; Furnishings Suppliers</b>	
	Aaron's Company Inc. (AAN)
	Rent-A-Center (RCH) - Now Upbound Group Inc.
	Leggett & Platt (LEG)
<b>Hardline Retail &amp; Staples Retail</b>	
	Costco Wholesale (COST)
	Dollar General (DG)
	Target (TGT)
	AutoZone (AZO)
<b>Household &amp; Personal Care Products</b>	
	Sally Beauty (SBH)
	Ulta Beauty (ULTA)
<b>Leisure Products</b>	
	Planet Fitness (PLNT)
	YETI (YETI)
	Callaway Golf (ELY)
	Acushnet (GOLF)
<b>Restaurants</b>	
	McDonald's (MCD)
	Wingstop (WING)
<b>Softline Retail</b>	
	Under Armour (UAA)
	Nike (NKE)

Source: FactSet, Raymond James research. This analysis does not include transaction costs and tax considerations. If included, these costs would reduce an investor's return. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities in this list. A record of all stocks recommended as a "2020 Dem Sweep Picks - Consumer" is available on request.





# ***STATE OF THE RACE***





2024 Election

### A LOOK AT 2024: THE RACE TO 270 ELECTORAL COLLEGE VOTES

- **Race to 270:** Republicans begin with a 235-226 Electoral College vote (EV) advantage among solid, likely and lean states, with 77 EVs rated as toss-up.
- **6 Toss-up states:** Arizona, Georgia, Michigan, Nevada, Pennsylvania, and Wisconsin.
- **270-268?** Democrats can lose AZ, GA, and NV and capture 270 EVs (assuming Nebraska keeps their law splitting EVs) and he wins remaining toss-up states. We expect attention on MI as a bellwether state for the election.
- **Second tier:** North Carolina, New Mexico, Minnesota, Virginia are emerging as a 2<sup>nd</sup> tier of battleground states. If either Democrats or Trump can flip one of these states, the election has broken decidedly in either direction.



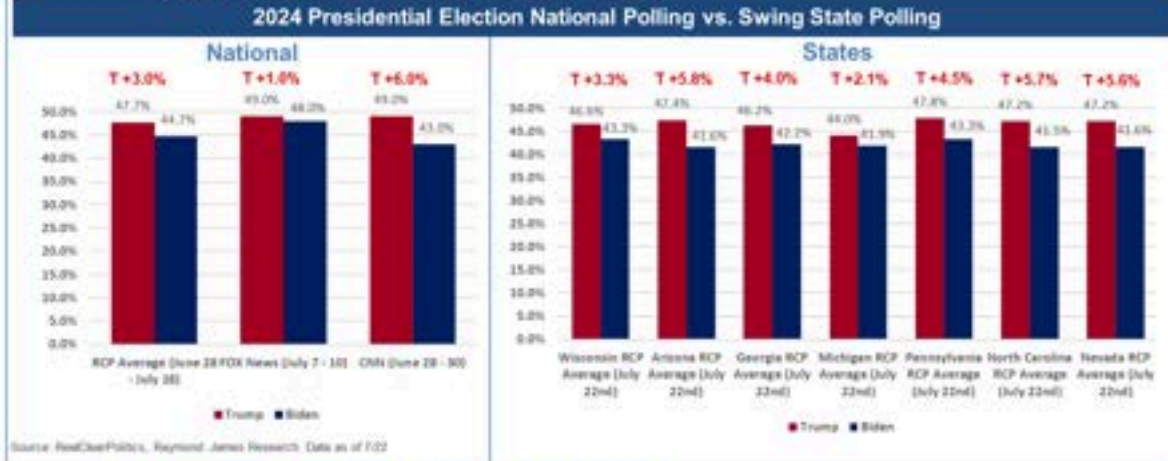
Source: Raymond James Research, Cook Political Report, MapChart

Presidential Race

Our Analysis

- Trump's lead in national and swing state polling has shown a consistent lead. Trump outperformed polling in 2016 & 2020, but Dems have underperformed in polling since the Supreme Court abortion ruling.
- The departure of President Biden from the race significantly reduces the value of near-term polling.
- Public reaction to the Democratic ticket needs to be watched to see if this race is a referendum on continuing the Biden-era policies or if the race becomes a referendum on Trump.

THE RACE BY THE NUMBERS



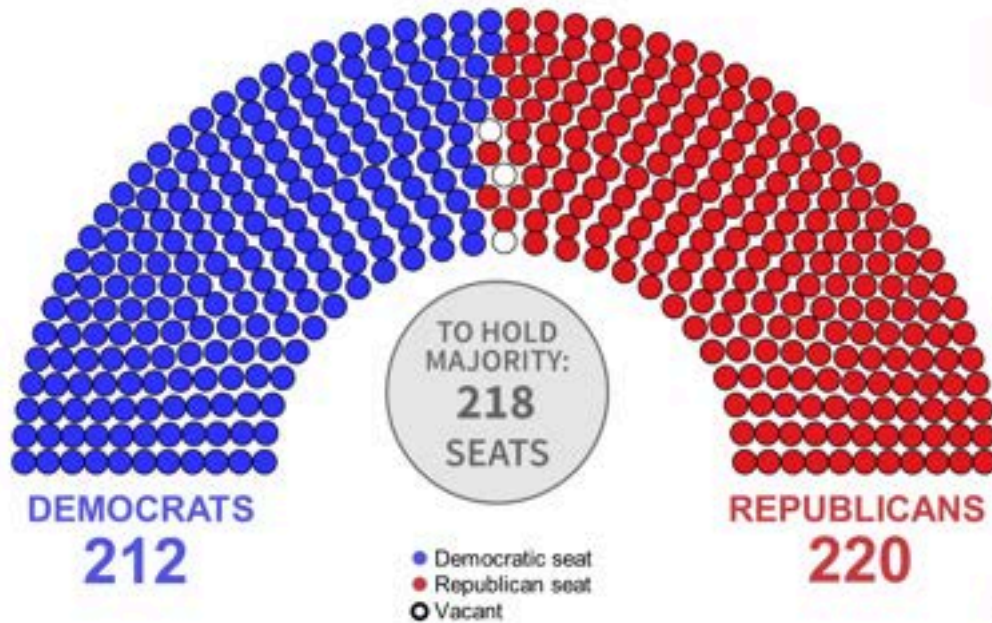
2024 Presidential Candidates: Favorable vs. Unfavorable



House of Representatives

THE RACE FOR THE HOUSE

With some tweaks to congressional district maps from redistricting and the historically small majority, while the control of the House is close, Democrats have a slight edge. The party that wins the presidency will likely control the House.



GENERIC CONGRESSIONAL BALLOT:  
**Republicans +0.5**

Over the last 40 years, the House's majority party has lost an average of **three House seats** in presidential election years.

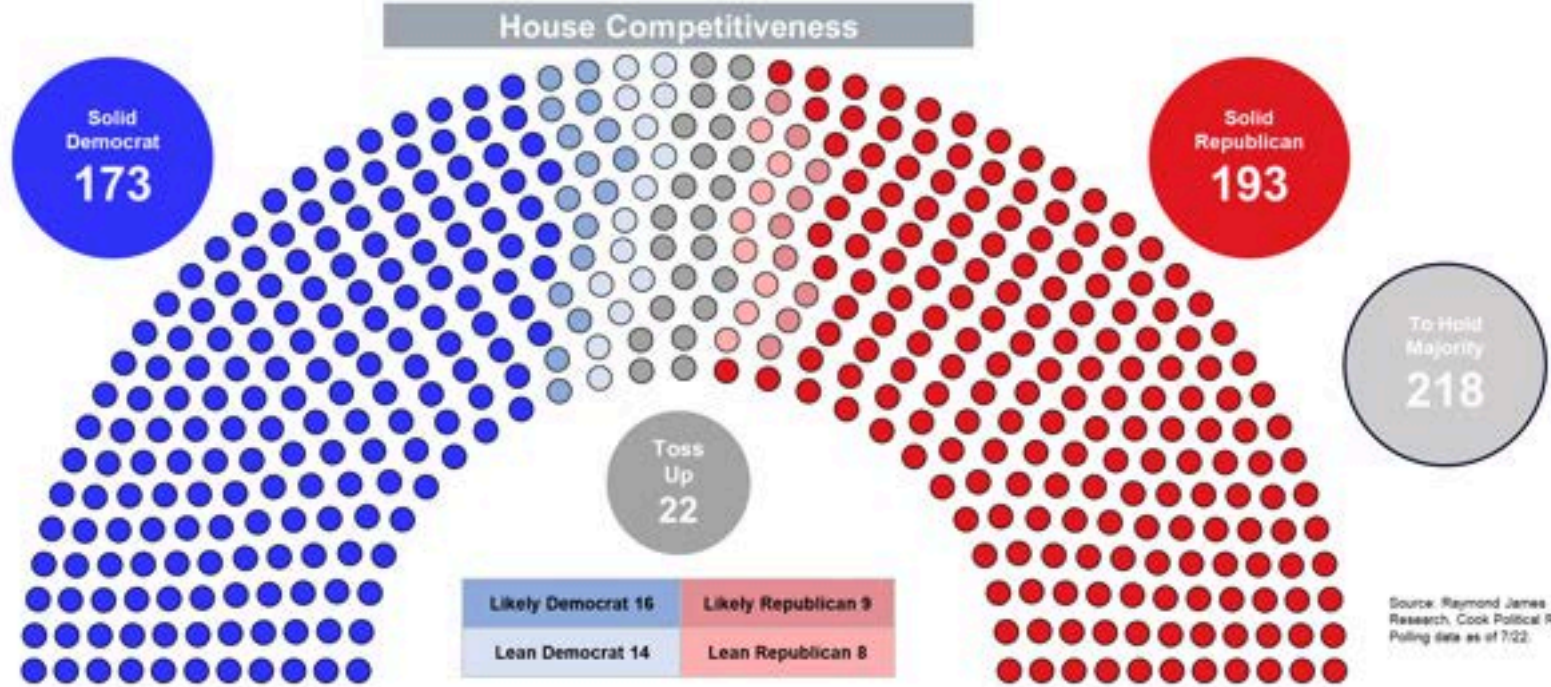
Year	Sitting House Majority Party	Sitting Majority Party Change in Seats
1984	D	-14
1988	D	2
1992	D	-10
1996	R	-3
2000	R	-1
2004	R	3
2008	D	21
2012	R	-8
2016	R	-6
2020	D	-12
<b>AVERAGE</b>		<b>-3</b>

Source: Raymond James Research, RealClearPolitics polling data as of 1/22.

House of Representatives

THE RACE FOR THE HOUSE

With some tweaks to congressional district maps from redistricting and the historically small majority, while the control of the House is close, Democrats have a slight edge. The party that wins the presidency will likely control the House.



Senate Overview

**THE RACE FOR THE SENATE**

Democrats are defending a significant number of seats, including in states the Republican presidential candidate is expected to carry. Republicans are most likely to control the Senate after the election.

**CURRENT SENATE:**

**51 DEM  
49 GOP  
DEM +1**

**NUMBER OF SEATS IN PLAY:**

**23 DEM  
11 GOP**

2024 Senate map



- Democrat/Democrat-aligned incumbent
- Retiring Democrat/Democrat-aligned incumbent
- GOP incumbent
- Retiring GOP incumbent
- No election

Source: MapChart, Raymond James Research

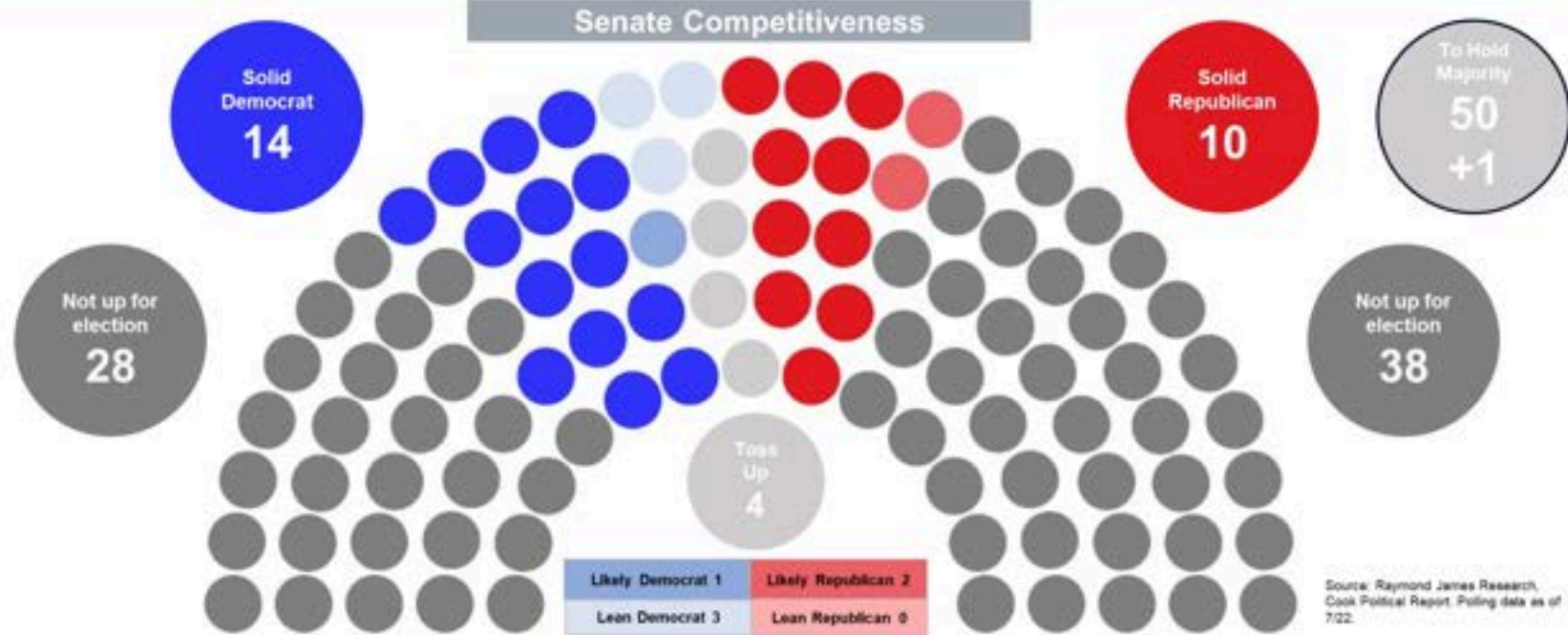
Battleground races

	Candidate	2020 Presidential Margin
AZ	Open (D-I)	D +0.31%
FL	Rick Scott (R)	R +3.36%
MD	Open (D)	D +33.21%
MI	Open (D)	D +2.78%
MT	Jon Tester (D)	R +16.37%
NV	Jacky Rosen (D)	D +2.39%
OH	Sherrod Brown (D)	R +8.03%
PA	Bob Casey (D)	D +1.17%
TX	Ted Cruz (R)	R +5.58%
WI	Tammy Baldwin (D)	D +0.63%
WV	Open (D-I)	R +38.94%

Senate Overview

### THE RACE FOR THE SENATE

Democrats are defending a significant number of seats, including in states the Republican presidential candidate is expected to carry. Republicans are most likely to control the Senate after the election.



## Biden Withdraws

**BIDEN IS OUT. NOW WHAT?**

**President Biden's historic withdrawal from the 2024 presidential race opens up an uncertain path forward. While VP Harris is best-positioned to secure the nomination, her selection is not a done deal.**

- **Not revising odds at this time:** Biden stepping aside does not currently change our election odds. Our base case is that VP Harris will be the Democratic nominee and we want to see how she is received by voters/will Democrats or Republicans get to define her candidacy?
  - We will be watching closely for whether Harris receives the Democratic nomination as expected, her potential VP picks, and general sentiment ahead of the August 7 deadline to hold a virtual roll call and nominate Biden's replacement atop the Democratic ticket as potential catalysts for revisions.
- **Front-runner Harris:** The slew of endorsements for Harris and mammoth fundraising haul since Sunday suggest that she is well-positioned to become the nominee. However, an open convention remains possible.
  - The Ohio ballot access deadline was technically pushed past the DNC (August 19-22), but we continue to expect the Democratic Party to aim to meet the previous August 7 deadline for a virtual roll call.
- **VP candidates:** Swing state governors Josh Shapiro (PA), Andy Beshear (KY), Roy Cooper (NC), and Gretchen Whitmer (MI) alongside Arizona Senator Mark Kelly are at the top of DC discussions/her potential list. They will need to be someone fully vetted at the national level and who provides a pickup in key states/among key demographics.
- **Policy impact:** We would expect to see a broad continuation of current Biden administration priorities, though nuances may differ and will become clearer as her individual platform is clarified.
- **Market impact:** We continue to expect that market reaction will likely be limited until the Democratic ticket is confirmed and/or whether it appears to tilt the race back in favor of a Democratic White House win and/or a Congressional sweep. Given the elevated uncertainty, we could see near-term stalling-out in the recent "Trump trade".

Kamala Harris



## GOP VP

## JD VANCE SELECTED AS TRUMP VP

Ohio Senator J.D. Vance's selection as vice president is a sign of an aggressive Trump trade agenda and a continued "America first" brand of populist politics seen during the first Trump administration.

Conversations with previous Trump administration officials have highlighted the importance that Trump places on the policy inputs of his vice-president. Key impacts could include:

- **Trade:** Vance's selection signals an aggressive trade agenda, especially towards China – but also, increasingly, with Mexico. While Trump's calls for a 60% tariff on Chinese goods and a 10% universal tariff would likely be an iterative process, Vance's influence could accelerate aggressive actions.
- **M&A:** Vance is a fan of FTC Chair Lina Khan's agenda – dampening existing optimism around M&A approvals under Trump. While we continue to anticipate an uptick for financials, energy, and smaller deals, larger tech deals could still continue to face significant scrutiny.
- **Tech:** Vance has been openly critical of large tech companies and has pushed to remove some of their existing legal protections. He has been supportive of extending out the Affordable Connectivity Program (ACP).
- **Healthcare:** Consistent with his broader populist ideology, Vance supports additional health benefits for young families, Medicare negotiation, capping insulin costs, keeping ACA protections for existing conditions, and ensuring illegal immigrants do not receive government health benefits.
- **Financials:** Vance has demonstrated a willingness to break from traditional GOP senators through his co-sponsoring of the Credit Card Competition Act and a bank executive pay clawback bill. He is also a strong cryptocurrency supporter.
- **Geopolitics:** A Trump-Vance administration would likely seek immediate negotiations between Ukraine and Russia, especially given Vance's skepticism of Ukraine's ability to win the war. Part of his skepticism also comes from a desire to preserve U.S. weapons systems if needed for Taiwan.

J.D. Vance



- 39 years old
- Elected to U.S. Senate in 2022
- Previously at Peter Thiel-run VC firm
- Rose to fame with 2016 memoir *Hillbilly Elegy*

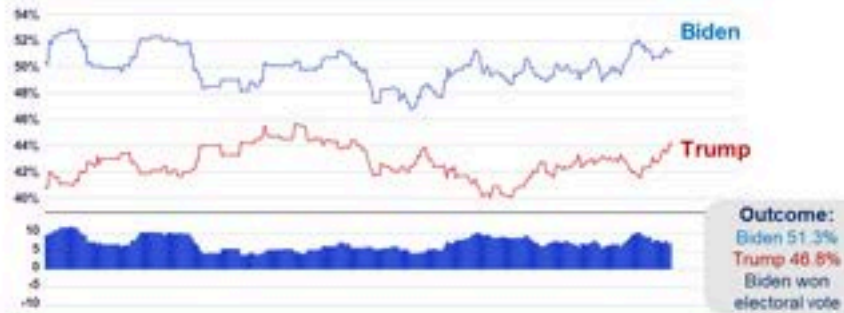


2024 Election

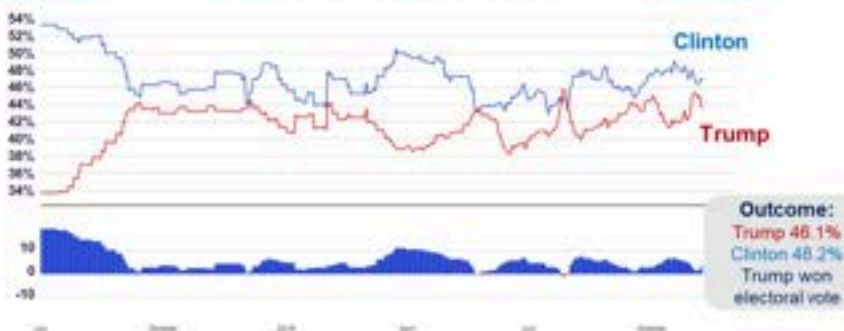
POLLING LOOKBACK



2020 Presidential Polls



2016 Presidential Polls



Source: Raymond James Research, Real ClearPolitics

Swing State Polling Misses

State	2020	2016	2012
Arizona	R+1	R+2	R+1
Georgia	D+1	R+1	D+5
Michigan	R+3	R+4	D+3
Nevada	R+3	D+1	D+1
North Carolina	R+2	R+6	D+1
Pennsylvania	R+3	R+5	
Wisconsin	R+5	R+7	D+2
	R+2.28	R+3.43	D+1.43

Source: RealClearPolitics, Raymond James Research

Implication

Are polls underestimating Trump again, or will recent Democratic outperformance vs. polls set us up for an even bigger surprise in 2024?



# ***POTENTIAL OUTCOMES***



Scenarios

ELECTION OUTCOMES



Our analysis of polling, DC sentiment, and historical precedent suggests that Trump currently holds a slight advantage in the race for the presidency, and that the Congressional outcome will likely follow the White House.



**WHITE HOUSE**

60% Trump  
40% Democrats

**GOP BALANCE OF POWER**

50% Republican sweep  
10% Trump + Democratic House

**DEM BALANCE OF POWER**

20% Democratic sweep  
15% Democratic + GOP Senate



**HOUSE**

50% Democrats  
50% Republicans



If Trump wins, we believe there is a 95% chance the Senate is Republican and an 80% chance the House is Republican.



If Democrats win, we believe there is a 55% chance the Senate is Democratic and a 95% chance the House is Democratic.



**SENATE**

75% Republicans  
25% Democrats

**Other scenarios:** We are placing the probability of the following alternative scenarios as 5% overall, given our view that control of Congress will likely follow the party of the presidency (with certain exceptions given House and Senate structural factors):

- Trump White House + DEM House + DEM Senate
- Trump White House + GOP House + DEM Senate
- Democratic White House + GOP House + DEM Senate
- Democratic White House + GOP House + GOP Senate

Republican Sweep

**OUTCOME 1: GOP SWEEP (50%)**

A GOP sweep would likely usher in welcome de-regulatory shifts across key sectors, but elevate certain geopolitical/trade risks under the direction of Trump.

What this means



**GOP President**



**GOP House**



**GOP Senate**

Arguments in favor

- **Trump** has a small lead in national polls, but has built a more consistent lead in swing states. **Biden's** "wrong track" numbers for the country and approval ratings are seen as a benefit to a challenger.
- A **Trump** win gives Republicans the tie-breaker vote in the **Senate**, all but assuring a Republicans a majority.
- The Republican **House** majority is slim, but if the national winds favor Trump, maintaining the majority becomes more likely.

Arguments against

- **Trump** has a net negative approval rating and Democrats will campaign that his reelection will take the country in the wrong direction.
- Redistricting in **House** seats provides Democrats a slight edge in the race for a majority and Trump is likely to run-up margins in Republican strongholds vs. swing areas.
- A **Trump** victory is likely to come without winning that national popular vote, potentially limiting his coattails.

**More Likely: Market & Policy Impact**

- 2017 tax cuts extended via reconciliation – likely for 10 years.
- Trump can pick more aggressive appointees to fill key regulatory roles — FTC, in particular.
- More aggressive stance with China and likely new export bans and tariffs.
- Will the filibuster hold, ushering in more policy changes?

**Less Likely: Market & Policy Impact**

- Limited expansion of IRA – negative for green energy.
- Less support for student loan repayments – negative impact on consumer sentiment and spending.

## Republican Sweep

## GOP SWEEP POLICY IMPLICATIONS

A GOP sweep unlocks reconciliation and dramatically expands potential fiscal policy outcomes.

- **Tax cut extensions:** \$4.6 trillion in tax cuts from the 2017 Trump-era tax bill will expire on 12/31/2025, most of which impact individuals. A GOP sweep would be the most favorable scenario for the extension of most, if not all of these provisions. The cost of the extensions could prevent a full 10-year extension, and corporate rates could also enter the conversation. Trump has promoted further cuts, but we view that as unlikely.
- **The return of trade wars:** A Trump presidency would likely reignite trade wars given his calls for tariffs of 60% on Chinese goods and 10% on imports from other countries, though consumer goods may face lower initial increases. Potential USCMA renegotiation also risks trade tensions with Mexico, underscoring consumer softness in this scenario.
  - Trump's calls for the extension of the individual TCJA tax cuts and for the imposition of new tariffs have become increasingly linked as an issue, with the tariffs' potential application as a TCJA payfor providing further momentum.
- **Is Trump more inflationary?:** Leading items on the Trump second term agenda include tariffs, restrictive immigration policies, tax cut extensions, and a likely continuation of fiscal stimulus (IRA, CHIPS/BIL). Trump could cancel portions of the student loan relief effort and push for IRA changes, but the overall agenda raises inflationary concerns.

## Key points

- Tax cut extension likely.
- Heightened geopolitical tensions with China and traditional U.S. allies (EU, Canada, Mexico).
- Closing of the "Mexico backdoor".
- Immigration policies likely to drive wage inflation.
- Low to mid-end consumer to face challenges.
- FTC changeover a net positive for M&A.
- Inflationary policies likely result in interest rates being "higher for longer".

## Republican Sweep

## GOP SWEEP POLICY IMPLICATIONS

Under a GOP sweep, the 2017 TCJA tax cuts would likely be extended with stricter immigration policies potentially leading to labor shortages and wage inflation, impacting consumer sentiment.

- **Complex interest rate policy:** The Federal Reserve under Trump may be more cautious about cutting rates until tax, tariff, and trade policies are clearly defined, with rates potentially remaining 'higher for longer' due to inflationary pressures from fiscal policies. The potential for dollar devaluation to improve trade competitiveness could also influence interest rate decisions.
- **Extension of the 2017 TCJA tax cuts.** The expiration of the individual provisions of the 2017 TCJA on December 31, 2025, will be an immediate focus. A sweep opens the ability to pass a tax plan through reconciliation, which only requires a simple majority to pass 10-year spending bills.
  - Recent projections from the Tax Policy Center indicate that a full extension of the TCJA would disproportionately benefit top earners, with households making \$450,000 or more annually receiving about 45% of the benefits.
- **Further reduction in corporate tax rate?:** Under a GOP sweep, the corporate tax rate could be further reduced to 20%. The return of bonus depreciation and the R&D tax credit are also likely, aiming to stimulate business investment.
- **Potential Expansion of the Child Tax Credit (CTC):** The CTC is likely to be continued and potentially expanded under a GOP sweep (in exchange for extending portions of expired business provisions), with efforts to increase the amount past \$2,000 per qualifying child (up to \$1,400 refundable). We view consumer staple names targeting low-income households as likely beneficiaries of a potential expansion.
- **Exemption of tipped income from taxes:** Former President Trump has proposed exempting income earned from tipped wages from federal income taxes, benefitting restaurant and hospitality industries, where tipped wages constitute a substantial portion of income. Eliminating taxes on tipped wages could attract new workers, easing potential wage inflation pressures. Details on FICA vs. income tax exclusions will be an important policy detail.

## Republican Sweep

## GOP SWEEP POLICY IMPLICATIONS

**A GOP sweep would likely see aggressive tariffs on Chinese and global imports, a potential renegotiation of USMCA with increased tensions with Mexico, and removal of the de minimis exemption**

- **Tariff details:** Potential imposition of 60% tariffs on Chinese goods, with disproportionately higher tariffs on List 1 and List 2 goods (primarily tech goods). Consumer goods (List 3 and 4) may face lower or reduced tariffs initially, but rates could increase if trade tensions with China escalate. A universal tariff could be imposed on all global imports (Trump has previously floated a 10% rate), with investigations targeting specific sectors including semis and semi cap equipment, luxury goods, and Chinese EV partnerships within the EU.
  - For goods with a preexisting 25% tariff (e.g., certain Chinese steel and aluminum products), tariff will rise from 25% to 60%. Section 301 tariff review and investigations are likely to start immediately (~6 months), with new tariffs implemented ~1 year later.
- **Potential USMCA renegotiation:** Under a GOP sweep, the United States–Mexico–Canada Agreement (USMCA) could face significant changes, as the USMCA is up for potential renegotiation in July 2026. Any of the three member countries can request a review or amendments to the agreement. Trump has historically taken a transactional approach to trade, focusing on renegotiating deals to favor American interests.
  - **Mexico:** Increased U.S.-Mexico trade volatility if trade tensions escalate, with the election of Claudia Sheinbaum as Mexico's next president elevating the risk of aggressive trade actions, with higher tariffs on Mexican goods likely.
  - **Canada:** Likely to align more closely with U.S. policies to avoid trade conflicts and ensure compliance with USMCA commitments, and likely to take a more aggressive stance to support U.S. positions, aiming to maintain positive trade relations and avoid disruptions.
- **Closing of the Mexico "backdoor":** Trump administration will prioritize new rules to classify products based on component origins, not final assembly location, focusing on U.S. auto supply chains, to stop Mexico from being used as an export platform for Chinese-made goods (particularly EVs) being assembled in Mexico to avoid U.S. tariffs.

## Republican Sweep

## GOP SWEEP POLICY IMPLICATIONS

A GOP sweep would bring a deregulatory approach to the FTC, benefiting M&A activity. Interest rate policy may remain cautious and potentially "higher for longer" due to inflationary pressures from fiscal policies.

- **De minimis:** A GOP sweep would likely bring the end of the de minimis exemption (\$800 threshold under which goods can enter the U.S. duty free) impacting e-commerce platforms (like Temu and Shein) and increasing enforcement on goods linked to forced labor practices.
- **Stricter immigration policies:** A GOP sweep would likely lead to a tightening of border controls, potentially reducing the size of the labor force. This could drive wage and goods inflation as businesses compete for a smaller pool of workers, particularly in industries reliant on low-wage labor – challenging low- to mid-end consumers.
- **FTC regulatory changeover:** Under a GOP sweep, both the agenda and the leadership of the Federal Trade Commission (FTC) shift, but the populist policies of Trump and Vance could keep a stricter-than-expected view on M&A. We expect consumer to be outside of this focus.
  - Initially, there may be a 2-2 split on the commission, but following Khan's departure (her term expires in September 2024, but she can stay until the Senate confirms her replacement), 1 of the 2 GOP commissioners will likely be made interim chair. A GOP majority returns in early 2025 once the new administration nominates and appoints a commissioner – a net positive for deal-making.
  - While Khan has the potential to be reconfirmed by the Senate, we do not expect the Senate to prioritize her confirmation given the pending outcome of the Presidential election. If Khan is reconfirmed, a Republican FTC majority would have to wait until 4Q26.
- **M&A outlook:** While a GOP-led FTC would likely adopt a more open approach to mergers, regulators are still likely to examine large-scale, horizontal M&A deals within the consumer and tech sectors, and this regulatory agenda is not expected to "open the floodgates" for M&A within all sectors. Deals requiring Chinese deal approval will face additional challenges as China responds to trade fights.






Democratic Sweep

**OUTCOME 2: DEM SWEEP (20%)**



**If the Democratic Party wins the presidency, the House and Senate Democrats are likely to ride on its coattails to a majority in Congress.**

What this means	Arguments in favor	Arguments against
 <b>DEM President</b>  <b>DEM House</b>  <b>DEM Senate</b>	<ul style="list-style-type: none"> <li>• Democrats have outperformed polling expectations in recent elections, especially following the Supreme Court’s abortion ruling.</li> <li>• Democrats are well positioned in the <b>House</b> following redistricting changes and have made inroads in recent special elections.</li> <li>• Toss-up <b>Senate</b> races tend to follow the national political winds and a sweep of contested elections.</li> </ul>	<ul style="list-style-type: none"> <li>• The “right track/wrong track” of the country – dangerous positions for an incumbent party and former President Trump has had a solid lead in swing-state polling.</li> <li>• Democrats are defending 23 seats to Republicans 11 in the <b>Senate</b>, with almost all of the competitive seats held by Democrats.</li> <li>• There is no guarantee that Democratic ticket will perform better than if Biden stayed in the race.</li> </ul>

**More Likely: Market & Policy Impact**

- Comprehensive tax conversation – everything is on the table, even “permanent” corporate tax changes. Increased market volatility from uncertainty.
- Reconciliation with 50 Democrats, not 48 + Manchin/Sinema – significant policy changes.
- Robust regulatory agenda – regulators able to finalize and implement agenda.
- Will the filibuster hold, ushering in more policy changes?

**Less Likely: Market & Policy Impact**

- Repeal of the IRA – positive for industrial and clean energy names.
- Tariff increases – will we see more tariff relief, or a continued focus on critical tech sectors?

Democratic Sweep

DEM SWEEP POLICY IMPLICATIONS

A Dem sweep unlocks the reconciliation process in Congress, dramatically expanding the range of potential tax policy and broader fiscal outcomes.

- **Tax cuts expire?:** DC conventional wisdom has been that there would be significant pressure on Democrats to extend the 2017 Tax Cuts and Jobs Act’s individual tax cuts, but we think that is wrong. Democrats will see benefits to inaction as individual rates will largely revert to the tax policies under President Obama, including the removal of the \$10,000 limit on the deduction of state and local taxes (SALT). The removal of the SALT cap would amount to \$1 trillion in tax relief for many taxpayers in higher tax states. A reversion of the TCJA (absent any new taxes on high-income earners) could look like:

Tax rate bracket	Single/married (filing separately)	Married (joint file)	Head of household
10% → 10%	\$0-\$11,600	\$0-\$23,200	\$0-\$16,550
12% → 15%	\$11,001-\$47,150	\$23,201-\$94,300	\$16,551-\$63,100
22% → 25%	\$47,151-\$100,525	\$94,301-\$201,050	\$63,101-\$100,500
24% → 28%	\$100,526-\$191,950	\$201,051-\$383,900	\$100,501-\$191,950
32% → 33%	\$191,951-\$243,725	\$383,901-\$487,450	\$191,951-\$243,700
35% → 35%	\$243,726-\$609,350	\$487,451-\$731,200	\$243,701-\$609,350
37% → 39.6%	\$609,351 and above	\$731,201 and above	\$609,350 and above

Source: Internal Revenue Service, Raymond James Research. Tax bracket percentages are pre- and post-TCJA. Income brackets are for 2024

Standard deduction	SALT deduction	Personal deduction
-50% reduction, inflation-adjusted	\$10,000 cap removed	Current suspension ends

Key points

- Individual cuts likely expire; potential new action to raise tax rate, higher investment taxes on high-income earners.
- Potential for Child Tax Credit expansion.
- Debt limit gets raised; lower deficit, but no structural budget reforms.
- Risk of China tariffs/volatility lower than in GOP sweep, but DC momentum supports sustained outlook.
- Potential reforms to the de minimis exemption – impacts for lower-end Chinese retail imports.
- Ongoing M&A/antitrust scrutiny across broad, novel parts of consumer sector.

## Democratic Sweep

## DEM SWEEP POLICY IMPLICATIONS

A Dem sweep could bring additional action on trade and tariffs (though with a significantly less aggressive approach than Trump) and potential boosts for low-income consumers.

- **New tax increases?:** An increase in the corporate rate (21→28%) and higher taxes on individuals earning >\$400,000/households above \$450,000 have been proposed by the Biden-Harris administration. Increases to investment-related taxes (especially on >\$1M earners) are also on the table.
- **Child tax credit (CTC)?:** The Biden-Harris administration has previously called for the full expansion of the CTC, a priority which we would expect to surface in the pending tax debate – with positive impacts for low-income consumer spending. The CTC debate has seen previews this year through a failed push to pass a \$78 billion pairing the CTC and corporate tax breaks, which would have expanded the portion of the credit that is refundable up to a maximum of \$2,000, as well as allowing taxpayers to choose between taxable years to determine eligibility.
- **Debt limit:** The debt limit returns on 1/1/2025 and a Dem sweep would likely see an increase in the debt limit, but there will be pressure from Republicans to deny the 60-vote threshold in the Senate. At the beginning of Biden's presidency, the Senate opted to pass a one-time rule change setting a simple majority threshold for lifting the debt limit, which could set a precedent for a future increase if Republicans oppose a raise.
- **Budget hawk Dems?:** Biden's first term was marked by significant expansion of fiscal spending and inflation. A subsequent Democratic presidency could see higher taxes, potentially lowering the deficit. However, we could also see additions to structural inflationary pressures through continued support for the IRA and projects that are rebuilding the U.S. industrial base.
- **U.S.-China volatility:** We would expect the "conversation without compromise" U.S.-China dynamic to continue, balancing tech/trade priorities with guardrails on escalation potential within the relationship. While the potential for longer-term flareups remains regardless of the next administration (and especially around China's posture towards Taiwan), we would expect a relatively lower degree of volatility within the relationship and from a macro perspective – with impacts for issues like consumer boycotts in China, supply chain bottlenecks in the Taiwan/Malacca Straits, and trade.

## Democratic Sweep

## DEM SWEEP POLICY IMPLICATIONS

A Dem sweep could bring additional action on trade and tariffs (though with a significantly less aggressive approach than Trump) and potential boosts for low-income consumers.

- **U.S.-China trade/tariffs:** A Harris administration in particular would likely see more of the same on the U.S.-China trade front: targeted tariff increases on key tech sectors and the maintenance of existing tariffs on other imports – including consumer goods.
- **De minimis exemption:** Blocking the eligibility of Chinese imports from the “de minimis” exemption (which currently allows imports under \$800 to enter the U.S. duty-free and with minimal inspections) remains likely under this scenario, with action potentially coming as soon as this year to exclude products subject to Section 232/301 tariffs from the exemption.
- **GSP reauthorization:** De minimis reforms had previously been paired as an issue with a reauthorization of the Generalized System of Preferences (GSP) tariff waiver program, which provides non-reciprocal tariff relief for products (including many consumer goods) imported from certain designated developing countries. While the legislative pairing of these issues seems less likely going forward given the more explicit national security focus of the de minimis revisions and associated momentum, action to pass the House Ways and Means Committee-passed GSP reauthorization into law remains possible.
- **U.S.-Mexico trade:** While ongoing action to address Chinese transshipment/diversion via Mexico remains likely, we would not expect to see major trade volatility with Mexico. The 2026 USMCA re-negotiation remains a lower-risk catalyst under a Dem sweep scenario for the consumer space.
- **M&A outlook:** The Biden administration has repeatedly demonstrated a willingness to push the limits and explore new avenues in antitrust law, a theme that is likely to continue under a subsequent Biden administration/under Harris. Scrutiny of deals like the proposed TPR-CPRI transaction and on new areas of the consumer sector remains likely.

Split Government

**OUTCOME 3: SPLIT GOVERNMENT (30%)**

While we continue to expect that a sweep is the most likely outcome, split government under either candidate would produce different outcomes

**Split government scenario under Trump (10%)**

What this means

-  **GOP President**
-  **DEM House**
-  **GOP Senate**

Arguments in favor

- **Currently narrow House GOP** majority combined with **several Democrat favored redistricting cases** could tip the House in the Dems' favor even when the GOP wins elsewhere.

Arguments against

- A **Trump** victory could have coattails on key House races.

**More Likely Impacts**

- Increase in tariffs and trade restrictions.
- Greater volatility with China and focus on limiting China's technological capacity.
- More favorable environment for smaller M&A, but less so major deals

**Less Likely Impacts**

- Full 10-year extensions of tax cuts.
- Repeal of IRA, as Dems protect.
- Devaluation of the U.S. Dollar.

**Split government scenario under Democrats (15%)**

What this means

-  **DEM President**
-  **DEM House**
-  **GOP Senate**

Arguments in favor

- Democrats are defending 23 Senate Seats to Republican's 11. Democrats have no room for error with an almost certain pickup in WV.

Arguments against

- Senate races frequently fall in one direction, giving Democrats the chance to retain the majority.

**More Likely Impacts**

- Continuation of current China policy with targeted trade barriers for China.
- Active antitrust enforcement.

**Less Likely Impacts**

- Full 10-year extension of tax cuts, but less likely an increase in corporate tax rates.

\*Note: the 30% likelihood of split government also reflects the 5% possibility of wildcard split government scenarios highlighted in our summary slide (page 17) alongside our main scenarios outlined here.

## Split Government (Trump)

## SPLIT GOVERNMENT POLICY IMPLICATIONS

Under a Trump presidency + split Congress, the administration would adopt a protectionist stance, with greater tariffs and trade restrictions.

- **China trade fight intensifies:** Greater headline risk over China tensions given promised 60% tariffs against Chinese goods (100% on Chinese EVs) and additional volatility from stricter tech restrictions. Focus on Lists 1/2 over Lists 3/4 for tariffs.
- **Trade wars:** Trump has called for large tariff increases - 10% from all other countries besides China. Pressure on EU to limit sharing advanced technology with China and for NATO members to reach 2% military threshold.
- **USMCA renegotiation:** In July of 2026, any country can call for a renegotiation of the USMCA. Trump may do that, leading to collision course between U.S. and Mexico.
- **M&A increase post-election:** A Trump administration would be likely to be more welcoming to M&A, but opposition to major, horizontal deals is likely to continue—particularly in tech and consumer sectors. China is also expected to block deal approval as part of trade war retaliation.
- **Immigration:** Trump would likely reimplement many of the immigration policies from his first term – through solely executive action – with labor/inflationary impacts.
- **Corporate tax increase?:** Some Republicans have called for an increase in the corporate tax rate to pay for the extension of individual tax cuts, will that be the key to striking a deal with Democrats?

## Key points

- Increase in tariffs and trade restrictions.
- Greater volatility with China and focus on limiting China's technological capacity.
- Reduction in immigration leading to smaller workforce.
- More favorable environment for smaller M&A, but less so major deals.
- Potential renegotiation of the USMCA in 2026.
- Expansion of corporate taxes unlikely but individual tax cuts may be extended.
- Closing of the "Mexico backdoor".
- Potential for devaluation of the U.S. dollar.

## Split Government (Democrat)

## SPLIT GOVERNMENT POLICY IMPLICATIONS

**A Democratic president + split Congress would likely feature a continuation of the current policies on China, M&A, and reindustrialization, but some tax cuts may expire.**

- **Small increase in corporate tax rate?:** Individual tax cuts may expire or get scaled back. Major changes in corporate tax policy will probably not occur, but a small increase in the corporate tax rate could be on the table as part of a compromise for an extension of individual rates – especially as some Republicans have floated a higher corporate rate to pay for an extension.
- **Stable and predictable China policy:** Confronting China's unfair trade via allied coordination, targeted tariffs and tech curbs, but constrained by Republican Senate opposition.
  - Lack of general restrictions (like Trump has called for) and more focused on sectors deemed strategic.
- **Strong dollar:** Continuation of a strong dollar policy for reindustrialization in the U.S. Unlikely to have large reindustrialization spending bills like those in the first term (BIL, IRA, CHIPS) but a continuation of distributing the funds.
- **M&A tightening:** Blocking many larger M&A deals, using the FTC's view that big = bad.
- **Greater scrutiny of trade:** Expanding tariffs on materials passing through Mexico, closing point of final transformation backdoor.

## Key points

- Individual tax cuts expire or scaled back, with potential compromise on corporate tax rate.
- Continuation of current China policy, with targeted and multilateral actions.
- Focus on reindustrialization and using funds already appropriated to onshore manufacturing.
- Strong anti-trust enforcement.
- Closing of the "Mexico backdoor".



# ***CONSUMER SECTOR ANALYSIS***





## Summary

**MARKET OVERVIEW EXECUTIVE SUMMARY**

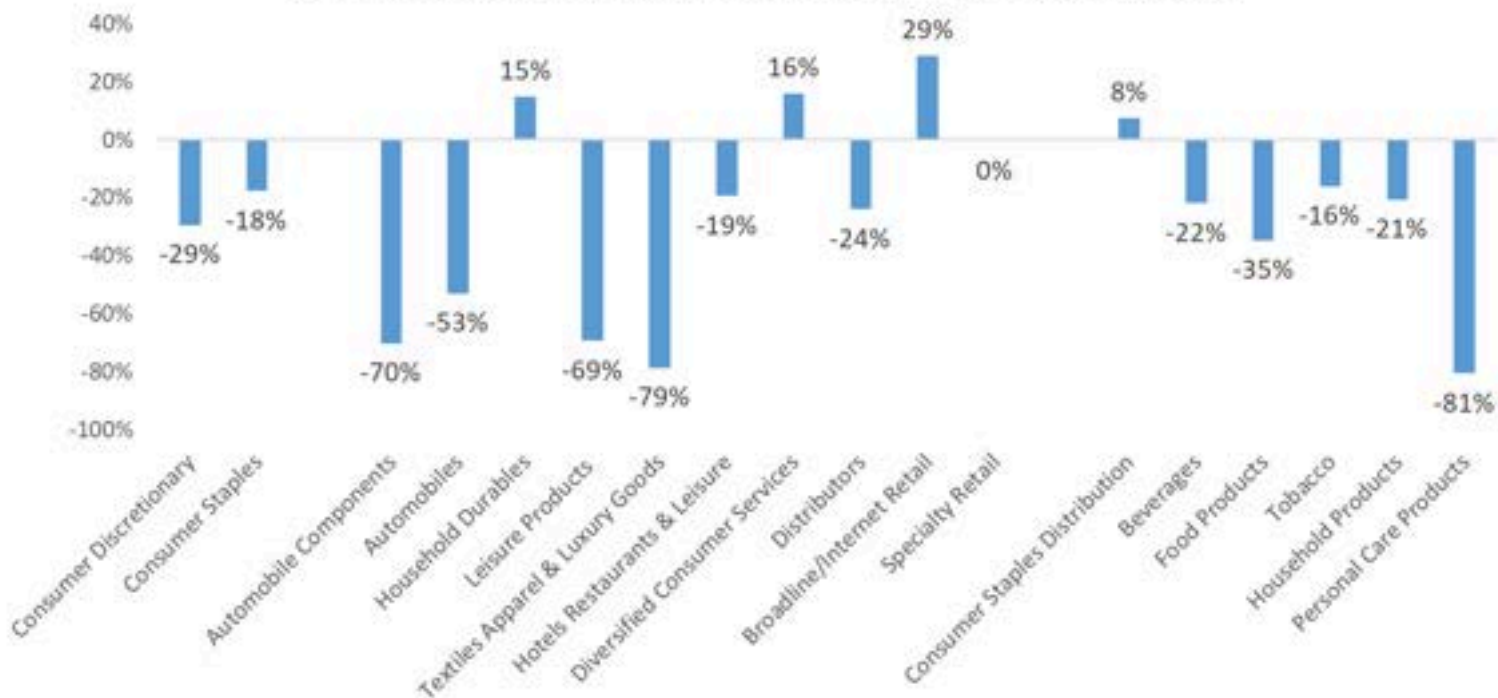
- **Weak Consumer Sector Performance Under Biden:** Since Biden's inauguration, consumer discretionary has underperformed the S&P 1500 by 29% and consumer staples has underperformed by 18%. This underperformance has been relatively broad-based with 12 of the 15 consumer industries underperforming the equity market overall, most by significant amounts. The combination of inflation, sub-par real wage growth, and a significant weakening in consumer trends of late have all impacted returns.
- **Valuation/EPS Momentum Setup:** The P/E of the consumer discretionary and consumer staples sectors are roughly exactly where they were in 2019, but this belies the fact that the vast majority of industries have P/Es that are much lower, with a few winners dragging up overall sector P/Es. The earnings trend has not been positive this year with 2/3rds of consumer industries seeing consensus 2024 EPS coming down since the beginning of the year as data continues to point to softening consumer spending, which is leading to discounting just about everywhere, and margin pressure.
- **Consumer Discretionary Sector Facing Headwind From "Late Cycle" Economic Setup, Consumer Staples A Tailwind:** Generally, consumer discretionary equities perform poorly in a "late cycle" where interest rates are high and employment is full, as generally this portends weaker economic times until the Fed lower rates materially. Consumer staples typically serve as a bit of a "safety trade" in such environments as even in a weaker economy consumers continue to spend more sustainably into staples products.
- Generally, it's hard to discern much of a trend historically of the performance of consumer discretionary and staples sectors based on the party in power. In general, consumer equities do better ahead of an election when a Democrat is ultimately elected, and worse when a Republican is elected, and in both cases the trend reverses and reverts to the mean post-election.
- **When we look at mix of WH/Sen/House control,** consumer discretionary performance does not look highly correlated, however, consumer staples underperform materially in almost every year that the same party controlled all 3 at once.



Summary

**UNDER BIDEN MOST CONSUMER INDUSTRIES HAVE BEEN SIGNIFICANT UNDERPERFORMERS**

Relative Performance of Consumer Industries Vs. S&P 1500 In Biden Presidency



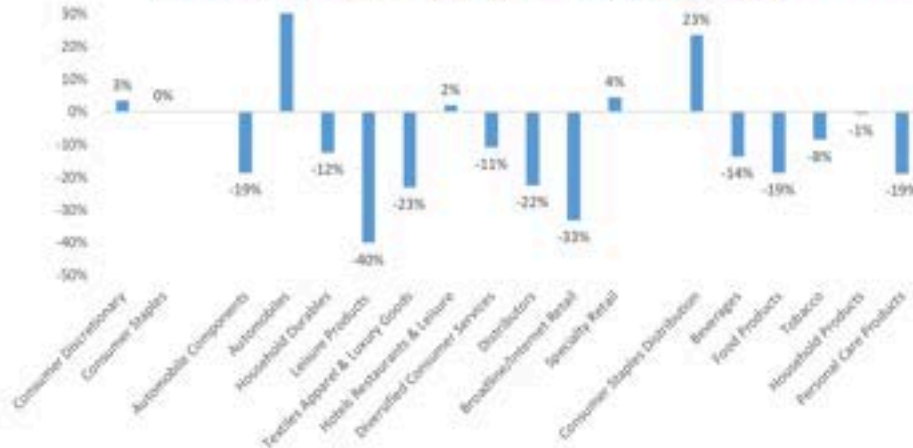
Source: FactSet, Raymond James research. Priced July 18, 2024.



Summary

**CONSUMER INDUSTRIES' P/Es UNDER PRESSURE AS ARE EARNINGS REVISIONS IN 2024**

P/E Today vs. 12/19 of Consumer Industries in S&P 1500 (Comparing To Pre-Pandemic)

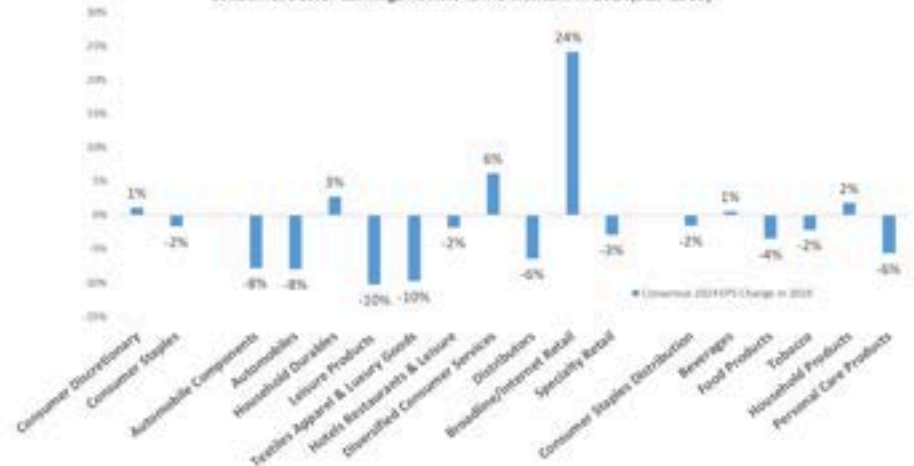


Consumer industries' P/Es have broadly gone lower between 2019 and today due to impact of high rates/inflation.

Earnings revisions across most consumer industries this year have been negative as the consumer has weakened as 2024 has unfolded.

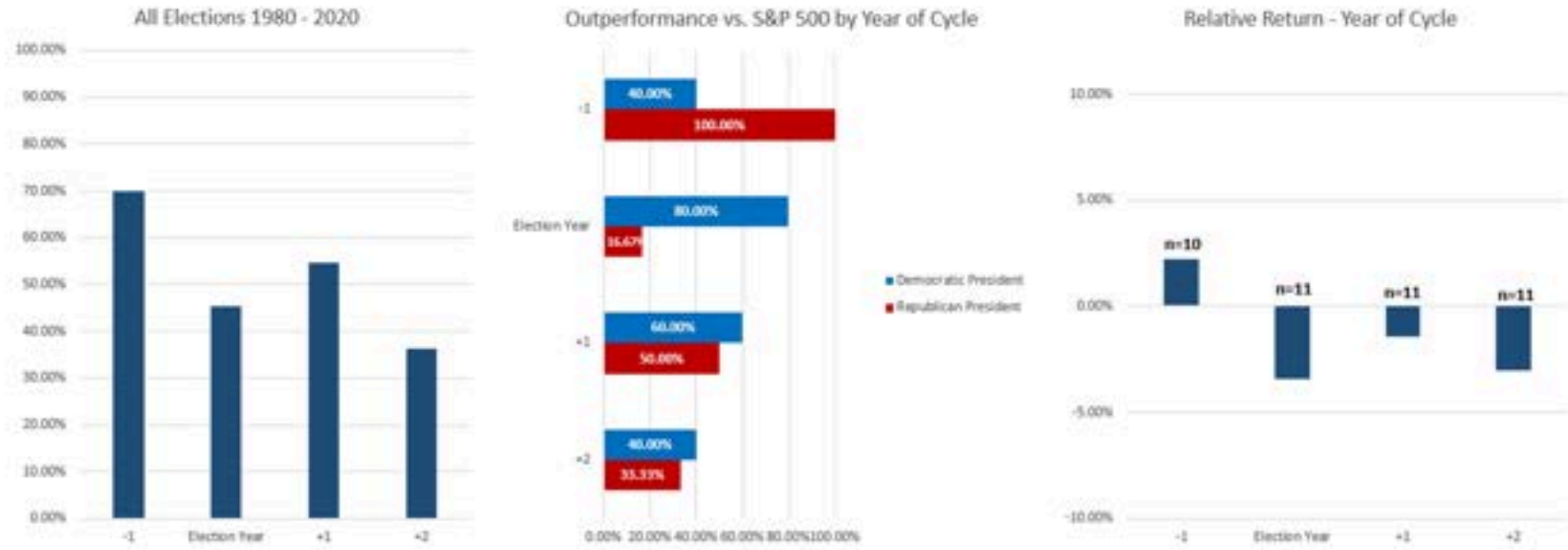
Source: FactSet, Raymond James research. Priced July 18, 2024.

Consumer Sector Earnings Revisions Momentum in 2024(S&P 1500)



Consumer Discretionary

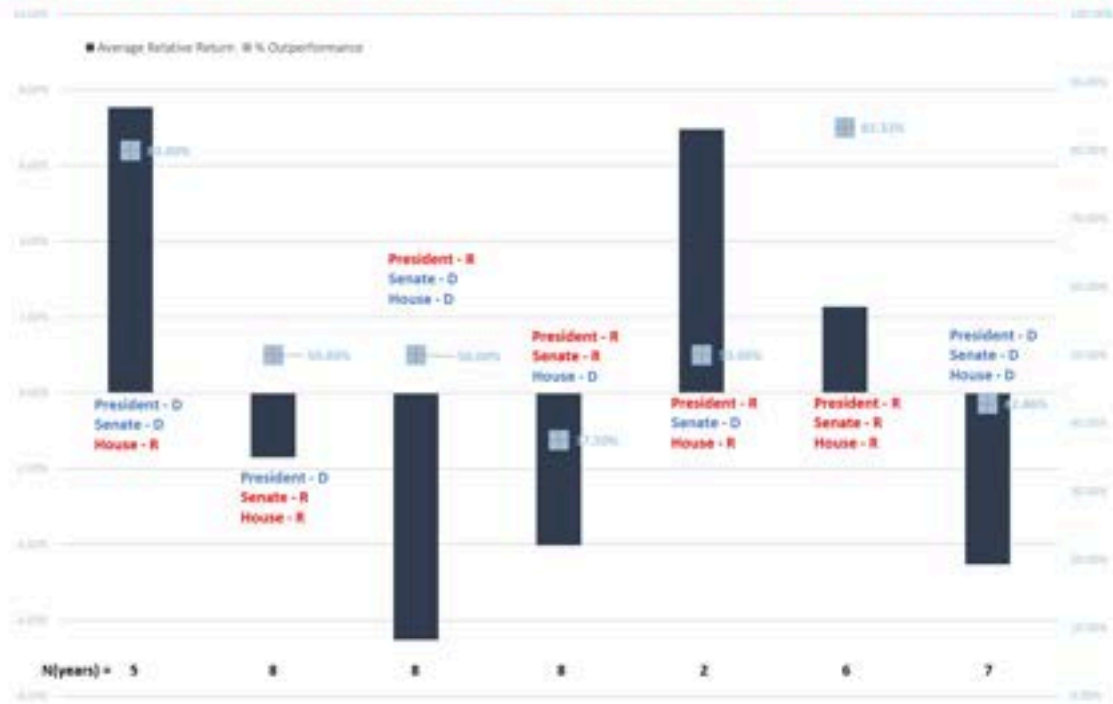
PERCENT OF ELECTIONS OUTPERFORMING S&P 500 BY YEAR OF CYCLE



Source: Bloomberg, FactSet, Raymond James research

Consumer Discretionary

RELATIVE RETURN AND OUTPERFORMANCE BY PARTY AFFILIATION

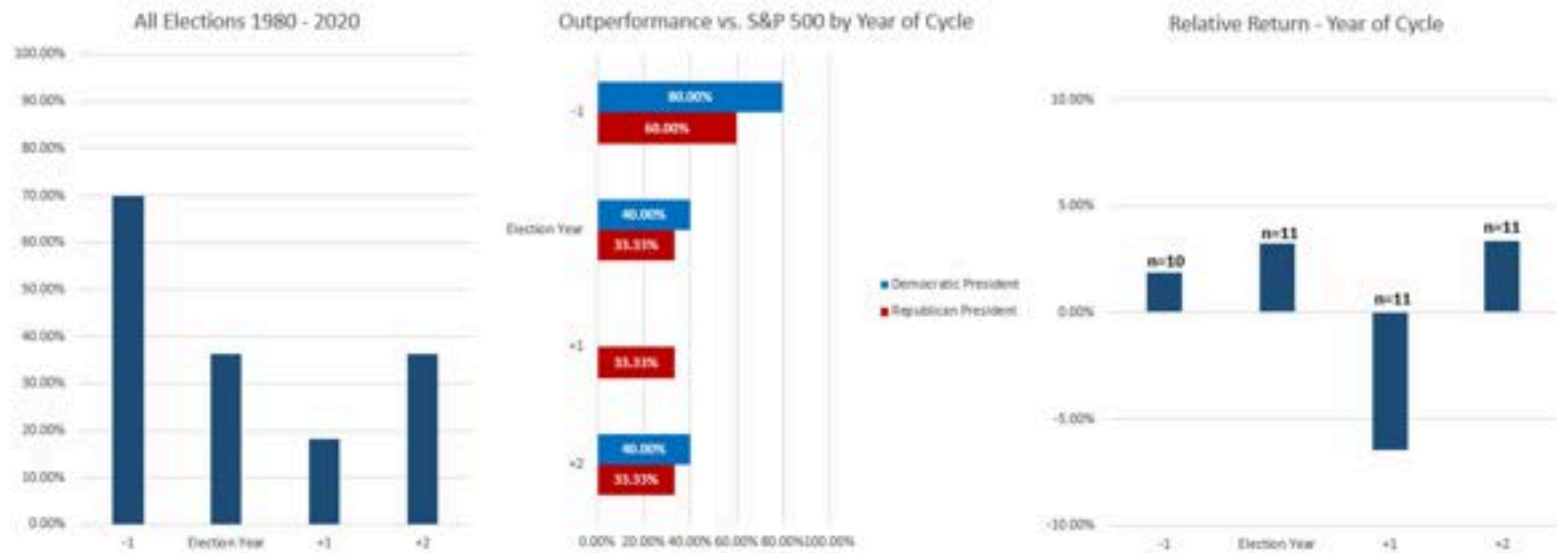


Source: Bloomberg, FactSet, Raymond James research



Consumer Staples

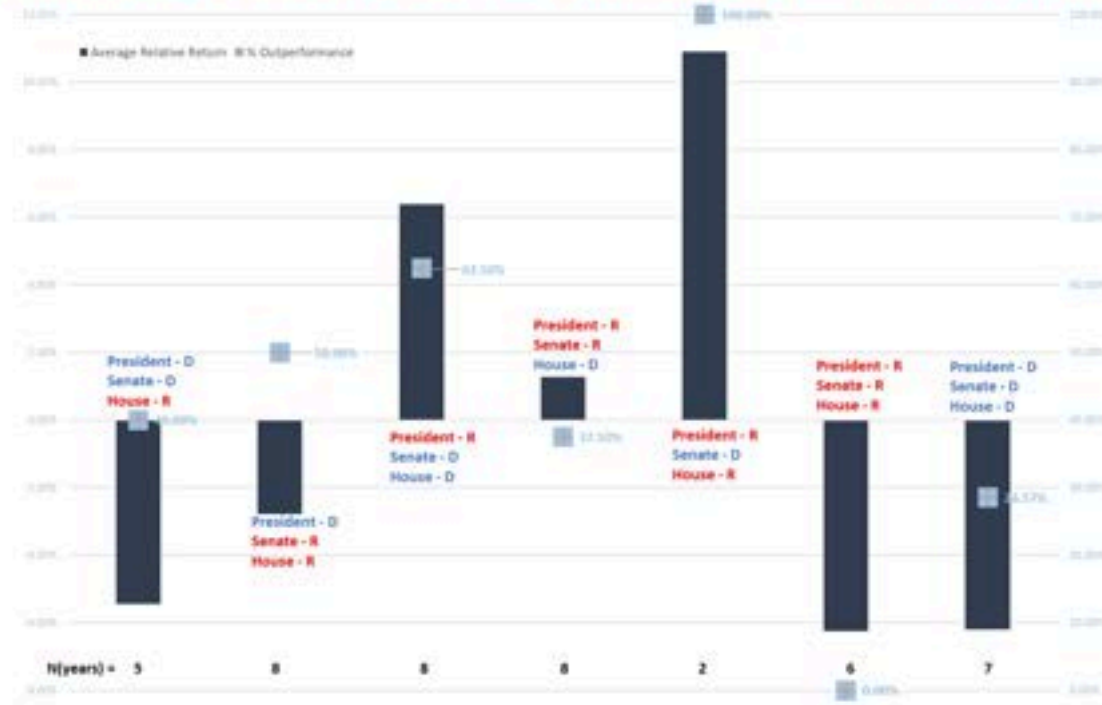
PERCENT OF ELECTIONS OUTPERFORMING S&P 500 BY YEAR OF CYCLE



Source: Bloomberg, FactSet, Raymond James research

Consumer Staples

RELATIVE RETURN AND OUTPERFORMANCE BY PARTY AFFILIATION



Source: Bloomberg, FactSet, Raymond James research

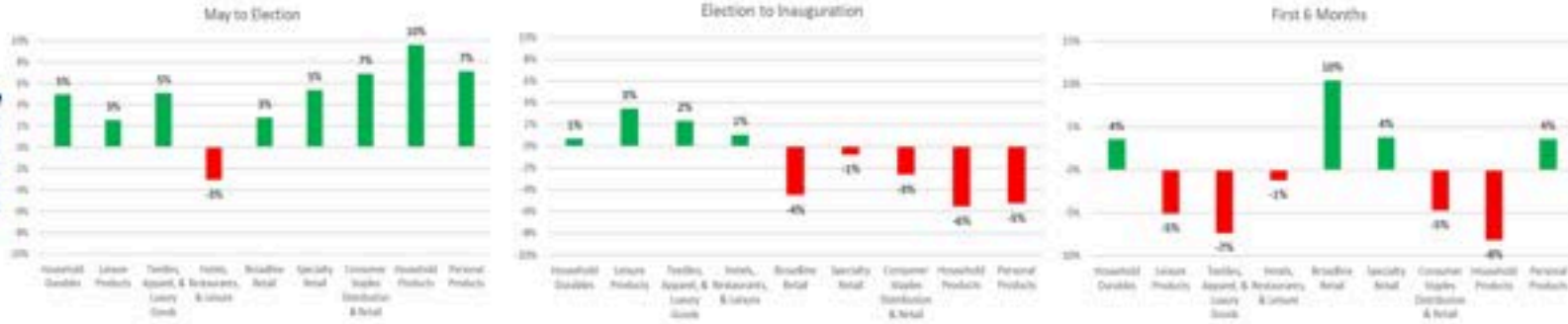


Consumer

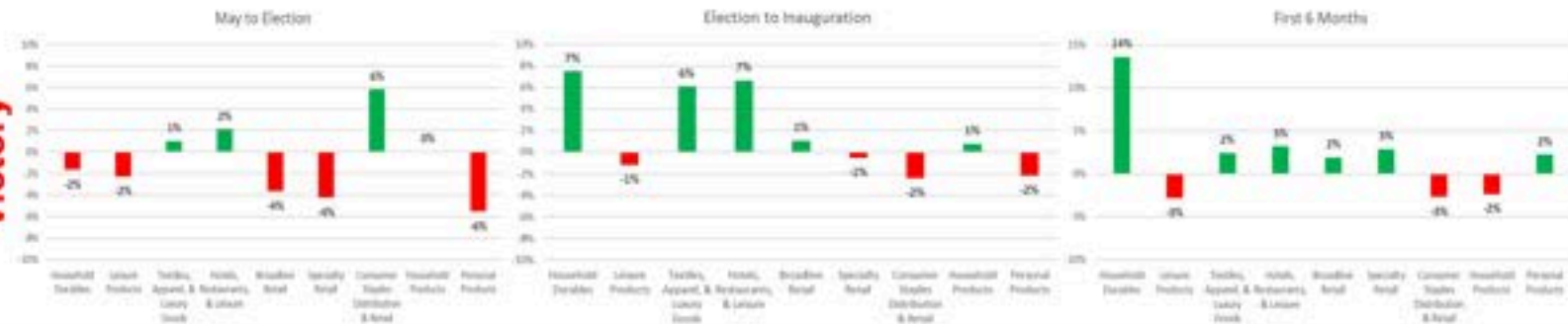
**RELATIVE PERFORMANCE OF INDUSTRIES AROUND ELECTION DAY**  
(ALL ELECTIONS FROM 1980-2020)



**Democratic  
Victory**



**Republican  
Victory**



Source: Bloomberg, FactSet, Raymond James research



## Consumer

## KEY TAKEAWAYS: CONSUMER

## Republican Presidents

- When a Republican has won the election, consumer equities have largely underperformed in front of that result, and then recovered post election.
- However, across an entire 4-year cycle, there is very little evidence that political party, in and of itself, has been all that meaningful to consumer equity returns.

## Democratic Presidents

- Consumer stocks have performed better ahead of an election when a Democrat ultimately wins. However, this trend has tended to reverse post election.
- Across an entire 4-year cycle, there is very little evidence that political party, in and of itself, has been all that meaningful to consumer equity returns.

## Our View

- The most notable trend based on political power is for consumer stocks to act better in front of a Democratic electoral victory, and a bit worse in front of a republican electoral victory, but in both cases, consumer returns have reversed post election, with very little difference over 4-year periods of Republican or Democratic control.
- Ultimately, the health of the consumer and valuations will determine performance of consumer equities, and the consumer remains healthy, though more normalized price discounting is hurting earnings power across the sector.



# ***INDUSTRY-BY- INDUSTRY ANALYSIS***





Household Durables

KEY TAKEAWAYS: HOUSEHOLD DURABLES

Historical Takeaways

Average Performance Over Time (vs. S&P 500)



- On average, household durables historically perform best under a **Republican President + Divided Congress**.
- On average, household durables historically perform worst under a **Democratic President + Republican Congress**.

Analysts' Best-Positioned



DEM Sweep

HLMN, MAS, TGLS, SWK



GOP Sweep

GFF, MHK, TGLS, TPX



DEM WH/Split Congress

HLMN, MAS, TGLS, TPX, SWK



GOP WH/Split Congress

GFF, MHK, TGLS

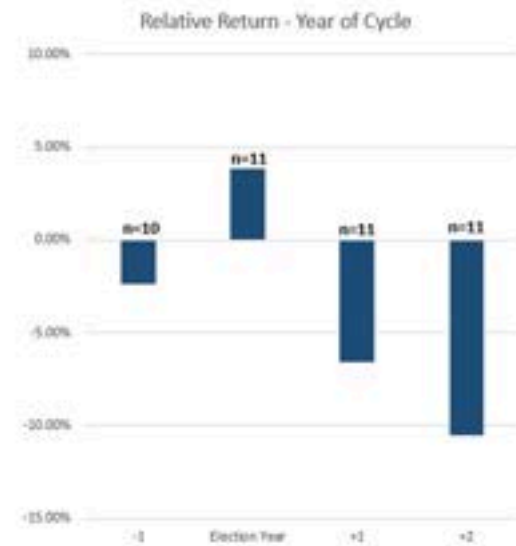
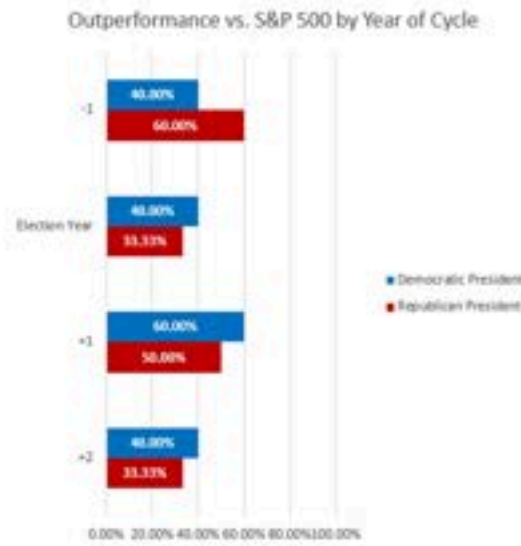
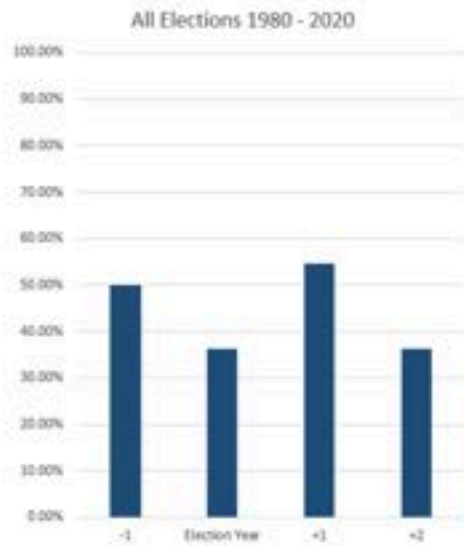
Key Takeaways

- A **GOP sweep** is likely the best scenario for household durables given that a higher risk of trade tariff increases could benefit the domestic manufacturing industry. A less stringent M&A landscape could benefit deal-oriented companies. Separately, while international ceramic tile importers would be adversely impacted by tariffs, a partial offset could be trade friction with Mexico.



**Household Durables**

**PERCENT OF ELECTIONS OUTPERFORMING S&P 500 BY YEAR OF CYCLE**

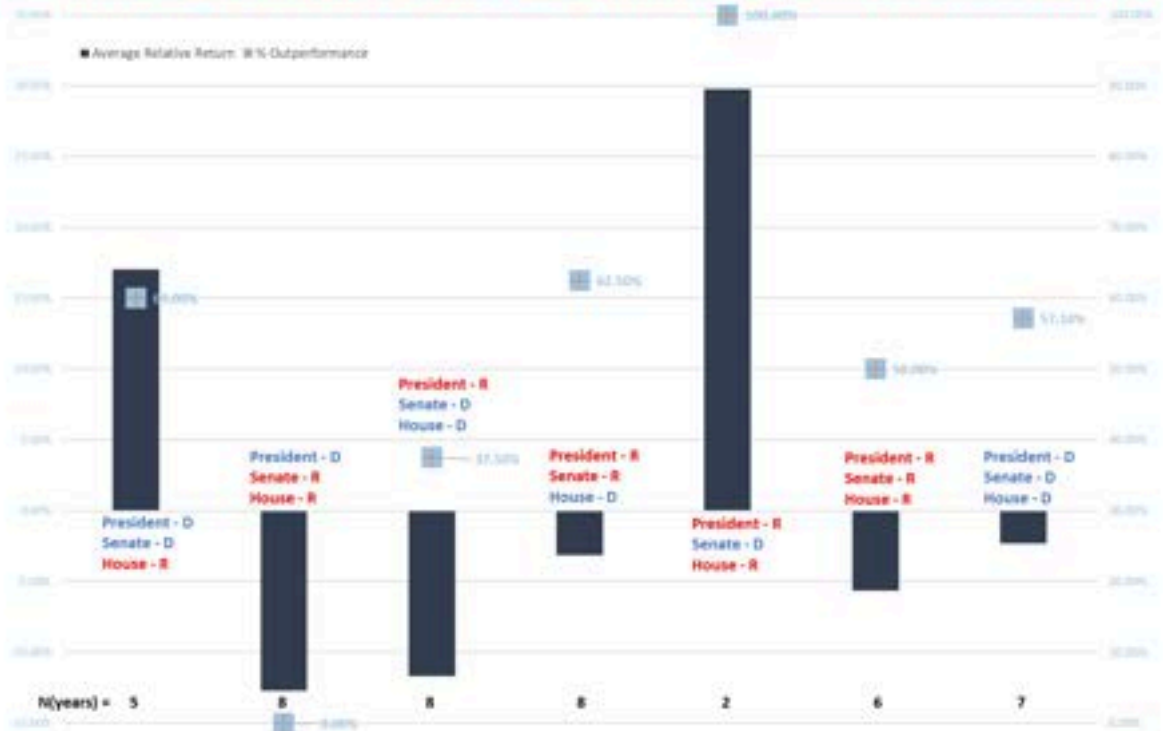


Source: Bloomberg, FactSet, Raymond James research



Household Durables

RELATIVE RETURN AND OUTPERFORMANCE BY PARTY AFFILIATION



Source: Bloomberg, FactSet, Raymond James research



Household Durables

ANALYSTS' BEST-POSITIONED NAMES: HOUSEHOLD DURABLES

**GOP Sweep**

What this means

-  **GOP President**
-  **GOP House**
-  **GOP Senate**



**Griffin**

Under a GOP sweep TPX could see a benefit given its domestic production (~80% of consolidated sales are in North America). Recall, the U.S. bedding industry has a more domestic supply chain than the U.S. furniture industry. In addition, a higher risk of trade tariff increases could benefit the domestic mattress industry (~28% of estimated U.S. mattress industry consumption in 2023 was from imports). In addition, the FTC changeover is a net positive for M&A (Tempur Sealy is trying to purchase Mattress Firm).



Household Durables

**ANALYSTS' BEST-POSITIONED NAMES: HOUSEHOLD DURABLES**

**GOP Sweep**

What this means



**GOP President**



**GOP House**



**GOP Senate**

**GFF, TGLS**

**Darkatsh**

Both are likely/have been considering selling the company, prospectively to large/international (non-Chinese) strategics. Partial offset would be that both could be adversely impacted by new tariffs, although there are mitigating factors.

**MHK**

**Darkatsh**

Competition from imported Asian LVT and international ceramic tile importers would be adversely impacted by tariffs. Partial offset might be trade friction with Mexico, from which some MHK ceramic tile is imported.



Household Durables

**ANALYSTS' BEST-POSITIONED NAMES: HOUSEHOLD DURABLES**

**DEM Sweep**

What this means



**DEM President**



**DEM House**



**DEM Senate**

**HLMN,  
SWK, MAS**

**Darkatsh**

No material incremental Asian tariffs.

**TGLS**

**Darkatsh**

More limited risk of tariffs for Colombian imports.





Household Durables

**ANALYSTS' BEST-POSITIONED NAMES: HOUSEHOLD DURABLES**

**Split government under Trump**

What this means

-  **GOP** President
-  **DEM** House
-  **GOP** Senate

**GFF, TGLS**

**Darkatsh**

Both are likely/have been considering selling the company, prospectively to large/international (non-Chinese) strategics. Partial offset would be that both could be adversely impacted by new tariffs, although there are mitigating factors.

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Competition from imported Asian LVT and international ceramic tile importers would be adversely impacted by tariffs. Partial offset might be trade friction with Mexico, from which some MHK ceramic tile is imported.



Household Durables

**ANALYSTS' BEST-POSITIONED NAMES: HOUSEHOLD DURABLES**

Split government  
under Democrats

What this means



DEM President



DEM House



GOP Senate

HLMN,  
SWK, MAS

**Darkatsh**

No material incremental Asian tariffs.

TGLS

**Darkatsh**

More limited risk of tariffs for Colombian imports.




Household Durables

ANALYSTS' BEST-POSITIONED NAMES: HOUSEHOLD DURABLES

Split government under Democrats

What this means

-  **DEM President**
-  **DEM House**
-  **GOP Senate**



**Griffin**

Status-quo environment, with expectations for lower interest rates could benefit bedding and furniture related names (less supply chain risk for furniture companies).

Broadline Retail

KEY TAKEAWAYS: BROADLINE RETAIL

Historical Takeaways

Average Performance Over Time  
(vs. S&P 500)



- On average, broadline retail historically performs best under a **Republican President + Divided Congress**
- On average, broadline retail historically perform worst under a **Republican President + Democratic Congress.**

Analysts' Best-Positioned



DEM Sweep

DG, WMT



GOP Sweep

N/A



DEM WH/Split Congress

COST, WMT



GOP WH/Split Congress

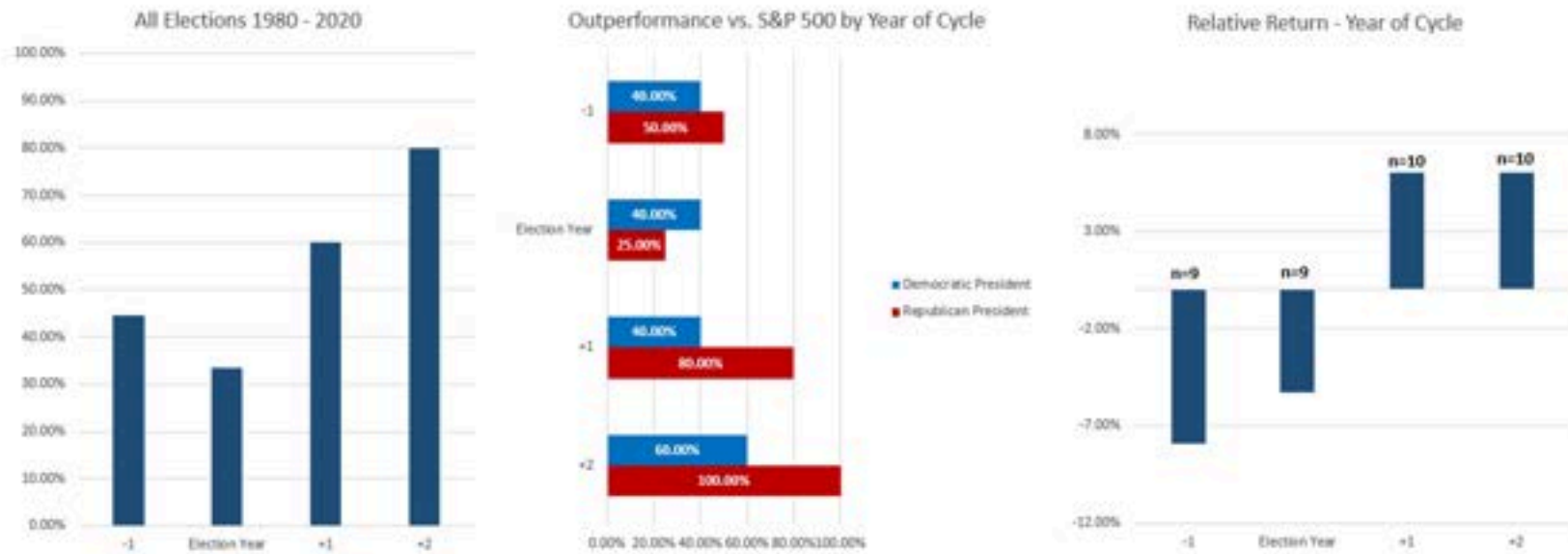
COST, WMT

Key Takeaways

- A **split government under Democrats** would most likely preserve the "status-quo" environment, as consumer trade-down effect remains a trend in the near/mid-term.

**Broadline Retail**

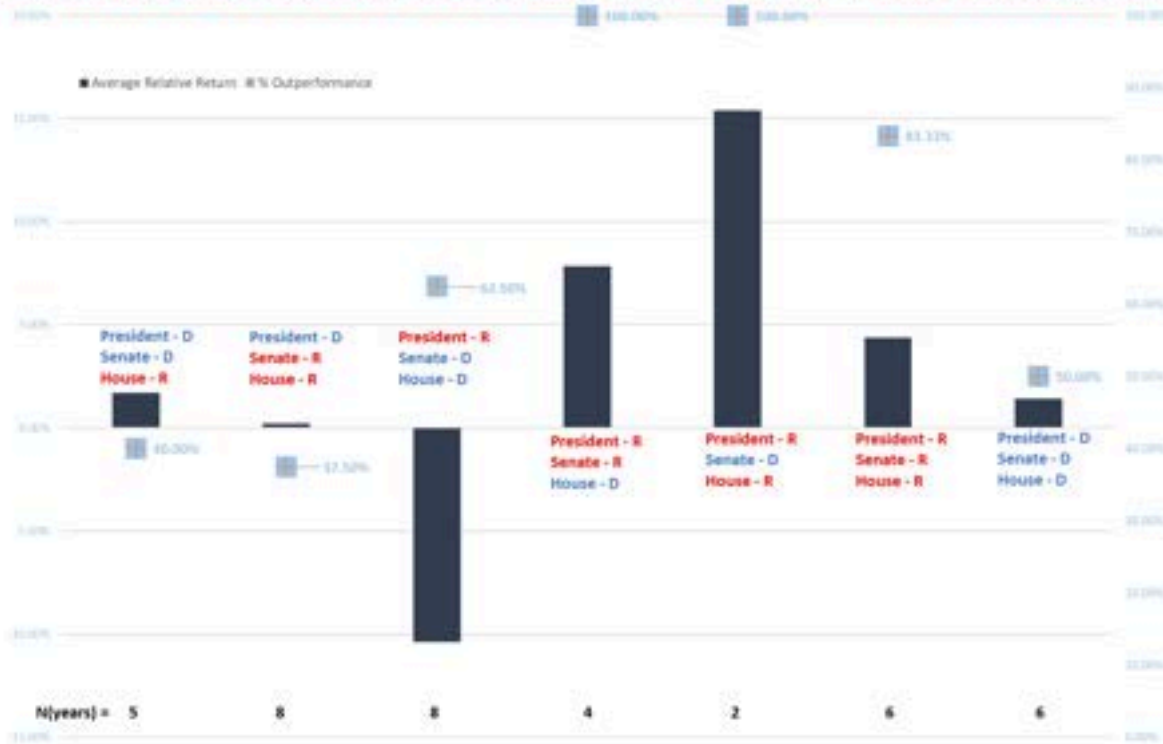
**PERCENT OF ELECTIONS OUTPERFORMING S&P 500 BY YEAR OF CYCLE**



Source: Bloomberg, FactSet, Raymond James research; \*Note that Broadline Retail was previously called Multiline Retail and is labeled as such in our corresponding 2020 election reports.

Broadline Retail

RELATIVE RETURN AND OUTPERFORMANCE BY PARTY AFFILIATION



Source: Bloomberg, FactSet, Raymond James research



Broadline Retail

ANALYSTS' BEST-POSITIONED NAMES: BROADLINE RETAIL

DEM Sweep

What this means



DEM President



DEM House



DEM Senate

DG, WMT

Griffin

DG and WMT should continue to win in this scenario with their pricing competitive advantages and growing convenience/loyalty factor as the impact from trade-down remains a trend in near/mid-term.



Broadline Retail

ANALYSTS' BEST-POSITIONED NAMES: BROADLINE RETAIL

Split government under Democrats

What this means



DEM President



DEM House



GOP Senate



Griffin

This scenario would most likely lead to a continuation of a status-quo environment. COST and WMT should continue to win in this scenario with their pricing competitive advantages and growing convenience/loyalty factor as the impact from trade-down remains a trend in near/mid-term.





Broadline Retail

ANALYSTS' BEST-POSITIONED NAMES: BROADLINE RETAIL

Split government under Trump

What this means



**GOP** President



**DEM** House



**GOP** Senate

**COST,  
WMT**

**Griffin**

COST and WMT should continue to win in this scenario with their pricing competitive advantages and growing convenience/loyalty factor as the impact from trade-down remains a trend in near/mid-term.



Consumer Staples Distribution & Retail

**KEY TAKEAWAYS: CONSUMER STAPLES DISTRIBUTION & RETAIL**

**Historical Takeaways**

Average Performance Over Time  
(vs. S&P 500)



- On average, consumer staples distribution & retail historically performs best under a **Republican President + Democratic Congress**.
- On average, consumer staples distribution & retail historically perform worst under a **Republican Sweep (Republican President + Republican Congress)**.

**Analysts' Best-Positioned**



DEM Sweep



GOP Sweep

N/A

**ARKO, ATD-TSX,  
CASY, MUSA**



DEM WH/Split Congress



GOP WH/Split Congress

**MUSA**

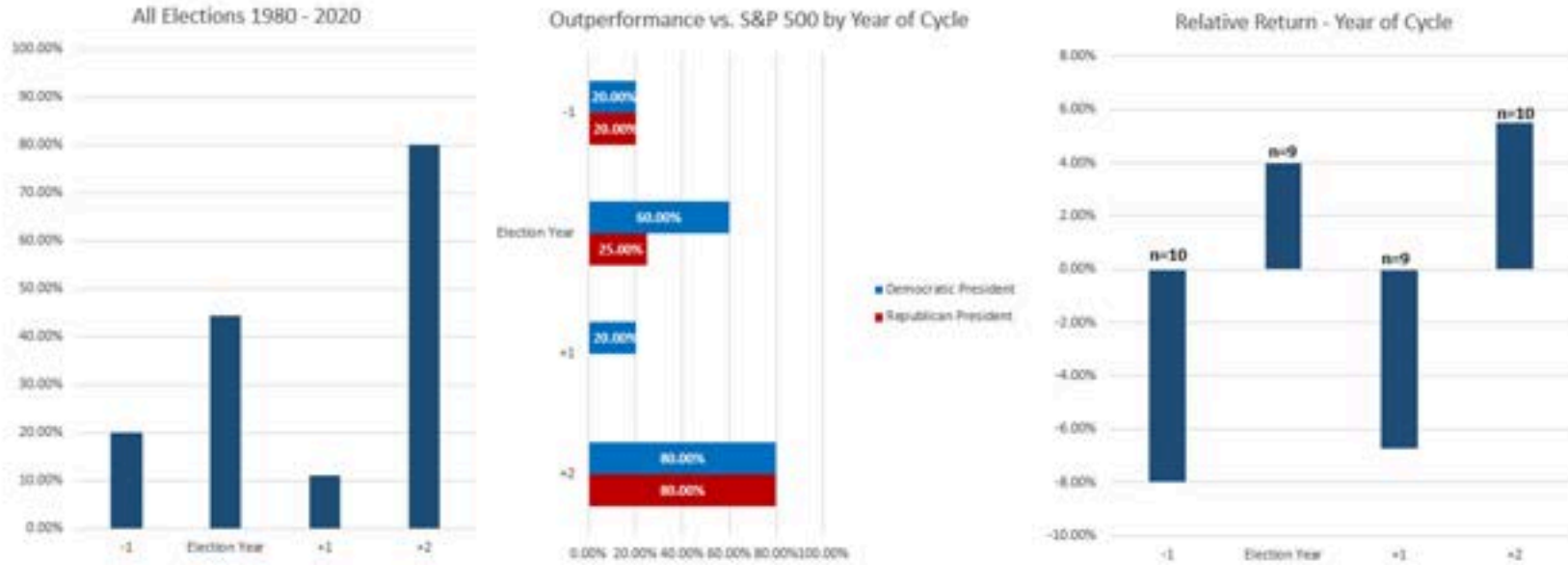
N/A

**Key Takeaways**

- Structural benefits to consumer stocks with largely domestic supply chains under a **GOP sweep** with potential for increased M&A.

Consumer Staples Distribution & Retail

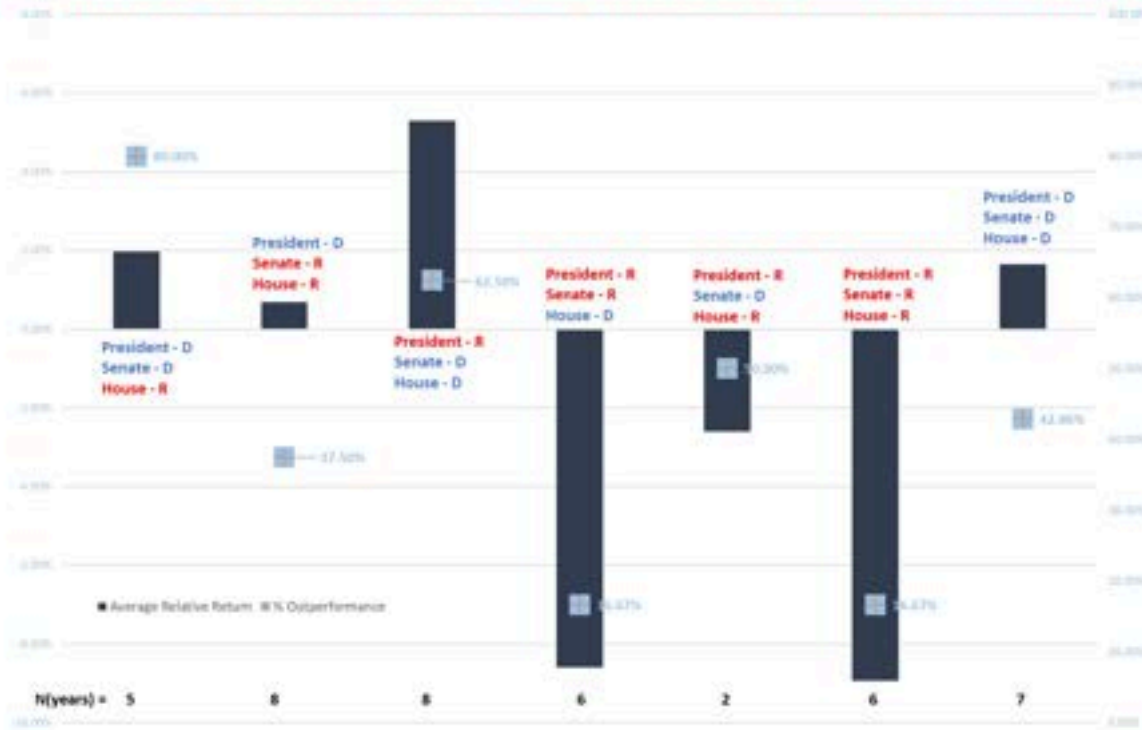
PERCENT OF ELECTIONS OUTPERFORMING S&P 500 BY YEAR OF CYCLE



Source: Bloomberg, FactSet, Raymond James research; \*Note that Consumer Staples Distribution & Retail was previously called Food & Staples Retailing and is labeled as such in our corresponding 2020 election reports.

Consumer Staples Distribution & Retail

RELATIVE RETURN AND OUTPERFORMANCE BY PARTY AFFILIATION



Source: Bloomberg, FactSet, Raymond James research



Consumer Staples Distribution & Retail

**ANALYSTS' BEST-POSITIONED NAMES: CONSUMER STAPLES DISTRIBUTION & RETAIL**



**GOP Sweep**

What this means

-  **GOP President**
-  **GOP House**
-  **GOP Senate**

**ARKO,  
ATD-TSX,  
CASY,  
MUSA**

**Griffin**  
The U.S. convenience store industry is an area that would see increased investor focus and interest under a GOP Sweep, given the industry's largely domestic supply chain, structural benefits to large scale players and potential for increased M&A (highly fragmented industry).

Consumer Staples Distribution & Retail

**ANALYSTS' BEST-POSITIONED NAMES: CONSUMER STAPLES DISTRIBUTION & RETAIL**

**Split government under Democrats**

What this means



**DEM President**



**DEM House**



**GOP Senate**

**MUSA**

**Griffin**

Under the status-quo environment, well capitalized convenience stores should continue to benefit from market share gains from smaller operators. Specifically, MUSA should continue to benefit from price focused customers given their value proposition (will continue to take share on gallons and in-store).

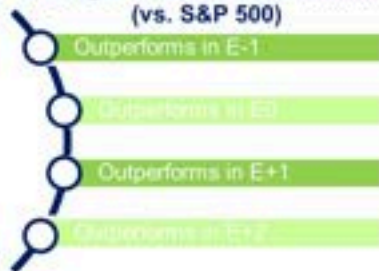


Specialty Retail

KEY TAKEAWAYS: SPECIALTY RETAIL

Historical Takeaways

Average Performance Over Time (vs. S&P 500)



- On average, specialty retail historically performs best under a **Republican President and Divided Congress (Democratic Senate + Republican House)**.
- On average, specialty retail historically performs worst under a **Democratic Sweep (Democratic President + Democratic Congress)**.

Analysts' Best-Positioned



DEM Sweep

CROX, SKX



GOP Sweep

AZO, TSCO, UPBD



DEM WH/Split Congress

CROX, SKX, W



GOP WH/Split Congress

N/A

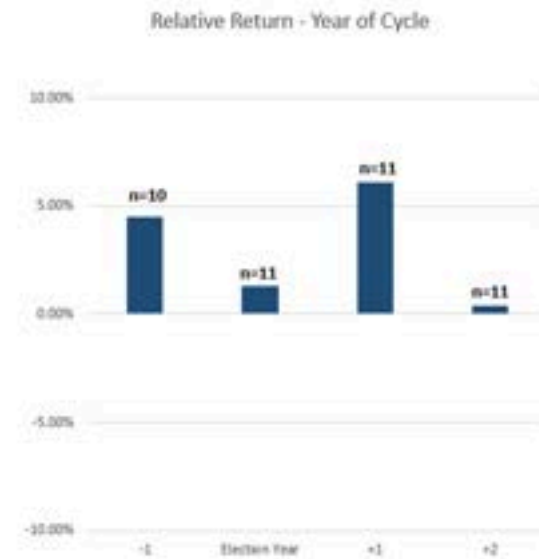
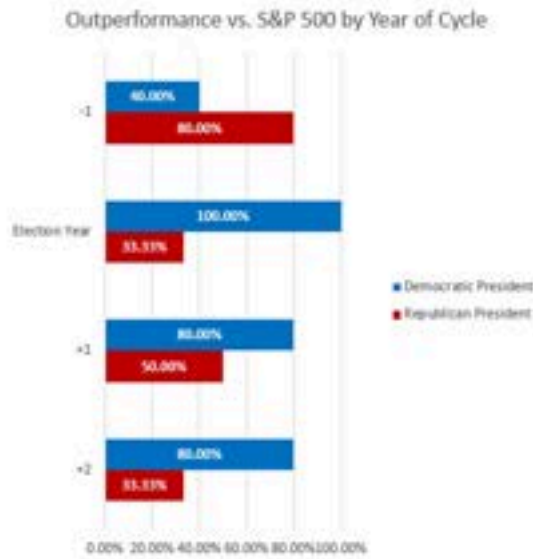
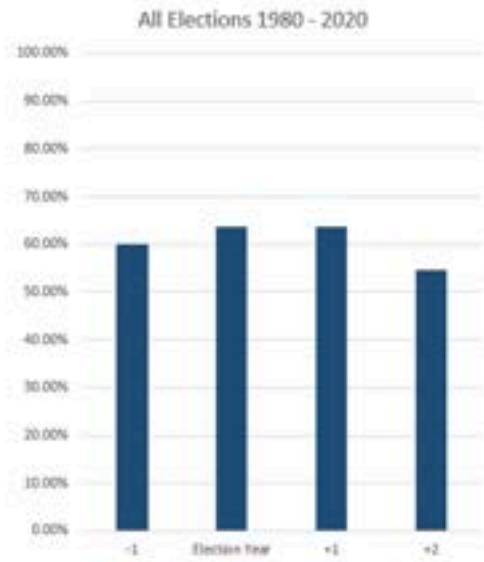
Key Takeaways

- While any additional tariffs under a **GOP sweep** would negatively impact the auto part retail industry, pricing power provides an offset to inflationary pressures. Firms with larger domestic based supply chain are set to benefit, while a 'higher for longer' interest rate environment could drive trade down behavior.
- Under a **DEM sweep**, the expiration of Trump tax cuts in 2025 could be a negative catalyst for "aspirational" consumers, weighing on premium brands, while the FTC would likely continue to create friction for M&A activity across the space.



Specialty Retail

PERCENT OF ELECTIONS OUTPERFORMING S&P 500 BY YEAR OF CYCLE

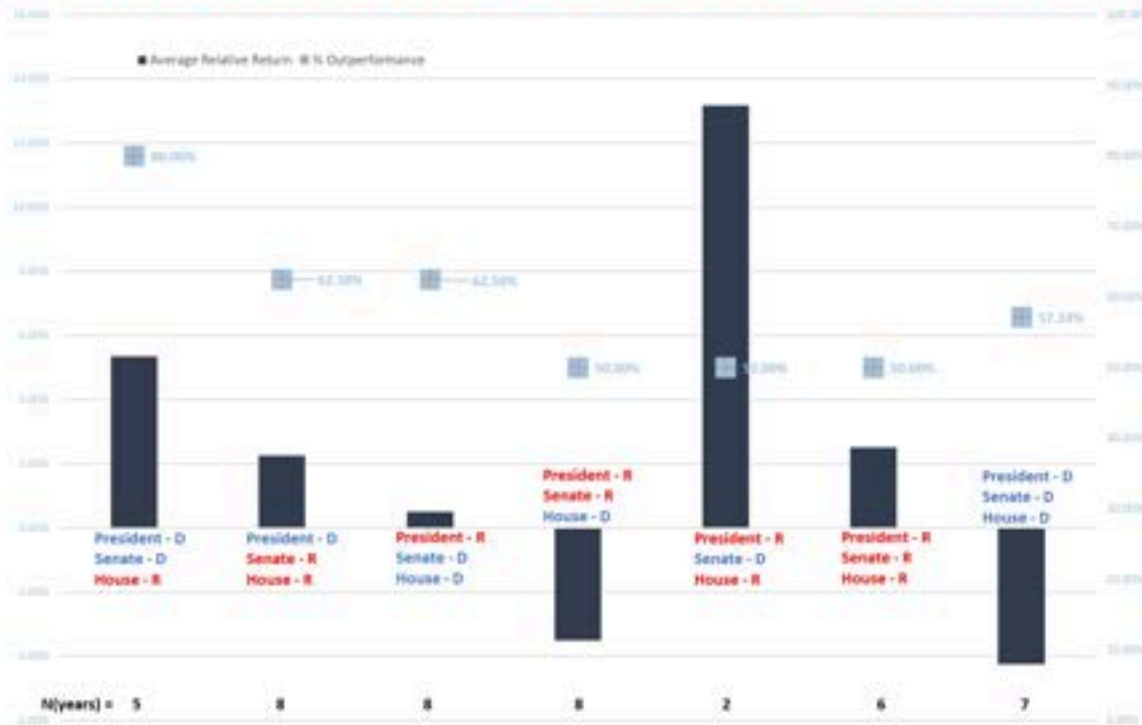


Source: Bloomberg, FactSet, Raymond James research



Specialty Retail

RELATIVE RETURN AND OUTPERFORMANCE BY PARTY AFFILIATION



Source: Bloomberg, FactSet, Raymond James research



Specialty Retail

**ANALYSTS' BEST-POSITIONED NAMES: SPECIALTY RETAIL**

**GOP Sweep**

What this means



**GOP President**



**GOP House**



**GOP Senate**

**AZO**

**Griffin**

While the auto part retail industry has negative exposure to any potential tariffs (global supply chain, with Asia/China/Mexico exposure), the industry has a long-proven history of pricing power to offset inflationary pressures.

**TSCO**

**Griffin**

TSCO is set to benefit under a GOP sweep from its exposure to rural America, larger domestic based supply chain (versus other areas of retail), and modest pricing power its C.U.E. product offerings."



Specialty Retail

ANALYSTS' BEST-POSITIONED NAMES: SPECIALTY RETAIL

**GOP Sweep**

What this means



**GOP President**



**GOP House**



**GOP Senate**

**UPBD**

**Griffin**

Higher for longer interest rate environment could continue to drive trade down behavior into lease to own operators.



Specialty Retail

ANALYSTS' BEST-POSITIONED NAMES: SPECIALTY RETAIL

DEM Sweep

What this means



DEM President



DEM House



DEM Senate

CROX,  
SKX

Patel

- We expect "more of the same." This includes increase in immigration that could help fuel domestic spending and keep wage costs low for companies.
- The sunseting of Trump tax cuts in 2025 could be a negative catalyst for "aspirational" consumers that could weigh on premium brands.
- FTC likely continues to create friction for M&A activity across the space.



Specialty Retail

ANALYSTS' BEST-POSITIONED NAMES: SPECIALTY RETAIL

DEM Sweep

What this means



DEM President



DEM House



DEM Senate

CROX

Patel

Strong brand heat, self-help drivers, benefit from trade down given accessible price points.

SKX

Patel

Strong brand heat, growth drivers in China, accessible price points in tough economy.



Specialty Retail

ANALYSTS' BEST-POSITIONED NAMES: SPECIALTY RETAIL

Split government under Democrats

What this means



DEM President



DEM House



GOP Senate



Griffin

Status-quo environment, with expectations for lower interest rates could benefit bedding and furniture related names (less supply chain risk for furniture companies).



Patel

Same points as DEM sweep (expiration of Trump tax cuts a negative catalyst for "aspirational", FTC creates friction for M&A activity) but likely friction along the way.



Specialty Retail

ANALYSTS' BEST-POSITIONED NAMES: SPECIALTY RETAIL

Split government under Democrats

What this means



DEM President



DEM House



GOP Senate

CROX

Patel

Strong brand heat, self-help drivers, benefit from trade down given accessible price points.

SKX

Patel

Strong brand heat, self-help drivers, benefit from trade down given accessible price points.



Textiles, Apparel, & Luxury Goods

KEY TAKEAWAYS: TEXTILES, APPAREL, & LUXURY GOODS

Historical Takeaways

Average Performance Over Time (vs. S&P 500)



- On average, textiles, apparel, & luxury goods historically performs best under a **Republican President + Divided Congress (Democratic Senate & Republican House)**.
- On average, textiles, apparel, & luxury goods historically performs best under a **Republican President + Divided Congress (Republican Senate & Democratic House)**.

Analysts' Best-Positioned



DEM Sweep

N/A



GOP Sweep

LULU, RL



DEM WH/Split Congress

ATZ-TSX



GOP WH/Split Congress

LULU, RL

Key Takeaways

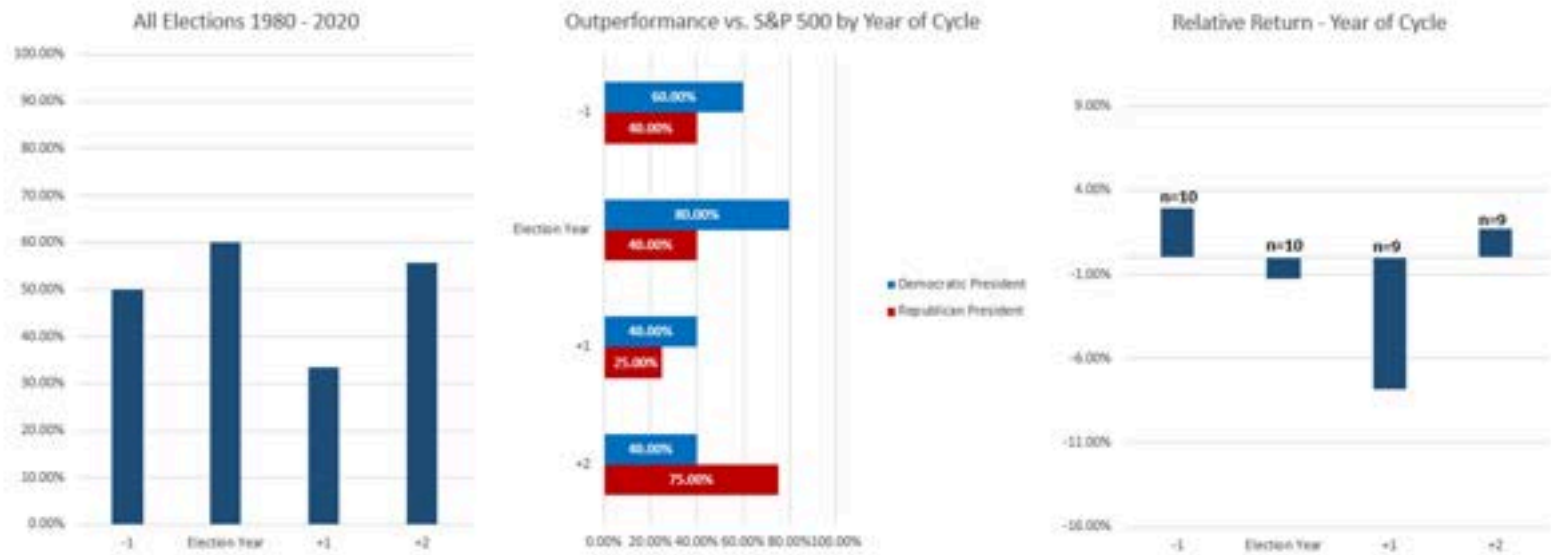
- A **GOP sweep** would likely result in increased Chinese tariffs. A potentially more M&A-friendly backdrop could spark deal-making activity across the space. Risks for global brands with high China exposure.
- Under a **DEM sweep**, the expiration of the Trump tax cuts in 2025 could be a negative catalyst for "aspirational" consumers, weighing on premium brands. The FTC likely continues to create friction for M&A activity across the space.





Textiles, Apparel, & Luxury Goods

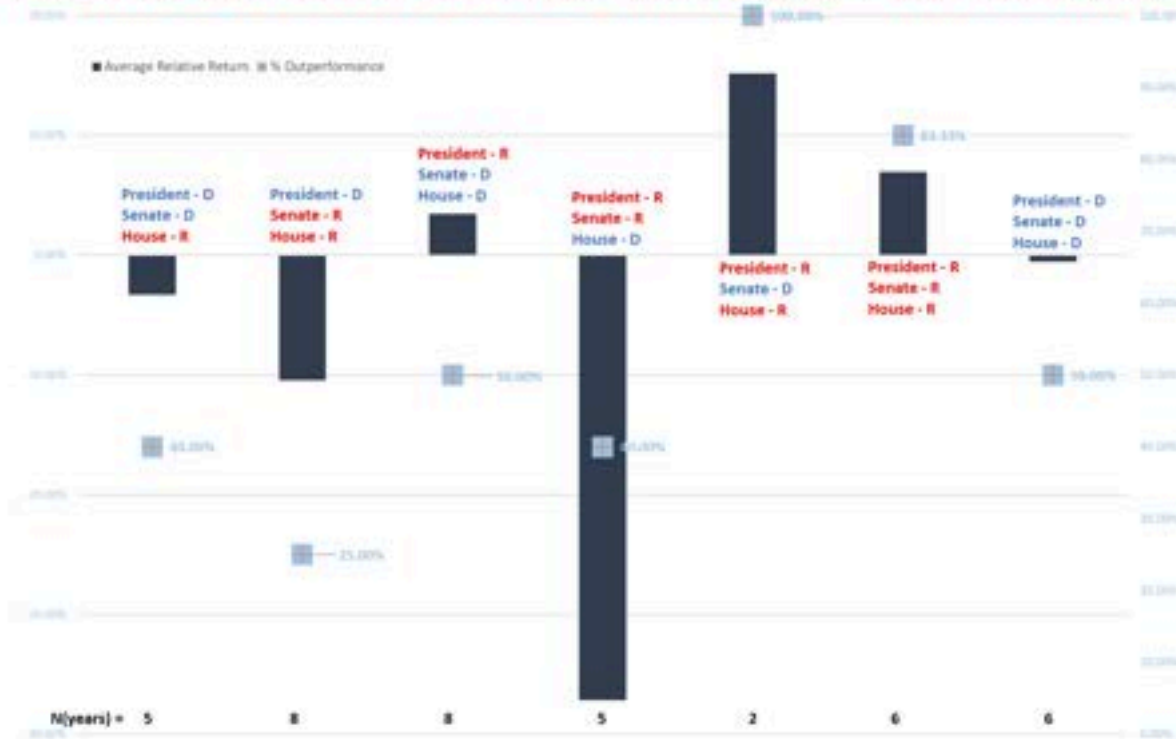
PERCENT OF ELECTIONS OUTPERFORMING S&P 500 BY YEAR OF CYCLE



Source: Bloomberg, FactSet, Raymond James research

Textiles, Apparel, & Luxury Goods

RELATIVE RETURN AND OUTPERFORMANCE BY PARTY AFFILIATION



Source: Bloomberg, FactSet, Raymond James research



Textiles, Apparel, & Luxury Goods

**ANALYSTS' BEST-POSITIONED NAMES: TEXTILES, APPAREL, & LUXURY GOODS**

**GOP Sweep**

What this means



**GOP President**



**GOP House**



**GOP Senate**

**LULU**

**Patel**

Pricing power, relatively low impact from tariffs from last increase, continuation of Trump tax cuts, not known as U.S. brand in China, low China sales base means growth can continue.

**RL**

**Patel**

On pricing power to offset inflation from tariffs. Continuation of Trump tax cuts. Low sales penetration to China should enable growth.



Textiles, Apparel, & Luxury Goods

**ANALYSTS' BEST-POSITIONED NAMES: TEXTILES, APPAREL, & LUXURY GOODS**

**Split government under Trump**

What this means



**GOP** President



**DEM** House



**GOP** Senate

LULU

**Patel**

Pricing power, relatively low impact from tariffs from last increase, continuation of Trump tax cuts, not known as U.S. brand in China, low China sales base means growth can continue.

RL

**Patel**

On pricing power to offset inflation from tariffs. Continuation of Trump tax cuts. Low sales penetration to China should enable growth.



Textiles, Apparel, & Luxury Goods

**ANALYSTS' BEST-POSITIONED NAMES: TEXTILES, APPAREL, & LUXURY GOODS**

Split government under Democrats

What this means



**DEM President**



**DEM House**



**GOP Senate**

**ATZ-TSX**

**Glen**

- The expiration of Trump tax cuts in 2025 could be a negative catalyst for "aspirational" consumers that could weigh on premium brands
- FTC likely continues to create friction for M&A activity across the space.
- Positive set-up with clarity surrounding the China tariff agenda given this remains an important region for sourcing (second to Vietnam which is now the largest sourcing region).
- Expiration of the individual tax cuts is manageable given Aritzia's relatively early stage of growth in the U.S., increasing brand awareness and evidence of strong levels of customer demand.





Household Products

KEY TAKEAWAYS: HOUSEHOLD PRODUCTS

Historical Takeaways

Average Performance Over Time (vs. S&P 500)



- On average, household products historically performs best under a **Republican President + Divided Congress**.
- On average, household products historically perform worst under **Democratic President + Divided Congress**.

Analysts' Best-Positioned



DEM Sweep

SMG



GOP Sweep

N/A



DEM WH/Split Congress

N/A



GOP WH/Split Congress

N/A

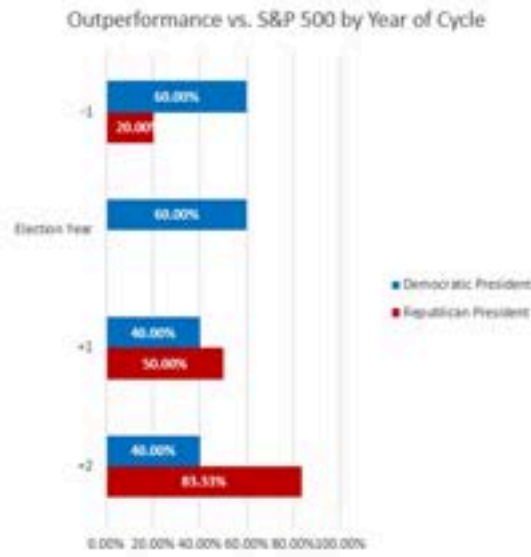
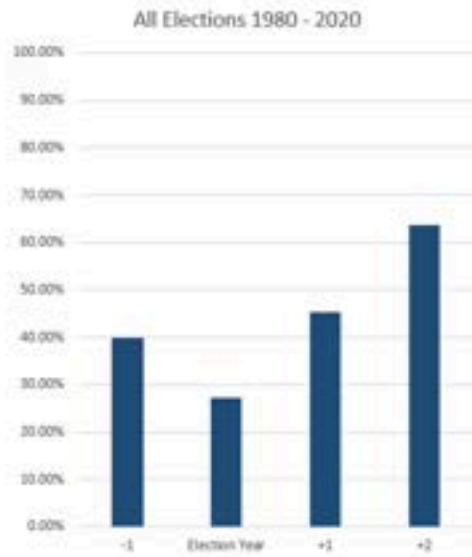
Key Takeaways

- A **DEM sweep** could see significant progress on cannabis legislation and regulation, while incremental tariffs are not likely material to the space.



Household Products

PERCENT OF ELECTIONS OUTPERFORMING S&P 500 BY YEAR OF CYCLE

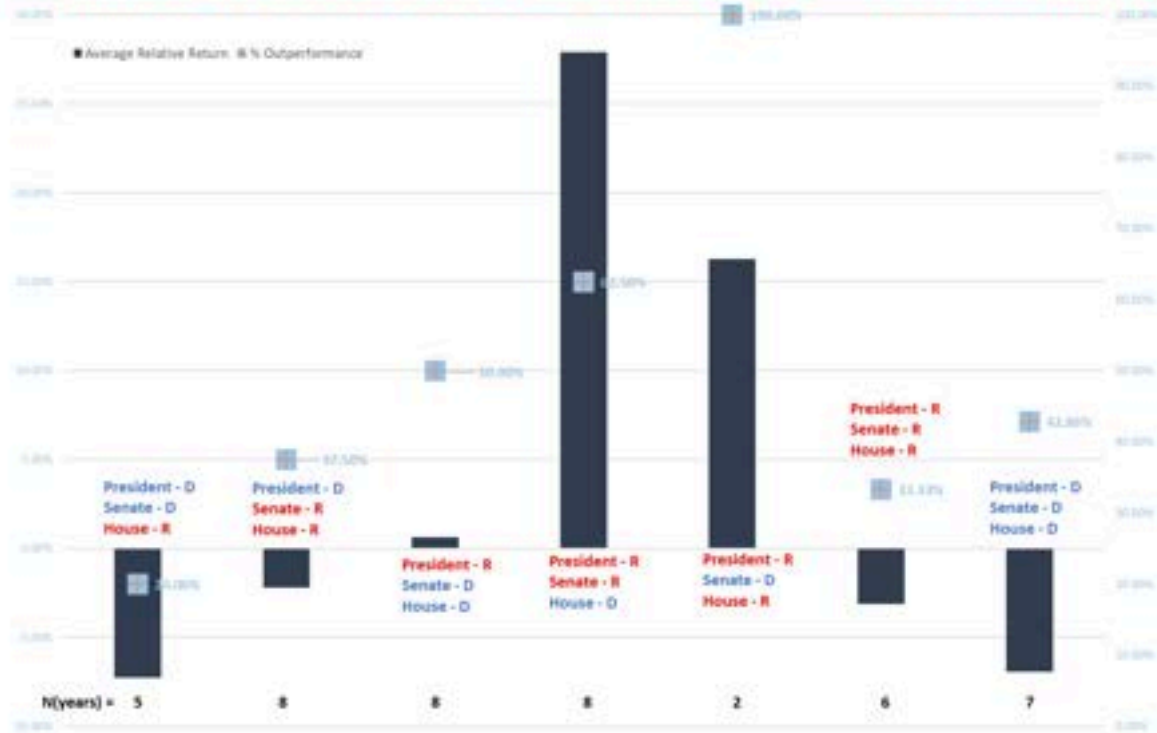


Source: Bloomberg, FactSet, Raymond James research



Household Products

RELATIVE RETURN AND OUTPERFORMANCE BY PARTY AFFILIATION



Source: Bloomberg, FactSet, Raymond James research





Household Products

**ANALYSTS' BEST-POSITIONED NAMES: HOUSEHOLD PRODUCTS**

**DEM Sweep**



**Altobello**

A Democratic sweep could see significant progress on cannabis legislation and regulation which would help cultivators and, by extension, SMG's Hawthorne division.

What this means

-  **DEM President**
-  **DEM House**
-  **DEM Senate**

Leisure Products

KEY TAKEAWAYS: LEISURE PRODUCTS

Historical Takeaways

Average Performance Over Time (vs. S&P 500)



- On average, leisure products historically perform best under **Republican President + Divided Congress**.
- On average, leisure products historically perform worst under a **Democratic President + Republican Congress**.

Analysts' Best-Positioned



DEM Sweep

CWH, PLNT



GOP Sweep

GOLF, XPOF



DEM WH/Split Congress

DOO-TSX, HOG  
PII, PLNT



GOP WH/Split Congress

GOLF, XPOF

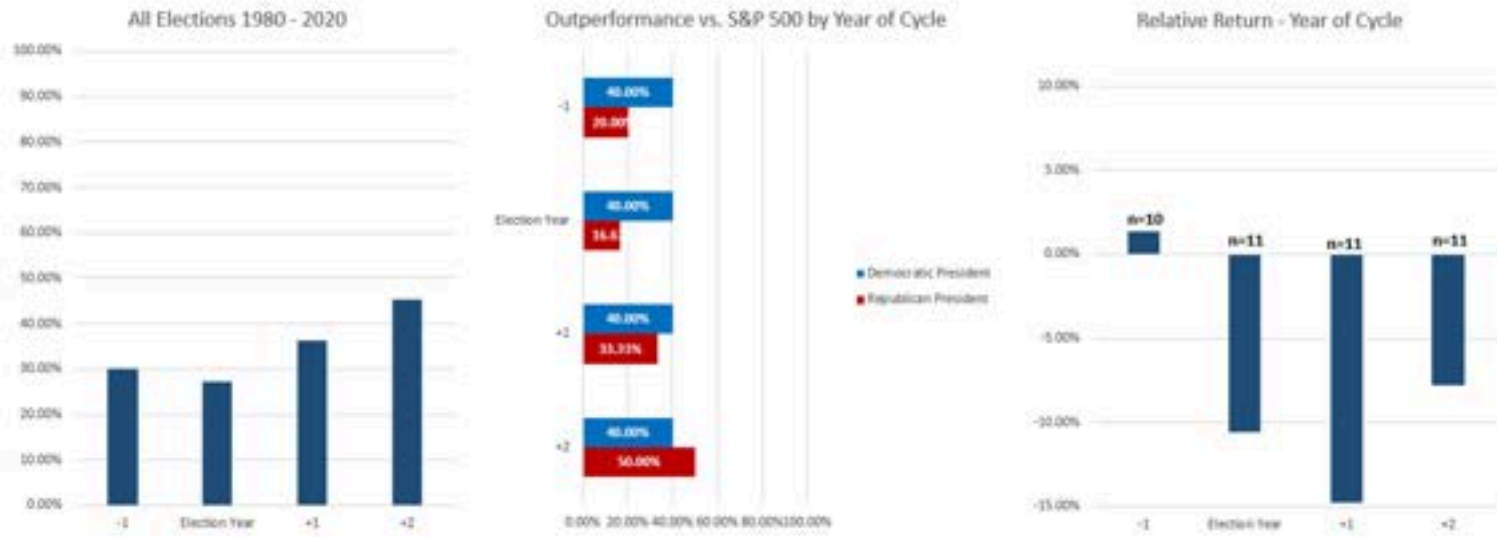
Key Takeaways

- A **GOP sweep** would most likely result in an extension to tax cuts – if not a further expansion to the cuts – providing a tailwind to demand for products favored by higher-income consumers.
- A **DEM sweep** could result in cooler inflation that disproportionately affects lower-income (highly economic/rate sensitive) consumers.
- Inflationary risks around a **split government under Democrats would be the best case-scenario for Leisure**, as split government would likely create a legislative stalemate and help to ensure relatively benign tax and regulatory policies.



Leisure Products

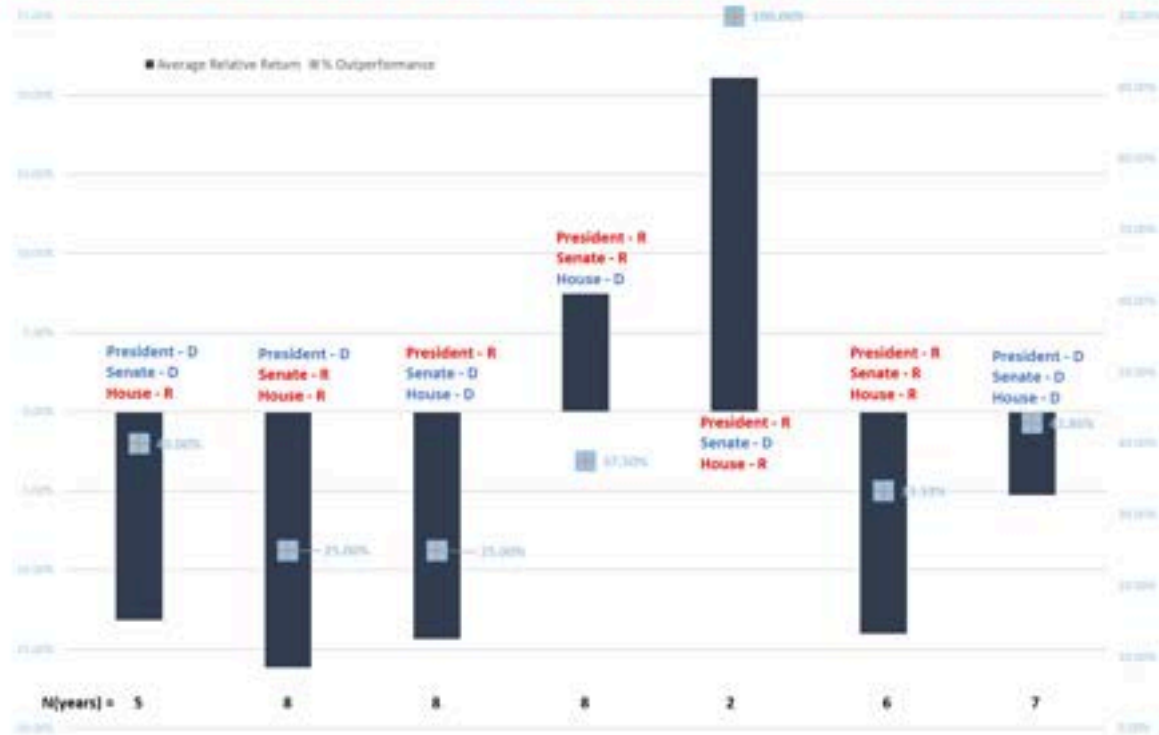
PERCENT OF ELECTIONS OUTPERFORMING S&P 500 BY YEAR OF CYCLE



Source: Bloomberg, FactSet, Raymond James research

Leisure Products

RELATIVE RETURN AND OUTPERFORMANCE BY PARTY AFFILIATION



Source: Bloomberg, FactSet, Raymond James research



Leisure Products

ANALYSTS' BEST-POSITIONED NAMES: LEISURE PRODUCTS

**GOP Sweep**

What this means



**GOP President**



**GOP House**



**GOP Senate**

**GOLF**

**Altobello**

Upper income customers would benefit from an extension to tax cuts, while a weaker dollar could provide a tailwind to international sales.

**XPOF**

**Altobello**

Members tend to be upper income and would benefit from the extension of tax cuts, while tariff and immigration policy would likely have very little impact.



Leisure Products

**ANALYSTS' BEST-POSITIONED NAMES: LEISURE PRODUCTS**

**DEM Sweep**

What this means



**DEM President**



**DEM House**



**DEM Senate**

**CWH**

**Altobello**

Cooling inflation and lower interest rates should disproportionately impact CWH, both in the form of improved demand (highly economic/rate sensitive customer) and less onerous floor plan interest expense.

**PLNT**

**Altobello**

PLNT could benefit from cooler inflation that disproportionately affects lower income consumers, while lower interest rates could improve franchisee economics and accelerate store openings.



Leisure Products

ANALYSTS' BEST-POSITIONED NAMES: LEISURE PRODUCTS

Split government under Trump

What this means



**GOP** President



**DEM** House



**GOP** Senate

GOLF

**Altobello**

Upper income customers would benefit from an extension to tax cuts, while a weaker dollar could provide a tailwind to international sales.

XPOF

**Altobello**

Members tend to be upper income and would benefit from the extension of tax cuts, while tariff and immigration policy would likely have very little impact.



Leisure Products

**ANALYSTS' BEST-POSITIONED NAMES: LEISURE PRODUCTS**

**Split government under Democrats**

What this means



**DEM** President



**DEM** House



**GOP** Senate

**DOO-TSX**

**Altobello**

Powersports OEMs with a significant manufacturing footprint in Mexico could outperform if trade wars don't heat up and interest rate cuts spur demand.

**HOG**

**Altobello**

As a global motorcycle manufacturer with a captive finance company, HOG should benefit from a falling interest rate environment as it would both boost demand and expand net interest margins.





Leisure Products

**ANALYSTS' BEST-POSITIONED NAMES: LEISURE PRODUCTS**

**Split government under Democrats**

What this means



**DEM** President



**DEM** House



**GOP** Senate

**Pll**

**Altobello**

Powersports OEMs with a significant manufacturing footprint in Mexico could outperform if trade wars don't heat up and interest rate cuts spur demand.

**PLNT**

**Altobello**

PLNT could benefit from cooler inflation that disproportionately affects lower income consumers, while lower interest rates could improve franchisee economics and accelerate store openings.





Restaurants & Leisure

KEY TAKEAWAYS: RESTAURANTS & LEISURE

Historical Takeaways

Average Performance Over Time (vs. S&P 500)



- On average, restaurants & leisure historically performs best under **Republican President + Divided Congress**.
- On average, restaurants & leisure historically performs worst under a **Democratic Sweep (Democratic President + Democratic Congress)**.

Analysts' Best-Positioned



DEM Sweep

BYD, PENN, MCD



GOP Sweep

CAKE, CMG, CZR  
DRI, EAT, SHAK



DEM WH/Split Congress

CZR



GOP WH/Split Congress

CZR

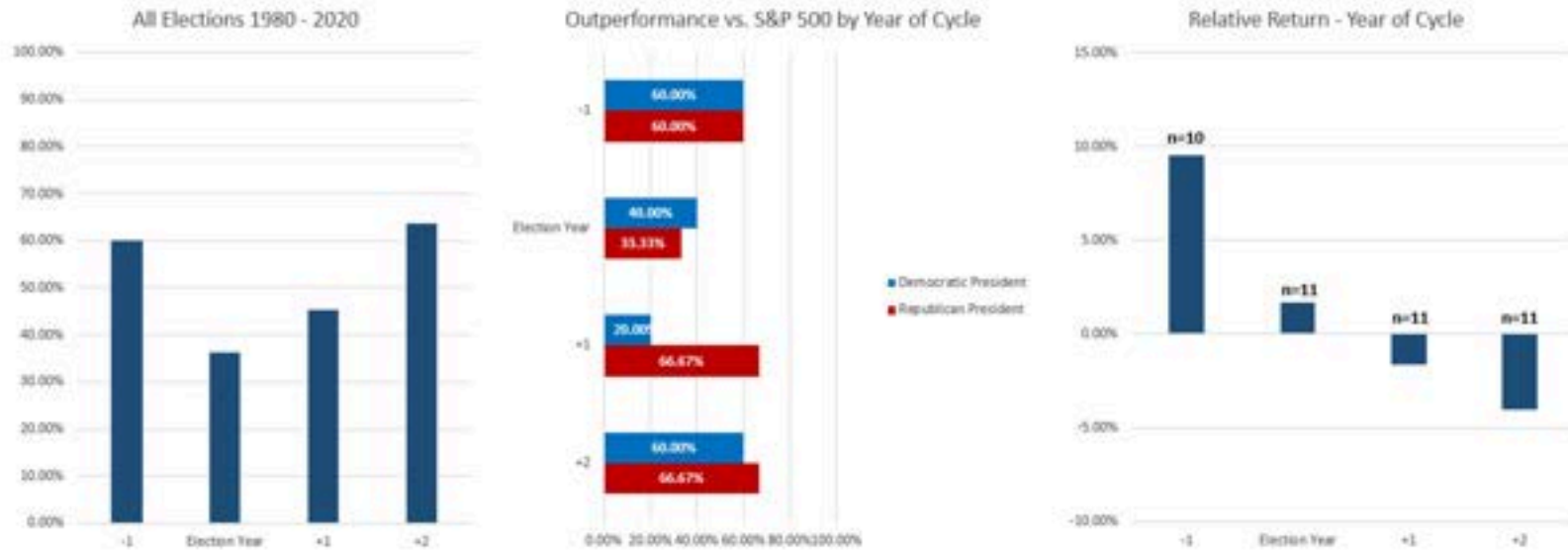
Key Takeaways

- Tax cut extensions under a **GOP sweep** could benefit full-service and higher-end consumer, with fast casual stocks stand to benefit (FS) from the potential exemption of tipped wages from federal income taxes.
- A **DEM sweep** scenario may result in an expanded Child Tax Credit, benefitting highly franchised QSR stocks given above-average exposure to lower income consumer. An increase in discretionary spending in the low-to-middle income earners would result in tailwinds for regional casinos.



Restaurants & Leisure

PERCENT OF ELECTIONS OUTPERFORMING S&P 500 BY YEAR OF CYCLE

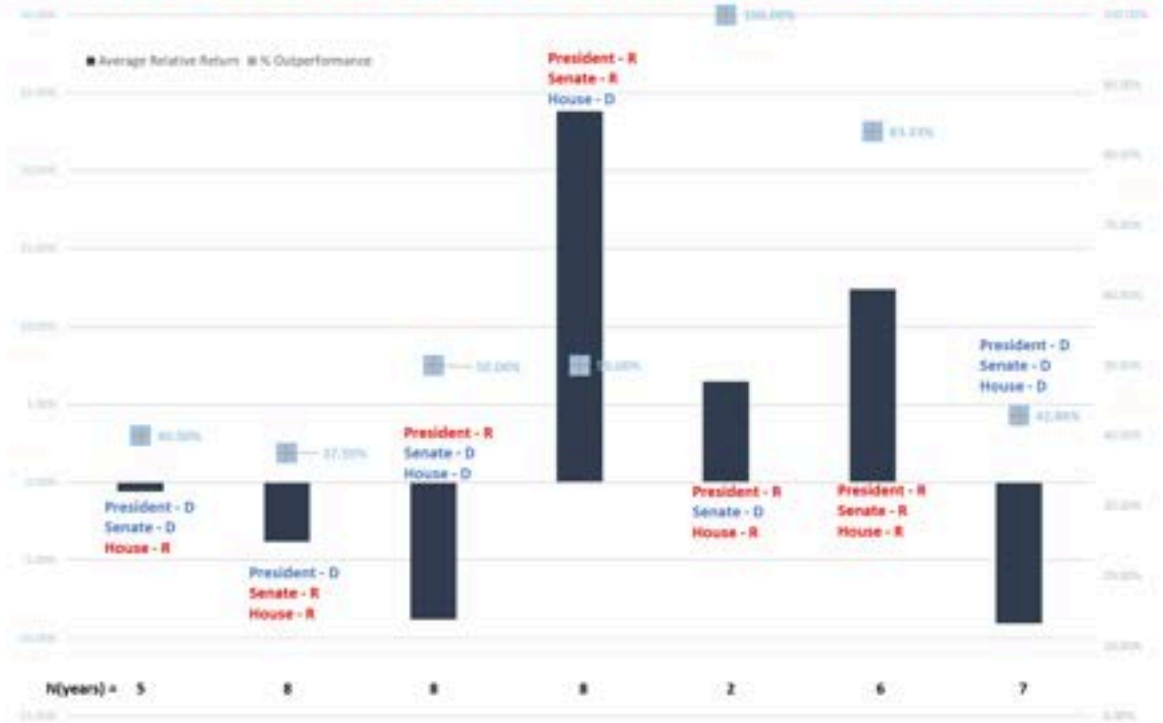


Source: Bloomberg, FactSet, Raymond James research



**Restaurants & Leisure**

**RELATIVE RETURN AND OUTPERFORMANCE BY PARTY AFFILIATION**



Source: Bloomberg, FactSet, Raymond James research



Restaurants & Leisure

**ANALYSTS' BEST-POSITIONED NAMES: RESTAURANTS & LEISURE**

**GOP Sweep**

What this means



**GOP President**



**GOP House**



**GOP Senate**

**CZR**

**Milligan**

CZR's has sizeable exposure to Las Vegas and the higher-end consumer so it should see an outsized benefit in a GOP Sweep or mixed government.

**CAKE,  
CMG, DRI,  
EAT, SHAK**

**Vaccaro**

Full-service and fast casual stocks which over-index to middle/upper income consumer (benefits from tax cut extension), have no exposure to China, and stand to benefit (FS) from potential exemption of tipped wages from federal income taxes. Immigration policies worth monitoring as relates to labor supply and potential wage inflation, but difficult to assess/quantify how much the open southern border has benefited industry employment last few years.



Restaurants & Leisure

**ANALYSTS' BEST-POSITIONED NAMES: RESTAURANTS & LEISURE**

**DEM Sweep**

What this means



**DEM President**



**DEM House**



**DEM Senate**

**BYD,  
PENN**

**Milligan**

With an increase in discretionary spending in the bottom 50% of household by wealth, we believe PENN and BYD would see a meaningful tailwinds in their regional casinos.

**MCD**

**Vaccaro**

Highly franchised QSR stocks given above-average exposure to lower income consumer, and some with a significant presence in China (MCD, SBUX, YUM). Interest rate/inflation implications are mixed, as group could benefit from higher for longer inflation backdrop assuming pricing power restored, but higher interest rates could also pressure valuations (FCF yield vs. 10-year analysis).



Restaurants & Leisure

**ANALYSTS' BEST-POSITIONED NAMES: RESTAURANTS & LEISURE**

**Split government under Trump**

What this means



**GOP** President



**DEM** House



**GOP** Senate



**Milligan**

CZR's has sizeable exposure to Las Vegas and the higher-end consumer so it should see an outsized benefit in a GOP sweep or mixed government.



Restaurants & Leisure

**ANALYSTS' BEST-POSITIONED NAMES: RESTAURANTS & LEISURE**

**Split government under Democrats**

What this means



**DEM President**



**DEM House**



**GOP Senate**



**Milligan**

CZR's has sizeable exposure to Las Vegas and the higher-end consumer so it should see an outsized benefit in a GOP sweep or mixed government.



Personal Products

KEY TAKEAWAYS: PERSONAL PRODUCTS

Historical Takeaways

Average Performance Over Time  
(vs. S&P 500)



- On average, personal products historically performs best under a **Republican President + Divided Congress**.
- On average, personal products historically perform worst under **Democratic President + Divided Congress**.

Analysts' Best-Positioned



DEM Sweep

ELF, HELE, NWL,  
PG



GOP Sweep

BBWI, CHD, CL,  
SPB, ULTA



DEM WH/Split Congress

CL, ELF, HELE,  
NWL, PG, SPB,  
ULTA



GOP WH/Split Congress

BBWI, CHD, CL,  
ELF, PB, SPB,  
ULTA

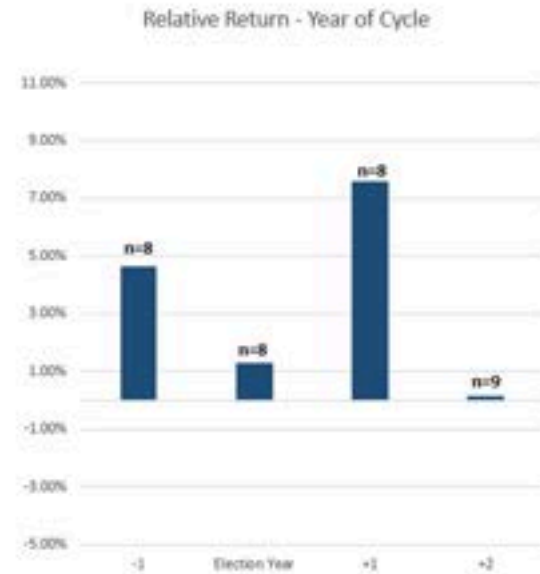
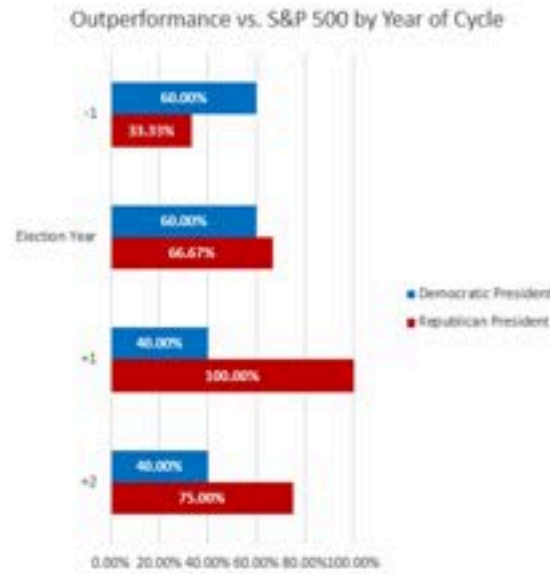
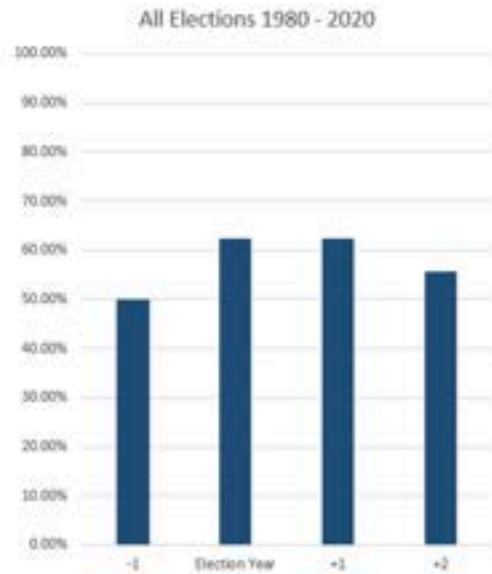
Key Takeaways

- Under a **GOP sweep**, companies with primarily onshore manufacturing could be insulated from tariff pressures. Lower risk of pushback on M&A would benefit deal-oriented companies.
- Tax relief to lower-income consumers, less risk of aggressive stance on China (compared to GOP sweep scenario), and a lower risk of large-scale trade wars under a **DEM sweep**.



Personal Products

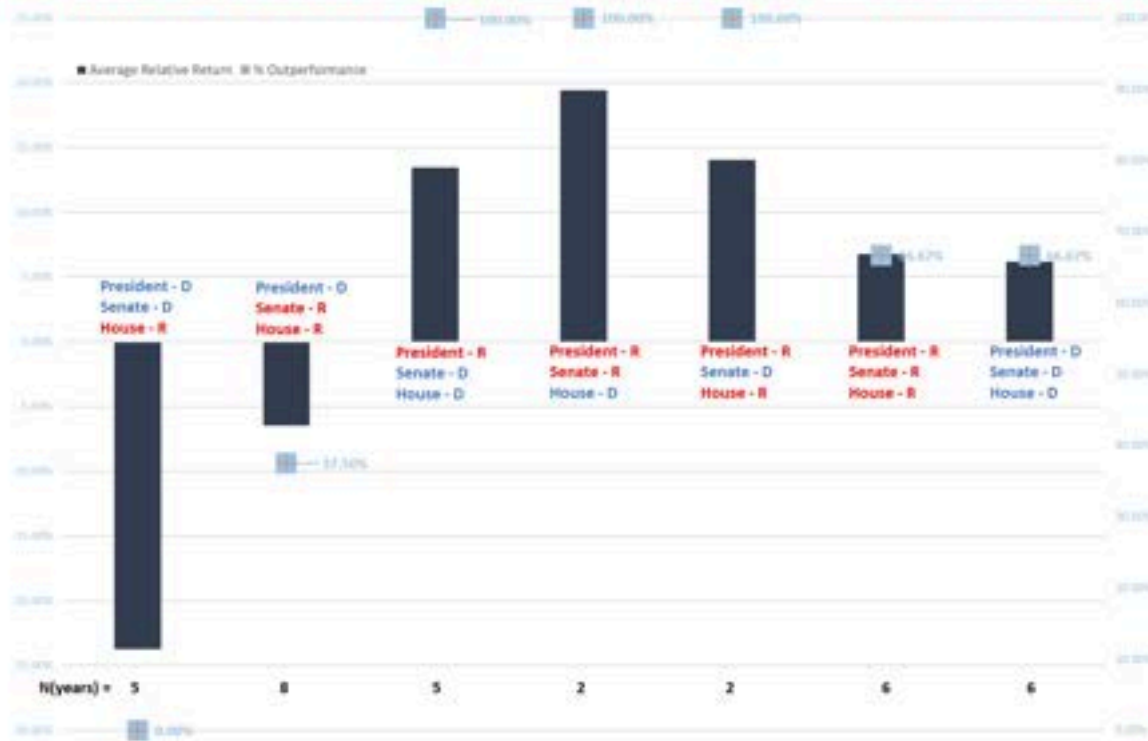
PERCENT OF ELECTIONS OUTPERFORMING S&P 500 BY YEAR OF CYCLE



Source: Bloomberg, FactSet, Raymond James research

Personal Products

RELATIVE RETURN AND OUTPERFORMANCE BY PARTY AFFILIATION



Source: Bloomberg, FactSet, Raymond James research



Personal Products

ANALYSTS' BEST-POSITIONED NAMES: PERSONAL PRODUCTS

GOP Sweep

What this means



GOP President



GOP House



GOP Senate

BBWI,  
CHD, CL,  
SPB, ULTA

Tong

Companies with primarily onshore manufacturing, vertically integrated and primarily domestic supply chains could be insulated from tariff pressures.

Companies with mostly domestic sales base and generate <20% of sales in international markets, lower risk of pushback on M&A would benefit deal-oriented companies.



Personal Products

ANALYSTS' BEST-POSITIONED NAMES: PERSONAL PRODUCTS

**GOP Sweep**

What this means



**GOP President**



**GOP House**



**GOP Senate**

**BBWI**

**Tong**

Domestic supply chain.

**CHD**

**Tong**

Mostly domestic revenue and manufacturing base and lower risk of pushback on M&A.



Personal Products

ANALYSTS' BEST-POSITIONED NAMES: PERSONAL PRODUCTS

**GOP Sweep**

What this means



**GOP President**



**GOP House**



**GOP Senate**

CL

**Tong**

Continued benefit from innovation driving improved sales mix, expanding margins, and disciplined brand support, with less exposure to potential China tailwinds weighing on peers.

SPB

**Tong**

Lower risk of pushback on M&A, though partly offset by risk of higher import tariffs.



Personal Products

ANALYSTS' BEST-POSITIONED NAMES: PERSONAL PRODUCTS

**GOP Sweep**

What this means



**GOP President**



**GOP House**



**GOP Senate**

**ULTA**

**Tong**

Benefit of 100% domestic revenue base.



Personal Products

ANALYSTS' BEST-POSITIONED NAMES: PERSONAL PRODUCTS

DEM Sweep

What this means



DEM President



DEM House



DEM Senate

ELF, HELE,  
NWL, PG

Tong

Higher risk of increasing taxes for wealthy, though partly offset by potential that limit on SALT deduction expires- risks to companies geared towards upper-market consumers. Tax relief to lower-income consumers, less risk of aggressive stance on China (compared to GOP Sweep scenario), and less risk of large scale trade wars.





Personal Products

**ANALYSTS' BEST-POSITIONED NAMES: PERSONAL PRODUCTS**

**DEM Sweep**

What this means



**DEM President**



**DEM House**



**DEM Senate**

**ELF**

**Tong**

Outsized growth with lower risk of higher import tariffs.

**HELE,  
NWL**

**Tong**

Less risk of aggressive stance on China.



Personal Products

**ANALYSTS' BEST-POSITIONED NAMES: PERSONAL PRODUCTS**

**DEM Sweep**

What this means



**DEM President**



**DEM House**



**DEM Senate**

**PG**

**Tong**

Continued benefit from innovation driving improved sales mix, expanding margins, and disciplined brand support, with China exposure less of a headwind.



Personal Products

ANALYSTS' BEST-POSITIONED NAMES: PERSONAL PRODUCTS

Split government under Trump

What this means



**GOP** President



**DEM** House



**GOP** Senate

BBWI

Tong

Domestic supply chain.

CHD

Tong

Mostly domestic revenue and manufacturing base and lower risk of pushback on M&A.



Personal Products

ANALYSTS' BEST-POSITIONED NAMES: PERSONAL PRODUCTS

Split government under Trump

What this means



**GOP** President



**DEM** House



**GOP** Senate

CL, PG

**Tong**

Continued benefits from innovation driving improved sales mix, expanding margins, and disciplined brand support.

ELF

**Tong**

Outsized growth, ability to price, and ability to move some of their manufacturing to other locales, mitigates but though does not completely take away risk of higher import tariffs.



Personal Products

ANALYSTS' BEST-POSITIONED NAMES: PERSONAL PRODUCTS

Split government  
under Trump

What this means



**GOP** President



**DEM** House



**GOP** Senate

ULTA

Tong

Benefit of 100% domestic revenue base.



Personal Products

**ANALYSTS' BEST-POSITIONED NAMES: PERSONAL PRODUCTS**

**Split government under Democrats**

What this means



**DEM** President



**DEM** House



**GOP** Senate

**CL, PG**

**Tong**

Status quo environment should continue to benefit CL and PG, with their consistent sales growth, improved mix, expanding margins, and disciplined brand support.

**ELF**

**Tong**

More of the same outsized growth.



Personal Products

ANALYSTS' BEST-POSITIONED NAMES: PERSONAL PRODUCTS

Split government under Democrats

What this means



DEM President



DEM House



GOP Senate

HELE,  
NWL

Tong

Lower risk of higher import tariffs.

SPB

Tong

Lower risk of higher import tariffs, though offset by risk of pushback on M&A.



Personal Products

ANALYSTS' BEST-POSITIONED NAMES: PERSONAL PRODUCTS

Split government under Democrats

What this means



DEM President



DEM House



GOP Senate

ULTA

Tong

More of the same/benefit of 100% domestic sales base.





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**Company Citations**

Company Name	Ticker	Exchange	Closing Price	RJ Rating	RJ Entity
ARKO Corp.	ARKO	NASDAQ	\$6.34	SB1	Raymond James & Associates
Acushnet Holdings Corp.	GOLF	NYSE	\$69.32	MP3	Raymond James & Associates
Alimentation Couche-Tard Inc.	ATD.T	TSX	C\$82.99	SB1	Raymond James & Associates
Aritzia Inc.	ATZ.T	TSX	C\$45.79	MO2	Raymond James Ltd.
AutoZone, Inc.	AZO	NYSE	\$2,957.73	SB1	Raymond James & Associates
BRP Inc.	DOO.T	TSX	C\$97.02	SB1	Raymond James & Associates
Bath & Body Works, Inc.	BBWI	NYSE	\$37.48	MO2	Raymond James & Associates
Boyd Gaming Corporation	BYD	NYSE	\$59.61	MO2	Raymond James & Associates
Brinker International, Inc.	EAT	NYSE	\$66.35	MO2	Raymond James & Associates
Caesars Entertainment, Inc.	CZR	NASDAQ	\$36.43	SB1	Raymond James & Associates
Camping World Holdings, Inc.	CWH	NYSE	\$21.00	MP3	Raymond James & Associates
Capri Holdings Limited	CPRI	NYSE	\$34.00	MP3	Raymond James & Associates
Casey's General Stores, Inc.	CASY	NASDAQ	\$378.96	MP3	Raymond James & Associates
Cheesecake Factory Inc.	CAKE	NASDAQ	\$39.20	MO2	Raymond James & Associates
Chipotle Mexican Grill, Inc.	CMG	NYSE	\$53.56	MO2	Raymond James & Associates
Church & Dwight Co., Inc.	CHD	NYSE	\$100.64	MP3	Raymond James & Associates
Colgate-Palmolive Company	CL	NYSE	\$97.95	MO2	Raymond James & Associates
Costco Wholesale Corporation	COST	NASDAQ	\$847.42	MO2	Raymond James & Associates
Crocs, Inc.	CROX	NASDAQ	\$133.28	SB1	Raymond James & Associates
Darden Restaurants, Inc.	DRI	NYSE	\$143.60	MO2	Raymond James & Associates
Dollar General Corporation	DG	NYSE	\$123.28	MO2	Raymond James & Associates
Griffon Corporation	GFF	NYSE	\$71.79	SB1	Raymond James & Associates
Harley-Davidson, Inc.	HOG	NYSE	\$35.33	MP3	Raymond James & Associates
Helen of Troy Limited	HELE	NASDAQ	\$57.05	MP3	Raymond James & Associates
Hillman Solutions Corp.	HLMN	NASDAQ	\$9.83	MO2	Raymond James & Associates
Leggett & Platt, Incorporated	LEG	NYSE	\$12.89	MP3	Raymond James & Associates
Masco Corporation	MAS	NYSE	\$72.84	MP3	Raymond James & Associates
McDonald's Corporation	MCD	NYSE	\$259.54	MP3	Raymond James & Associates
Mohawk Industries, Inc.	MHK	NYSE	\$127.32	SB1	Raymond James & Associates
Murphy USA Inc.	MUSA	NYSE	\$517.77	MO2	Raymond James & Associates
NIKE, Inc.	NKE	NYSE	\$74.86	MP3	Raymond James & Associates
Newell Brands Inc.	NWL	NASDAQ	\$6.42	MP3	Raymond James & Associates
PENN Entertainment, Inc.	PENN	NASDAQ	\$18.72	MP3	Raymond James & Associates
Planet Fitness, Inc.	PLNT	NYSE	\$76.39	SB1	Raymond James & Associates
Polaris Inc.	PII	NYSE	\$82.14	MP3	Raymond James & Associates
Ralph Lauren Corporation	RL	NYSE	\$168.21	MO2	Raymond James & Associates
Sally Beauty Holdings, Inc.	SBH	NYSE	\$11.39	MU4	Raymond James & Associates
Shake Shack Inc.	SHAK	NYSE	\$81.48	SB1	Raymond James & Associates
Skechers U.S.A., Inc.	SKX	NYSE	\$64.21	MO2	Raymond James & Associates
Spectrum Brands Holdings, Inc.	SPB	NYSE	\$84.52	MP3	Raymond James & Associates
Stanley Black & Decker, Inc.	SWK	NYSE	\$87.75	MP3	Raymond James & Associates
Tapestry, Inc.	TPR	NYSE	\$41.79	MO2	Raymond James & Associates
Target Corporation	TGT	NYSE	\$151.02	MP3	Raymond James & Associates
Tecnoglass Inc.	TGLS	NYSE	\$52.57	SB1	Raymond James & Associates
Tempur Sealy International, Inc.	TPX	NYSE	\$51.30	SB1	Raymond James & Associates
The Aaron's Company, Inc.	AAN	NYSE	\$9.97	MP3	Raymond James & Associates
The Procter & Gamble Company	PG	NYSE	\$168.25	MO2	Raymond James & Associates
The Scotts Miracle-Gro Company	SMG	NYSE	\$69.18	MP3	Raymond James & Associates
Tractor Supply Company	TSCO	NASDAQ	\$271.08	MO2	Raymond James & Associates
Ulta Beauty, Inc.	ULTA	NASDAQ	\$391.67	SB1	Raymond James & Associates
Under Armour, Inc.	UAA	NYSE	\$6.69	MP3	Raymond James & Associates
Upbound Group, Inc.	UPBD	NASDAQ	\$33.46	MO2	Raymond James & Associates
Walmart Inc.	WMT	NYSE	\$70.38	MO2	Raymond James & Associates
Wayfair, Inc.	W	NYSE	\$51.14	SB1	Raymond James & Associates
Wingstop Inc.	WING	NASDAQ	\$382.66	MP3	Raymond James & Associates
Xponential Fitness, Inc.	XPOF	NYSE	\$17.81	SB1	Raymond James & Associates

YETI Holdings, Inc.	YETI	NYSE	\$37.99	MO2	Raymond James & Associates
e.l.f. Beauty, Inc.	ELF	NYSE	\$169.57	SB1	Raymond James & Associates
lululemon athletica inc.	LULU	NASDAQ	\$285.00	MO2	Raymond James & Associates

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	Coverage Universe Rating Distribution*				Investment Banking Relationships			
	RJA		RJL		RJA		RJL	
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<b>Market Perform (Hold)</b>	364	38%	47	21%	29	8%	4	9%
<b>Underperform (Sell)</b>	19	2%	2	1%	1	5%	0	0%
<b>Total Number of Companies</b>	946	100%	219	100%	117		49	

\* Columns may not add to 100% due to rounding.

\* Total does not include companies with a suspended rating.

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