ETFSector.com

Monthly Insights: September Outlook

Consumer Discretionary Sector

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Sector Price Action & September Outlook: Consumer Discretionary

August recap. Consumer Discretionary (VCR) was flat over one month at +0.0%, but that still lagged the S&P 500 (VOO) by roughly 2.7 percentage points. The sector's six-month return improved to +3.1%, yet participation remains narrow: only 23% of Consumer Discretionary stocks beat the S&P 500 (VOO) over one month.

Model message. The ETFSector.com Macro Model ranks Consumer Discretionary (VCR) tied for fifth with a -1.0 final score and an Underweight stance. The 63-day relative-strength input is -1.9%, so the model is telling us that the sector's headline recovery is not yet broad enough for a benchmark-plus allocation.

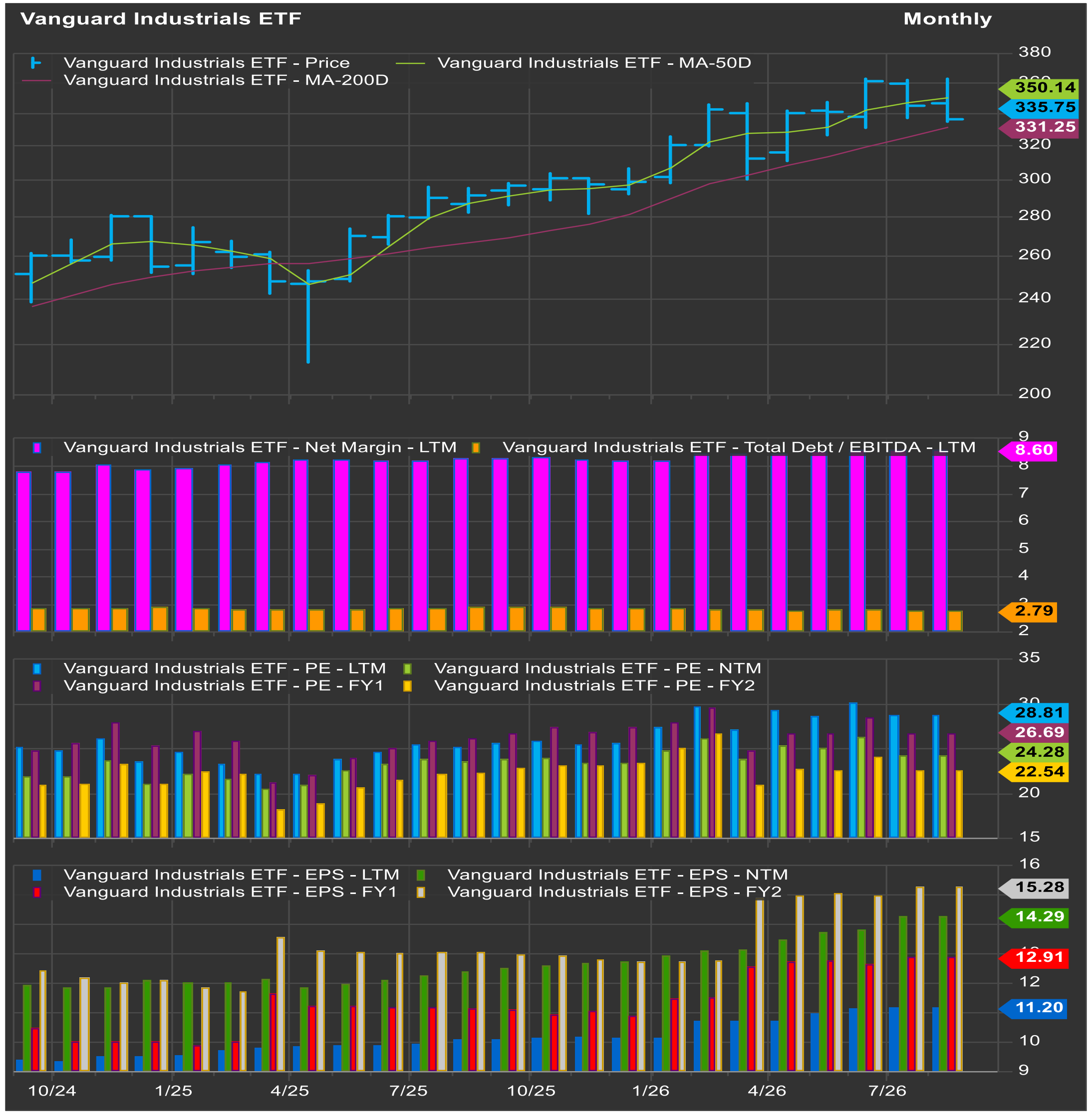
Stock evidence. Leadership is stock-specific rather than industry-wide. Airbnb (ABNB), Tesla (TSLA), DoorDash (DASH), Carvana (CVNA), Tractor Supply (TSCO), Genuine Parts (GPC), Expedia (EXPE), Darden (DRI), Ulta (ULTA) and Booking (BKNG) led the table. The mix spans travel platforms, delivery, autos, specialty retail and parts distribution, not a single broad consumer impulse.

September pivots. The key tests are the August jobs report, CPI, PPI, retail sales, gasoline prices and the September 15–16 FOMC. A softer inflation/rates tape would help homebuilders, home improvement, auto retail and high-multiple consumer growth. A hotter oil/inflation tape would favor Energy (VDE) and pressure discretionary spending, travel and lower-income consumers.

Investment narrative. Consumer Discretionary (VCR) is being pulled in two directions: AI/platform winners such as Amazon (AMZN), DoorDash (DASH) and Tesla (TSLA) still command investor attention, while the traditional consumer cycle is more fragile. July retail sales fell, real PCE was essentially flat, and high real yields continue to weigh on housing, autos and big-ticket demand.

Portfolio view. Keep Consumer Discretionary (VCR) below benchmark for September, but stay selective rather than outright defensive. Favor companies with visible demand, pricing power, platform scale or self-help; avoid assuming broad consumer beta works until homebuilders, apparel, cruises and rate-sensitive retail repair their price action.

Fundamentals and September Earnings Setup: Consumer Discretionary



The fundamental backdrop is mixed. Census reported July retail and food-services sales down 0.6% month over month, even though sales were still 5.0% above a year earlier. BEA's July PCE report showed services spending rising while goods spending fell, and real PCE was nearly flat. That is a selective consumer, not a clean acceleration.

Amazon remains the sector's most important fundamental anchor. Amazon (AMZN) reported Q2 net sales up 20%, operating income up 43% and AWS sales up 37%, its fastest AWS growth in 18 quarters. The stock file still shows Amazon (AMZN) with a Bullish Reversal pattern, but one-month excess return was negative, which shows that even the largest platform winner is not carrying the whole sector.

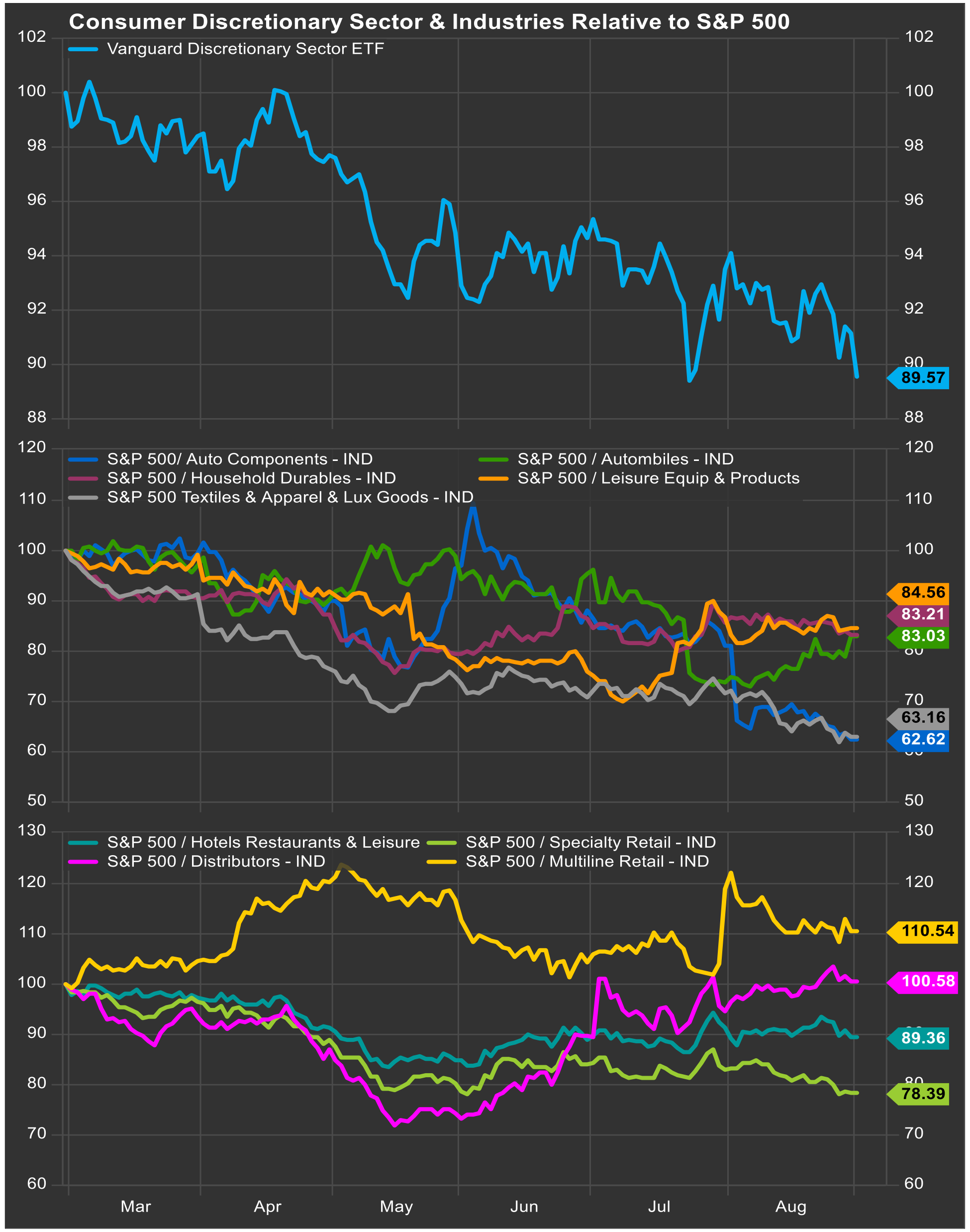
The current leadership table favors company-specific demand. Airbnb (ABNB) reported Q2 revenue growth of 17%, gross booking value growth of 16% and nights/seats booked growth of 10%. DoorDash (DASH) reported marketplace GOV and revenue growth supported by order growth and higher average order value. Those results help explain why platforms and travel/delivery names led the current stock table.

Tesla is both support and risk. Tesla (TSLA) delivered more than 480,000 vehicles in Q2 and deployed 13.5 GWh of energy storage, but the stock remains a high-multiple AI/EV/robotaxi security rather than a normal auto-cycle proxy. With a valuation multiple above 9x the index and negative momentum, Tesla (TSLA) adds both upside optionality and concentration risk.

Traditional consumer cyclicals still need a better macro backdrop. High real yields and mortgage rates pressure homebuilders and home improvement, while higher oil prices pressure cruises, airlines, restaurants and lower-income wallets. Consumer Discretionary (VCR) can rebound in September if inflation cools and labor remains stable, but broad ownership still requires better evidence from retail sales and housing-sensitive stocks.

ETF	Price	1D	1W	1M	3M	6M	RSI
VOO	$767.05	-0.3%	+0.5%	+2.7%	+1.1%	+11.8%	54.0
VCR	$391.39	-0.6%	-1.6%	+0.0%	-0.8%	+3.1%	47.3

Industry/Sub-Industry Performance and Macro Model Scores



Indicator	Latest Reading	September Message	Investment Interpretation
Macro Model rank	T-5 / 11	Underweight group	Consumer Discretionary (VCR) sits in the large underweight cluster behind the model leaders.
Final score / stance	-1.0 / Underweight	Below neutral	The sector needs better breadth or a lower-rate tape before a broad overweight is justified.
63D RS vs S&P 500	-1.9%	Negative	Intermediate relative strength still trails the S&P 500 (VOO).
Regime tilt	+0.0	Neutral	The Mixed / Transition regime does not add a pro-cyclical consumer bonus.
MRI overlay	+0.0	Neutral	A constructive market tape helps, but it does not offset weak sector breadth.
Risk Gauge	71.0% / Constructive	Constructive	Risk appetite supports selective winners but not broad consumer beta.
Inflation Gauge	72.2% / High	High	Inflation and oil pressure margins, discretionary income, travel and big-ticket purchases.
VCR trend	+0.0% / -0.8% / +3.1%	Fragile recovery	The sector has stopped falling, but it still lags the S&P 500 (VOO).
10Y real yield	2.44%	Affordability headwind	High real yields pressure housing, autos, credit-sensitive retail and high-multiple growth.
WTI crude	$85.76 / +1.3% 1M	Consumer-cost headwind	Fuel inflation hurts travel, restaurants, freight pass-through and lower-income wallets.
Stock breadth	23% positive / 40% >50DMA	Narrow leadership	Only a minority of names confirm the sector's headline stabilization.
10Y real yield	**2.41%**	Restrictive	Pressure on housing, autos and high-multiple consumer growth.
WTI crude	**$83.59**	Cost headwind	Higher fuel prices pressure travel, autos and lower-income consumers.

9/1/2026

Top 10 Stock Level Performers: Consumer Discretionary

Symbol	Company	Sector	Industry	Pattern	1M Excess	Valuation Rel.	Momentum	Div Yield Rel.	Beta
ABNB	Airbnb	Consumer Discretionary	Hotels Restaurants & Leisure	Bullish Reversal	+18.2%	1.59	28.0	0.00	0.73
TSLA	Tesla	Consumer Discretionary	Automobiles	Consolidation	+15.5%	9.18	-8.2	0.00	1.71
DASH	DoorDash	Consumer Discretionary	Hotels Restaurants & Leisure	Bullish Reversal	+15.4%	2.97	30.3	0.00	1.60
CVNA	Carvana	Consumer Discretionary	Specialty Retail	Consolidation	+15.1%	1.87	3.5	0.00	3.11
TSCO	Tractor Supply	Consumer Discretionary	Specialty Retail	Consolidation	+11.5%	0.89	-0.5	2.03	0.24
GPC	Genuine Parts	Consumer Discretionary	Distributors	Consolidation	+6.4%	0.86	21.3	2.31	0.59
EXPE	Expedia	Consumer Discretionary	Hotels Restaurants & Leisure	Bullish Reversal	+5.0%	0.70	28.1	0.35	1.07
DRI	Darden	Consumer Discretionary	Hotels Restaurants & Leisure	Consolidation	+2.5%	0.95	0.8	2.24	0.58
ULTA	Ulta	Consumer Discretionary	Specialty Retail	Support	+2.0%	0.89	-4.2	0.00	1.16
BKNG	Booking	Consumer Discretionary	Hotels Restaurants & Leisure	Bullish Reversal	+0.5%	0.87	10.0	0.56	0.67

The top 10 list is not a broad consumer-reacceleration basket. Airbnb (ABNB), DoorDash (DASH), Expedia (EXPE), Darden (DRI) and Booking (BKNG) show continued demand for platforms and select experiences. Tesla (TSLA) and Carvana (CVNA) bring high-beta auto exposure, while Tractor Supply (TSCO), Genuine Parts (GPC) and Ulta (ULTA) add more idiosyncratic retail support.

The strongest evidence comes from company-level growth rather than macro data. Airbnb (ABNB) reported double-digit revenue, gross-booking-value and nights/seats growth. DoorDash (DASH) showed marketplace GOV and revenue growth tied to orders and average order value. Tesla (TSLA) delivered more than 480,000 vehicles in Q2, which helped repair the auto narrative even though valuation remains stretched.

The September read-through is selective optimism. The sector can work through platforms, off-price/value, category leaders and autos with clear catalysts, but the top table does not prove the whole consumer complex is healthy. It says investors are rewarding visible demand and self-help where the macro is not doing the heavy lifting.

Bottom 10 Stock Level Performers: Consumer Discretionary

Symbol	Company	Sector	Industry	Pattern	1M Excess	Valuation Rel.	Momentum	Div Yield Rel.	Beta
APTV	Aptiv	Consumer Discretionary	Automobile Components	Downtrend	-23.5%	0.37	-33.0	0.00	0.99
TPR	Tapestry	Consumer Discretionary	Textiles Apparel & Luxury Goods	Retracement	-21.7%	0.78	-21.3	1.09	1.79
RCL	Royal Caribbean	Consumer Discretionary	Hotels Restaurants & Leisure	Consolidation	-18.3%	0.71	-13.9	1.48	1.66
TJX	TJX	Consumer Discretionary	Specialty Retail	Retracement	-17.3%	1.23	-18.4	1.02	0.34
CCL	Carnival	Consumer Discretionary	Hotels Restaurants & Leisure	Retracement	-16.4%	0.48	-20.1	1.74	2.33
NCLH	Norwegian Cruise	Consumer Discretionary	Hotels Restaurants & Leisure	Downtrend	-15.6%	0.50	-21.0	0.00	1.66
DECK	Deckers	Consumer Discretionary	Textiles Apparel & Luxury Goods	Retracement	-12.8%	0.57	-24.1	0.00	1.33
LVS	Las Vegas Sands	Consumer Discretionary	Hotels Restaurants & Leisure	Downtrend	-12.5%	0.66	-17.8	1.92	0.93
ROST	Ross	Consumer Discretionary	Specialty Retail	Consolidation	-11.7%	1.33	-5.1	0.58	0.71
EBAY	eBay	Consumer Discretionary	Broadline Retail	Bullish Reversal	-11.6%	0.81	-6.3	0.86	0.92

The bottom table explains why Consumer Discretionary (VCR) remains an Underweight in the ETFSector.com Macro Model. Aptiv (APTV), Tapestry (TPR), Royal Caribbean (RCL), TJX (TJX), Carnival (CCL), Norwegian Cruise (NCLH), Deckers (DECK), Las Vegas Sands (LVS), Ross (ROST) and eBay (EBAY) all lagged sharply.

The weakness maps directly to September macro risks. Cruises and casinos are vulnerable to fuel prices, travel sensitivity and Middle East uncertainty. Apparel and luxury are exposed to promotions, tariffs and a more value-conscious consumer. Auto components and used-car/auto retail remain sensitive to credit conditions and affordability.

The retail message is mixed rather than bearish. Ross (ROST), TJX (TJX), Best Buy (BBY), Home Depot (HD) and eBay (EBAY) each have different drivers, but their lagging price action says the market is demanding proof of traffic, margins and pricing power. A better retail-sales print could repair the group; a hotter CPI/Fed sequence would likely keep the pressure on.

Economic & Policy Drivers

September pivot calendar. Consumer Discretionary (VCR) is highly exposed to the September data sequence: jobs on September 4, PPI on September 10, CPI on September 11, the FOMC on September 15–16 and August retail sales on September 16. The sector needs a soft-enough inflation print to ease rate pressure and a stable-enough jobs report to preserve income growth.

Consumer spending. July retail sales fell 0.6% month over month, and BEA data showed services spending up while goods spending fell. That split favors asset-light travel platforms, restaurants with execution catalysts and value-oriented retail, while pressuring big-ticket goods, apparel, home improvement and lower-income discretionary demand.

AI and platform disruption. Amazon (AMZN), DoorDash (DASH), Airbnb (ABNB), Booking (BKNG), Expedia (EXPE), Uber (UBER) and Tesla (TSLA) keep Consumer Discretionary tied to AI, logistics, cloud, marketplaces, robotaxi optionality and app-based demand capture. This is positive for select stocks, but it also makes the sector less of a pure consumer-spending barometer.

Rates and housing. High real yields remain the biggest constraint on Household Durables, home improvement and credit-sensitive retail. D.R. Horton (DHI), Lennar (LEN), NVR (NVR), Home Depot (HD), Lowe’s (LOW), Carvana (CVNA), AutoZone (AZO) and O’Reilly (ORLY) need lower yields, better affordability or cleaner company execution before the group can lead the sector.

Oil and inflation. Higher oil prices hurt cruise lines, casinos, restaurants, auto usage and lower-income wallets. Royal Caribbean (RCL), Carnival (CCL), Norwegian Cruise (NCLH), Las Vegas Sands (LVS), Wynn (WYNN), MGM (MGM) and restaurant/travel names can still work, but September performance depends more on demand resilience and pricing than on a simple reopening/travel trade.

Sector implication. Consumer Discretionary (VCR) deserves selective exposure, not broad beta. Favor platforms, off-price/value, travel marketplaces and companies with visible demand or self-help. Keep the sector under benchmark until breadth improves. A dovish inflation/FOMC sequence could revive VCR quickly, while a hotter oil/inflation tape would keep Energy (VDE), Financials (VFH) and Health Care (VHT) better positioned.

Appendix: Sources (all charts sourced from FactSet Research Systems Inc.)

ETFSector.com Macro Model workbook, data through August 31, 2026 — Macro Regime Index, Risk Gauge, Inflation Gauge, sector ranking model and Vanguard ETF proxy return streams.

FactSet / ETFSector.com 20260901_SP50_Stock_Data.xlsx — S&P 500 Consumer Discretionary stock-level excess return, industry classification, chart pattern, valuation multiple relative to index, momentum score, dividend-yield multiple and beta.

U.S. Census Bureau, Advance Monthly Retail Trade, July 2026 — retail and food-services sales, year-over-year sales growth and three-month sales trend.

Bureau of Economic Analysis, Personal Income and Outlays, July 2026 — current-dollar PCE, real PCE, goods/services spending mix, PCE inflation and core PCE inflation.

Amazon Q2 2026 Results — net sales growth, operating income growth, AWS growth and AI/cloud demand read-through.

Tesla Q2 2026 Production, Deliveries and Deployments; Tesla Q2 2026 Update — vehicle deliveries, production, energy storage deployments and robotaxi/capex context.

Airbnb Q2 2026 Financial Results — revenue growth, gross booking value growth, nights/seats booked and travel-platform demand.

DoorDash Q2 2026 Financial Results — marketplace GOV, revenue growth, total orders and average order value read-through.

Home Depot Q2 2026 Results; Best Buy Q2 2026 Results; Ross Stores 2026 store expansion release — home improvement, electronics retail and value/off-price retail evidence.

Vanguard sector ETF convention for this project: Energy (VDE), Materials (VAW), Industrials (VIS), Consumer Discretionary (VCR), Consumer Staples (VDC), Health Care (VHT), Financials (VFH), Information Technology (VGT), Communication Services (VOX), Utilities (VPU), Real Estate (VNQ), S&P 500 (VOO).

Appendix: Metric Interpretation/Descriptions

Valuation Multiple Relative to Index
Higher scores correspond to more expensive earnings than the index, lower scores are cheaper

Valuation Multiple Relative to Index
(Company Price/NTM EPS) / (Index Price/NTM EPS)

Dividend Yield Relative to Index
Higher scores correspond to higher company dividend yield relative to the S&P 500 Index dividend Yield

Dividend Yield Relative to Index
Company FY1 Rolling Dividend Yield / Index FY1 Rolling Dividend Yield

Price Structure
We categorize stock chart patterns into 7 categories
Uptrend—Stock exhibits sustained outperformance
Bullish Reversal—Stock has outperformed over the past 3-6 months by > 10% vs. benchmark
Consolidation—Sideways price action, generally a bearish pattern in a bull market
Retracement—A sharp move lower in a previously strong chart
Distributional—A topping pattern
Downtrend—Sustained underperformance, lagging the benchmark by >15% per year
Support—Price has reached a level where major bottom formations or basing has occurred in the past
Basing—A protracted consolidation at long-term support

Momentum
Long higher scores, short lower scores

Momentum (simple mean)
1-Month Excess Total Return (vs. S&P 500) * 0.2
Plus
3-Month Excess Total Return (vs. S&P 500) * 0.5
Plus
6-Month Excess Total Return (vs. S&P 500) * 0.3

ETF convention: The ETFSector.com Macro Model dashboard is translated into Vanguard sector ETF tickers for this publication deck; Consumer Discretionary is referenced as Consumer Discretionary (VCR).