Visualizing Markets in Motion | In Praise of Leisure

Bertrand Russell argues in his famous 1932 essay "In Praise of Idleness" that there cannot be social justice until everyone has the ability to practice leisure! Looks like consumers have taken this to heart with leisure stocks showing solid momentum in sync with the consumer discretionary sector in early stages of reversing a deep underperformance!

In context, consumer discretionary (XLY) has underperformed the broad market (SPY) by over 11 percentage points since mid-Dec'24 and still 9 percent below all time highs, despite a recovery off the lows. Of the 51 stocks in XLY, we classify over half in an uptrend. Importantly, XLY, caught in a 2% range for the last six weeks, is on the cusp of an upside breakout. Relative to the broad market, while XLY remains an under-performer, part of that is the drag from TSLA, the rate of change of underperformance is fading. **Net bottom line, consumer discretionary appears poised to recover in both absolute and relative terms.**

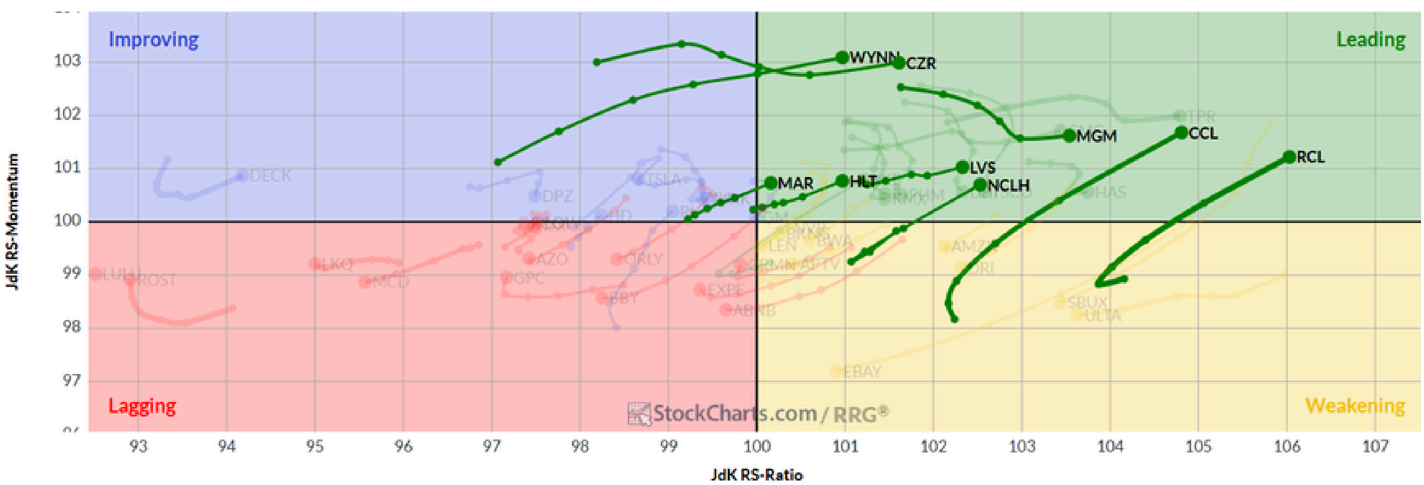
Not only has consumption held up despite macro concerns, within the discretionary sector, it is leisure stocks that are leading the charge - be it cruise lines or hotels or casinos - although consumers appear to be going "direct" rather than humor "booking sites". Amongst other sub-sectors, restaurants, mainly fast food chains, aren't doing particularly well - perhaps another reflection of a preference for fine dining or maybe health consciousness - say no to "fast food"! And when it comes to cars, Ford occupies the honors but both Ford and GM together are beating Tesla - although that may more reflect Tesla's own specific problems, including the CEO.

Overall, consumer discretionary, ex-TSLA has momentum and despite any economic concerns, looks like leisure remains prioritized!

Consumer Discretionary (XLY) toys with a breakout from a narrow range

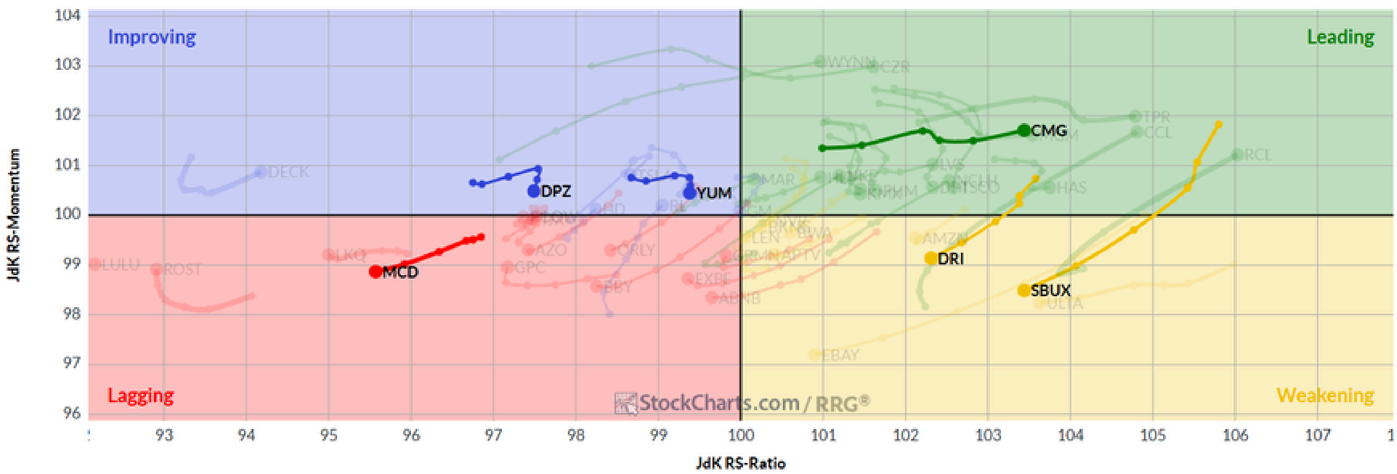
source: Trading View

In Praise of Leisure - Hotels, Casinos and Cruise Lines Leading the Charge



source: Stockcharts

Say No to Fast Food!-Restaurants, largely fast food chains, aren't particularly preferred



source: Stockcharts

What Car Are You Driving ? - Whether It's Tesla specific issues or a pivot to ICE - Ford and GM doing better than Tesla!

source: Trading View

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