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Clothing Retailers Performance 2018

At Indur-Vishni Wealth Management LLC we like to present our reports in a novel way. We take the numbers seriously and we carry out a certain amount of thorough research (dude, life's too short to scrutinise every piece of guff released by the company!) but we don't obsess over it and we certainly don't lose ourselves in 'jargon diarrhoea'! The object of the year-end survey is to entertain and enlighten, not bore. So, we're going to wrap up our report in a couple of pages.

We do things differently at I-VWM: we have our own recommendations. We don't use the conventional 'Buy', 'Hold' and 'Sell'. Instead, we prefer the far more colourful 'Stay The F**k Away' (S.T.F.A.), 'G.T.F.O' (you can probably figure out what the acronym stands for, especially if you liked Extreme's Get The Funk Out.) and, because we're classy and we had an expensive, private education 'Carpe'!

We pride ourselves on thinking differently from the herd. In fact, if we don't like the prospects of any stocks in a particular sector we won't hesitate in consigning the entire sector on to the rubbish heap.

We want our readers and clients to read 'em and weep (with laughter) but without losing sight of the fact that we'd like them to invest wisely and to not only retain their capital but also get a return on their capital. But, if you were dumb enough to buy any of these stocks at inflated prices you won't find this report amusing. We advise you to click the 'X' at the top right hand of the page!

As the retail sector goes over the cliff so do the Clothing Retailers. It was a bloody year for them. Most of them ended up with their panties round their knees/with their asses in debris.

"I'm gonna watch you bleed".

Those immortal lyrics from 'Welcome To The Jungle' (by the one and only Guns n' Roses) sum up the year the clothing retailers had (and, lately, Neil Woodford!) so it's a surprise that posho favourite (and favourite of the Chinese nouveaux-riche) Burberry fell only just over 3% for the year. The dividend is rubbish and the demand from China is gradually diminishing (British poshos will have to choose between funding their coke habits and spending on fashion; heck, they might even put up their **Burberry** clothes as collateral for cocaine with their dealers!). We say, **S.T.F.A./G.T.F.O.**

From the favourite of the upper-classes (and lower upper-class and upper middle-class…gosh, Britain is so obsessed with class eh!) we hold our noses and enter in to the domain of the working-classes (or, as they were described at my school, the hoi polloi). **J.D. Sports** sells sportswear of all kinds. I've been to their flagship store on Oxford Street and it's well stocked but the stock itself had a mediocre year, finishing down just over 5%. J.D. Sport will always find customers but it has to compete with amazon (why would I want to go down to central London and risk a mugging/knifing in broad daylight- by a thug attired in sportswear…do you see the irony? - when I could just use amazon prime to have my items delivered to me in the safety of my home?). The dividend is pathetic. Another reason we say **S.T.F.A./G.T.F.O**.

Next is err…**Next**. They used to be fashionable back when I was at school; it was considered a real statement if you owned clothes brandishing the Next label. Frankly, we're surprised by the longevity of the brand. Having said that, one shouldn't mistake a corpse for a patient in a coma. The stock finished down 12% in 2018. Competition in the world of fashion is severe and we think Next will struggle. The dividend under 3% doesn't exactly scream 'Buy Me'. **S.T.F.A./G.T.F.O**.

Whatever brands J.D. Sports doesn't sell **Sports Direct** does, and probably to the same people (who believe sportswear is fashionable!). The stock fell a crushing 38% and we see them falling more, for the same reasons as J.D.Sports. The only difference is Sports Direct doesn't offer a dividend. **S.T.F.A./G.T.F.O**.

Step in to to any pub, Underground carriage or bus in London and chances are at least one person will be wearing a jacket with the **Super Dry** label. In fact, a Super Dry jacket and iPhone are the unofficial accessories of the urban sheep so it's surprising that Super Dry had fallen 77% by the end of the year. Yep, "prison bitch" alright but as long as sheep keep parting with their cash and as long as the dividend stays inviting (now at 6%) we say this is a Carpe, especially as it's close to its 52-week low. We'd wait for it to drop another 10% -15% before buying.

Working class boy done good – favourite **Ted Baker** didn't have a particularly good year, finishing down 42%...and, worse, it's fallen a further 41% from its 2018 close. We say **S.T.F.A.** and, if you owned the stock when it was a lot higher, you're screwed.

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Only retailer **Boohoo** had a year to cry over, finishing down just over 19%. It caters to the teens and twentysomethings, who usually don't have much disposable income, so it's no surprise the stock performed poorly. And, it will continue to underwhelm. Any fashion house that has a brand called 'Nasty Gal' can't really be taken seriously. What exactly are the connotations of the brand when it comes to impressionable young women? I just had a look at Boohoo's website…they're offering 50% discounts on new lines. Desperation anyone? **S.T.F.A./G.T.F.O.**

Another posho favourite (going extinct like the poshos) is **Laura Ashley**, down 57% for 2018. The stock is trading just over 1p now and no, there's no dividend. The only redeeming possibility is that some Chinese brand might swoop in and buy the company. Otherwise, a de-listing is imminent. Can a stock valued below 1p actually trade on the exchange? **S.T.F.A./G.T.F.O**.

Moss Brothers happens to be a company we know well…and like. This is where we go to buy our suits and these guys stock some fine brands: Hugo Boss and Ermengildo Zegna (got one!) for example, and a fine selection of shirts and accessories. What's really impressive about Moss Brothers, especially the Piccadilly Circus branch, is the helpful and friendly attitude of the staff. This is the only place we're going to buy our suits and accessories from. So, it's sad that the stock finished down 68%! This is the most egregiously over-sold stock of the sector, considering its potential, and 16% dividend. We say this is an outright **Carpe**.

Without a doubt, the aforementioned clothing retailers have had a rough year: not a single one finished 2018 higher than where it began. And, we see a similar conclusion to 2019. We wouldn't be surprised if one or two went the way of posho labels like Jaegar and Austin Reed (told you the poshos were going extinct!).

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