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Life Alert:

When you hear your Doctor tell you for the first time that you are 100% healthy, that is when you are a real millionaire. When your family members tell you that they love you, you are a multi-millionaire. And when you know that family, friends, etc. like to be with you then you are very, very rich.

Flooring Flashes:

1. **Dixie** reported sales increases for their 2nd quarter and six-month periods of 62% and 35% respectively. Net income was a plus of over \$10M for the quarter and over \$11M for the six-month period.
2. **Mohawk** reported sales increases for their 2nd quarter and six-month period of 44% and 29.7% respectively. Both periods were profitable for Mohawk as net income reflected significant gains over the prior year. At the end of the six-month period net income was 10.2% of sales.
3. **Floor & Décor** reported a sales increase for their 2nd quarter of 86%. Comp sales increased 68.4%. Net income increased 159.1%. For the six-month period sales increased 61.5%. Comp sales increased 48.1%. and net income increased 129.8%. Net income as a percentage of sales at

the end of six months was 9.7%. They plan to open 27 new warehouse format stores this year. They currently operate 147 warehouse format stores.

4. **Interface** reported a 2nd quarter sales gain of 14%. For their six-month period sales increased 10.9%. Net income for both periods increased significantly. For the six-month period net income was \$22M compared to a loss last year of \$97M.
5. **Lumber Liquidators** reported sales increases for their 2nd quarter and six-month period of 31% and 17.5% respectively. Net income for the 2nd quarter was up \$9M and for the six month period is up over 50%. Net income as a percentage of sales was 3.9% at the end of the six-month period.

Corporate Results/Builders,

1. **NVR** reported increased sales results for their 2nd quarter and six-month period of 40% and 65%. Net income in the 2nd quarter almost doubled and for the six-month period increased almost \$250M. Their backlog in units is up over 20% compared to last year and up and their backlog price per unit is up over \$13,000.

Positives Observations:

1. 99.999% of people vaccinated have not been affected with Covid-19.
2. The GDP in the first quarter grew at a 6.3% rate, and in the second quarter it grew 6.5%. Which would indicate that the economy is now at pre-pandemic levels.
3. In July the DJIA was up 1.26%, the S&P was up 2.28%, and the NASAQ was UP 6.16%. **SEE Exhibit IV for YTD results.**
4. Existing home sales were better in June compared to last year by 22.9% and better than May of this year by 1.4%. **See Exhibit I.**
5. Median home prices reached a record high of \$363,000 in June, up 23.4% compared to last year. In Boise, Idaho the median price is \$500,000, which translates to \$293 a square foot.
6. **9.2 million** — The [number of available jobs](#) in the U.S. at the end of May a record new high.
7. Canada opened its borders to the U.S.
8. U.S. retail sales increased 0.6% in June compared to May.
9. Total auto sales increased 29% in 2020 over 2019. Electric car sales, led by Tesla, had their biggest year ever.
10. It is expected that by 2030 all vehicles, cars and trucks, will represent 40% to 50% of all vehicles.
11. The U.S. economy added 943,000 jobs in July and the unemployment rate dropped to 5.4%. The jobless rate is at a pandemic low, and there is still over 9 million open jobs in the U.S.

Neutral Observations:

1. **June** was the hottest month in North America in recent recorded history.
2. Nationwide it takes 13 years to save up for a 10% down payment on a house.
3. JP Morgan will raise beginners salaries 35% to \$110,000 from \$85,000.
4. Last year, Airbus delivered more than three times as many jets as Boeing.
5. Financially, the five best states to retire in are: Georgia, Florida, Tennessee, Missouri and Massachusetts.
6. Qatar has been rated the best airline in the world. The only U.S. airline to make the top ten list was United Airlines at number 8.
7. Over 80% of all athletes that participated in the Olympics were vaccinated.

Negative Observations:

1. Inflation rose 5.4% in June from a year ago, keeping inflation at the highest annual rate in 13 years.

2. **The Delta variant** has become the [dominant strain in the U.S.](#), according to federal data.
3. New Covid-19 case counts have doubled in recent weeks, as many Americans remain unvaccinated.
4. **Total** cases of Covid-19 have passed 200 million worldwide.
5. Covid-19's toll on life expectancy suffered its largest drop in 2020 since 1943 during World War II. The drop in age was from 77.3 to age 76.
6. The death toll in India due to Covid-19 is 4 million.
7. Global government debt is at its highest level in over 70 years.
8. Student debt in September will balloon to \$1.6 trillion.
9. Median monthly rent in the U.S. is now \$1,244 10% higher than a year ago.
10. The forecast is that the following retail giants will be closing in the near future: Neiman-Marcus, Brooks Brothers, Ann Taylor, Lane Bryant, GNC, J. Crew, Lord & Taylor, Pier 1, Stein Mart, Men's Wearhouse, AMC, Bed Bath & Beyond.
11. Sales of new homes dropped in June compared to May by 6.6%, and were down 19.4% compared to last year. **See Exhibit II.**
12. Car accidents in the 2nd quarter were up 47% compared to last year.
13. Hotel prices are now at a record high.
14. The trade deficit in June set a record at \$75B.
15. The COB predicts that the budget deficit in 10 years will be \$256B.

SUMMARY

We continue to be faced with a dangerous virus. Dangerous because it not only can make us very sick or kill us, but also dangerous because it could wreck our continuous strong economy. Industries that have been affected due to the pandemic, (restaurants, travel, theatre, retailer, hotel, movies, catering, sports, etc.) face another slowdown if the virus is not controlled. Everyone should do all that they can do to practice protective measures to help fight the effects of this dangerous virus.

PREDICTION/OPINION

I predict that Americans will pull together and beat this new dangerous virus. And, in doing so, the economy will continue to thrive for the balance of this year. The housing market continues to be red-hot, and continues to be the catalyst for solid growth in many industries, especially floor covering. Therefore, I continue to predict that floorcovering sales for the year will be up at least 15%.

Ehibit I-*will now include all existing home sales condos, etc.-numbers are approx..Existing Single Family Home Sales Annual Averages Based on Monthly Sales

	Adjusted Number	Year/Year % Change	Month/Mon % Change
Jan 20	5389	10.8	-1.3
Feb 20	5777	9.6	6.5
Mar 20	5270	7.2	-8.5
Apr 20	4333	0.8	-17.8
May 20	3910	-17.2	-26.6
Jun 20	4700	-9.7	20.7
Jul 20	5860	-11.3	24.7
Aug 20	6000	8.7	2.4
Sep 20	6540	10.5	9.4
Oct 20	6850	20.9	4.3
Nov 20	6690	26.6	-2.5
Dec 20	6760	22.0	0.7
Jan 21	6690	23.7	0.6
Feb 21	6220	9.1	-6.6
Mar 21	5300	12.3	-3.7
Apr 21	5850	33.9	-2.7
May 21	5730	46.9	-0.9
Jun 21	5860	22.9	1.4
For 2017	5510		1.2
For 2018	5340		-3.1
For 2019	5540		3.7
For 2020	6760		22.2

EXHIBIT II-*WILL NOW INCLUDE ALL& HOUSING, INCLUDING CONDOS, ETC. New Single Family Home Sales Averages Based on Monthly Sales

	Adjusted Number	Year/Year % Change	Month/Month % Change
Jan 20	764	Flat	7.9
Feb 20	765	18.6	Flat
Mar 20	615	14.0	-15.4
Apr 20	615	-9.5	0.6
May 20	619	-6.0	19.4
Jun 20	682	12.7	13.8
Jul 20	791	6.6	13.9
Aug 20	901	36.3	4.8
Sep 20	1011	43.2	-3.5
Oct 20	959	32.0	4.2
Nov 20	945	41.5	-1.5
Dec 20	829	20.8	-11.0
Jan 21	885	17.2	1.6
Feb 21	948	19.3	4.3
Mar 21	775	8.2	-18.2
Apr 21	818	66.8	20.7
May 21	863	48.3	-5.9
Jun 21	734	12.8	-5.9
Jun 21	676	-19.4	-6.6
For 2017	613		8.3
For 2018	622		1.5
For 2019	681		10.3
For 2020	923		9.6

EXHIBIT III***Unemployment Percentages-Month End***

	<u>2019</u>	<u>2020</u>	<u>2021</u>
January	4.0	3.6	6.3
February	3.8	3.5	6.2
March	3.8	4.4	6.0
April	3.6	14.7	6.1
May	3.6	13.3	5.8
June	3.7	11.1	5.9
July	3.7	10.2	5.4
August	3.7	8.4	
September	3.5	7.9	
October	3.6	6.9	
November	3.5	6.7	
December	3.5	6.7	

EXHIBIT IV-Stock Market Analysis YTD***(Percentages) At the End of the Month***

	<u>DJIA</u>	<u>S&P</u>	<u>NASDAQ</u>
Jan 20	7.2	11.0	1.99
Feb 20	0.99	13.1	-4.5
Mar 20	-11.0	18.0	-14.2
Apr 20	-23.2	10.7	-0.9
May 20	-14.7	17.4	5.7
Jun20	-11.1	18.9	12.1
Jul 20	-9.6	16.7	19.8
Aug 20	-7.6	18.7	31.0
Sep 20	0.4%	21.2	23.5
Oct 20	-3.8	25.3	18.0
Nov 20	-7.1	28.9	36.0
Dec 20	4.8	0.16	43.6
Jan 21	-2	-1	1
Feb 21	1.1	1.5	2.4
Mar 21	8.3	7.0	4.6
Apr 21	10.7	9.7	8.3
May21	13.0	12.0	7.0
Jun 21	13.8	15.2	13.3
Jun 21	14.2	17.0	13.9

EXHIBIT VI As of 8/8/21
Flooring-Furniture Public Companies

	Symbol	*Current Price	52 week range
Armstrong	AWI	\$108.12	57.96-110.53
Armstrong Flooring	AFI	\$4.01	2.62-6.96
Dixie	DXYN	\$4.05	.076-6.00
Ethan Allen	ETH	\$23.86	12.47-32.15
QEP	QEPC	NA	NA
Interface	Tile	\$13.76	5.88-17.11
Lumber Liquidators	LL	\$19.17	17.45-35.10
Mohawk	MHK	\$196.53	83.07-231.80
Stanley Furn.	STLY	NA	NA
Tile Stores	TTS	NA	NA
Floor & Decor	FND	\$120.91	65.73-128.50

*Approx.-changes daily

Exhibit VII As of 8/8/21
Builders-Retailers-Public Companies

	Symbol	*Current Price	52 Week Range
Beazer	BZH	\$17.20	10.75-26.12
DR Horton	DHI	\$94.21	64.32-106.89
Home Depot	HD	\$328.76	246.59-345.69
Hovnanian	HOV	\$104.49	25.07-146.34
KB	KBH	\$41.72	30.25-52.48
Lennar	LEN	\$103.78	69.41-110.61
Lowes	LOW	\$187.99	146.72-215.22
NVR	NVR	\$5155	3797-5332

Pulte	PHM	\$52.57	39.92-63.91
Toll Bros	TOL	\$57.56	38.05-68.88

*Approx.-changes daily

BIBLIOGRAPHY/SOURCES: CATALINA RESEARCH, WSJ, NYT, FORBES, FORTUNE, NEWSWEEK, TIME, BUSINESS WEEK, SUN-SENTINEL, GOLF POETRY, VARIOUS INVESTMENT STRATEGY REPORTS, CNN, USA TODAY, U.S. NEWS, INVESTORS BUSINESS DAILY, U.S. COMMERCE DEPT., FLOOR COVERING NEWS, FLOOR COVERING WEEKLY, TALKFLOOR, BLOOMBERG BUSINESSWEEK, OXFORD DICTIONARY OF QUOTATIONS
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Published monthly by N.L. Nagle, Inc.
 7378 Floranada Way, Delray Beach, FL 33446
 (561) 637-5052 OFFICE — Cell# (561) 699-3555
 Laurencenagle@gmail.com

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