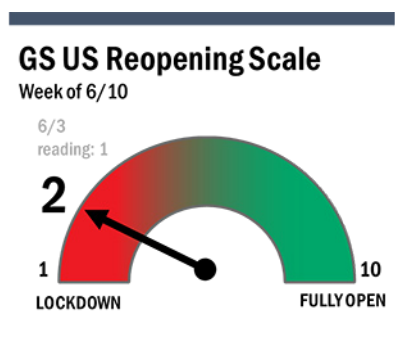


Note: The following is a redacted version of the original report published June 10, 2020 [22 pgs].

## Measuring the Reopening of America

# The GS US Reopening Scale: Moving to a '2' (Week of June 10)



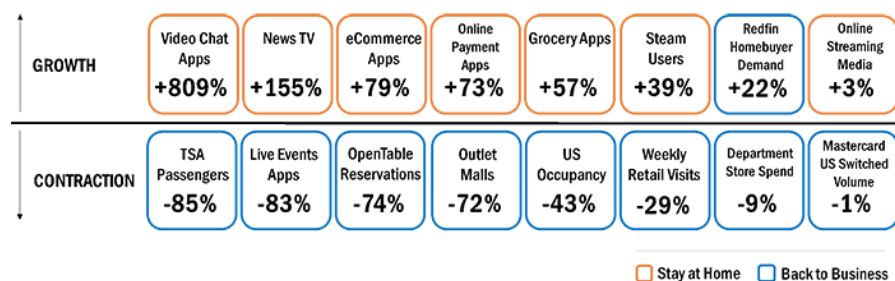
**New this week: The GS Reopening Scale moves to a '2' driven by an acceleration in the recovery in dining and lodging and moderation in the growth of eCommerce and online media behavior, being only partially offset by continued acceleration in online payments. Inside, we dive deeper into the reopening data around the gaming, lodging, and**

**leisure sector and look at the impact of incremental capacity in hospitals.**

With our sixth week in the *Measuring the Reopening of America* series, we've seen enough progress across the wide range of data covering "Stay at Home" (food delivery, eCommerce, streaming media, grocery sales, etc.) and "Back to Normal" (commuting, box office, travel, etc.) categories to move the GS Reopening Scale from a 1 to a 2. With nearly all states having moved to some degree of reopen, businesses adapting with more localized offerings like curbside pickup and outdoor dining, and early summer vacations serving as a catalyst, the data begins to reflect an ease from full lockdown.

### Exhibit 1: Reopening at a glance: Back-to-business segments see modest improvements, stay-at-home see slight deceleration

% change yoy for week ending June 10



This exhibit summarizes data from sources listed in Exhibits 5, 17 and 18.

Source: Goldman Sachs Global Investment Research

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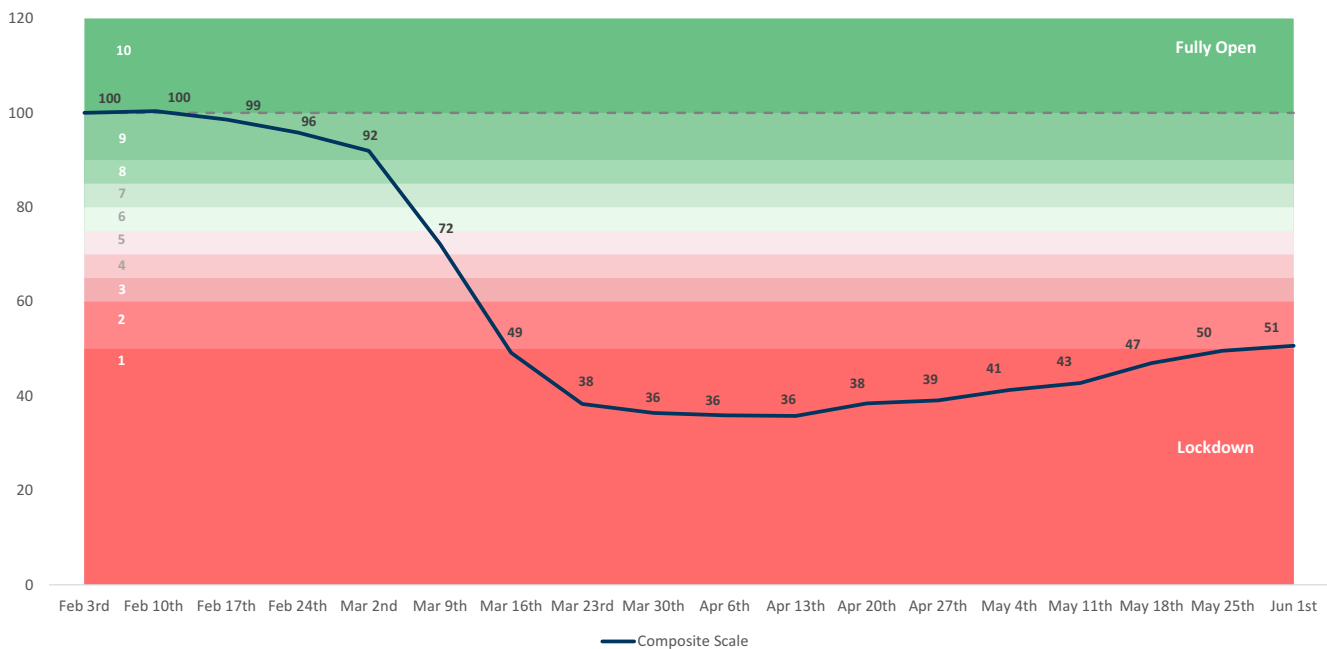
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That said, the Composite Score that underlies the Reopening Scale continues to show only modest, if steady, improvement ([Exhibit 2](#)) having added an average of 2 points a week for seven straight weeks to reach 51 (vs. 50 [revised] and 47 in the prior two weeks, respectively). “Stay at Home,” the state we still largely find ourselves in, continues to limit a faster return to “Back to Normal” through the week of 6/10 **as strength in nationwide dining/lodging metrics and continued moderation in online media/eCommerce behavior more than offsets the flat lining of box office and live events, as well as minimal recovery in air traffic.**

To determine the position of the scale (1-10) we calculate growth or decline in each category relative to a pre-Crisis baseline (week of Feb 3rd), and equal-weight each category into our Composite Scale ([Exhibit 20](#)). From there, we assign a Reopening score reflecting these quantitative inputs ([Exhibit 19](#)). As progress toward reopening begins, we expect that will show up in the Reopening Scale moving higher.

**Exhibit 2: Our Composite Scale shows continuing rebound in recent weeks as we move to a ‘2’**

Date on x-axis represents first day of week measured



This exhibit summarizes data from sources listed in Exhibits 5, 17 and 18. Modest historical revisions as we refine included data sets and account for minor data revisions.

Source: Goldman Sachs Global Investment Research

## Key Findings

Our read across these data sources continues to describe a landscape we’re all very familiar with: lots of eCommerce deliveries, streaming media, and video chats taking the place of concerts, travel, and time at the office. While that picture remains very one sided in the data ([Exhibit 4](#)), with a larger number of cities and states moving further

into their reopening, we expect to see the scale shifting higher over time, showing less “Stay at Home” activity and more signs of “Back to Normal”.

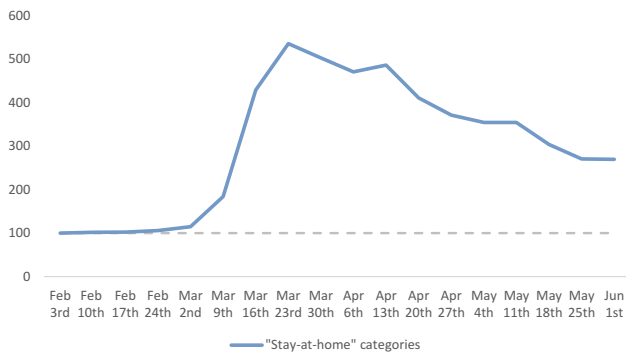
This week, we highlight key takeaways from the GS Travel & Leisure Conference, where we find that the increase in drive-to, leisure demand is exceeding limitations imposed from social distancing while business demand and fly-to leisure demand remain subdued.

### Highlights

- **Video conferencing solutions continue along a steep adoption curve, led by Zoom.** From a penetration perspective, the percentage of companies adopting video conferencing solutions has surged from COVID-19. During their F1Q21 earnings print last week, Zoom grew topline by 169% y/y, added ~184k customers with 11+ employees and raised revenue guidance significantly above market expectations (FactSet). Recall that on April 21st, management disclosed that there were 300mn+ peak daily meeting participants vs. a peak of 200mn in March 2020 and 10mn in December 2019.
- **We continue to get positive updates on airline bookings momentum,** albeit on volumes that remain down materially year-over-year (TSA passenger throughput -85% y/y for the week ended June 7). Allegiant, a predominantly domestic US, leisure airline, highlighted on Tuesday that its gross daily bookings accelerated through May to average \$2 million per day for the month, implying daily bookings stepped up over the last two weeks of May from the \$750,000 per day observed mid-month. Furthermore, Allegiant flew ~70% of its pre-COVID-19 planned schedule the first week of June and maintained a similar load factor (measure of how full the plane is) to May when the airline completed ~50% of its pre-COVID-19 schedule, driving a step-up in passengers carried.
- **Healthcare utilization - elective procedures returning:** Healthcare utilization metrics have improved as more states reopen and allow elective procedures to resume. Elective procedures volumes per medical claims data analyzed by IQVIA were -50% relative to the pre-COVID baseline as of mid-May, up notably from 85-90% declines during the month of April. Physician office visits improved +19% week-over-week as of 5/22 and hospital volumes increased +15% week-over-week per IQVIA data. Emergency room visits have also moved off trough levels and were -26% y/y at the end of May per the CDC. Data points on procedure volumes have shown improvement over the course of May.

**Exhibit 3: Stay Home categories continuing slow descent**

Date on x-axis represents first day of week measured

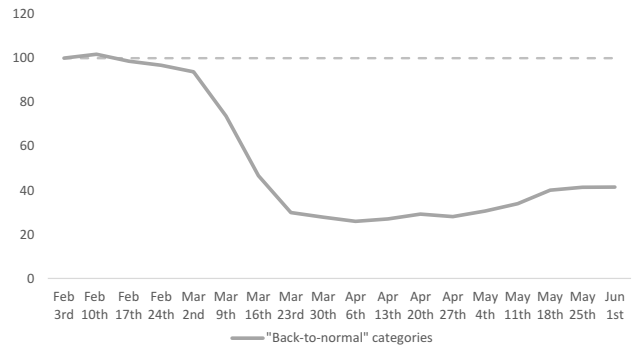


This exhibit summarizes data from sources listed in Exhibits 5, 17 and 18.

Source: Goldman Sachs Global Investment Research

**Exhibit 4: Back to Normal categories on average down 59% from February levels, but up 15pts from trough**

Date on x-axis represents first day of week measured



This exhibit summarizes data from sources listed in Exhibits 5, 17 and 18.

Source: Goldman Sachs Global Investment Research

## Weekly Trends

### Stay Home

While it is no surprise that services like Netflix, Zoom and Amazon are in high demand during a time when many states are implementing shelter-in-home policies, we continue to collect and track data across a number of sources and verticals to understand the extent to which different categories are being impacted.

This week, we continue to see slowdowns in eCommerce app downloads, which grew on average +79% y/y in the most recent week (compared to +93% and +149% in the prior two weeks), and Groceries, which grew +57% y/y (compared to +70% and +110% in the prior two weeks). Video gaming iOS app downloads were flat y/y as online media streaming apps decelerated to +3% y/y. In the retail sector, every stay-at-home product we track outside of alcohol saw a deceleration for the \$ spend/store figure as people continue to venture outdoors more. On the other hand, video conferencing apps were still on average +809% y/y for June 1-7. Online payment app downloads also saw a reacceleration this week to +73 % y/y, up from +58% last week.

**Exhibit 5: “Stay at Home” metrics moderating after the initial surge for these categories during lockdowns and sheltering in place**  
 Feb 9 - Mar 22 excluded for presentation purposes; see prior reports for data

Basket	Sector	Company/App	Metric	y/y % change, unless otherwise noted													Source	
				Feb 3 - Feb 9	Mar 16 - Mar 22	Mar 23 - Mar 29	Mar 30 - Apr 5	Apr 6 - Apr 12	Apr 13 - Apr 19	Apr 20 - Apr 26	Apr 27 - May 3	May 4 - May 10	May 11 - May 17	May 18 - May 24	May 25 - May 31	June 1 - June 7		
Stay at Home	eCommerce		US App Downloads	0%	25%	34%	67%	79%	124%	114%	113%	117%	129%	149%	93%	79%	Sensor Tower	
			US App Downloads	48%	317%	384%	496%	494%	369%	266%	181%	162%	124%	110%	80%	66%		
	Groceries	Household cleaning compounds	Sistore	US App Downloads	-2%	247%	143%	142%	125%	42%	141%	114%	99%	89%	79%	56%	46%	Catalina
				Flour	4%	158%	92%	81%	70%	62%	87%	54%	52%	49%	46%	26%	20%	
				Alcohol	3%	74%	30%	42%	45%	17%	40%	36%	44%	35%	29%	26%	29%	
				Staples	0%	79%	19%	22%	28%	1%	28%	15%	18%	14%	14%	12%	12%	
				Food	1%	114%	38%	40%	47%	9%	51%	32%	31%	26%	25%	21%	19%	
	Online Media		US App Downloads (m/m change)	-46%	103%	74%	65%	32%	-35%	-42%	-35%	-26%	-23%	-12%	-14%	-28%	Sensor Tower	
			US App Downloads	1%	34%	40%	25%	25%	31%	32%	27%	17%	33%	37%	17%	3%		
	News TV	CNN	Ratings	US App Downloads	-5%	204%	285%	250%	207%	137%	156%	97%	84%	116%	64%	217%	279%	Nielsen
				Fox News Channel	46%	116%	100%	120%	88%	88%	80%	44%	27%	41%	29%	86%	85%	
				MSNBC	-16%	66%	104%	69%	51%	37%	58%	22%	16%	48%	25%	72%	92%	
	Online Gaming	Twitch Streams	Total Hours Watched	US App Downloads	11%	29%			102%					80%			Sully/Gnome	
				Users	9%	38%	48%	55%	52%	53%	54%	50%	46%	47%	46%	40%		39%
				Steam website	24%	57%	62%	50%	39%	30%	35%	33%	25%	28%	16%	3%		0%
				IOS app downloads		63%	51%	95%	102%	111%	70%	96%	81%	93%	95%	85%		
	Online Gaming	Steam	Consumer Spend	US App Downloads		83%	51%	95%	102%	111%	70%	96%	81%	93%	95%	85%	Factus	
				US App Downloads	-27%	15%	45%	32%	32%	64%	48%	38%	39%	28%	13%	-5%	-3%	
Food Delivery	At-home Fitness		US App Downloads	-1%	805%	546%	590%	374%	293%	281%	289%	231%	177%	169%	143%	95%	Sensor Tower	
			US App Downloads	-12%	1333%	2074%	1768%	1765%	1962%	1485%	1277%	1234%	1253%	938%	774%	809%		
Video Chat Apps	Online Payment Apps		US App Downloads	16%	27%	45%	38%	42%	92%	56%	57%	62%	58%	71%	58%	73%		
			US App Downloads															

Source: Sources in exhibit, compiled by Goldman Sachs Global Investment Research

### Stay home category updates

- According to Nielsen, news TV ratings have spiked up significantly over the past two weeks at +155% y/y in the week of June 1-7 compared to +38% y/y in the week of May 18-24. While overall news watching remains elevated during the pandemic, these ratings could also be impacted by reports on recent protests across the country.
- Last Thursday, eBay reported stronger volume growth and raised revenue guidance for Q2 2020, citing an acceleration in all major verticals compared to previous quarters, including Fashion and Collectibles. The company also saw active buyer growth accelerating with approximately 6 million new and reactivated buyers added in April and May.

### Gaming, Lodging, & Leisure

This week, our Gaming, Lodging & Leisure analyst Stephen Grambling shares data points from the GS Travel & Leisure Conference and the re-opening process currently underway across his sub-categories. Hotels, casinos, timeshares, and amusement parks have been reopening over the past few weeks. The initial reads point to a step-function increase in drive-to, leisure demand that is exceeding limitations imposed from social distancing. However, business demand and fly-to leisure demand remain subdued.

#### What’s open now?

States across the US began easing restrictions on gaming, lodging & leisure properties throughout the month of May and into early June. In lodging, 13% of hotels in North America were closed in April (vs. March) and we anticipate that number to improve in May post Memorial Day weekend. Casinos have also moved off the bottom when all casinos were closed to now 569 open as of 9th June or ~58% of the total, including ~50% of properties on the strip with several slated to open in the near future after solid demand

in the opening days. By contrast, we still have most amusement parks closed, though Seaworld Orlando is slated to open June 11th, Six Flags has announced opening dates for 8 parks over the course of June, and Cedar Fair has announced the openings for some of its largest parks in Cedar Point (July 9th) and Kings Island (July 2nd) to occur in the coming weeks. The public cruise ships remain entirely sidelined with sailings expected to resume with a few dozen ships in July/August though these appear to be moving targets.

**Exhibit 6: The Lodging Reopening Tracker**

While most states never closed hotels as they were considered essential, we track “reopening” announcements and sort by case count incidence rate

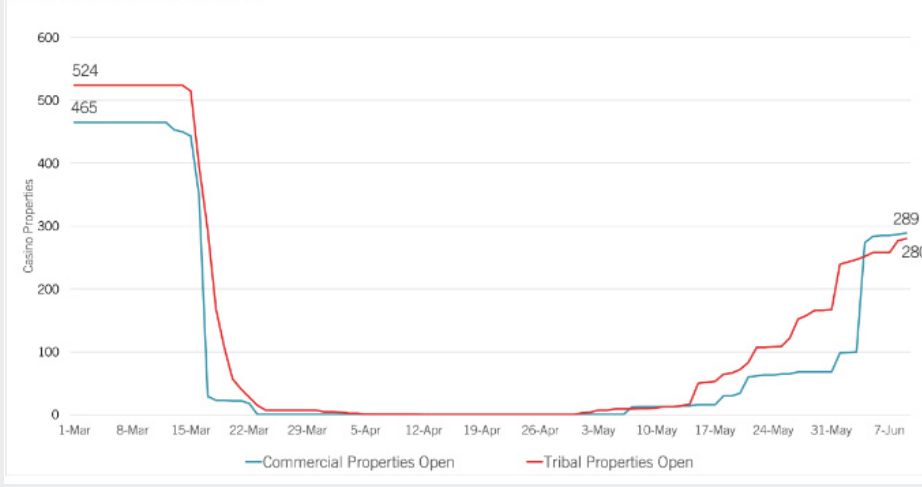
State	4/18/2020	4/29/2020	5/3/2020	5/10/2020	5/17/2020	5/24/2020	5/31/2020	6/7/2020	6/14/2020	Case Count per 100k	C Corp Highest Exposure*	Lodging REIT Highest Exposure*	April RevPAR
New York						Stay at home order ended 5/28. Beaches open, shows and museums to open mid-July				1,324	H	DRH	73.2%
New Jersey	Stay at home order in place until revoked. Campgrounds and outdoor activities allowed									1,848	MAR	HST	77.1%
Massachusetts					Stay at home order ended 5/18. Lodging open to non-essential workers 6/8					1,501	MAR	PEB	86.6%
Rhode Island		Stay at home order ended 5/8. Outdoor leisure locations open								1,458	STAY	NIA	79.6%
D.C.								Stay at home order ended 6/8		1,322	H	SHD	63.4%
Connecticut			Stay at home order ended 5/20. Beaches open, hotels open to non-essential workers 6/20							1,233	MAR	NIA	75.2%
Delaware		Stay at home order ended 5/15. Beaches and community pools open to residents								1,020	HLT	NIA	67.0%
Illinois			Stay at home order ended 5/30. Museums and lakefront closed until July							1,008	H	DRH	81.9%
Maryland		Stay at home order ended 5/15. Some areas requiring 14-day quarantine for visitors								999	MAR	SHD	74.5%
Louisiana		Stay at home order ended 5/14. Indoor leisure activities resuming at 25% capacity, out of state visitors asked to stay away								951	WH	SHD	77.2%
Nebraska	No stay at home order in place. Restaurants open at 50% capacity, museums, wedding receptions, and swimming pools allowed									810	WH	NIA	68.6%
Iowa										688	WH	NIA	69.2%
Michigan		Stay at home order ended 5/8. Restaurants open to take out and delivery, but in-person retail open			Stay at home order ended 5/28. State parks and beaches are open					645	STAY	NIA	75.2%
Pennsylvania	No stay at home order in place. Hotels and home sharing allowed. Mount Rushmore open									624	HLT	PEB	82.2%
South Dakota										615	WH	NIA	65.1%
Mississippi	Stay at home order ended 4/27. Hotels and casinos open									580	WH	NIA	62.4%
Virginia								Stay at home order to end 6/10, VB open		579	STAY	DRH	78.3%
Indiana		Stay at home order ended 5/4. Hotels and golf courses open								555	STAY	NIA	75.5%
Minnesota		Stay at home order ended 4/30. Nearly all businesses in Georgia are open			Stay at home order ended 5/17. Campgrounds, casinos, and hotels open					495	WH	HST	82.6%
Georgia		Stay at home order ended 4/26. Some public recreation areas reopened, swimming pools still closed								488	WH	HST	77.6%
Colorado										489	H	DRH	79.1%
New Mexico						Stay at home order ended 5/31. Indoor leisure remains closed				428	WH	NIA	71.0%
Alabama		Stay at home order ended 4/30. Beaches have reopened, all hotels, spas, and resorts in the process of reopening								418	HLT	NIA	70.8%
Tennessee		Stay at home order ended 4/30. Recreational parks, museums, racetracks, theaters, waterparks, and auditoriums open								388	HLT	PEB	81.0%
Utah					Stay at home order ended 5/15. Groups of 50 or fewer may congregate					376	WH	DRH	80.6%
North Dakota	No stay at home order in place. Historical sites are open									375	STAY	NIA	67.9%
Arizona		Stay at home order ended 5/15. Hotels are open and homesharing is allowed								371	STAY	HST	82.4%
New Hampshire						Stay at home order ended 5/31. Hotels only open to essential workers				371	MAR	NIA	73.0%
Wisconsin					Stay at home order ended 5/26. Water parks and amusement parks open					358	WH	NIA	73.6%
Kansas		Stay at home order ended 5/3. Hotels and casinos open, indoor leisure spaces allowed to reopen								357	WH	NIA	70.8%
North Carolina		Stay at home order ended 5/8. Retail, pools, and restaurants open at limited capacity								340	STAY	NIA	76.2%
California		Stay at home order ended 5/8. Some cities only allowing hotels and homesharing to essential workers, some beaches open								331	H	PEB	81.6%
Ohio			Stay at home order ended 5/15. Casinos opened 6/4			Stay at home order ended 5/29. Pools and recreational activities open				329	HLT	HST	75.7%
Nevada										314	MAR	MAR	79.5%
Arkansas	No stay at home order in place. Beaches, hotels, homesharing properties and resorts are open									312	WH	NIA	64.5%
Washington						Stay at home order ended 5/31. Outdoor activities open				312	H	PEB	78.9%
Florida	Stay at home order ended 4/30. Restaurants and museums open, amusement parks remain closed									298	HLT	NIA	86.4%
South Carolina		Stay at home order ended 5/3. Waterparks, amusement parks, and zoos reopened								277	HLT	DRH	80.1%
Texas		Stay at home order ended 4/30. Visitors from high-risk states subject to 14-day self-quarantine								260	WH	HST	76.3%
Kentucky		Stay at home order ended 5/11. Hotels and golf courses open								252	HLT	NIA	76.6%
Missouri		Stay at home order ended 5/3. Outdoor attractions reopening with PPE requirements, visitors welcome but asked to social distance								245	WH	PK	78.4%
Maine					Stay at home order ended 5/31. 14-day quarantine for visitors					191	HLT	NIA	72.7%
Oklahoma					No stay at home order, but businesses allowed to reopen 5/24					191	WH	NIA	69.0%
Idaho		Stay at home order ended 4/30. Restaurants and salons open								176	WH	NIA	74.2%
Vermont					Stay at home order ended 5/15. Hotels, B&Bs, and outdoor recreation open					170	HLT	DRH	58.6%
Wyoming	No stay at home order in place. Hotels and home sharing allowed, Yellowstone National Park and Grand Teton entrances open									164	WH	NIA	69.7%
West Virginia		Stay at home order ended 4/30. Hotels, museums, spas, and zoos open								150	WH	NIA	67.7%
Oregon					Stay at home order ended 5/15. Restaurants and bars open, gatherings up to 25 people okay					111	H	PEB	75.0%
Alaska	Stay at home order ended 4/21. As of June 6th, visitors can get out of 14-day quarantine upon arrival with negative COVID-19 results within 72 hours									74	MAR	NIA	84.8%
Montana		Stay at home order ended 4/26. Glacier National Park and Yellowstone entrances reopened								51	MAR	NIA	67.4%
Hawaii						Stay at home order ended 5/31. 14-day quarantine for visitors				48	H	PK	64.5%

\*Exposure by percentage of US firms of covered companies (MAR, HLT, H, WH, STAY, PEB, PK, HST, SHD, DRH)

Source: ThePointsGuy, STR, CNN, NPR, State Government Websites, Company data

**Exhibit 7: ~58% of Casinos in the US had reopened as of 9th June**

Source: American Gaming Association



Source: American Gaming Association

**Exhibit 8: Commentary on Amusement park reopenings**

State-wise summary of commentary on Amusement park reopenings

State	State Reopening Policy	Companies with Exposure
Arizona	Water parks allowed to reopen under 'pools' category on 5/13	Six Flags
California	Amusement parks can reopen in Stage 3 of reopening plan, relevant counties in Stage 2- parks have engaged in discussions to open by 7/1	Cedar Fair, SeaWorld Entertainment, Six Flags
Florida	Can be opened under Phase 2 protocol beginning 6/5	SeaWorld Entertainment
Georgia	Amusement Parks allowed to reopen beginning 6/12	Six Flags
Illinois	All outdoor recreation permitted in Phase 4, entered Phase 3 on 5/29	Six Flags
Maryland	Entered Phase 2 on 6/5, did not include amusement parks	Six Flags
Massachusetts	Phase 4 Business: Opening July 20 at earliest	Six Flags
Mexico	In Phase 3 of 3 stage reopening, but government defines majority of country as necessitating continued social distancing measures	Six Flags
Michigan	Most of state in Phase 4, all outdoor recreation permitted in Phase 5	Cedar Fair
Minnesota	All outdoor activities open in Phase III (beginning 6/10)	Cedar Fair
Missouri	All non-essential businesses able to reopen as of 5/4	Cedar Fair, Six Flags
New Jersey	Outdoor recreation and entertainment businesses allowed to reopen on June 22nd, excluding amusement parks, water parks, arcades	Six Flags
New York	Recreation businesses open in Phase 4, state counties currently in Phases 0-2	Six Flags
North Carolina	Entered Phase 2 on 5/22, state approval of reopening timeline unclear	Cedar Fair
Ohio	Allowed to reopen beginning 6/19	Cedar Fair
Oklahoma	Proceeded to final phase (Phase 3) on 6/1	Six Flags
Ontario (Canada)	Stage 1 of reopening began 5/19, details for Stage 2 & 3 coming	Cedar Fair
Pennsylvania	County must be in 'green' phase in order to reopen	Cedar Fair, SeaWorld
Quebec (Canada)	All outdoor leisure activities permitted beginning 6/8	Six Flags
Texas	Parks can open 6/3 or 6/19 depending on county case rate	Cedar Fair, SeaWorld, Six Flags
Virginia	Allowed to reopen in Phase 2 (6/5) ex- Richmond/Northern VA	Cedar Fair, SeaWorld

Source: State Government Websites, Company data

**Exhibit 9: Commentary on Cruise fleet operations reopening has been limited and is subject to more extensions vs. hotels/amusement parks**

Company	Commentary on fleet reopenings
Norwegian	Norwegian Cruise Line announced suspension of global cruise voyages until July 31, 2020. They also expect sailings to restart with a handful of vessels, phasing in others over a period of 5 to 6 months before having full fleet back in operation.
Carnival	1) AIDA Cruises suspended all its cruises in the USA and Canada for 2020. 2) P&O Cruises has suspended its operations until October 15, 2020. 3) Costa has suspended its cruises until 31 July 2020. 3) Queen Mary 2 and Queen Victoria, Cunard have suspended all sailings until July 31, 2020. 4) Princess Cruises has suspended operations through June 30, 2020. 5) Seabourn has suspended operations through June 30, 2020. 6) Carnival Cruise Line issued update mentioning further delay of operations for most of its fleet until August 31.
RCL	Royal Caribbean announced further suspension of voyages until July 31 with China being the only exception.

Source: Company data

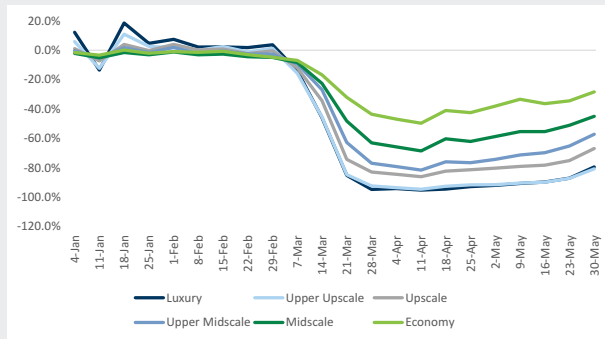
**How are properties performing upon reopening?**

Companies across the sector have seen encouraging signs upon reopening, with hotel and timeshare occupancy in leisure, drive-to markets such as Sedona, Daytona, Myrtle Beach, Tampa, and Huntington beach climbing from the 20-30% range to 60%+ range in recent weeks. Similarly, casinos have found greater demand than allowed by social distancing, which in some cases has driven higher occupancy on normally soft weekdays. These trends are echoed by strength in weekly RevPAR growth, where resorts



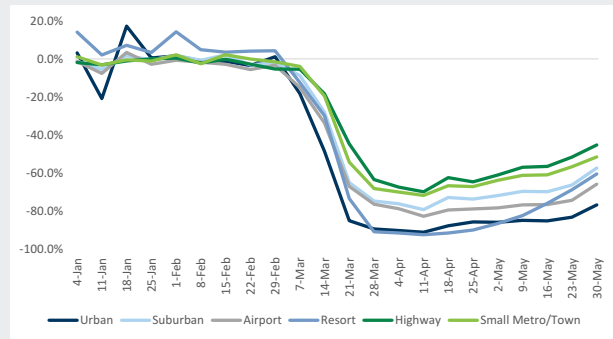
and midscale/economy hotels that are more leisure-centric have been steadily improving relative to the broader US. Importantly, pricing has remained generally resilient upon the first openings, as also evident in our pricing studies for the amusement parks, though our Las Vegas checks appear far weaker. In contrast to the strong leisure commentary, management teams at our conference were generally negative on the backdrop for both transient business demand and group demand, mirroring softer RevPAR data in urban markets and uncertainty over social distancing measures on large groups.

**Exhibit 10: Higher end Luxury and Upper upscale chainscales have significantly underperformed lower end chainscales...**  
Chain scale-wise weekly RevPAR trends



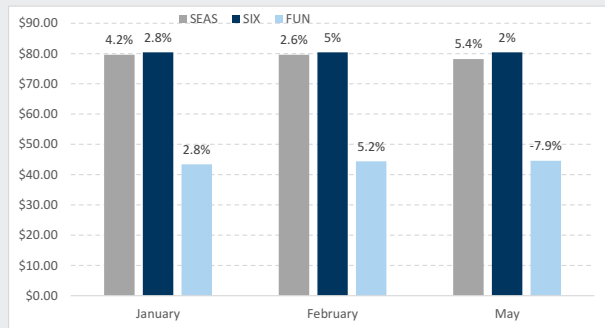
Source: STR

**Exhibit 11: ... with hotels at Urban locations underperforming vs. more drive-to leisure focused highway and town hotels, resort has seen a sharper rebound more recently**  
Location-wise weekly RevPAR trends



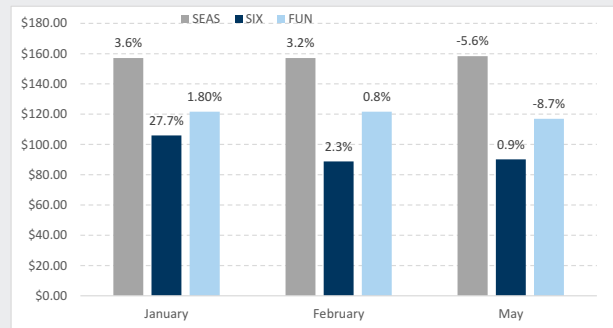
Source: STR

**Exhibit 12: Amusement parks pricing trends point to largely stable pricing for single day tickets...**  
Pricing for Single day tickets and YoY growth rates



Source: Company data

**Exhibit 13: ... as well as for season passes**  
Pricing for season passes and YoY growth rates



Source: Company data



### Exhibit 14: Las Vegas is seeing significantly lower pricing trends on YoY basis although trajectory of pricing trends, especially in 3Q20, is looking much better

Weekend and Weekday pricing trends for Bellagio, Mandalay Bay, Park MGM and Palms

Weekend	% Premium/Discount vs. Initial Price					Weekend	'20 Average Price vs. '19		
	3Q19	4Q19	1Q20	2Q20	3Q20		1Q	2Q	3Q
Bellagio	8%	15%	-3%	9%	5%	Bellagio	0%	-25%	-34%
Mandalay Bay	-2%	10%	4%	NA	21%	Mandalay Bay	4%	-38%	-62%
Park MGM	24%	28%	6%	NA	19%	Park MGM	0%	-25%	-56%
Palms	17%	29%	-18%	NA	NA	Palms	-	-39%	-20%
Weekday	% Premium/Discount vs. Initial Price					Weekday	'20 Average Price vs. '19		
	3Q19	4Q19	1Q20	2Q20	3Q20		1Q	2Q	3Q
Bellagio	0%	-4%	-30%	-19%	-7%	Bellagio	-7%	-31%	-38%
Mandalay Bay	-6%	-2%	-51%	NA	7%	Mandalay Bay	11%	-37%	-75%
Park MGM	7%	9%	-25%	NA	73%	Park MGM	10%	-24%	-48%
Palms	-13%	47%	-12%	NA	4%	Palms	17%	-26%	-19%
<b>Average</b>	<b>4%</b>	<b>17%</b>	<b>-16%</b>	<b>-5%</b>	<b>18%</b>	<b>Average</b>	<b>5%</b>	<b>-31%</b>	<b>-44%</b>

Source: Company data, Goldman Sachs Global Investment Research

### What do forward bookings tell us?

We can split up forward bookings trends into shorter and longer windows. The shorter windows typically offer a better signal of consumer behavior than longer duration as the % on the books for longer duration tends to be low and subject to changes as we move closer-in. Recently, we have seen very close-in bookings within leisure strengthen materially, both in anecdotes from management teams and data sets. Select data sets we are watching, include:

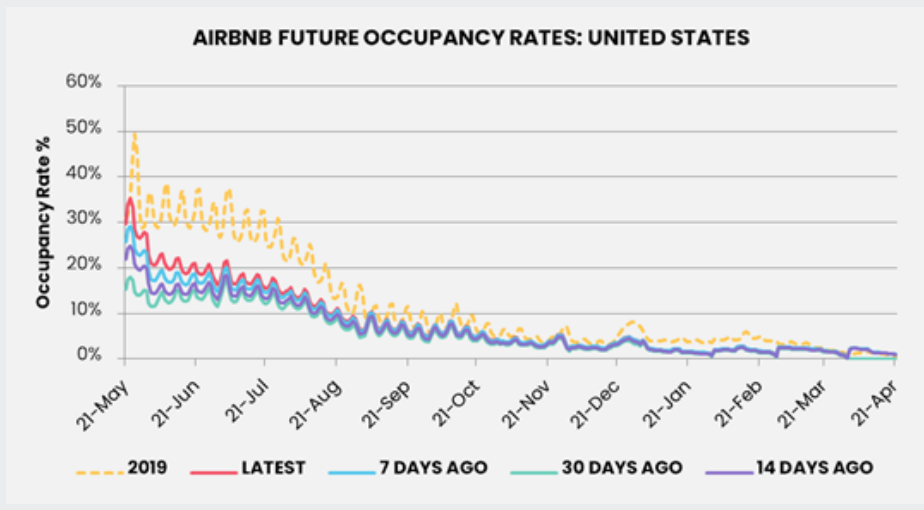
- Google search trends, as search tends to lead bookings and stays. Interestingly, we have found a dichotomy in search, with casinos, vacation rentals, and national parks accelerating above prior year levels whereas cruise, amusement parks and hotels have bounced back but to a lower degree.
- Comscore Media Metrix data highlighted a sequential increase in website visitation and on-site engagement for the Hotel & Vacation Rental Category in late May with vacation rental and budget hotel sites driving the increase, not the major hotel chains. Time spent at Airline sites surpassed 13 minutes per visitor, which was higher vs. week of Feb 3, 2020.
- Adara's hotel booking volume index, which is based on booking volume of flight and hotel bookings relative to Jan 2, 2020 levels, quintupled from the lows through early June (indexed to 100 in January, bottomed around 5-10 in Late March / Early April before rebounding to ~50). The improvement has been led by those bookings focused on Leisure - Family (now at ~60) and Leisure - Non-Family (now at ~40) vs. business recovering, albeit more slowly (now at ~30).
- Alltherooms' Forward Booking Index has seen occupancy rates for future periods slowly converge with the prior year as states have reopened and consumers have begun looking for time away from their homes. At our conference, CEO and Founder Joseph di Tomaso noted that strength has been focused on less densely populated areas rather than urban markets where significant levels of supply disappeared (rentals for a room vs. the whole-apartment).

**Exhibit 15: Search results for “Vacation rental” and “Casino” have spiked in June while “Beach”, “Hotel”, “Amusement Park” and “Cruise” continue to lag**

Avg. YoY change	Vacation rental	Beach	Hotel	Casino	Cruise	Amusement park
Jan-20	-5%	-2%	31%	19%	14%	6%
Feb-20	-7%	-7%	23%	10%	14%	3%
Mar-20	-37%	29%	-4%	0%	17%	-36%
Apr-20	-44%	53%	-40%	-35%	-33%	-56%
May-20	42%	105%	-37%	-1%	-45%	-47%
Jun-20	55%	21%	-31%	19%	-59%	-51%
<b>June vs. May</b>	<b>12%</b>	<b>-83%</b>	<b>6%</b>	<b>20%</b>	<b>-14%</b>	<b>-4%</b>

Source: Google Trends

**Exhibit 16: Airbnb future occupancy trends**



Source: Alltherooms

**Putting it all together**

The data points highlight a sharper than expected recovery in leisure demand, led by drive-to markets. Importantly, the initial recovery appears to mirror historical patterns of recessions/recoveries where leisure (usually regional casinos, Orlando, and Vegas) bottoms first, followed by business transient, and then large group hotel demand and cruise net yields. The early signals of improving hotel demand only offer further evidence of the trajectory, which appears to be a growing consensus in our view amidst a sharp rebound in the entire space over the past two weeks.

### Back to Normal

The “Back to Normal” category includes some of the most heavily impacted consumer segments, including commuting, dining and all aspects of travel.

Recovery across the back to normal categories is somewhat mixed. Commute app downloads were -46% y/y in the most recent week, compared to -49% a week ago and gas demand, which was -20% y/y from May 25-31, is off lows of almost -50% y/y in early April. However, Google Mobility reports show that both transit and workplace mobility figures in the past week were down more than the prior week, suggesting a lag in people heading back to work as states reopen. Retail metrics continue to improve with department store consumer spend reaching -9% y/y from May 25-31, compared to -15% and -30% in the two prior weeks. OpenTable seated diners have now recovered to -74% y/y, marking the sixth straight week of recovery. Mastercard and Visa both released updates, where Visa reported May total US payments declining by 5% y/y, a 13% improvement over April. Mastercard noted that for the week ending May 28, US Switched Volume was only down 1% y/y.

### Exhibit 17: “Back to Normal” metrics are down significantly, although seeing signs of recovery

Feb 9 - Mar 22 excluded for presentation purposes; see prior reports for data

Basket	Sector	Company/App	Metric	y/y % change, unless otherwise noted																	Source
				Feb 3 - Feb 9	Mar 16 - Mar 22	Mar 23 - Mar 29	Mar 30 - Apr 5	Apr 6 - Apr 12	Apr 13 - Apr 19	Apr 20 - Apr 26	Apr 27 - May 3	May 4 - May 10	May 11 - May 17	May 18 - May 24	May 25 - May 31	June 1 - June 7					
Back to Normal	Gym Attendance		US App Downloads	-42%	-1%	-3%	-57%	-70%	-81%	-89%	-82%	-85%	-89%	-85%	-82%	-84%	-82%		Sensor Tower		
			US App Downloads	-18%	-50%	-63%	-67%	-66%	-59%	-56%	-52%	-39%	-23%	-23%	-26%	-31%					
			Gas Demand	1%	-3%	-27%	-48%	-46%	-44%	-38%	-32%	-19%	-28%	-23%	-20%					EIA	
	Commuting	Google COVID-19 Community Mobility Reports	Transit % change from baseline		-33%	-48%	-50%	-52%	-50%	-48%	-43%	-42%	-40%	-37%	-39%				Google		
			Workplaces % change from baseline		-29%	-42%	-46%	-40%	-45%	-44%	-42%	-41%	-39%	-36%	-45%					Google	
	Box Office		US Top 10 Gross	27%	-88%	-100%	-100%	-100%	-100%	-100%	-100%	-100%	-100%	-100%	-100%	-100%	-100%	-100%	-100%	Box Office Mojo	
			Movies Released	-4%	-4%	-9%	-9%	-9%	-9%	-9%	-9%	-9%	-9%	-9%	-9%	-9%	-9%	-9%	-9%	Box Office Mojo	
	Sports TV	ESPN	NBCSN	Ratings	-6%	-25%	-45%	-51%	-66%	-45%	19%	-51%	-54%	-54%	-51%	-57%	-60%			Nielsen	
				FS1	-28%	-39%	-70%	-36%	-80%	-87%	-89%	-92%	-88%	-87%	-80%	-80%	-24%				
	Dining	OpenTable	Seated diners	15%	-9%	-53%	-36%	-46%	-11%	-25%	-34%	-43%	-46%	-25%	31%	33%	-49%			OpenTable	
			Weekly Visits	-9%	-33%	-49%	-49%	-49%	-48%	-45%	-43%	-40%	-38%	-36%	-33%	-29%				ShopperTrak RCT Corporation	
	Retail		Outlet Malls Weekly Visits		-8%	-82%	-99%	-100%	-100%	-100%	-100%	-100%	-99%	-95%	-90%	-82%	-72%			ShopperTrak RCT Corporation	
			Beauty Aids \$/store	0%	-28%	-40%	-29%	-21%	-24%	-13%	-21%	-2%	-9%	-9%	-11%	-15%					
			Shaving \$/store	-8%	11%	-10%	-2%	4%	-3%	0%	-5%	5%	-3%	-1%	-3%	-7%				Catalina	
	Retail	Department stores	Consumer spend	2%	39%	-10%	-13%	-13%	-19%	-10%	-18%	-12%	-15%	-11%	-9%	-8%				Factus	
			Google COVID-19 Community Mobility Reports	% change from baseline		-28%	-42%	-42%	-46%	-42%	-40%	-34%	-30%	-29%	-24%	-23%				Google	
			Amusement Parks	Consumer Spend		-82%	-85%	-81%	-83%	-71%	-83%	-80%	-80%	-82%	-83%	-82%				Factus	
	Retail and Recreation	Tourist Attractions	Consumer Spend		-70%	-83%	-73%	-73%	-85%	-76%	-51%	-56%	-59%	-53%	-48%				Factus		
			TSAs checkpoints	-9%	-9%	-9%	-9%	-9%	-9%	-9%	-9%	-9%	-9%	-9%	-9%	-9%				TSA	
	Airlines		Consumer spend		-75%	-89%	-92%	-94%	-89%	-89%	-84%	-82%	-79%	-76%	-72%					Factus	
			Top 5 US Airports (Int Passenger Arrival)	-1%	-1%	-41%	-76%	-95%	-89%	-89%	-89%	-89%	-89%	-89%	-89%	-89%				GS Economics Team	
	Lodging	Hilton	Marriott	US Occupancy	-1%	-56%	-67%	-69%	-70%	-64%	-62%	-59%	-56%	-54%	-50%	-43%				STR	
				US ADR	1%	-30%	-39%	-42%	-49%	-42%	-43%	-44%	-42%	-42%	-40%	-33%				STR	
Online Travel	Live Events	Google Search Traffic	US App Downloads	-7%	-38%	-55%	-60%	-60%	-56%	-55%	-51%	-43%	-45%	-40%	-38%				Google		
			US App Downloads	-12%	-51%	-69%	-74%	-76%	-75%	-74%	-76%	-69%	-68%	-63%	-61%	-58%					
Card Payments	Mastercard	US Switched Volume	37%	32%	-58%	-72%	-75%	-73%	-67%	-65%	-65%	-61%	-56%	-48%	-45%				Sensor Tower		
		US Switched Volume	32%	32%	-89%	-90%	-91%	-89%	-88%	-92%	-93%	-89%	-89%	-82%	-83%				Company data		

Source for Google Community Mobility data: Google LLC “Google COVID-19 Community Mobility Reports”. <https://www.google.com/covid19/mobility/> Accessed: <25th May 2020>; Google search data from Google Trends

Source: Sources in exhibit, compiled by Goldman Sachs Global Investment Research

### Back to normal category updates

- Costco reported May core trends accelerating from April, with traffic declines appearing to ease as more stores return to normal operations. May SSS were +9.7% and US +9.2% (both excluding gas price deflation), driven by strength in major applications, consumer electronics, sporting goods and hardware even as apparel growth remained soft. Dicks Sporting Goods also commented that 2Q to date sales trends were better than expected after SSS decline of -29.5% in Q1, where eCommerce grew +250%. Michael’s noted that stores that have been open in Q2 are averaging ~11% SSS growth.
- According to Bloomberg, Universal’s Florida Theme Parks saw few guests on its reopening on June 5th, suggesting that consumers were still wary of traveling and

gathering amidst the pandemic. Disney has decided to wait until next month to reopen its Florida resorts, and is working on a reservation system in the meantime.

### Business Activities

Business activities are recovering steadily with a 1-2pt improvement on nearly all airline-related metrics in the most recent week, including TSA passenger volume and passenger aircraft in service. Housing demand remains strong, with Redfin reporting +22% y/y growth in homebuyer demand for the week of May 25-31, while the Mortgage Bankers Association reported that mortgage applications were +17% y/y in the same week. Fastenal daily sales were up 14.8% y/y in May, and truck spot pricing recovered to -8% y/y off lows of almost -20% in mid-April. According to ADA, the number of dental offices that now operate at >50% pre-COVID capacity is now at 58%, compared to 38% two weeks ago.

**Exhibit 18: Business Activity metrics are still down but recovering to reflect the economic impact of the crisis**  
Feb 3 - Mar 1 excluded for presentation purposes; see prior notes for data

Basket	Sector	Company/App	Metric	y/y % change, unless otherwise noted													Source			
				Mar 2 - Mar 8	Mar 9 - Mar 15	Mar 16 - Mar 22	Mar 23 - Mar 29	Mar 30 - Apr 5	Apr 6 - Apr 12	Apr 13 - Apr 19	Apr 20 - Apr 26	Apr 27 - May 3	May 4 - May 10	May 11 - May 17	May 18 - May 24	May 25 - May 31		June 1 - June 7		
Business Activity	Industrial consumer	TSA passenger throughput	N.A. Airline forward schedules (1 month out)	-12%	-29%	-69%	-90%	-94%	-99%	-99%	-94%	-95%	-94%	-93%	-91%	-89%	-87%	-85%	TSA	
			Actual air traffic growth	-27%															OAG	
			Passenger aircraft in service	-53%																IATA
	Autos	3M	Monthly sales	US Refinery Utilization %	-7%	-10%	-33%	-53%	-59%	-61%	-61%	-59%	-59%	-57%	-55%	-55%	-51%	-49%	Company data	
				Auto SAAR	-1%	-4%	-6%	-5%	-12%	-19%	-25%	-26%	-24%	-22%	-22%	-22%	-22%	-22%	-22%	EIA
	Mortgage Bankers Association	Mortgage Applications	Domestic ethanol blending	0%	1%	-34%	-34%	-45%	-45%	-44%	-37%	-35%	-30%	-28%	-25%	-23%	-23%	EIA		
			Google Search Traffic	-3%	-9%	-28%	-28%	-29%	-27%	-28%	-21%	-10%	-5%	-4%	-4%	-5%	-8%	Google		
	Industrial housing	Single-Family Housing Permits (NSA)	New Home For-Sale Inventory (Months of Supply, SAAR)	Mortgage Applications	12%	11%	-11%	-23%	-33%	-35%	-31%	-20%	-19%	-9%	-2%	8%	17%	Mortgage Bankers Association		
				Existing Home For-Sale Inventory (Months of Supply, SAAR)															Census Bureau	
				New Home Prices (Median)																Census Bureau
				Existing Home Prices (Median)																NAR
				New Home Sales (Units, SAAR)																Census Bureau
				Existing Home Sales (Units, SAAR)																NAR
				Purchase Loan Rate Lock Activity																AEI
				Texas cement shipments																Texas Comptroller
				Home-buying demand	14%	-2%	8%	-27%	-12%	-21%	-20%	-15%			6%	17%		22%	Redfin	
				Customer Projects on Home Construction	3%	0%	-27%	-36%	-28%	-22%	-4%	21%							Thumbtack	
	Customer Projects on Moving	-5%	-13%	-22%	-34%	-40%	-43%	-39%	-29%							Thumbtack				
	Industrial equipment	Caterpillar	Retail sales	Boeing													Company data			
	New aircraft orders															Company data				
	Komtrax operating hours																Komtrax			
	Industrial trade	Truck spot pricing	DAT lead-to-van ratio	North America replacement tire volumes													Company data			
				Weekly rail economically sensitive carloads (US rails)														AAR		
				Weekly rail intermodal carloads (US rails)	-8%	-5%	-9%	-15%	-16%	-21%	-21%	-20%	-18%	-19%	-19%	-16%	-15%	AAR		
				Truck spot pricing	-14%	-9%	-11%	-14%	-16%	-20%	-19%	-16%	-14%	-16%	-14%	-11%	-11%	Truckstop		
DAT lead-to-van ratio				0%	9%	10%	4%	9%	14%	19%	17%	12%	148	173	2.04	2.78	DAT			
Multi-Industry	FAST	EMR	Truck Load Availability Index (2014=100)	122	131	127	87	55	44	42	50	59	73	85	88	106	Truckstop			
			Cass freight index														CASS			
			'Big 3' west coast ports inbound loaded containers														Port data			
			Dental offices at 50% of normal														ADA			
Personal Health	FAST	EMR	T3M underlying monthly orders													Company data				
			Dental offices at 50% of normal													ADA				
Advertising	Facebook / Instagram	Cost per 1,000 Impressions	Elective procedures (% baseline)	0%	-3%	-43%	-82%	-86%	-88%	-87%	-85%	-78%	-62%	-53%	59%	IQVIA				
			Branded Nrx volumes (mm)	3.7	3.8	3.8	3.3	3.0	2.9	2.8	2.7	2.7	2.8	2.8	2.8	2.6	IQVIA			
			Generic Nrx volumes (mm)	46	46	46	40	37	36	35	35	35	35	36	33	IQVIA				

Google search data from Google Trends

Source: Sources in exhibit, Goldman Sachs Global Investment Research

### Business Activities category updates

- This week we added Emerson Electric’s T3M underlying order growth, which reflects average organic monthly orders placed for products across industrial end markets including Non-res construction, HVAC, O&G, Power Generation, food equipment, and other industrial applications. Emerson’s April orders reflect slowness across NA, Europe, and Latin America, with commercial construction, HVAC, professional tools and shale O&G highlighted. This was partially offset by stabilization in MEA and APAC. Emerson expects summer weather, moderating unemployment and Chinese stimulus could be important factors in resumption of order growth.

- Boeing reported (9) net commercial aircraft cancellations from May, compared to (108) cancellations in April and (150) in March. Deliveries were disrupted reflecting facility shutdowns and airlines working through disruption, but manufacturing is ramping back up.

## The GS Reopening Scale

To look at all of these metrics in aggregate and quantify where consumers are on the path to economic recovery, we created a composite scale that is based on the inverse average of growth in all the sectors within “Stay at Home” categories and the normal average of “Back to Normal” categories relative to the week of February 3rd, reflecting where the consumer is between the two categories. We index a value of 100 to consumer activity in the week of February 3rd, before the impact of COVID-19 in the US, and the minimum value that the composite scale has reached is 36. We then translate the composite scale onto a GS reopening scale of 1-10 ([Exhibit 19](#)), where values less than or equal to 50 represent a 1 and a return to Feb 3rd levels would represent a 10.

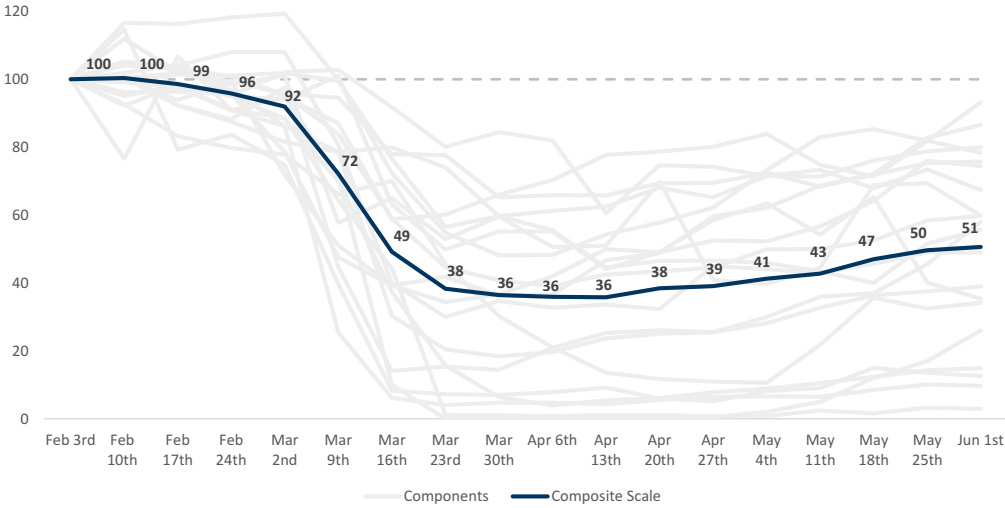
The GS reopening scale, based on the trajectory of the Composite Scale ([Exhibit 20](#)), first reached 1 in the week of March 16th, where it remained for 10 weeks after, indicating that consumers were still at the trough of impacts from COVID-19. However, this week our composite score of 51, reflecting the methodical recovery of consumer behavior, brings us to a ‘2’ for the first time. We expect that as states begin to reopen for business these metrics will slowly begin to recover more meaningfully, bringing the scale to higher levels over time. However, we would expect the recovery to a 10 to take at least a number of months, during which period the “Stay at Home” category will show significantly slower growth, while the “Back to Normal” category will likely moderate declines as people resume daily activities of dining, commuting and travel, among others.

**Exhibit 19: Composite scale to Reopening Scale**

Composite Scale	Reopening Scale
100+	10
91-99	9
86-90	8
81-85	7
76-80	6
71-75	5
66-70	4
61-65	3
51-60	2
≤50	1

Source: Goldman Sachs Global Investment Research

**Exhibit 20: Composite Scale, Feb. 3 - Jun 7th**  
Date on x-axis represents first day of week measured



This exhibit summarizes data from sources listed in Exhibits 5, 17 and 18.

Source: Goldman Sachs Global Investment Research

# Disclosure Appendix

## Reg AC

We, Heath P. Terry, CFA, Noah Poponak, CFA, Jason English and Stephen Grambling, CFA, hereby certify that all of the views expressed in this report accurately reflect our personal views about the subject company or companies and its or their securities. We also certify that no part of our compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

Unless otherwise stated, the individuals listed on the cover page of this report are analysts in Goldman Sachs' Global Investment Research division.

## GS Factor Profile

The Goldman Sachs Factor Profile provides investment context for a stock by comparing key attributes to the market (i.e. our coverage universe) and its sector peers. The four key attributes depicted are: Growth, Financial Returns, Multiple (e.g. valuation) and Integrated (a composite of Growth, Financial Returns and Multiple). Growth, Financial Returns and Multiple are calculated by using normalized ranks for specific metrics for each stock. The normalized ranks for the metrics are then averaged and converted into percentiles for the relevant attribute. The precise calculation of each metric may vary depending on the fiscal year, industry and region, but the standard approach is as follows:

**Growth** is based on a stock's forward-looking sales growth, EBITDA growth and EPS growth (for financial stocks, only EPS and sales growth), with a higher percentile indicating a higher growth company. **Financial Returns** is based on a stock's forward-looking ROE, ROCE and CROCI (for financial stocks, only ROE), with a higher percentile indicating a company with higher financial returns. **Multiple** is based on a stock's forward-looking P/E, P/B, price/dividend (P/D), EV/EBITDA, EV/FCF and EV/Debt Adjusted Cash Flow (DACF) (for financial stocks, only P/E, P/B and P/D), with a higher percentile indicating a stock trading at a higher multiple. The **Integrated** percentile is calculated as the average of the Growth percentile, Financial Returns percentile and (100% - Multiple percentile).

Financial Returns and Multiple use the Goldman Sachs analyst forecasts at the fiscal year-end at least three quarters in the future. Growth uses inputs for the fiscal year at least seven quarters in the future compared with the year at least three quarters in the future (on a per-share basis for all metrics).

For a more detailed description of how we calculate the GS Factor Profile, please contact your GS representative.

## M&A Rank

Across our global coverage, we examine stocks using an M&A framework, considering both qualitative factors and quantitative factors (which may vary across sectors and regions) to incorporate the potential that certain companies could be acquired. We then assign a M&A rank as a means of scoring companies under our rated coverage from 1 to 3, with 1 representing high (30%-50%) probability of the company becoming an acquisition target, 2 representing medium (15%-30%) probability and 3 representing low (0%-15%) probability. For companies ranked 1 or 2, in line with our standard departmental guidelines we incorporate an M&A component into our target price. M&A rank of 3 is considered immaterial and therefore does not factor into our price target, and may or may not be discussed in research.

## Quantum

Quantum is Goldman Sachs' proprietary database providing access to detailed financial statement histories, forecasts and ratios. It can be used for in-depth analysis of a single company, or to make comparisons between companies in different sectors and markets.

## Disclosures

### Distribution of ratings/investment banking relationships

Goldman Sachs Investment Research global Equity coverage universe

	Rating Distribution			Investment Banking Relationships		
	Buy	Hold	Sell	Buy	Hold	Sell
Global	46%	39%	15%	65%	57%	52%

As of April 9, 2020, Goldman Sachs Global Investment Research had investment ratings on 3,023 equity securities. Goldman Sachs assigns stocks as Buys and Sells on various regional Investment Lists; stocks not so assigned are deemed Neutral. Such assignments equate to Buy, Hold and Sell for the purposes of the above disclosure required by the FINRA Rules. See 'Ratings, Coverage Universe and related definitions' below. The Investment Banking Relationships chart reflects the percentage of subject companies within each rating category for whom Goldman Sachs has provided investment banking services within the previous twelve months.

## Regulatory disclosures

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