

RETAIL

Luxury stocks end September on a high note, but is trouble ahead?

October 7, 2020



Shoppers can experience the Burberry Animal Kingdom pop-up online or in-person. Image credit: Burberry

By LUXURY DAILY NEWS SERVICE

Although uncertainty persists among luxury investors about economic and political issues, the market ended September on a positive note.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

The Savigny Luxury Index, which measures the market capitalization of 17 of the biggest public luxury groups, finished the month up 3.2 percent. Positive news from select luxury groups and strong sales post-lockdowns outweighed other concerns from investors.

Growth amid trouble

Capri Holdings, the owner of Italian fashion label Versace, saw its share price jump 13.6 percent in September, followed by Swatch Group at 12.5 percent. French luxury conglomerate Kering also saw its double-digit growth of its share price.

Burberry was another strong performer, with its share price growing 7.6 percent. The British fashion label stood out by livestreaming its spring/summer 2021 runway show on Twitch, a platform better known for video game streams.

Tiffany & Co. struggled, seeing its stock price fall 5.4 percent in September. Last month, it became public that French luxury group LVMH was pulling out of the multibillion deal to acquire the U.S. jeweler.



LVMH hesitated to put the ring on the Tiffany finger. Image credit: Tiffany for T1

LVMH and Tiffany & Co. dominated the headlines in the luxury business, as lawsuits were filed and public statements exchanged back and forth.

In back-to-back statements in late September, LVMH and Tiffany hurled accusations against each other. At the core of this is a simple driver: Tiffany wants LVMH to live up to its deal that the owner of Louis Vuitton and Dior would go through with the \$16.2 billion transaction to buy the U.S. jeweler ([see story](#)).

Looking ahead, there is still cause for weariness among luxury investors.

Citing rising COVID-19 infection rates among younger people, Paris re-implemented a citywide lockdown.

In the United States, [stocks tumbled on Oct. 6](#) after President Donald Trump announced he asked his administration to cease negotiations for a federal stimulus package until after the election. The revelation came hours after the chairman of the Federal Reserve said a stimulus was essential to maintain the country's economic recovery.

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.