

Amazon (AMZN)

Highly Attractive

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## Amazon Kicks Off Black Friday with a Bang; Stronger Than Expected Sales Bode Well for 4Q

Based on our survey work at GBH and e-commerce trend analysis over the last 24 hours, we believe Amazon had an “eye-popping” Black Friday sales performance as we estimate Amazon comprised between 45% to 50% of all e-commerce sales thus far. With e-commerce Black Friday sales on a trajectory to increase roughly 18% year over year, these are very positive data points heading into Cyber Monday and the rest of holiday season for Amazon (and its investors). We believe the average Prime customer is forecasted to spend between roughly 20%-25% more this holiday season than the year ago period, coupled by major growth in US/International Prime members, should be setting the stage for a game changer holiday season for Bezos & Co. With our estimates forecasting overall e-commerce growth rising 20% year over year for holiday season and Amazon set to comprise roughly half of US e-commerce holiday sales this year, it appears Amazon has significant momentum heading into year-end and could beat the Street’s 4Q top-line estimate by 5% if these projections prove out (off to a great start based on our initial analysis from Black Friday). **We maintain our Highly Attractive rating as Amazon remains one of our top picks and \$1,270 price target.**

- **Other observations from Black Friday; Walmart, Apple.** Based on our store checks/analysis of inventory trends and store traffic, we believe Walmart is seeing stronger than expected Black Friday sales with a great set-up going into Cyber Monday (despite Amazon’s stronghold) as Bentonville’s focus around online sales remains front and center with added products, incentives, and partners driving the e-commerce channel. With our Apple stores checks today, we saw strong demand for the Watch Series 3 (cellular version) which is another positive data point indicating tailwinds for Cook & Co. on this latest wearable version heading into 2018.