



## Goldman Sachs says these 10 stocks are dangerously overvalued and could tumble 20% — and their list includes Apple, which they see plunging 35% this year

Marley Jay Jan 5, 2020, 2:05 PM



David Kostin, Goldman Sachs chief U.S. equity strategist, speaks during an interview with CNBC on the floor of the New York Stock Exchange (NYSE) in New York, U.S., July 11, 2018. Brendan McDermid/Reuters

**Goldman Sachs is forecasting a much more difficult year for stocks in 2020, and says it's going to do serious damage to Apple and several other tech and consumer discretionary companies.**

**David Kostin, the firm's chief US equity strategist, says Apple could drop 35% this year as momentum fades. He also thinks its earnings growth in the next few years looks relatively unimpressive.**



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Investors had a lot to be happy about in 2019 as all kinds of assets went up — but when almost everything rises, some are inevitably going to be overpriced.

In forecasting a much slower year for the market, Goldman Sachs chief US equity strategist David Kostin is pointing out the stocks that he thinks are most likely to be riding for a big decline in 2020.

Kostin expects the S&P 500 index to inch up less than 5% this year to a final target of 3,400. That's below the market's long-term average and represents a big slowdown compared to [last year's dramatic gain](#).

But a more sluggish and volatile market could dish out a lot of pain to stocks that have had a lot of momentum recently. And his concerns are centered around technology and consumer discretionary stocks, which have dominated throughout the almost 11-year bull market.

"In 2019, Info Tech returned 50%, the best of any sector, and accounted for 32% of the rise in the overall index. Only two other sectors, Financials (+32%) and Communication Services (+33%), outpaced the market," he wrote in a note to clients.

Kostin says both of those sectors are overvalued based on their likely growth over the next five years.



Kostin says the rally — which included a 31.5% surge in the fourth quarter — has gone way too far.

Goldman estimates that Apple's profits will come up well short of Wall Street forecasts this year, and that the tech giant will see its earnings grow at about the same rate as the rest of the market over the next two years.

Perhaps less surprising is that he believes some big-name retailers still have a lot of pain and suffering ahead of them after they struggled badly last year.

So at least Apple will have company if it's going to disappoint investors. Kostin says nine other S&P 500 stocks are on track for declines of 20% or more this year.

Those stocks are ranked below in increasing order of how far they'd have to fall from their December 31 closing prices to reach Goldman Sachs' price target.

## 10. Amcor

# AMCOR (AMCR)STOCK NYSE

▼ 10.58 USD -0.05 (-0.47%) 11:41:29 AM EST BTT

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Prev. Close 10.63 Market Cap 12.25 B  
Open 10.50 Volume (Qty.) 128,371

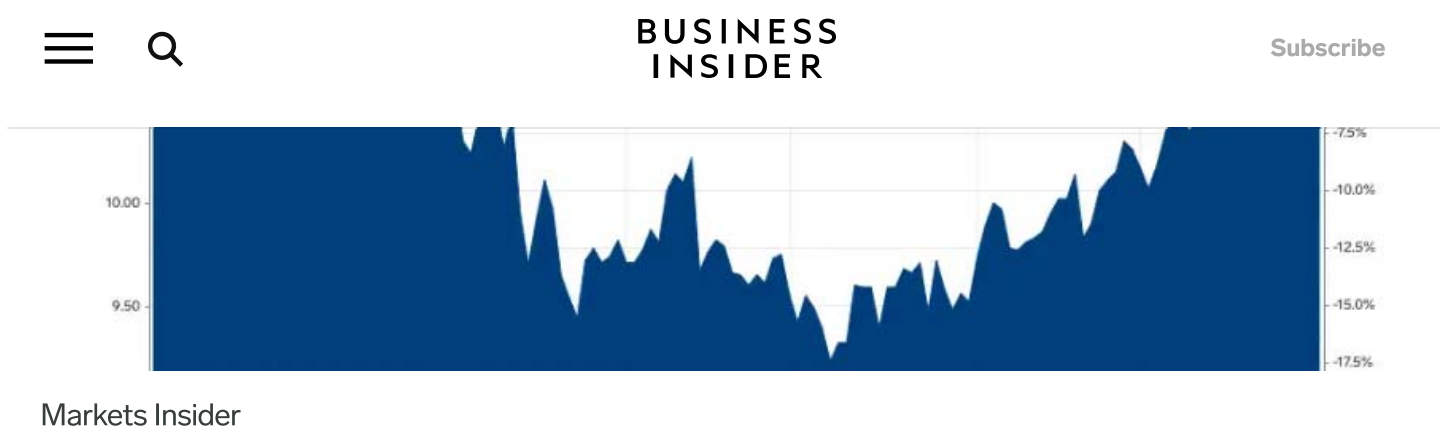
Day Low 10.41 Day High 10.63  
10.58

INTRADAY 1W 1M 3M 6M YTD 1Y 3Y 5Y 10Y MAX

INDICATORS

CHART OPTIONS





**Ticker:** [AMCR](#)

**Sector:** Materials

**Price target:** \$8.50

**Downside to target:** 21.6%

*Source: Goldman Sachs*

9. Hormel Foods



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40.00

39.00



-2.5%

-5.0%

Markets Insider

**Ticker:** [HRL](#)

**Sector:** Consumer staples

**Price target:** \$35

**Downside to target:** 22.4%

*Source: Goldman Sachs*

8. Walgreens Boots Alliance

WALGREENS BOOTS ALLIANCE (WBA)<sup>STOCK NAS</sup>

▼ 58.87 USD -0.23 (-0.39%)

11:45:50 AM EST BTT

+

ADD

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Prev. Close 59.08

Market Cap 52.54 B

Day Low 58.19

Day High 58.88

52 Week Low 49.07

52 Week High 74.95

Open 58.52

Volume (Qty.) 130,925

INTRADAY

1W

1M

3M

6M

YTD

1Y

3Y

5Y

10Y

MAX

INDICATORS

CHART OPTIONS

70.00

65.00



5.00%

0.00%

-5.00%

Q

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-20.00%

-25.00%

Markets Insider

**Ticker:** [WBA](#)

**Sector:** Consumer staples

**Price target:** \$45

**Downside to target:** 23.7%

*Source: Goldman Sachs*

7. Globe Life

TORCHMARK (GL)

STOCK NYSE

+

ADD

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SHARE

♥

104.35

USD

-1.13 (-1.07%)

11:45:24 AM EST BTT

Prev. Close105.56

Market Cap11.30 B

Day Low103.83

Day High104.46

52 Week Low74.95

52 Week High107.25

Open104.39

Volume (Qty.)8,166

INTRADAY

1W

1M

3M

6M

YTD

1Y

3Y

5Y

10Y

MAX

INDICATORS

CHART OPTIONS

105.00

100.00

95.00

90.00

40.00%

35.00%

30.00%

25.00%

20.00%

15.00%

36.64%

Markets Insider

**Ticker:** [GL](#)

**Sector:** Financials

**Price target:** \$80

**Downside to target:** 24%

*Source: Goldman Sachs*

6. Nordstrom



**Ticker:** JWN

**Sector:** Consumer discretionary

**Price target:** \$31

**Downside to target:** 24.3%

*Source: Goldman Sachs*

5. PVH



Ticker: PVH

Sector: Consumer discretionary

Price target: \$75

Downside to target: 28.7%

Source: Goldman Sachs

4. MarketAxess Holdings



Sector: Financials

Price target: \$270

Downside to target: 28.8%

Source: Goldman Sachs

3. Macy's



Markets Insider

Ticker: M

Price target: \$12

Downside to target: 29.4%

Source: Goldman Sachs

2. Seagate Technology



Markets Insider

Ticker: [STX](#)

Sector: Information technology

Downside to target: 31.1%

Source: Goldman Sachs

1. Apple



Markets Insider

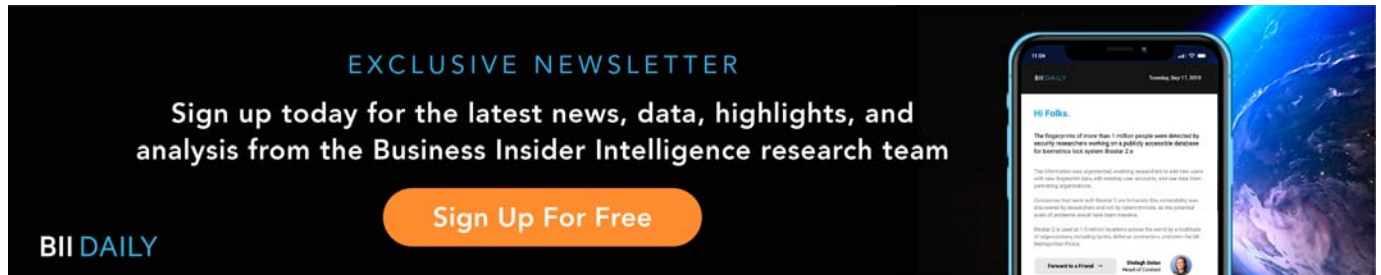
Ticker: [AAPL](#)

Sector: Information technology

Price target: \$192



Source: Goldman Sachs



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