

2020 Q2-3 look at Inventory

XBRL Elements: us-gaap: InventoryNet

As at October 23, 2020

Introduction

The second quarter has finished and many companies have already produced third quarter statements. So have companies changed the amount of inventory held? Did they reduce drastically, or are holding more?

The method

We are looking at the Net inventory numbers for the latest quarter ending between April 1 and September 30, 2020. To eliminate seasonality, we compare them to the same quarter for the prior year.

Overall

Out of a possible 500, we found 287 that had inventory on their books. Overall, inventory was down by \$14 billion, a rather minor amount compared to a total \$673 billion in inventory held, just 2%.

Individual highlights

Two of the top three increases in inventory went to health care companies, AbbVie and Bristol-Myers Squibb. The other of the three was Hewlett Packard Enterprises.

The largest drops in inventory came from Walmart and Ford Motor. While both these firms were considered essential, the difficulty in maintaining supply chains and continuing production, coupled with greater than expected demand, made inventory drop more than planned.

By Sector

Four of the eleven sectors increase inventory, with health care and Information technology increasing 9 and 8% respectively. Health care had 45 of 53 increasing inventory, with amounts up to 120% (Incyte). Information Technology had 30 of 46 increase, with HPE and Qualcomm rising 57% and 67% respectively.

Percentage-wise, the Communication Services sector fell 24% overall, with six of its seven stocks decreasing inventory, with the lone holdout Dish Networks, rising a mere \$750 thousand.

GICS Sector	2020 Q3	2019 Q3	Change	
Communication Services	\$5,201,855,000	\$6,806,913,000	(\$1,605,058,000)	-24%
Consumer Discretionary	\$136,887,063,000	\$148,188,212,000	(\$11,301,149,000)	-8%
Consumer Staples	\$123,254,971,000	\$126,265,730,000	(\$3,010,759,000)	-2%
Energy	\$44,281,346,000	\$51,065,472,000	(\$6,784,126,000)	-13%
Health Care	\$145,931,439,000	\$134,373,429,000	\$11,558,010,000	9%
Industrials	\$97,856,662,000	\$102,004,034,000	(\$4,147,372,000)	-4%
Information Technology	\$67,275,151,000	\$62,516,515,000	\$4,758,636,000	8%
Materials	\$46,025,354,000	\$49,856,832,000	(\$3,831,478,000)	-8%
Real Estate	\$409,000,000	\$393,000,000	\$16,000,000	4%
Utilities	\$6,327,000,000	\$6,313,000,000	\$14,000,000	0%
Grand Total	\$673,449,841,000	\$687,783,137,000	(\$14,333,296,000)	-2%