

Horan's Malcom Comments on Outlook for Home Depot, Lowe's  
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By Ellen Braitman and Rachel Katz

Nov. 14 (Bloomberg) -- Jeffrey Malcom, portfolio manager at Horan Capital Management, commented about Lowe's Cos.'s third-quarter net income, the outlook for Home Depot Inc.'s earnings to be reported tomorrow, and both companies' share price performance. Lowe's, the world's second-largest home-improvement retailer, today said fiscal third-quarter profit surged 26 percent as customers bought more cabinets and appliances. Malcom spoke in an interview from Baltimore.

On what is working well for Home Depot and Lowe's:

''Home Depot and Lowe's have just been executing very well over a long period of time. They're category killers. I think this quarter is just an extension of that. No one can really offer the breadth or depth assortment of product these two stores have.''

On Lowe's and Home Depot stocks:

''The only thing that would really cause me to get me interested in Lowe's or buying more Home Depot would be price. We bought Home Depot for our clients actually a few months ago when it dipped down into the \$30s. We thought it was a great price then.''

''Lowe's didn't look as cheap to us at the time. If these companies somehow get taken down in price for what we see as possibly cyclical issues, then we'd be definitely interested in picking up shares.''

--with reporting by Mark Clothier in Atlanta and Courtney Donohoe in New York. Editor: J. Norton.

Story illustration: For a history of Home Depot's sales and earnings, see {HD US <Equity> DES5 <GO>}.  
For audio and video reports from Bloomberg, including radio and television reports, see {AV <GO>}.

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