

Nike Dunk Low – Grey Fog Collectibles - Sneakers

Modest upside in the mid-term (4 – 8 month period)

Market development: Sneakers

The sneaker resell market has been a growing industry for the last decade with a boom in sneaker reselling in the last 5 years. This resell market is driven exclusively by supply and demand, with demand often out-stripping supply, with Nike restricting the level of supply. Demand is driven by hip-hop, sports, and fashion culture.

The Nike Dunk lows have seen a large boom in hype and demand in the last year, with many similar colourways performing well with good growth potential. The Nike Dunks saw many collabs with brands and artists such as the Travis Scott Dunks and Strange Love Dunks which saw 1000% markup from their retail price. Although the hype has certainly slightly died down from last year, there is still lots of demand for this classic silhouette, especially in a neutral colour which is easy to match and dress with.

Key takeaways:

- **Popular grey and white colour-blocking allows for ease of wearability for outfits, amongst teenagers.**
Predominantly, teenagers often wear neutral-coloured trainers – black, white, and grey.
- **Nike Dunks that hold a traditional white colour-blocking have traditionally performed the best on the aftermarkets** – UNC, Kentucky, Syracuse colourways.
- **The demand for dunks is highly likely to extend into the new year** – with many influencers, rappers, athletes, wearing them. This would maintain the demand, as the more social exposure that a shoe gets, the more popular it would be – driving hype.

Analyst Comment:

From observing the price action of similar shoes as well as intuition from being a part of the sneaker reselling business, the Grey Fog Dunks are a safe asset to hold for 4 months to 8 months, especially being able to secure pairs ranging from sizes UK 7 to UK 10.

There are several platforms we can sell/buy the shoe e.g.: Depop, Ebay, Goat, StockX, Grailed, etc. On the more traditional platforms of eBay and Depop, it is possible to negotiate between buyer and seller, allowing for negotiation and consequentially arbitrage by avoiding the flat fee structure other platforms use.

Risks: Medium/ Low - Nike may re-release the shoe (unlikely and worst-case scenario) which may stagnate its growth however, from the Panda growths we see that it has maintained its value well. If this were to occur it would make the shoe a decent hold (1 year). Given recently Nike has

Dunks are unisex, with Nike expanding the marketing audience. Nike has recently been trying to promote their increased gender composition, marketing more shoes to females – with collaborations with Billie Eilish.

Furthermore, this risk is mitigated given the current supply-chain issues that Nike is currently facing and the possible impacts of the new Omicron COVID variant.

Key data

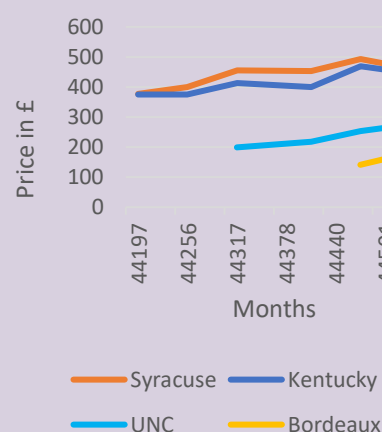


Brand: Nike
Model: Dunk
Release year: 2000
Retail Price: £89.95 GBP
Retail to Resell Ratio: 1.6-2*

Price Target: £240 - £250

Price development:

Price trends of dunks with similar colour-blocking



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* R/R ratio represents current ratio of resell price of the shoes most bought sizes to the retail price (6-11)

Key data

Nike Dunk Low
Grey Fog

100% Authentic Condition: New



Size:	US M 8 ▾
Buy or Bid	Lowest Ask £219
Sell or Ask	Highest Bid £205

Last Sale:

£178

▼ -£41 (-19%)

[View Asks](#)

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Brand: Nike

Release Date: 21/09/2021

Colourway: White/Grey Fog

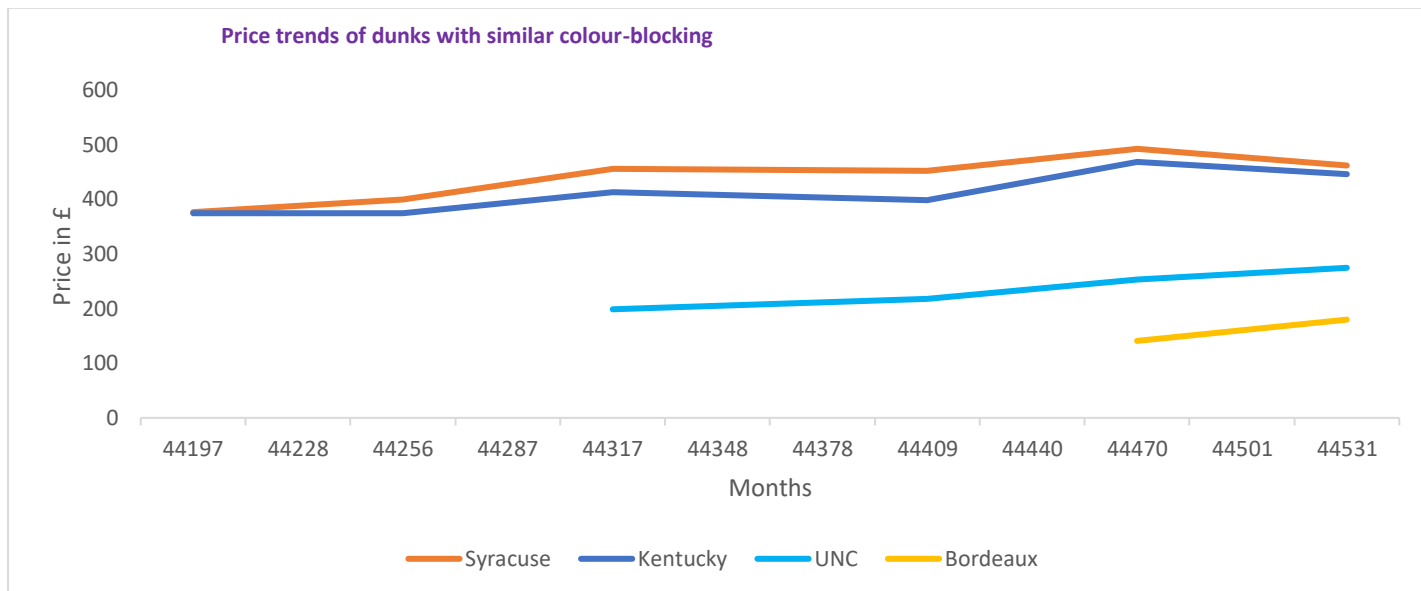
Retail Price: £89.95

Price Target: £220 - £250

Price development:

With sales of these shoes currently floating around £180-£200, securing pairs at this price level would be able to see a great margin in the mid-term 4 – 8 months hold. We expect this shoe **perform slightly lower** to the **UNC dunks** (having identical colour blocking), which saw a 40% increase in 5 months from June when they were released to November.

Historical price analysis of dunks over time:



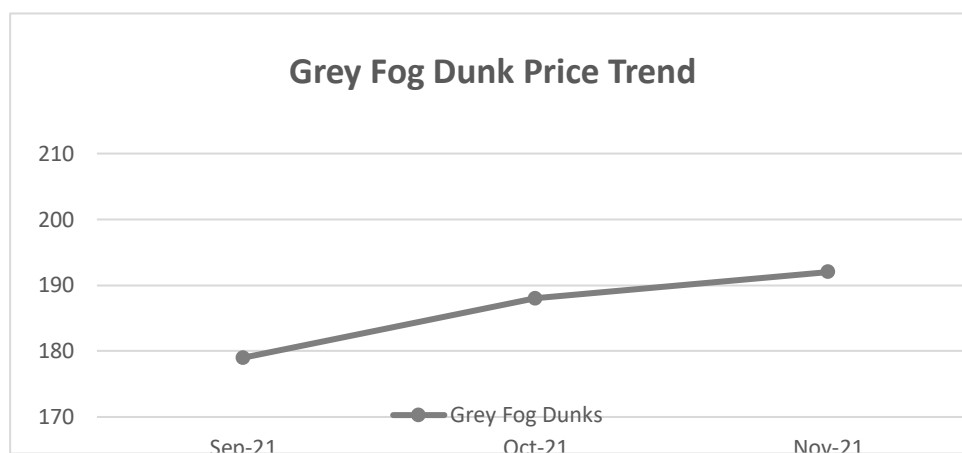
Syracuse – Over a 12 month period, grew from £375 to £462, growth of 23.2%

Kentucky – Over a 12 month period, grew from £372 to £447, growth of 18.5%

UNC – Over an 8 month period, grew from £199 to £275, growth of 38.2%

Bordeaux – Over a 4 month period, grew from £141 to £180, growth of 27.7%

It is preferable to hold a dunk over the mid-term, given the maximum price threshold that consumers are willing to pay for a shoe. More often, many shoes start to decline, or hover around the maximum price, once that has been reached – reducing returns on investment, in the long run.



Currently, prices on the after-market have stayed relatively flat, implying that over the coming months there is significant room for growth.