

Home Retailers' Shares Off Their Foundation

By Spencer Jakab

Should you buy the biggest, nicest house on the block or a fixer-upper? In the case of home-improvement retailers Home Depot Inc. and Lowe's Cos., the answer may be neither.

Both have had an impressive run during the economic recovery, especially in terms of profits and margins. But their share prices have become untethered from the rebound in home sales and construction.

Home Depot, the larger and more profitable of the two...