



## Executive Summary

### Last week:

- US headline inflation remained unchanged at 3.7% y/y (vs 3.6% forecast), while the core figure fell from 4.3% y/y to 4.1%
- US consumer sentiment declined unexpectedly from 68.1 to 63.0

### Week ahead:

- US retail sales, building permits, Fed Chair Powell speech
- Euro Area inflation
- UK inflation, retail sales, unemployment, and consumer sentiment
- China GDP
- Earnings from Johnson & Johnson (JNJ), Bank of America (BAC), Goldman Sachs (GS), Tesla (TSLA), Netflix (NFLX), Taiwan Semiconductor (TSM), and others

## Commentary

Major global indices delivered mixed results in past week, with large caps outperforming their peers in small and mid-cap classes. This was partly due to many large-cap stocks reporting better-than-expected earnings, such as PepsiCo (PEP), Delta Airlines (DAL), UnitedHealth Group (UNH), JPMorgan (JPM), Wells Fargo&Co (WFC), and Citigroup (C).

On the other hand, the US September inflation data left markets with mixed feelings. While the headline inflation failed to decline in line with forecasts, the core figure fell from 4.3% y/y to 4.1%. Part of the reason why the headline inflation did not move was a 2.1% m/m increase in gasoline CPI component. On a positive note, the crude oil price has fallen since its late-September peak. Moreover, falling refining margins suggest that decline in energy prices may continue during the upcoming months, which would have positive implications for headline CPI and, therefore, for the future Fed policy.

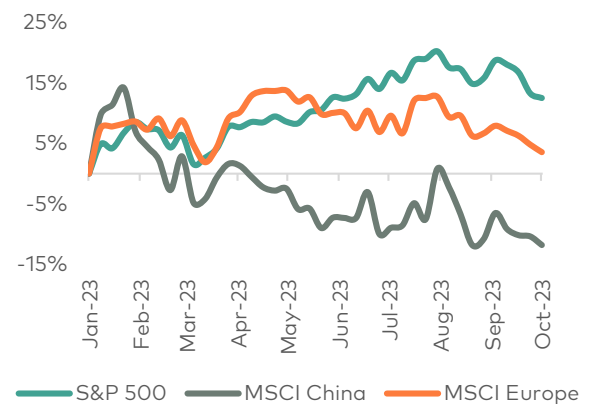
### Performance of major equity indices

Index	Level	W/W, %	M/M, %	YTD, %
S&P 500	4,327	0.4	-3.1	13.2
Nasdaq Comp.	13,407	-0.2	-2.9	29.1
Dow Jones 30	33,670	0.8	-2.6	1.6
Russell 2000	1,719	-1.5	-6.6	-1.8
FTSE 100 (£)	7,599	1.4	1.0	0.6
FTSE 250 (£)	17,454	-1.6	-6.0	-8.8
STOXX 600 (€)	449.2	1.0	-1.0	3.5
MSCI Europe	49.4	-0.2	-3.3	2.8
Nikkei 225 (¥)	32,316	4.3	-1.2	23.8
MSCI China	43.2	0.1	-2.5	-12.1
MSCI EAFE	68.4	-0.1	-3.1	3.3
MSCI EM	37.9	0.1	-3.0	-0.9
MSCI World	120.7	0.4	-3.1	10.6

Source: Bloomberg

Note: All data is denominated in USD unless specified otherwise.

### Major global equity indices YTD performance Weekly indexed price returns



Source: Bloomberg

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## Sector performance highlights

**Energy was the best performing sector last week, with XLE gaining 4.5% w/w.** 95 out of 100 largest sector stocks rallied during the week. From top 20, only Valero Energy (VLO, -0.4%) declined. Meanwhile, the best performers from the list were EOG Resources (EOG, +10.9%), Hess Corporation (HES, +10.5%), Petroleo Brasileiro (PBR, +9.6%), Equinor (EQNR, +9.3%), and Canadian Natural Resources (CNQ, +8.7%).

**Consumer Discretionary was the weakest performing sector, with XLY losing -1.0% w/w.** 63 out of 100 largest sector companies lost the ground. From top 20, 10 stocks declined while others delivered gains. The best performers from the list were Nike (NKE, +2.9%), O'Reilly Automotive (ORLY, +2.7%), and Toyota Motor Corporation (TM, +2.6%). Meanwhile, the worst performers were Tesla (TSLA, -3.6%), Booking Holdings (BKNG, -3.3%), and Alibaba Group Holding (BABA, -2.4%).

## S&P 500 sector review: last week performance

Sector	ETF Ticker	Close Price, \$	W/W ETF Change %	YTD, %	52-week high, \$	52-week low, \$	12M upside, %
<b>S&amp;P 500</b>	<b>SPY</b>	<b>431.5</b>	 0.5%	<b>13.7</b>	<b>457.8</b>	<b>354.6</b>	<b>Positive</b>
Energy	XLE	89.6	 4.5%	6.2	93.4	76.6	Neutral
Utilities	XLU	59.3	 3.6%	-15.9	72.1	56.2	Neutral
Real Estate	XLRE	34.3	 2.3%	-7.4	41.8	32.8	Positive
Industrials	XLI	101.8	 1.0%	3.4	110.8	84.3	Neutral
Financials	XLF	33.2	 0.5%	-3.2	37.0	30.8	Positive
Technology	XLK	168.6	 0.2%	36.8	180.3	116.5	Positive
Communications	XLC	67.1	 0.2%	68.8	38.0	45.3	Positive
Staples	XLP	66.8	 0.2%	-10.1	77.5	66.2	Neutral
Health Care	XLV	130.2	 0.1%	-3.9	139.5	123.3	Neutral
Materials	XLB	77.6	-0.4% 	0.1	85.7	67.7	Positive
Discretionary	XLY	159.0	-1.0% 	23.8%	177.0	126.3	Neutral

Source: Galt & Taggart Research, Bloomberg, S&P Capital IQ  
 \* Percentage price changes given in parentheses indicate w/w changes

## Performance of last week's most traded US stocks (top 20 by value)

#	Ticker	Name	Price, \$	W/W, %	M/M, %	YTD, %	52-week high, \$	52-week low, \$	12M price target, \$	12M upside potential, %
1	<b>NVO</b>	Novo Nordisk	102.1	<b>10.9</b>	-47.0	-25.4	199.5	87.8	108.5	<b>6.2</b>
2	<b>NEE</b>	NextEra Energy	54.5	<b>8.5</b>	-20.4	-35.0	87.2	49.3	68.2	<b>25.1</b>
3	<b>DG</b>	Dollar General	111.2	<b>7.2</b>	-7.4	-54.9	259.9	101.8	138.6	<b>24.7</b>
4	<b>OXY</b>	Occidental Petroleum	64.4	<b>4.8</b>	-2.9	5.4	75.8	56.1	71.2	<b>10.7</b>
5	<b>WFC</b>	Wells Fargo	41.0	<b>3.2</b>	-3.1	-1.4	48.5	36.2	48.7	<b>18.8</b>
6	<b>BAC</b>	Bank of America	26.8	<b>2.6</b>	-7.3	-20.1	38.2	25.9	35.5	<b>32.5</b>
7	<b>XOM</b>	Exxon Mobil	109.9	<b>2.5</b>	-5.6	3.9	120.2	97.6	128.7	<b>17.2</b>
8	<b>C</b>	Citigroup	41.4	<b>2.1</b>	-2.2	-8.6	52.3	39.8	52.6	<b>27.0</b>
9	<b>JPM</b>	JPMorgan Chase & Co.	148.0	<b>2.0</b>	1.1	10.3	158.0	108.6	170.7	<b>15.3</b>
10	<b>AMZN</b>	Amazon.com	129.8	<b>1.4</b>	-10.4	51.2	144.9	81.8	175.7	<b>35.3</b>
11	<b>AAPL</b>	Apple	178.9	<b>0.8</b>	2.7	43.2	196.4	124.8	208.5	<b>16.6</b>
12	<b>CSCO</b>	Cisco Systems	53.8	<b>0.6</b>	-4.5	13.1	57.8	39.9	59.0	<b>9.7</b>
13	<b>GOOGL</b>	Alphabet	137.4	<b>-0.2</b>	0.5	54.1	140.6	83.4	151.9	<b>10.5</b>
14	<b>META</b>	Meta Platforms	314.7	<b>-0.2</b>	3.2	152.3	327.8	88.9	380.5	<b>20.9</b>
15	<b>INTC</b>	Intel	36.0	<b>-0.6</b>	-7.1	36.2	38.9	24.9	36.8	<b>2.3</b>
16	<b>NVDA</b>	NVIDIA	454.6	<b>-0.7</b>	-0.1	217.6	493.5	112.2	645.4	<b>42.0</b>
17	<b>AMD</b>	Advanced Micro Devices	105.1	<b>-2.0</b>	-2.4	64.2	129.2	55.9	137.8	<b>31.1</b>
18	<b>PFE</b>	Pfizer	32.1	<b>-3.1</b>	-5.8	-36.8	54.0	32.1	41.9	<b>30.5</b>
19	<b>TSLA</b>	Tesla	251.1	<b>-3.6</b>	-7.4	132.3	293.3	108.1	283.2	<b>12.8</b>
20	<b>UBER</b>	Uber Technologies	43.5	<b>-5.0</b>	-9.7	71.5	49.5	24.4	59.1	<b>35.9</b>

Source: Bloomberg, Capital IQ

Note: Positive 12 month return targets imply an overall "Buy" recommendation by analysts



## Week ahead calendar

### Macroeconomic releases

### Company earnings

	Time (GMT +4)	Country	Event	Company	Ticker	Time	Forecast EPS \$
<b>Monday</b> 16 October	13:00	Euro Area	Trade balance (Sep)	Charles Schwab	SCHW	Premarket	0.75
	18:30	US	Fed Harker speech	Rio Tinto	RIO	After market	N/A
				Equity Lifestyle	ELS	After market	0.41
<b>Tuesday</b> 17 October	10:00	UK	Unemployment (Aug)	Johnson & Johnson	JNJ	Premarket	2.51
	13:00	Euro Area	Economic sentiment index (Oct)	Bank of America	BAC	Premarket	0.83
	16:30	US	Retail sales (Sep)	Lockheed Martin	LMT	Premarket	6.67
				Goldman Sachs	GS	Premarket	5.54
				Prologis	PLD	Premarket	0.60
<b>Wednesday</b> 18 October	06:00	China	GDP (3Q23)	Procter & Gamble	PG	Premarket	1.72
	10:00	UK	Inflation (Sep)	ASML	ASML	Premarket	4.99
	13:00	Euro Area	Inflation (Sep)	Morgan Stanley	MS	Premarket	1.32
	16:30	US	Building permits prel. (Sep)	Tesla	TSLA	After market	0.73
				Netflix	NFLX	After market	3.49
<b>Thursday</b> 19 October	16:30	US	Jobless claims (Oct/14)	Nestle	NSRGY	Premarket	N/A
	20:00	US	Fed Chair Powell speech	Phillip Morris	PM	Premarket	1.61
				Union Pacific	UNP	Premarket	2.46
				Taiwan Semiconductor	TSM	N/A	1.15
<b>Friday</b> 20 October	03:00	UK	Consumer confidence (Oct)	American Express	AXP	Premarket	2.96
	03:30	Japan	Inflation (Sep)	Schlumberger	SLB	Premarket	0.77
	10:00	UK	Retail sales (Sep)				

Source: Bloomberg, NASDAQ

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