



Week in review: UK cheers, US doesn't

US inflation data came in hotter than expected, partly explained by a strong consumer activity. In January, the US headline CPI was reported at 6.4% y/y (vs 6.2% forecast and down from 6.5%), while core figure stood at 5.6% y/y (vs 5.5% forecast and down from 5.7%). PPI data also came in strong at 0.7% m/m (vs 0.4% forecast and up from -0.2%). The upwards surprise from the US January's inflation data can largely be attributed to the higher-than-expected growth in retail sales, which stood at 3.0% (vs 1.8% forecast and up from -1.1%). As potential recession remains a secondary concern for investors, the inflation data has produced a negative market momentum overall.

UK released a series of positive macroeconomic news, supporting a modest rally in FTSE 100. Firstly, the countrywide January's inflation data surprised on the downside: the headline CPI was reported at 10.1% y/y (vs 10.3% forecast and down from 10.5%), while core stood at 5.8% y/y (vs 6.2% forecast and down from 6.3%). Importantly, January delivered the first deflation in monthly terms (-0.6% m/m) since the start of current inflationary cycle. On the activity side, it was labor market and retail data that cheered the market: UK's monthly job gains came in higher than expected at 74,000 (a 6-month high), while retail sales contracted by a less than expected rate of -5.1% y/y (vs -5.5% forecast and up from -6.1%).

Week ahead: sizeable volatility in sight

Macroeconomics: The list of this week's major macroeconomic releases includes Euro Area, US, and UK Services & Manufacturing PMIs on Monday, Germany's inflation and FOMC minutes on Tuesday, Euro Area inflation and US GDP on Wednesday, and Germany's GDP and US PCE price index on Friday.

Earnings: The list of this week's major earnings releases includes BHP (BHP) on Monday, Walmart (WMT) and Home Depot (HD) on Tuesday, Nvidia (NVDA) and Baidu (BIDU) on Wednesday, Alibaba (BABA), Intuit (INTU), and Booking (BKNG) on Thursday, and Dell Technologies (DELL) on Friday.

*For more detailed information on this week's important market news, please refer to the page 4 of the document.

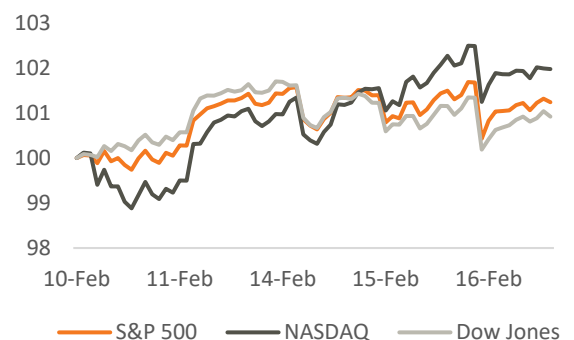
Performance of major equity indices

Index	W/W, %	M/M, %	YTD, %
S&P 500	-0.3	2.2	6.2
NASDAQ	0.6	6.2	12.6
Dow Jones	-0.1	-0.2	2.0
Russell 2000	1.4	3.3	10.5
FTSE 100 (£)	1.5	3.0	5.9
FTSE 250 (£)	0.3	0.7	6.6
STOXX 600 (€)	1.4	1.7	9.3
Nikkei 225 (¥)	-0.6	5.3	5.4
MSCI China	-2.1	-8.1	2.3
MSCI EAFE	0.5	0.0	7.3
MSCI EM	-1.4	-2.7	4.5
MSCI World	0.0	2.0	7.1

Source: Bloomberg

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

Major US equity indices Indexed price returns (10-Feb-2023 = 100)



Source: Bloomberg

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Weekly sector performance highlights

Energy sector was the worst performer last week, with the associated ETF losing 6.3% w/w.

The downturn was very symmetric across the sector, as it was underlined by the fall in crude oil price. 18 out of 20 largest sector companies lost the ground. The list of last week's weakest performers includes EOG Resources (EOG, -11.7%), Phillips 66 (PSX, -7.3%), ConocoPhillips (COP, -9.5%), Canadian Natural Resources (CNQ, -8.1%), Valero Energy (VLO, -7.9%), and Occidental Petroleum (OXY, -7.5%). Meanwhile, Petroleo Brasileiro (PBR) and Enterprise Products Partners (EPD) managed to deliver slim gains throughout the week.

Consumer Discretionary was the best performing sector, with respective ETF gaining 1.6% w/w. The rally was less symmetric across the sector, with 15 out of 20 largest companies closing the week in green. The list of best performers includes Airbnb (ABNB, 20.9%), Tesla (TSLA, 5.8%), O'Reilly Automotive (ORLY, 5.8%), Stellantis (STLA, 5.4%), Booking (BKNG, 4.8%), and General Motors (GM, 4.4%). Alibaba (BABA) lost 3.5%, while Amazon (AMZN), Toyota (TM), TJX (TJX), and MercadoLibre (MELI) declined roughly half a percent.

S&P 500 sector review: last week performance

Sector	ETF Ticker	Weekly ETF Change %	Close Price, \$	Market Cap, \$bn	P/E	YTD, %
S&P 500	SPY	-0.2	407.3	373.7	21.8	6.5
of which:						
Cons. Discret.	XLY	1.6	150.6	14.6	24.5	16.6
Utilities	XLU	1.1	68.5	15.7	22.6	-2.9
Cons. Staples	XLP	1.0	73.7	16.8	25.3	-1.2
Industrials	XLI	0.9	103.0	13.8	20.9	4.9
Communication	XLC	0.7	55.4	9.4	21.1	15.3
Financials	XLF	-0.3	36.4	34.2	14.6	6.4
Health Care	XLV	-0.4	132.0	40.6	25.6	-2.8
Technology	XLK	-0.4	139.8	41.4	28.7	12.4
Materials	XLB	-0.9 ■	81.3	6.0	9.9	4.7
Real Estate	XLRE	-1.3 ■	39.6	5.2	25.5	7.3
Energy	XLE	-6.3 ■	84.5	39.2	7.1	-3.4

Source: Bloomberg, Capital IQ
 * Percentage price changes given in parentheses indicate w/w changes

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

#	Ticker	Name	Close Price, \$	W/W, %	YTD, %	P/E	12M Price Target, \$	12M Return Target, %
1	TSLA	Tesla	208.3	5.8	69.1	52.3	205.7	-1.3
2	DE	Deere & Company	433.3	3.7	1.1	14.6	480.8	11.0
3	AAPL	Apple	152.6	1.0	17.4	24.6	172.8	13.3
4	UNH	UnitedHealth Group	499.1	1.0	-5.9	20.0	603.1	20.8
5	NVDA	NVIDIA	213.9	0.6	46.4	55.4	238.6	11.6
6	HD	Home Depot	318.0	0.4	0.7	19.0	337.3	6.1
7	NFLX	Netflix	348.0	0.2	18.0	30.5	340.0	-2.3
8	GOOGL	Alphabet	94.4	-0.2	6.9	18.5	129.9	37.7
9	AMZN	Amazon.com	97.2	-0.4	15.7	64.3	137.9	41.9
10	BRK.B	Berkshire Hathawa	308.2	-0.5	-0.2	0.0	362.0	17.4
11	META	Meta Platforms	172.9	-0.7	43.7	18.8	219.1	26.7
12	JNJ	Johnson & Johnson	160.4	-1.1	-9.2	15.3	187.0	16.6
13	UNP	Union Pacific	201.6	-1.9	-2.6	17.4	223.8	11.0
14	MSFT	Microsoft	258.1	-1.9	7.6	26.1	294.1	14.0
15	AMD	Advanced Micro Devices	78.5	-3.7	21.2	25.8	92.9	18.3
16	ALB	Albemarle	258.0	-3.8	19.0	8.7	322.2	24.9
17	CVX	Chevron	162.9	-5.3	-9.3	10.6	192.5	18.2
18	XOM	Exxon Mobil	111.3	-6.6	0.9	10.2	127.4	14.5
19	OXY	Occidental Petroleum	60.7	-7.5	-3.6	9.1	76.6	26.1
20	DVN	Devon Energy	53.3	-16.1	-13.3	7.1	72.1	35.2

Source: Bloomberg, Capital IQ

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

Week ahead calendar

Key macroeconomic releases

Key company earnings

	Time (GMT +4)	Country	Event	Company	Ticker	Time	Forecast EPS \$
Monday February 20	19:00	Euro Area	Consumer Confidence prel. (Feb)	BHP Group	BHP	After Market	3.20
				Williams	WMB	After Market	0.50
				Copart	CPRT	After Market	0.58
Tuesday February 21	13:00	Euro Area	Manufacturing & Services PMIs prel. (Feb)	Walmart	WMT	Premarket	1.52
	13:30	UK	Manufacturing & Services PMIs prel. (Feb)	Home Depot	HD	Premarket	3.28
	14:00	Euro Area	Economic Sentiment (Feb)	Medtronic	MDT	Premarket	1.27
	17:30	Canada	Inflation (Jan)	HSBC	HSBC	After Market	1.06
	18:45	US	Manufacturing & Services PMIs prel. (Feb)	Palo Alto Networks	PANW	After Market	0.78
Wednesday February 22	11:00	Germany	Inflation (Feb)	Rio Tinto	RIO	Premarket	3.25
	13:00	Germany	Business Climate (Feb)	TJX	TJX	Premarket	0.89
	23:00	US	FOMC Minutes	NVIDIA	NVDA	After Market	0.81
				Baidu	BIDU	After Market	13.89
Thursday February 23	14:00	Euro Area	Inflation (Jan)	Alibaba	BABA	Premarket	16.63
	17:30	US	GDP prel. (4Q22)	Moderna	MRNA	Premarket	4.70
				Intuit	INTU	After Market	1.47
				Booking	BKNG	After Market	22.00
Friday February 24	11:00	Germany	GDP (4Q22)	Canadian Imperial Bank	Cm	Premarket	1.72
	11:00	Germany	Consumer Confidence (Mar)	Fomento Economico	FMX	Premarket	24.29
	17:30	US	PCE Price Index (Jan)	Dell Tech	DELL	Premarket	1.65
	19:00	US	Consumer Sentiment (Feb)				

Source: Bloomberg, NASDAQ

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