



Week in review

The US inflation data came in hotter than expected, while GDP growth surprised on the downside. In January, the core PCE (Personal Consumption Expenditure) index was reported at 4.7% y/y (vs 4.3% forecast and up from December's 4.4%), while headline rose to 5.4% from 5.3%. Following months of steady decline, the upwards tick of core inflation figure proved particularly worrisome for investors. The reading served as a further reminder that reducing inflation below 4.0% may be significantly harder than bringing it to the current level was.

On the activity side, the second estimate of the US GDP growth came in below expectations. The 4Q22 GDP growth was reported at 2.7% q/q (vs 2.9% forecast and down from 3Q22's 2.9%). While slowed growth is consistent with Fed's tightening policy and falling inflation, bad activity news may no longer be good news for markets. Investors now seem to be worried equally about the potential recession as they are about inflation. This week, the US manufacturing and services PMIs as well as durable goods orders will be released, providing more insight on the activity side of the economy.

In Europe, inflation surprised on the upside while sentiment improved beyond the forecasts. In contrast to the headline figure, the core inflation kept increasing in January, reaching 5.3% y/y (vs 5.2% forecast and up from December's 5.2%). Meanwhile, the headline kept contracting and fell to 8.6% y/y (in line with expectations and down from December's 9.2%). Importantly, it is the core figure that concerns central banks the most.

Additionally, economic sentiment in Euro Area improved by far more than expected. This is partly due to the improved expectations on the resolution to the Russia-Ukraine war, underlined by the strong pro-Ukrainian messages from the Western leaders in February.

Week ahead

Macroeconomics: The list of this week's major macroeconomic releases includes Services & Manufacturing PMIs from the US, Euro Area, and the UK, inflation from Euro Area, and the ECB monetary policy meeting accounts.

Earnings: The list of this week's major earnings releases includes Occidental Petroleum (OXY), Target (TGT), Salesforce (CRM), Broadcom (AVGO), Costco (COST), and JD.com (JD).

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

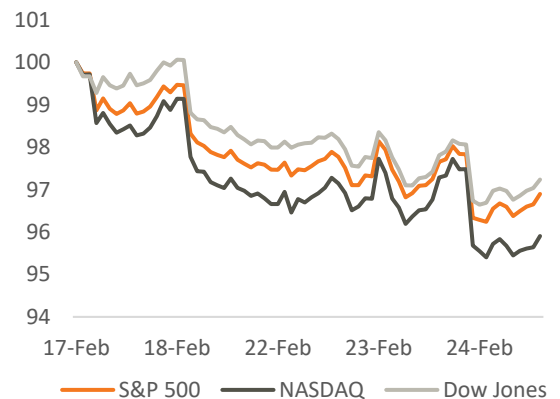
Performance of major equity indices

Index	W/W, %	M/M, %	YTD, %
S&P 500	-2.7	-1.2	3.4
Nasdaq 100	-3.3	0.5	8.9
Dow Jones 30	-3.0	-2.7	-1.0
Russell 2000	-2.9	0.3	7.3
FTSE 100 (£)	-1.6	2.3	5.2
FTSE 250 (£)	-2.0	-0.8	4.5
STOXX 600 (€)	-1.4	1.0	7.7
Nikkei 225 (¥)	-0.2	0.6	5.2
MSCI China	-4.9	-14.8	-2.8
MSCI EAFE	-2.8	-3.6	4.3
MSCI EM	-2.8	-6.5	1.6
MSCI World	-2.8	-2.8	4.2

Source: Bloomberg

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

Major US equity indices Indexed price returns (17-Feb-2023 = 100)



Source: Bloomberg

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Weekly sector performance highlights

Consumer Staples was the best performer, losing 0.4% w/w. The downturn was rather asymmetric across the sector, with 8 of the 20 largest companies managing to close the week in green. The worst performers from the list were Dollar General (DG, -6.4%), Target (TGT, -4.3%), Costco (COST, -3.1%), Estee Lauder (EL, -2.7%), and Monster Beverage Corp (MNST, -2.7%). Meanwhile, the best performers were British American Tobacco (BTI, 2.7%), AB InBev (BUD, 2.5%), and Procter & Gamble (PG, 1.6%).

Consumer Discretionary and Communications were the worst performing sectors, losing 5.3% and 5.1% w/w, respectively. Downturns were quite symmetric, with both sectors having only 2 gaining stocks from the largest 20. Among these sectors, Chinese stocks were the worst performers: JD.com (JD, -17.2%), Alibaba (BABA, -13.7%), Pinduoduo (PDD, -13.5%), Baidu (BIDU, -11.1%), and NetEase (NTES, -10.4%). Meanwhile, American stocks also delivered heavy losses: Airbnb (ABNB, -12.0%), Netflix (NFLX, -9.6%), General Motors (GM, -9.1%), Alphabet (GOOGL, -6.7%)

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	-2.7 	396.4	361.3	21.2	3.6
of which:						
Energy	XLE	0.2 	84.7	39.3	7.2	-3.2
Materials	XLB	-0.1 	81.2	5.9	9.9	4.5
Cons. Staples	XLP	-1.3 	72.7	16.7	24.7	-2.5
Financials	XLF	-2.0 	35.7	33.2	14.4	4.3
Health Care	XLV	-2.6 	128.5	39.5	25.0	-5.4
Industrials	XLI	-2.6 	100.3	13.5	20.4	2.1
Technology	XLK	-2.7 	136.1	40.1	20.3	9.4
Utilities	XLU	-2.7 	66.6	14.8	22.0	-5.5
Real Estate	XLRE	-3.7 	38.1	4.9	24.9	3.2
Communication	XLC	-3.8 	53.2	9.0	15.2	10.9
Cons. Discret.	XLY	-4.5 	143.9	13.8	23.1	11.4

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	Price, \$	1-week, %	YTD, %	P/E	12M Price Target, \$	12M Return Target, %
1	NVDA	NVIDIA	232.9	8.9	59.3	52.3	258.9	11.2
2	INTU	Intuit	419.8	3.8	7.9	29.1	492.0	17.2
3	BKNG	Booking Holdings	2452.5	-0.4	21.7	19.1	2755.4	12.4
4	XOM	Exxon Mobil	110.8	-0.5	0.4	10.1	128.1	15.7
5	AMD	Advanced Micro Devices	78.1	-0.5	20.6	25.6	92.9	19.0
6	JPM	JPMorgan	140.9	-0.9	5.1	11.1	159.9	13.5
7	META	Meta Platforms	170.4	-1.4	41.6	18.5	219.0	28.5
8	CRM	Salesforce	162.2	-1.8	22.3	28.7	190.4	17.4
9	JNJ	Johnson & Johnson	156.0	-2.8	-11.7	14.8	187.0	19.9
10	UNH	UnitedHealth Group	484.3	-3.0	-8.6	19.4	606.5	25.2
11	MSFT	Microsoft	249.2	-3.4	3.9	25.2	296.1	18.8
12	AMZN	Amazon.com	93.5	-3.8	11.3	64.7	138.8	48.4
13	AAPL	Apple	146.7	-3.8	12.9	23.7	173.1	18.0
14	TSLA	Tesla, Inc.	196.9	-5.5	59.8	49.7	205.7	4.5
15	GOOGL	Alphabet Inc.	89.1	-5.5	1.0	17.5	130.0	45.9
16	BA	The Boeing Company	198.2	-6.4	4.0	N/A	241.5	21.9
17	HD	The Home Depot, Inc.	296.7	-6.7	-6.1	18.5	333.4	12.4
18	NFLX	Netflix, Inc.	317.2	-8.9	7.6	27.8	339.1	6.9
19	INTC	Intel Corporation	25.1	-8.9	-4.9	47.6	27.2	8.2
20	ADBE	Adobe Inc.	320.5	-10.2	-4.8	21.0	385.2	20.2

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 27	14:00	Euro Area	Consumer Confidence (Feb)	Li Auto	LI	Premarket	0.47
	17:30	US	Durable Goods Orders (Jan)	Occidental Petroleum	OXY	After Market	1.81
				Zoom Video	ZM	After Market	0.81
Tuesday February 28	11:45	France	Inflation (Feb)	Target	TGT	Premarket	1.40
	16:00	India	GDP (4Q22)	Bank of Montreal	BMO	Premarket	3.14
	17:30	Canada	GDP (4Q22)	Bank of Nova Scotia	BNS	Premarket	2.03
	19:00	US	Consumer Confidence (Feb)	HP	HPQ	After Market	0.74
				Rivian Automotive	RIVN	After Market	-1.96
Wednesday March 1	05:30	China	Manufacturing PMI (Feb)	RBC	RY	Premarket	2.95
	12:55	Germany	Employment (Feb)	Lowe's	LOW	Premarket	2.21
	13:00	Euro Area	Manufacturing PMI (Feb)	Snowflake	SNOW	Premarket	0.05
	17:00	Germany	Inflation (Feb)	Nio	NIO	Premarket	-1.80
	19:00	US	Manufacturing PMI (Feb)	Salesforce	CRM	After Market	1.36
Thursday March 2	14:00	Euro Area	Inflation prel. (Feb)	Broadcom	AVGO	After Market	10.18
	16:30	Euro Area	ECB Meeting Accounts	Costco	COST	After Market	3.21
				JD.com	JD	N/A	3.61
Friday March 3	13:00	Euro Area	Services PMI (Feb)	Deutsche Lufthansa	DLAKY	Premarket	0.46
	13:30	UK	Services PMI (Feb)	Anheuser Busch	BUD	N/A	15.31
	19:00	US	Services PMI (Feb)	Marvell	MRVL	N/A	0.46

Source: Bloomberg, NASDAQ

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