



Week in review

The US 2-year treasury yield retreated during mid-week to 4.86%, supporting a rally in equities. While markets lowered expectations for Fed's terminal funds rate, the positive sentiment was boosted further by Atlanta Fed President Bostic's seemingly dovish speech. Overall, however, the bounce is explained more by technical reasons rather than fundamentals. It must be noted, therefore, that last week's rally seems less trustworthy, given the fact that it is not underlined by any significant macroeconomic development. Regarding fundamentals, the US inflation has retreated from its swiftly declining trend, while activity data demonstrates resiliency of the US economy. This week's payroll reading as well as Fed Chair Powell's testimony will provide more insight into the matter.

Euro Area inflation came in hotter than expected, however compensated by the activity data underperforming forecasts. Preliminary data from February reported the headline inflation at 8.5% y/y (vs 8.2% forecast and down from January's 8.6%), while the core figure stood at 5.6% y/y (vs 5.3% forecast and up from January's 5.3%). However, the weak PMI data coupled with lower than expected 4Q22 GDP growth in Italy (1.4% y/y vs 1.7% forecast) and industrial production in France (-1.9% m/m vs 0.1% forecast) have partly reversed the worries on ECB hawkishness. Moreover, the European stocks were also affected by the positive investor sentiment from the US markets, thus mimicking their American counterparts in overall weekly performance.

Week ahead

Macroeconomics: The list of this week's major macroeconomic news includes speeches from Fed Chair Powell and ECB President Lagarde, US payrolls, Germany and China inflation, UK GDP, as well as retail sales data from Euro Area.

Earnings: The list of this week's major earnings releases includes FedEx (FDX), Dollar General (DG), and Adobe (ADBE).

*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	1.9	-2.2	5.4
Nasdaq 100	2.6	-2.6	11.7
Dow Jones 30	1.7	-1.6	0.7
Russell 2000	2.0	-2.9	9.5
FTSE 100 (£)	-0.4	0.9	4.6
FTSE 250 (£)	1.2	-3.2	5.7
STOXX 600 (€)	1.4	0.8	9.3
Nikkei 225 (¥)	1.7	1.5	7.0
MSCI China	4.4	-2.6	2.9
MSCI EAFE	1.5	0.3	7.0
MSCI EM	1.7	-4.9	3.3
MSCI World	1.7	-0.9	6.6

Source: Bloomberg

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

Major US equity indices Indexed price returns (24-Feb-2023 = 100)



Source: Bloomberg

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Weekly sector performance highlights

For the first time in a year, Materials was the best weekly performer, with the associated ETF gaining 4.2% w/w. The rally was quite symmetric across the sector with 93 of 100 largest sector companies closing the week in green and no losers in the top 20. Out of 20 largest companies, the strongest performers were CRH (CRH, 11.6%), Southern Copper Corporation (SCCO, 10.4%), Nucor Corporation (NUE, 9.8%), Freeport-McMoRan (FCX, 9.6%), and Franco Nevada Corporation (FNV, 9.2%).

The defensive sector of Utilities was the worst performer, with respective ETF losing 0.5% w/w. The downturn was less symmetric, with 29 out of the 100 largest sector companies managing to close the week in green. The list of worst performers from 20 largest companies includes Sempora (SRE, -2.8%), Eversource Energy (ES, -2.5%), and Edison International (EIX, -1.9%). Meanwhile, best performers from the list were PG&E Corporation (PCG, 3.6%) and the sectors largest company – NextEra Energy (NEE, 1.3%).

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	 2.0	404.2	363.2	21.6	5.7
of which:						
Materials	XLB	 4.2	84.6	6.1	10.8	8.9
Industrials	XLI	 3.3	103.7	13.9	20.9	5.6
Energy	XLE	 3.1	87.3	41.0	7.2	-0.2
Technology	XLK	 3.0	140.1	41.0	28.8	12.6
Communication	XLC	 2.9	54.8	9.1	21.6	14.1
Cons. Discret.	XLY	 1.7	146.3	13.9	23.2	13.3
Real Estate	XLRE	 1.6	38.8	4.9	27.1	4.9
Financials	XLF	 0.9	36.0	33.6	14.9	5.2
Health Care	XLV	 0.5	129.2	39.4	25.5	-4.9
Cons. Staples	XLP	-0.2 	72.5	16.5	23.6	-2.7
Utilities	XLU	-0.5 	66.3	15.0	22.7	-6.0

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	CRM	Salesforce	186.4	14.9	40.6	26.1	223.6	19.9
2	AVGO	Broadcom	632.8	9.5	13.2	15.1	685.0	8.3
3	META	Meta Platforms	185.3	8.7	53.9	20.0	219.0	18.2
4	BA	The Boeing Company	215.1	8.6	12.9	N/A	241.5	12.3
5	ADBE	Adobe	344.0	7.3	2.2	22.5	382.7	11.2
6	GOOGL	Alphabet	93.7	5.1	6.1	18.3	130.0	38.8
7	AMD	Advanced Micro Devices	81.5	4.4	25.9	26.7	93.2	14.3
8	AAPL	Apple	151.0	2.9	16.2	24.3	170.9	13.2
9	BRK.B	Berkshire Hathaway	312.5	2.8	1.1	0.0	371.0	18.7
10	NVDA	NVIDIA	238.9	2.6	63.5	53.7	358.4	50.0
11	MSFT	Microsoft	255.3	2.4	6.5	25.8	296.1	16.0
12	JPM	JPMorgan Chase & Co.	143.7	1.9	7.1	11.3	159.9	11.3
13	V	Visa	223.8	1.9	7.7	25.9	260.4	16.4
14	XOM	Exxon Mobil	112.8	1.9	2.3	10.4	128.7	14.1
15	AMZN	Amazon.com	94.9	1.5	13.0	65.6	138.8	46.3
16	TSLA	Tesla	197.8	0.5	60.6	49.6	213.2	7.8
17	BAC	Bank of America	34.2	-0.1	3.1	9.9	40.2	17.7
18	NFLX	Netflix	315.2	-0.6	6.9	27.6	345.6	9.7
19	UNH	UnitedHealth Group	478.6	-1.2	-9.7	19.2	605.9	26.6
20	COST	Costco Wholesale	475.3	-2.7	4.1	31.6	550.6	15.9

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 March 6	12:30	Germany	Construction PMI	Alimentation Couchen	ANCTF	After Market	0.69
	13:30	UK	Construction PMI				
	14:00	Euro Area	Retail Sales				
Tuesday March 7	04:00	UK	Retail Sales (Feb)	Volkswagen	VWAGY	N/A	1.27
	07:00	China	Trade Balance (Feb)				
	19:00	US	Fed Chair Powell Testimony				
Wednesday March 8	00:00	US	Consumer Credit (Jan)	BMW	BMWYY	N/A	1.40
	11:00	Germany	Retail Sales	Lennar	LEN	N/A	1.55
	14:00	Euro Area	GDP prel. (4Q22)				
	19:00	US	Fed Chair Powell Testimony				
Thursday March 9	05:30	China	Inflation (Feb)	Dollar General	DG	Premarket	2.99
	17:30	US	Jobless Claims (Feb/25)	FedEx	FDX	N/A	2.76
	19:00	US	Fed Barr Speech	Adobe	ADBE	N/A	3.68
Friday March 10	11:00	Germany	Inflation (Feb)	Xpeng	XPEV	Premarket	-2.10
	11:00	UK	GDP (Jan)				
	12:00	China	New Yuan Loans (Feb)				
	17:30	US	Payrolls (Feb)				
	19:00	Euro Area	ECB President Lagarde Spech				

Source: Bloomberg, NASDAQ

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