



Weekly market overview

Week ahead

- Large industrials and consumer discretionary stocks will publish earnings this week.
- The Fed and the BoJ will release its interest rate decisions on Wednesday, while BoE will announce its decision on Thursday. US and UK will publish retail sales data this week, and the US will also report its 3Q GDP figures.

*For exact dates please check page 6 of the document

Commentary

Most major US stock indexes declined last week, except for the Nasdaq Composite, which hit a record high above 20,000, supported by strong gains in Tesla (+12.1%) and Alphabet (+8.4%). Growth stocks continued to outperform value stocks, while small caps underperformed large caps for a 2nd week. Inflation data showed prices rising steadily, driven mainly by higher housing costs. Meanwhile, the job market showed signs of slowing, with more people filing for unemployment claims and taking longer to find jobs. This reinforced expectations for the Fed to cut interest rates at its upcoming meeting, with markets seeing a 97% chance of a rate cut.

European stocks ended mixed, with the STOXX Europe 600 Index down 0.77%. Germany's DAX and Italy's FTSE MIB posted small gains, while France's CAC 40 and the UK's FTSE 100 declined. The ECB cut its key rate by 0.25% to 3.0%, signaling a possible continuation of rate cuts as it revised growth and inflation forecasts. In the UK, the economy unexpectedly contracted by 0.1% in October, matching September's decline, due to weakened industrial and manufacturing output. The services sector showed no growth, but construction helped overall GDP rise slightly (0.1%) over the last three months. The BoE is likely to keep interest rates steady as inflation remains high. In France, François Bayrou was appointed prime minister, replacing Michel Barnier.

EQUITIES	Level	W/W % change	M/M % change	YTD % change
United States				
S&P 500	6,051	-0.6	1.1	26.9
Nasdaq 100	21,780	0.7	3.5	29.4
Dow Jones 30	43,828	-1.8	-0.3	16.3
Russell 2000	2,347	-2.6	-0.9	15.8
Global				
S&P Europe	2,099	-0.7	3.1	8.0
S&P China	2,554	-0.3	-2.6	16.3
S&P Japan	2,573	0.7	1.4	16.7
S&P Global	4,175	-0.8	1.2	20.0

FIXED INCOME	Yield, %	1-week ago	1-month ago	1-Jan-2024
United States				
2y US Treasury	4.24	4.10	4.28	4.25
10y US Treasury	4.40	4.15	4.45	3.87
US IG Credit	5.18	5.00	5.21	5.12
US HY Credit	7.27	7.15	7.31	7.88
Europe				
2y German Bund	2.06	2.02	2.15	2.40
10y German Bund	2.25	2.12	2.39	2.03
Europe HY Credit	4.99	5.02	5.39	6.06

W/W performance of US stocks by style, %

Large-cap	-2.0	-0.6	0.8	
	Mid-cap	-2.0	-2.4	-3.5
		Small-cap	-1.7	-2.6
	Value	Total	Growth	

Source: Bloomberg

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S&P 500 sector highlights












Analysts expect Communications and Financial sectors to outperform market in the following twelve months. Meanwhile, Consumer Discretionary is expected to underperform the broader market.

In Communications, News Corporation (NWSA), Omnicom Group (OMC), and Comcast Corporation (CMCSA) are expected to deliver the best results. In Financials, Globe Life (GL), Arch Capital (ACGL), and MarketAxess Holdings (MKTX) are considered potential outperformers.

In Consumer Discretionary, the worst performance is expected from Garmin (GRMN), Hilton Worldwide Holdings (HLT), and Deckers Outdoor Corporation (DECK).

*For detailed information on sectors please check page 7 of this document

S&P 500 sector review: last week performance

Sector	ETF Ticker	Price, \$	W/W, %	YTD, %	52-week low, \$	52-week high, \$	12 months outlook
S&P 500	SPY	604.2	-0.6 	27.1	466.4	609.1	Positive
Discretionary	XLY	235.5	1.2 	31.7	166.5	236.7	Negative
Communications	XLC	100.9	0.0	38.9	70.7	102.7	Positive
Staples	XLP	82.0	-0.4 	13.9	70.1	84.5	Neutral
Technology	XLK	239.1	-0.7 	24.2	183.4	241.9	Neutral
Financials	XLF	49.5	-1.7 	31.8	36.9	51.6	Positive
Energy	XLE	89.2	-2.0 	6.4	79.0	99.0	Neutral
Real Estate	XLRE	42.8	-2.1 	6.9	35.6	45.6	Neutral
Industrials	XLI	137.4	-2.2 	20.6	110.0	144.5	Neutral
Health Care	XLV	141.0	-2.3 	3.4	132.7	159.6	Neutral
Utilities	XLU	77.6	-2.6 	22.6	59.1	83.4	Neutral
Materials	XLB	89.2	-2.9 	4.3	80.7	97.9	Neutral

Source: Galt & Taggart Research, Bloomberg, Tipranks, Charles Schwab
 *Percentage price changes given in parentheses indicate w/w changes

Global equities

Last week's **strongest** performers in S&P 500

#	Ticker	Name	Price, \$	W/W, %	M/M, %	YTD, %	52-week low, \$	52-week high, \$	12M price target, \$*	12M upside potential, %
1	AVGO	Broadcom Inc.	224.8	25.2	29.5	101.4	104.2	228.7	219.8	-2.2
2	WBA	Walgreens Boots Alliance, Inc.	10.4	21.4	15.1	-60.2	8.1	27.1	10.4	-0.3
3	WBD	Warner Bros. Discovery, Inc.	12.1	13.2	24.2	6.1	6.6	12.7	12.4	2.9
4	TSLA	Tesla, Inc.	436.2	12.1	32.1	75.6	138.8	436.3	268.2	-38.5
5	BA	The Boeing Company	169.7	10.2	21.2	-34.9	137.0	267.5	182.2	7.4

Last week's **weakest** performers in S&P 500

#	Ticker	Name	Price, \$	W/W, %	M/M, %	YTD, %	52-week low, \$	52-week high, \$	12M price target, \$*	12M upside potential, %*
1	SMCI	Super Micro Computer, Inc.	36.5	-17.0	79.3	28.2	17.3	122.9	40.3	10.6
2	ADBE	Adobe Inc.	465.7	-15.8	-12.5	-21.9	434.0	638.3	587.9	26.3
3	OMC	Omnicom Group Inc.	90.3	-12.7	-12.6	4.4	84.4	107.0	116.0	28.5
4	NUE	Nucor Corporation	125.3	-12.1	-17.7	-28.0	125.0	203.0	171.0	36.6
5	CI	The Cigna Group	281.9	-11.3	-15.1	-5.9	279.9	370.8	396.8	40.8

Last week's 10 most traded stocks globally

#	Ticker	Name	Price, \$	W/W, %	M/M, %	YTD, %	52-week low, \$	52-week high, \$	12M price target, \$*	12M upside potential, %
1	NVDA	NVIDIA Corporation	134.3	-5.7	-8.2	171.1	47.3	152.9	171.8	28.0
2	AVGO	Broadcom Inc.	224.8	25.2	29.5	101.4	104.2	228.7	219.8	-2.2
3	TSLA	Tesla, Inc.	436.2	12.1	32.1	75.6	138.8	436.3	268.2	-38.5
4	AMD	Advanced Micro Devices, Inc.	126.9	-8.4	-8.9	-13.9	121.8	227.3	184.3	45.3
5	SMCI	Super Micro Computer, Inc.	36.5	-17.0	79.3	28.2	17.3	122.9	40.3	10.6
6	INTC	Intel Corporation	20.3	-2.8	-18.4	-59.5	18.5	51.3	24.5	20.6
7	UBER	Uber Technologies, Inc.	59.9	-9.3	-15.8	-2.7	54.8	87.0	90.1	50.3
8	AAPL	Apple Inc.	248.1	2.2	10.2	28.9	164.1	250.8	245.8	-0.9
9	BAC	Bank of America Corporation	45.7	-2.3	-0.4	35.6	31.3	48.1	49.1	7.6
10	AMZN	Amazon.com, Inc.	227.5	0.2	6.2	49.7	144.1	231.2	236.3	3.9

*Price targets represent the average price forecasts made during past three months by the highest ranked analysts (primarily from Wall Street). A positive 12 month return target implies an overall "Buy" recommendation by analysts

*Upside potentials for stocks with negative short-term performance may be biased. This is because analysts may take time to reflect in their forecasts any unfavorable information regarding the stock.

Source: Bloomberg, Tipranks

Georgian corporate bonds

Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings (Fitch/S&P/Moody/Scope)	Mid price	Mid yield, %
USD								
Bakhvi Hydro Power	USD	1.2	9.40%	Nov-17	Nov-27	-/-/-/-	n/a	n/a
Lisi Lake Development	USD	12	6.50%	Dec-21	Dec-24	-/-/-/B+	n/a	6.75%
Geo. Renewable Power Oper.	USD	80	7.00%	Oct-22	Oct-27	-/-/-/-	100.00	7.00%
Lisi Lake Development	USD	10	8.50%	Dec-22	Dec-24	-/-/-/B+	99.99	8.50%
Geosteel	USD	15	9.00%	Apr-23	Apr-25	-/-/-/-	99.99	9.00%
Silk Real Estate	USD	20	9.00%	Apr-23	Apr-26	-/-/-/-	99.99	9.00%
Tegeta Motors	USD	20	8.50%	Apr-23	Apr-25	-/-/-/BB-	99.77	8.75%
Energy Development Georgia	USD	10	8.50%	Jun-23	Jun-25	-/-/-/-	n/a	n/a
Georgia Capital	USD	150	8.50%	Aug-23	Aug-28	-/BB-/--	101.08	8.13%
Silk Real Estate	USD	20	9.25%	Sep-23	Sep-26	-/-/-/-	100.91	8.63%
Prime Concrete	USD	7.5	10.50%	Sep-23	Sep-27	-/-/-/-	n/a	n/a
Austrian-Georgian Development	USD	15	9.00%	Oct-23	Oct-25	-/-/-/-	n/a	n/a
MFO EuroCredit	USD	10	9.50%	Dec-23	Dec-27	-/-/-/-	n/a	n/a
Geosteel	USD	5	8.50%	Dec-23	Dec-25	-/-/-/-	99.63	8.75%
IG Development	USD	20	8.50%	Dec-23	Dec-25	-/-/-/-	99.61	8.75%
Tegeta Motors	USD	5	8.50%	Jun-24	Jun-26	-/-/-/BB-	n/a	8.63%
Tegeta Motors	USD	3.3	8.50%	Jun-24	Jun-26	-/-/-/BB-	n/a	8.63%
IG Development	USD	19.5	8.50%	Jul-24	Jul-26	-/-/-/-	n/a	8.63%
Tegeta Motors	USD	5	8.50%	Jul-24	Jul-26	-/-/-/BB-	n/a	n/a
MP Development	USD	5	8.75%	Jul-24	Jul-26	-/-/-/-	n/a	8.75%
JSC BasisBank	USD	20	7.00%	Aug-24	Aug-27	-/-/-/-	n/a	7.00%
Georgia Real Estate	USD	25	8.50%	Aug-24	Aug-26	-/-/-/-	n/a	8.50%
Chavchavadze 64B	USD	10	8.75%	Aug-24	Aug-26	-/-/-/-	n/a	8.75%

■ Galt & Taggart-led and/or co-managed deals
 Source: Bloomberg, Galt & Taggart

Georgian corporate bonds

Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings (Fitch/S&P/Moody/Scope)	Mid price	Mid yield, %
EUR								
Tegeta Motors	EUR	5	7.00%	Apr-23	Apr-25	-/-/BB-	99.77	7.25%
Tegeta Motors	EUR	4	7.00%	Dec-23	Dec-25	-/-/BB-	99.63	7.25%
Tegeta Motors	EUR	7	6.75%	Dec-23	Dec-25	-/-/BB-	100.37	6.15%
IG Development	EUR	5	7.00%	Jan-24	Jan-26	-/-/BB-	99.60	6.15%
Tegeta Motors	EUR	10	6.75%	May-24	May-26	-/-/BB-	n/a	n/a
MP Development	EUR	3	7.75%	Jul-24	Jul-26	-/-/BB-	n/a	7.75%
Silk Real Estate	EUR	7	7.00%	Aug-24	Aug-25	-/-/BB-	n/a	7.00%
Chavchavadze 64B	EUR	3	7.75%	Aug-24	Aug-26	-/-/BB-	n/a	7.75%
GEL								
Nikora	GEL	35	TIBR3M + 3.50%	Nov-22	Nov-25	-/-/BB-	100.00	11.58%
MFO MBC	GEL	15	TIBR3M + 4.50%	Dec-22	Dec-24	-/-/BB-	100.00	12.83%
Tegeta Motors	GEL	150	TIBR3M + 3.50%	Dec-22	Dec-25	-/-/BB-	n/a	n/a
MFO Crystal	GEL	25	TIBR6M + 4.75%	Dec-22	Feb-25	B-/BB-	100.00	13.22%
MFO Rico Express	GEL	130	TIBR1D + 2.00%	Mar-23	Mar-26	-/-/BB+	n/a	n/a
TBC Leasing	GEL	100	TIBR3M + 3.00%	Mar-23	Mar-26	BB-/BB-	n/a	n/a
TBC Leasing	GEL	15	TIBR3M + 2.75%	Jun-23	Jun-26	BB-/BB-	n/a	n/a
Tegeta Motors	GEL	20	TIBR6M + 3.50%	Jun-23	Dec-25	-/-/BB-	n/a	n/a
Tegeta Motors	GEL	20	14.5%	Dec-23	Dec-25	-/-/BB-	n/a	n/a
Cellfie	GEL	65	TIBR6M + 3.50%	Dec-23	Dec-25	-/-/BB-	100.00	12.33%
Tegeta Motors	GEL	10	13.50%	Jul-24	Jul-26	-/-/BB-	n/a	n/a
Tegeta Motors	GEL	15	13.50%	Aug-24	Aug-26	-/-/BB-	100.00	13.50%
Nikora Trade	GEL	60	TIBR3M + 3.25%	Oct-24	Oct-29	-/-/BB-	n/a	n/a

■ Galt & Taggart-led and/or co-managed deals
 Source: Bloomberg, Galt & Taggart



Week ahead calendar

Macroeconomic releases				Company earnings		
	Time (GMT +4)	Country	Event	Company	Ticker	Time
Monday 16 December	11:00	EU	ECB President Lagarde Speech			
	13:00	EU	HCOB Composite PMI, Dec			
	13:30	UK	S&P Composite PMI, Dec			
	18:45	US	S&P Manufacturing PMI, Dec			
Tuesday 17 December	11:00	UK	Employment Change, Oct	HEICO	HEI	After market
	17:30	US	Retail Sales, Nov			
Wednesday 18 December	11:00	UK	Consumer Price Index, Nov	Micron	MU	After market
	23:00	US	Fed Monetary Policy Statement	Lennar	LEN	After market
	23:30	US	FOMC Press Conference	General Mills	GIS	Premarket
	N/A	JP	BoJ Interest Rate Decision			
Thursday 19 December	16:00	UK	BoE Interest Rate Decision	Accenture	ACN	Premarket
	17:30	US	GDP Annualized, Q3	Nike	NKE	After market
				Cintas	CTAS	Premarket
Friday 20 December				FedEx	FDX	After market
	11:00	UK	Retail Sales, Nov	Carnival	CCL	Premarket
	17:30	US	Core PCE, Nov			

1. Central bank interest rates have significant impact on equity valuations. Higher rates result in lower discounted values of future earnings, which naturally bring down the stock prices.
2. Inflation is currently a very closely watched macroeconomic statistic, as central banks respond to high inflation by raising interest rates. Generally, developed economies target a 2% annual inflation rate, which is less than current inflation levels in both the US and Eurozone.

Descriptions of key sectors

Communications	Includes companies that produce communication technologies and services. Major industries are internet content & information, telecom services, entertainment, electronic gaming & multimedia, advertising agencies, broadcasting, and publishing. Examples of leading companies in this sector are Alphabet, Meta Platforms, Netflix, T-Mobile, and Walt Disney.
Technology	Includes companies that produce technological goods or services. Major industries are software, semiconductors, consumer electronics, IT services, computer hardware, electronic components, and scientific & technical instruments. Examples of leading companies in this sector are Apple, Microsoft, NVIDIA, Cisco, and IBM.
Discretionary	Includes companies that produce non-essential or luxury goods and services (aka Consumer Discretionary or Consumer Cyclical). Major industries are general and internet retail, auto manufacturing & dealership, apparel, restaurants, travel services & resorts, and gambling. Examples of leading companies in this sector are Amazon, Tesla, Nike, Alibaba, and McDonald's.
Staples	Includes companies that produce goods essential to life (aka Consumer Staples or Consumer Defensive). Major industries are discount stores, household & personal products, beverages, tobacco, packaged foods, confectioneries, farm products, and grocery stores. Examples of leading companies in this sector are Walmart, Procter & Gamble, Coca-Cola, Philip Morris, and Costco.
Health Care	Includes companies that produce health-related products and services. Major industries are drug manufacturing, biotechnology, healthcare plans, medical devices, instruments & supplies, diagnostics & research, and medical care facilities. Examples of leading companies in this sector are Eli Lilly, UnitedHealth Group, Johnson & Johnson, AstraZeneca, and Pfizer.
Financials	Includes companies related to finance and investing. Major industries are banks, insurance, credit services, asset management, capital markets, and financial data & stock exchanges. Examples of leading companies in this sector are Berkshire Hathaway, Visa, JPMorgan, Bank of America, and Goldman Sachs.
Industrials	Includes companies that mainly produce capital goods for manufacturing and construction. Major industries are aerospace & defense, industrial machinery, railroads, farm & heavy construction machinery, freight & logistics, and building products & equipment. Examples of leading companies in this sector are Union Pacific, United Parcel Services, FedEx, General Electric, and Boeing.
Materials	Includes companies that produce raw materials mostly for manufacturing purposes. Major industries are chemicals, industrial metals & mining, precious metals & mining, building materials, agricultural inputs, paper & paper products, and lumber & wood products. Examples of leading companies in this sector are Linde, BHP Group, Rio Tinto, and Dow.
Energy	Includes companies relating to oil, gas, and consumable fuels. Major industries of the sector are oil & gas: exploration & production, midstream, equipment & services, refining & marketing, drilling, uranium, and thermal coal. Examples of leading companies in this sector are Exxon Mobil, Chevron, Shell, Occidental Petroleum, and BP.
Utilities	Includes companies that provide basic utilities, such as gas, water, and electricity. Major industries include regulated electric, renewables, regulated gas, regulated water, and independent power producers. Examples of leading companies in this sector are NextEra Energy, Southern Company, and Duke Energy.
Real Estate	Mainly includes Real Estate Investment Trusts (REITs). Major industries are REIT: specialty, industrial, residential, retail, healthcare facilities, diversified, office, mortgage, hotel & motel, and real estate services. Examples of leading companies in this sector are Prologis, American Tower, and Equinix.

Source: S&P Capital IQ, Corporate Finance Institute

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