



Weekly market overview

Week ahead

- No earnings reports are scheduled this week due to Christmas
- The UK will publish its Q3 GDP figures on Monday, while the US will release durable goods orders and new home sales data on Tuesday, with the holiday leading to a quieter week overall.

*For exact dates please check page 6 of the document

Commentary

U.S. stocks declined over the week, with small-cap stocks hit hardest, despite a Friday rebound that eased losses. Investor concerns grew after the Federal Reserve cut interest rates by 0.25 percentage points but signaled caution about future cuts. Fed Chair Jerome Powell indicated only two rate cuts are expected in 2025, down from four, and raised the inflation forecast to 2.5%. Political uncertainty over a potential government shutdown added pressure. Strong economic data provided some support: Q3 GDP grew 3.1%, November retail sales rose 0.7%, and jobless claims declined. Core PCE inflation aligned with expectations at 2.8%, helping Friday's rebound. In bonds, Treasury yields rose on reduced rate-cut expectations, municipal bond activity slowed, and high-yield bonds remained steady as market activity slowed ahead of the holidays.

European stocks had their worst week in over three months, with the STOXX Europe 600 index dropping 2.76%. Major markets also saw declines: Germany's DAX fell 2.55%, Italy's FTSE MIB dropped 3.22%, France's CAC 40 lost 1.82%, and the UK's FTSE 100 was down 2.60%. Investors were worried about President-elect Trump's threats of tariffs and uncertainty around future interest rate changes. The Bank of England kept interest rates steady at 4.75%, although some officials argued for a rate cut due to weak demand. Inflation rose to 2.6%, while wage growth hit 5.2%. In the Eurozone, business activity shrank slightly but remained relatively stable. Political uncertainty also increased as German Chancellor Olaf Scholz lost a confidence vote, triggering new elections set for February.

EQUITIES	Level	W/W % change	M/M % change	YTD % change
United States				
S&P 500	5,931	-2.0	0.2	24.3
Nasdaq 100	21,289	-2.3	3.0	26.5
Dow Jones 30	42,840	-2.3	-1.3	13.7
Russell 2000	2,242	-4.5	-3.6	10.6
Global				
S&P Europe	2,040	-2.8	0.4	5.0
S&P China	2,541	-0.5	-1.1	15.7
S&P Japan	2,531	-1.6	0.1	14.8
S&P Global	4,076	-2.4	-0.3	17.1

FIXED INCOME	Yield, %	1-week ago	1-month ago	1-Jan-2024
United States				
2y US Treasury	4.36	4.24	4.31	4.25
10y US Treasury	4.50	4.40	4.41	3.87
US IG Credit	5.31	5.18	5.23	5.12
US HY Credit	7.52	7.27	7.34	7.88
Europe				
2y German Bund	2.04	2.06	2.13	2.40
10y German Bund	2.24	2.25	2.34	2.03
Europe HY Credit	5.13	5.01	5.37	6.06

*For detailed information on listed indices and securities please check page 6 of this document

Eva Bochorishvili – Head of Research

| evabochorishvili@galt.com | +995 32 2401 111 ext. 8036

Sergi Kurashvili – Capital Markets Research Associate

| s.kurashvili@galt.com | +995 32 2401 111 ext. 3654

Elene Tabatadze – Capital Markets Junior Analyst

| eltabatadze@galt.com | +995 32 2401 111 ext. 9606

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

In Consumer Discretionary, the worst performance is expected from Garmin (GRMN), Deckers Outdoor Corporation (DECK), and Ebay Inc. (EBAY)

*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	591.2	-2.2 	24.4	466.4	609.1	Positive
Technology	XLK	236.0	-1.3 	22.6	183.4	241.9	Neutral
Utilities	XLU	76.4	-1.6 	20.7	59.1	83.4	Neutral
Financials	XLF	48.5	-2.1 	29.0	37.0	51.6	Positive
Health Care	XLV	138.0	-2.1 	1.2	134.5	159.6	Neutral
Staples	XLP	79.9	-2.6 	11.0	70.8	84.5	Neutral
Industrials	XLI	133.8	-2.6 	17.4	110.0	144.5	Neutral
Discretionary	XLY	228.9	-2.8 	28.0	166.5	240.3	Negative
Communications	XLC	98.0	-3.0 	34.8	71.7	102.7	Positive
Materials	XLB	85.6	-4.1 	0.0	80.7	97.9	Neutral
Real Estate	XLRE	40.8	-4.8 	1.8	35.6	45.6	Neutral
Energy	XLE	84.1	-5.7 	0.4	79.0	99.0	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	DRI	Darden Restaurants, Inc.	187.6	12.5	15.4	14.2	135.9	188.9	193.1	2.9
2	MTCH	Match Group, Inc.	33.8	7.3	11.0	-7.5	27.7	42.4	36.7	8.7
3	JBL	Jabil Inc.	145.0	7.3	13.1	13.8	95.8	156.9	161.3	11.2
4	FOXA	Fox Corporation	49.5	5.2	8.4	66.9	28.3	50.6	47.9	-3.3
5	BA	The Boeing Company	177.4	4.5	21.4	-32.0	137.0	264.7	182.8	3.1

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	LW	Lamb Weston	62.1	-21.7	-18.4	-42.6	53.0	111.9	69.8	12.4
2	VRTX	Vertex	397.3	-14.3	-12.0	-2.4	377.9	519.9	498.4	25.4
3	SMCI	Super Micro Computer, Inc.	31.6	-13.3	22.4	11.1	17.3	122.9	41.9	32.7
4	MU	Micron Technology	90.1	-12.1	-8.4	5.6	79.2	157.5	132.0	46.5
5	PAYC	Paycom Software	207.2	-11.6	-5.7	0.2	139.5	242.7	222.7	7.5

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	134.7	0.3	-7.7	172.0	47.3	152.9	172.8	28.3
2	AAPL	Apple Inc.	254.5	2.6	11.1	32.2	164.1	255.0	246.3	-3.2
3	TSLA	Tesla, Inc.	421.1	-3.5	23.1	69.5	138.8	488.5	283.9	-32.6
4	AVGO	Broadcom Inc.	220.8	-1.8	35.2	97.8	104.2	251.9	234.4	6.2
5	PFE	Pfizer Inc.	26.4	3.0	5.7	-8.4	24.5	31.5	31.9	20.9
6	AMZN	Amazon.com, Inc.	224.9	-1.1	10.9	48.0	144.1	233.0	239.9	6.7
7	BAC	Bank of America Corporation	44.2	-3.3	-4.1	31.2	31.3	48.1	49.1	11.2
8	MSFT	Microsoft Corporation	436.6	-2.4	5.1	16.1	366.5	468.4	507.5	16.2
9	GOOGL	Alphabet Inc.	191.4	0.8	8.8	37.0	130.7	201.4	211.1	10.3
10	AMD	Advanced Micro Devices, Inc.	119.2	-6.1	-13.4	-19.1	117.9	227.3	183.2	53.6

*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	-/-/-/BB+	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	-/-/-/BB+	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 23 December	11:00	UK	GDP, Q3	Anavex Life Sciences	AVXL	Premarket
	19:00	US	Consumer Confidence, Dec	Limoinera Co	LMNR	After market
Tuesday 24 December	17:30	US	Durable Goods Orders, Nov			
	19:00	US	New Home Sales Change, Nov			
Wednesday 25 December	N/A	JP	BoJ Governor Ueda speech			
Thursday 26 December	17:30	US	Initial Jobless Claims, Dec 20			
Friday 27 December	03:30	JP	Tokyo Consumer Price Index			

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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Galt & Taggart

Address: 3 A. Pushkin Street, Tbilisi 0105, Georgia
Tel: +995 32 2401 111

Research: research@gt.ge
Tel: +995 32 2401 111 (4298)

Brokerage: sales@gt.ge
Tel: +995 32 2444 132

Investment Banking: ib@gt.ge
Tel: +995 32 2401 111 (7457)