



Weekly market overview

Week ahead

- Conagra Brands and Lamb Weston are scheduled to publish their earnings this week.
- The US will publish its Housing Price Index and Initial Jobless Claims, while China will release Manufacturing PMI for December.

*For exact dates please check page 6 of the document

Commentary

US stocks rose moderately during the shortened holiday week, led by large tech stocks early on. However, markets lost steam after Christmas, with most indexes dipping in the final days. Consumer confidence fell in December from 112.8 to 104.7, showing increased concerns about jobs and income. Durable goods orders also dropped by 1.1% in November, mainly due to fewer aircraft and defense orders. New home sales were slightly below expectations but still improved from October. Jobless claims fell to 219,000, but the number of people continuing to receive unemployment benefits rose to the highest level since 2021. US Treasury yields increased, with the 10-year yield reaching 4.64%, while high-yield bonds saw modest gains in calm trading conditions.

European stocks rose during the holiday-shortened week, with the STOXX 600 up 0.99%, France's CAC 40 gaining 1.1%, and Germany's DAX rising 0.5%. In the UK, 3Q economic growth was revised down to 0.0% from 0.1%, raising concerns about economic stagnation ahead of planned tax increases. In France, President Emmanuel Macron appointed François Bayrou as Prime Minister, marking the 4th leadership change in a year amid ongoing fiscal challenges. US President-elect Donald Trump urged the EU to increase US energy imports to reduce the trade deficit, threatening tariffs if they fail to comply. Analysts expect the EU to continue shifting away from Russian energy supplies. ECB President Christine Lagarde indicated inflation is nearing sustainable control but highlighted ongoing risks, particularly in the services sector, urging continued caution.

EQUITIES	Level	W/W % change	M/M % change	YTD % change
United States				
S&P 500	5,971	0.7	-0.5	25.2
Nasdaq 100	21,473	0.9	3.5	27.6
Dow Jones 30	42,992	0.4	-3.9	14.1
Russell 2000	2,245	0.1	-7.5	10.7
Global				
S&P Europe	2,060	1.0	0.5	6.0
S&P China	2,568	1.1	2.0	17.0
S&P Japan	2,630	3.9	5.4	19.3
S&P Global	4,112	0.9	-0.6	18.1
FIXED INCOME	Yield, %	1-week ago	1-month ago	1-Jan-2024
United States				
2y US Treasury	4.33	4.31	4.21	4.25
10y US Treasury	4.62	4.52	4.24	3.87
US IG Credit	5.36	5.31	5.12	5.12
US HY Credit	7.54	7.52	7.26	7.88
Europe				
2y German Bund	2.07	2.04	2.04	2.40
10y German Bund	2.39	2.29	2.17	2.03
Europe HY Credit	5.17	5.14	5.38	6.06

W/W performance of US stocks by style, %

Large-cap	0.7	0.7	0.7
	0.1	-0.2	-1.1
	0.2	0.1	0.2
	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, Omnicom Group (OMC), News Corporation (NWSA), and Comcast Corporation (CMCSA) 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 Hilton Worldwide Holdings (HLT).

*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	595.0	 0.7	25.2	466.4	609.1	Positive
Health Care	XLV	139.0	 0.7	1.9	135.8	159.6	Neutral
Technology	XLK	237.5	 0.6	23.4	183.4	241.9	Neutral
Energy	XLE	84.6	 0.5	0.9	79.0	99.0	Neutral
Financials	XLF	48.8	 0.5	29.7	37.0	51.6	Positive
Discretionary	XLY	229.7	 0.4	28.5	166.5	240.3	Negative
Communications	XLC	98.2	 0.2	35.1	71.7	102.7	Positive
Industrials	XLI	133.3	-0.4 	16.9	110.0	144.5	Neutral
Utilities	XLU	76.1	-0.5 	20.1	59.1	83.4	Neutral
Real Estate	XLRE	40.5	-0.6 	1.2	35.6	45.6	Neutral
Materials	XLB	84.9	-0.7 	-0.7	80.7	97.9	Neutral
Staples	XLP	79.3	-0.8 	10.1	71.6	84.5	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.	241.8	9.5	51.4	116.6	104.2	251.9	237.2	-1.9
2	LW	Lamb Weston Holdings, Inc.	67.0	7.9	-12.7	-38.0	53.0	111.9	69.8	4.2
3	MCHP	Microchip Technology	58.3	5.1	-14.0	-35.3	55.3	100.6	82.9	42.1
4	AMD	Advanced Micro Devices, Inc.	125.2	5.0	-8.1	-15.1	117.9	227.3	183.2	46.3
5	APA	APA Corporation	22.1	5.0	-1.9	-38.4	20.3	36.9	31.1	40.9

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	ETSY	Etsy, Inc.	52.7	-7.2	-2.9	-35.0	47.1	82.8	62.3	18.3
2	CCL	Carnival Corporation & plc	25.1	-6.4	-0.2	35.3	13.8	27.2	29.2	16.6
3	BF.B	Brown-Forman Corporation	38.8	-6.0	-6.9	-32.0	38.7	61.0	47.8	23.1
4	NCLH	Norwegian Cruise Line Holdings Ltd.	25.8	-4.3	-4.3	28.5	14.7	28.6	30.6	18.8
5	EPAM	EPAM Systems, Inc.	238.5	-3.9	-3.0	-19.8	169.4	317.5	258.7	8.5

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	137.0	1.7	1.2	176.7	47.3	152.9	172.8	26.1
2	TSLA	Tesla, Inc.	431.7	2.5	29.7	73.7	138.8	488.5	283.9	-34.2
3	INTC	Intel Corporation	20.3	4.0	-14.2	-59.6	18.5	50.6	24.3	19.8
4	AAPL	Apple Inc.	255.6	0.4	8.8	32.8	164.1	260.1	246.9	-3.4
5	PFE	Pfizer Inc.	26.6	1.0	3.1	-7.5	24.5	31.5	31.9	19.7
6	AMD	Advanced Micro Devices, Inc.	125.2	5.0	-8.1	-15.1	117.9	227.3	183.2	46.3
7	SMCI	Super Micro Computer, Inc.	32.0	1.2	-8.8	12.5	17.3	122.9	41.9	31.1
8	AMZN	Amazon.com, Inc.	223.8	-0.5	8.8	47.3	144.1	233.0	240.4	7.4
9	GOOGL	Alphabet Inc.	192.8	0.7	13.9	38.0	130.7	201.4	211.1	9.5
10	MSFT	Microsoft Corporation	430.5	-1.4	1.8	14.5	366.5	468.4	508.5	18.1

*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
Geo. Renewable Power Oper.	USD	80	7.00%	Oct-22	Oct-27	-/-/-/-	100.00	7.00%
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%
Tegeta Motors	USD	5	8.25%	Dec-24	Dec-26	-/-/-/BB-	n/a	n/a
Bakhvi Hydro Power	USD	1.2	9.40%	Nov-17	Nov-27	-/-/-/-	n/a	n/a

■ 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%
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	-/-/B+	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
Nikora	GEL	35	TIBR3M + 3.50%	Nov-22	Nov-25	-/-/BB-	100.00	11.58%

■ 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 30 December	19:00	US	Pending Home Sales, Nov		
Tuesday 31 December	05:30	CN	NBS Manufacturing PMI, Dec		
	18:00	US	Housing Price Index, Oct		
Wednesday 1 January					
Thursday 2 January	05:45	CN	Conagra Brands	CAG	N/A
	17:30	US	Lamb Weston	LW	N/A
Friday 3 January					

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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