



Weekly market overview

Week ahead

- Large consumer goods and industrials sector companies are scheduled to publish their earnings this week.
- The US will release the Services PMI on Tuesday and the Employment Change on Wednesday. Meanwhile, the EU will publish the Composite PMI for December on Monday and Retail Sales for November on Thursday.

*For exact dates please check page 6 of the document

Commentary

US stocks had a mixed week, with profit-taking early on but solid gains on Friday helping recover some losses. Despite a December slump, the S&P 500 achieved its second consecutive annual gain of over 20%, marking its best two-year performance in 25 years. The Nasdaq also rose over 20% for the sixth time in 8 years. Economic data was mixed. The Chicago PMI dropped to 36.9, signaling ongoing manufacturing weakness in Chicago region, and the Atlanta Fed cut its Q4 GDP growth forecast to 2.6%. However, jobless claims fell to 211,000, the lowest in 8 months. In bonds, falling Treasury yields boosted municipal and corporate markets. Investment-grade corporate bonds saw strong new issuance, while high-yield bonds posted modest gains amid light trading.

European stocks saw light activity, with the STOXX Europe 600 rising 0.2%. Germany's DAX fell 0.39%, France's CAC 40 dropped 0.99%, and Italy's FTSE MIB slipped slightly, while the UK's FTSE 100 gained 0.91%, boosted by a weaker pound supporting overseas revenues. In Spain, December inflation rose to 2.8% due to higher fuel costs, with core inflation at 2.6%, exceeding forecasts. ECB hawks pushed for slower rate cuts, while President Christine Lagarde remained optimistic about reaching the 2% inflation target over 2025. In the UK, house prices grew 0.7% in December, marking a 4.7% annual increase—the fastest since 2022. Mortgage approvals dipped slightly to 65,700 but stayed above the yearly average.

EQUITIES	Level	W/W % change	M/M % change	YTD % change
United States				
S&P 500	5,942	-0.5	-1.8	1.0
Nasdaq 100	21,326	-0.7	0.5	1.5
Dow Jones 30	42,732	-0.6	-4.4	0.4
Russell 2000	2,268	1.1	-6.1	1.7
Global				
S&P Europe	2,064	0.2	-1.5	0.1
S&P China	2,465	-4.0	-3.2	-3.1
S&P Japan	2 585	-1.1	0.7	-1.1
S&P Global	4,090	-0.5	-2.3	0.7

FIXED INCOME	Yield, %	1-week ago	1-month ago	31-Dec-2024
United States				
2y US Treasury	4.25	4.33	4.17	4.24
10y US Treasury	4.60	4.62	4.22	4.57
US IG Credit	5.34	5.36	5.07	5.31
US HY Credit	7.42	7.54	7.20	7.50
Europe				
2y German Bund	2.17	2.10	1.95	2.09
10y German Bund	2.37	2.39	2.06	2.36
Europe HY Credit	5.19	5.18	5.14	5.20

W/W performance of US stocks by style, %

Large-cap	-0.1	-0.5	-0.8	
	Mid-cap	-0.1	0.1	0.4
		Small-cap	0.5	1.1
	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 Tapestry, Inc (TPR).

*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	592.0	-0.5 	1.0	466.4	609.1	Positive
Energy	XLE	87.5	 3.4	2.1	79.0	99.0	Neutral
Utilities	XLU	77.1	 1.3	1.8	59.1	83.4	Neutral
Real Estate	XLRE	40.8	 0.7	0.4	35.6	45.6	Neutral
Health Care	XLV	139.0	0.0	1.0	135.9	159.6	Neutral
Communications	XLC	97.9	-0.3 	1.1	71.7	102.7	Positive
Financials	XLF	48.6	-0.3 	0.5	37.0	51.6	Positive
Industrials	XLI	132.7	-0.4 	0.7	110.0	144.5	Neutral
Technology	XLK	235.8	-0.7 	1.4	183.4	241.9	Neutral
Staples	XLP	78.3	-1.2 	-0.4	71.6	84.5	Neutral
Discretionary	XLY	225.9	-1.7 	0.7	166.5	240.3	Negative
Materials	XLB	83.2	-2.1 	-1.1	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	VST	Vistra Corp.	162.4	16.2	5.3	17.8	38.1	168.7	161.3	-0.6
2	CEG	Constellation Energy	252.4	11.4	2.0	12.8	109.4	288.8	278.3	10.3
3	DVN	Devon Energy Corporation	33.9	8.7	-9.7	3.7	30.4	55.1	49.9	47.2
4	FANG	Diamondback Energy, Inc.	171.0	8.0	-2.7	4.4	147.9	214.5	214.3	25.4
5	NRG	NRG Energy, Inc.	98.5	7.1	-0.6	9.2	50.2	103.1	98.6	0.1

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	BF.B	Brown-Forman Corporation	36.3	-6.6	-12.4	-4.6	35.6	61.0	47.8	31.8
2	WYNN	Wynn Resorts, Limited	83.3	-6.0	-11.1	-3.3	71.6	110.4	115.7	38.9
3	BA	The Boeing Company	169.9	-6.0	9.6	-4.0	137.0	250.2	184.1	8.4
4	PPG	PPG Industries, Inc.	114.3	-5.1	-9.4	-4.3	113.5	147.8	145.1	27.0
5	BBY	Best Buy Co., Inc.	83.6	-5.0	-6.0	-2.5	69.3	103.7	98.5	17.8

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	144.5	5.4	3.0	7.6	48.3	152.9	172.8	19.6
2	TSLA	Tesla, Inc.	410.4	-4.9	16.8	1.6	138.8	488.5	288.1	-29.8
3	INTC	Intel Corporation	20.6	1.3	-8.5	2.5	18.5	50.3	24.3	18.3
4	AAPL	Apple Inc.	243.4	-4.8	0.3	-2.8	164.1	260.1	247.3	1.6
5	AMD	Advanced Micro Devices, Inc.	125.4	0.1	-11.7	3.8	117.9	227.3	183.2	46.1
6	SMCI	Super Micro Computer, Inc.	33.3	4.2	-17.1	9.4	17.3	122.9	41.9	25.8
7	TSN	Tyson Foods, Inc.	58.2	0.4	-9.4	1.3	51.2	66.9	66.5	14.3
8	UBER	Uber Technologies, Inc.	64.6	5.7	-9.4	7.1	54.8	87.0	90.0	39.3
9	AMZN	Amazon.com, Inc.	224.2	0.2	5.0	2.2	144.5	233.0	240.7	7.4
10	AVGO	Broadcom Inc.	232.6	-3.8	38.3	0.3	104.2	251.9	237.4	2.1

*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

■ 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

■ 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 6 January	13:00	EU	HCOB Composite PMI, Dec		
	13:30	EU	Sentix Investor Confidence, Jan		
	18:45	US	S&P Global Composite PMI, Dec		
	19:00	US	Factory Orders, Nov		
Tuesday 7 January	14:00	EU	Harmonized Index of Consumer Prices, Dec	RPM International	RPM Premarket
	19:00	US	ISM Services PMI, Dec	Cal-Maine Foods	CALM After Market
Wednesday 8 January	14:00	EU	Business Climate, Dec	Wipro	WIT N/A
	17:15	US	ADP Employment Change, Dec	Jefferies	JEF After Market
	23:00	US	FOMC Minutes	Albertsons Companies	ACI Premarket
Thursday 9 January				Acuity Brands	AYI Premarket
	14:00	EU	Retail Sales, Nov	Seven & I Holdings	SVNDY N/A
	17:30	US	Initial Jobless Claims, Jan 3	KB Home	KBH After Market
Friday 10 January	20:00	UK	BoE's Breeden speech		
	17:30	US	Average Hourly Earnings, Dec	Constellation Brands	STZ Premarket
	19:00	US	Michigan Consumer Sentiment Index, Jan	Delta Air Lines	LAN Premarket

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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