



Weekly Markets Overview

Last week

- US 4Q23 GDP final revision came in above forecast at 3.4%
- US core PCE inflation declined to 2.8% in February

Week ahead

- US non-farm payrolls, PMIs, and Fed Chair Powell speech
- Eurozone inflation
- Earnings from Paychex (PAYX) and Acuity Brands (AYI)

*For exact dates please check page 4 of this document

Commentary: 1Q 2024 Summary

The first quarter of 2024 saw a strong growth in global equities, while the DM fixed income yields have increased across maturities. In the US, strong economic growth and optimism around the AI theme have boosted investor risk appetite. While the 4Q23 GDP grew by a higher than expected rate of 3.4%, Technology and Communications sectors have rallied in the face of strong earnings growth expectations. Importantly, equity markets performance was rather broad-based, with the exception of small-caps that lagged their mid and large-cap counterparts (see figure to the right). Interestingly, the positive dynamic played out despite a rising belief that the Fed will implement a slower cutting cycle than initially expected. As inflation ticked slightly upwards in 2024, Fed is now expected to deliver only three 0.25% rate cuts this year (markets were anticipating five to six 0.25% cuts in early 2024).

Looking ahead, analysts are still overweight in global tech stocks, while favoring US treasuries for balancing portfolio risk.

Implementing AI systems is expected to give a significant profitability boost to the global technology sector. With that being said, it is hard to predict the timing of full impact, so investors are likely to benefit from staying invested in leading tech companies from the US as well as from Europe and Asia. In terms of US treasuries, the elevated yields look too attractive to ignore, as 1-year and 2-year rates stand at 5.0% and 4.6%, respectively.

EQUITIES	Level	1W % change	1M % change	YTD % change
United States				
S&P 500	5,254	0.4	3.1	10.2
Nasdaq 100	18,255	-0.5	1.2	8.5
Dow Jones 30	39,807	0.8	2.1	5.6
Russell 2000	2,125	2.5	3.4	4.8
Global				
S&P Europe	2,081	0.5	3.5	7.2
S&P China	2,456	0.0	0.6	0.7
S&P Japan	2,228	-1.5	2.5	11.3
S&P Global	3,778	0.4	3.3	9.3

FIXED INCOME	Yield (%)	1-week ago	1-month ago	1-Jan-2024
United States				
2y US Treasury	4.63	4.60	4.65	4.25
10y US Treasury	4.21	4.22	4.25	3.88
US IG Credit	5.37	5.35	5.45	5.22
US HY Credit	7.81	7.76	7.92	7.80
Europe				
2y German Bund	2.83	2.79	2.89	2.41
10y German Bund	2.29	2.32	2.41	2.02
Europe IG Credit	3.78	3.80	3.95	3.67
Europe HY Credit	6.02	6.03	6.06	6.06

*For detailed information on listed indices and securities please check page 5 of this document

1Q24 growth of US equities by style (%)

	Value	Blend	Growth
Large	9.0	10.6	11.4
Mid	8.2	8.6	9.5
Small	2.9	5.2	7.6

Source: Bloomberg

Eva Bochorishvili - Head of Research

| evabochorishvili@gt.ge | +995 32 2401 111 ext. 8036

Gigi Tskitishvili - Senior Equity Markets Analyst

| g.tskitishvili@gt.ge | +995 32 2401 111 ext. 8967








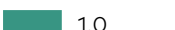
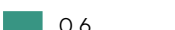



S&P 500 Sector Highlights

Utilities was the best performing sector last week, with the associated ETF (XLU) gaining 2.8% w/w. 77 out of 100 largest sector stocks closed the week in green. From top 20, all stocks rallied. The best performers from the list were Constellation Energy (CEG, +6.2%), Public Services Enterprise (PEG, +4.6%), NextEra Energy (NEE, +4.2%), American Electric Power Company (AEP, +3.6%).

Technology was the weakest performing sector, with respective ETF (XLK) losing -0.8% w/w. 55 out of 100 largest sector stocks declined during the week. From top 20, 13 companies closed the week in red. The weakest performers from the list were Uber Tech (UBER, -4.1%), Oracle (ORCL, -2.6%), Taiwan Semiconductor (TSM, -2.4%), Salesforce (CRM, -2.3%), and Applied Materials (AMAT, -2.2%).

*For detailed information on sectors please check page 6 of this document

S&P 500 sector review: last week performance

Sector	ETF Ticker	Price, \$	W/W return	YTD, %	52-week low, \$	52-week high, \$	12 month outlook
S&P 500	SPY	523.1	 0.4	3.0	401.4	523.2	Positive
Utilities	XLU	65.7	 2.8	5.7	56.2	70.0	Neutral
Real Estate	XLRE	39.5	 2.4	1.1	32.2	40.5	Negative
Energy	XLE	94.4	 2.2	9.6	76.6	94.4	Positive
Financials	XLF	42.1	 1.7	4.4	31.5	42.1	Positive
Materials	XLB	92.9	 1.7	6.1	74.5	92.9	Positive
Health Care	XLV	147.7	 1.6	2.0	123.1	147.9	Neutral
Staples	XLP	76.4	 1.0	2.6	66.2	77.5	Neutral
Discretionary	XLY	183.9	 0.6	-0.3	143.5	185.0	Negative
Industrials	XLI	126.0	 0.6	4.1	96.4	126.0	Neutral
Communications	XLC	81.7	-0.2 	2.9	56.1	81.8	Neutral
Technology	XLK	208.3	-0.8 	0.6	144.0	211.0	Neutral

Source: Galt & Taggart Research, Bloomberg, Tipranks

*Percentage price changes given in parentheses indicate w/w changes

Performance of last week's most traded stocks

#	Ticker	Name	Price, \$	W/W, %	M/M, %	YTD, %	52-week low, \$	52-week high, \$	12M price target, \$*	12M upside potential, %
1	MU	Micron	117.9	7.1	30.1	43.3	56.9	119.1	127.0	7.7
2	MRK	Merck & Co	131.9	6.5	3.8	15.0	100.2	131.9	137.2	4.0
3	DIS	Walt Disney	122.4	5.6	9.7	33.5	79.3	122.4	128.1	4.7
4	C	Citigroup	63.2	4.0	14.0	17.9	37.7	63.2	62.8	-0.7
5	INTC	Intel	44.2	3.8	2.6	-6.1	27.4	50.8	45.8	3.7
6	TSLA	Tesla	175.8	2.9	-12.9	-26.3	153.8	293.3	219.5	24.9
7	XOM	Exxon Mobil	116.2	2.4	11.2	12.6	96.8	120.2	126.4	8.7
8	BAC	Bank of America	37.9	2.3	9.8	13.1	25.2	37.9	37.9	-0.1
9	PFE	Pfizer	27.8	1.4	4.5	-6.7	25.9	41.8	30.6	10.3
10	AMD	AMD	180.5	0.5	-6.3	33.4	81.6	211.4	199.1	10.3
11	BABA	Alibaba	72.4	0.3	-2.3	-5.5	68.1	103.4	108.8	50.4
12	NKE	Nike	94.0	0.1	-9.3	-9.7	89.4	127.9	110.8	17.9
13	GOOGL	Alphabet	150.9	0.1	9.0	8.6	100.9	153.5	165.7	9.8
14	AAPL	Apple	171.5	-0.5	-5.1	-6.9	160.1	198.1	202.2	17.9
15	WMT	Walmart	60.2	-1.1	2.7	-62.2	56.8	170.3	65.9	9.5
16	MSFT	Microsoft	420.7	-1.9	1.7	13.5	275.4	429.4	469.1	11.5
17	TSM	Taiwan Semiconductor	136.1	-3.2	5.7	35.8	82.3	149.2	160.8	18.2
18	UBER	Uber Tech	77.0	-4.0	-3.2	32.2	29.6	81.4	87.7	13.9
19	NVDA	NVIDIA	903.6	-4.2	14.2	89.9	262.4	950.0	986.6	9.2
20	META	Meta Platforms	485.6	-4.7	-0.9	41.0	205.4	512.2	531.0	9.4

*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
 Source: Bloomberg, Tipranks (top 20 by value)



Week ahead calendar

Macroeconomic releases

Company earnings

	Time (GMT +4)	Country	Event	Company	Ticker	Time
Monday 1 April	18:00	US	Manufacturing PMI (Mar)	PVH	PVH	After market
Tuesday 2 April	12:00	Eurozone	Manufacturing PMI (Mar)	Paychex	PAYX	Premarket
	16:00	Germany	Inflation prel. (Mar)			
Wednesday 3 April	13:00	Eurozone	Inflation prel. (Mar)	Acuity Brands	AYI	Premarket
	18:00	US	Services PMI (Mar)			
	20:10	US	Fed Chair Powell speech			
Thursday 4 April	15:30	Eurozone	ECB monetary policy meeting accounts	Lamb Weston Holdings	LW	Premarket
Friday 5 April	16:30	US	Non-farm payrolls (Mar)			
	16:30	US	Unemployment (Mar)			

Source: DailyFX, S&P Capital IQ

Definitions: 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)