



Weekly Markets Overview

Last week

- US non-farm payrolls came in slightly above forecasts at 199,000 (below this year's average of 235,000); unemployment rate ticked down from 3.9% to 3.7%
- US consumer sentiment improved to the 5-month high of 69
- Eurozone 3Q23 GDP contracted by an expected -0.1%
- Japan's GDP contracted by a more-than-expected -2.9%
- China's inflation came in below forecasts at -0.5%

Week ahead

- Interest rate decisions from the US Federal Reserve, European Central Bank, and Bank of England
- US inflation and retail sales
- US, Eurozone, and UK manufacturing and services PMIs

*For exact dates please check page 4 of this document

Commentary

Equity markets delivered mixed results last week. In the US, stocks delivered modest gains, with small-caps continuing their outperformance of past month. Energy stocks declined however, due to the fall in oil prices. European stocks have continued to rally, as Stoxx 600 has gained 10.0% since late October 2023. Meanwhile, Asian equities were notable underperformers, as economic activity proves weaker than expected in Japan and China.

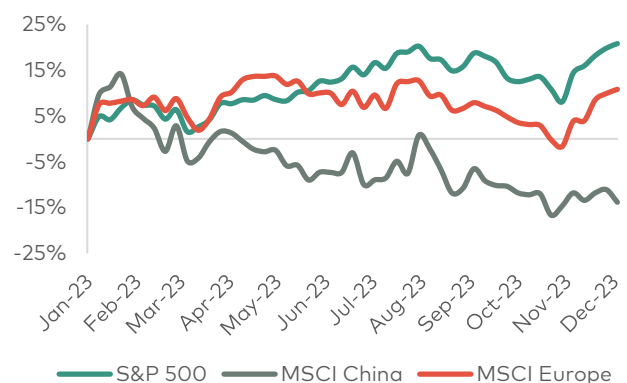
This week has a heavy economic calendar and Western central banks will be in the center of investors' attention. While it is almost certain that the US Fed will keep the base rate unchanged at this meeting (markets are pricing in a 0.2% probability of a 25bps hike), investors will primarily focus on the interest rate and economic projections. As of today, markets are anticipating a strong cutting cycle in 2024. The market-implied probability of the Fed rate falling to 4.0-4.5% range by December 2024 is 60%, with 20% chance of rates dropping below that level. Importantly, this view is not quite in line with the Fed's own forecasts that foresee rates at 5.0-5.25% by the same period. On Wednesday, the Fed will renew forecasts which may align more closely with that of markets.

EQUITIES	Level	1W % change	1M % change	YTD % change
United States				
S&P 500	4,604	0.2	5.1	20.4
Nasdaq 100	16,085	0.5	5.0	48.1
Dow Jones 30	36,248	0.0	6.3	9.4
Russell 2000	1,881	1.0	9.7	7.4
Global				
S&P Europe	1,915	1.4	5.4	8.9
S&P China	3,124	-2.8	-3.7	-17.6
S&P Japan	2,056	-2.7	0.2	28.6
S&P Global	3,347	-0.1	4.4	16.2

FIXED INCOME	Yield (%)	1-week ago	1-month ago	1-Jan-2023
United States				
2y US Treasury	4.75	4.55	5.04	4.43
10y US Treasury	4.26	4.22	4.63	3.88
US IG Credit	5.51	5.49	6.02	5.31
US HY Credit	8.34	8.41	8.94	8.82
Europe				
2y German Bund	2.67	2.66	3.17	2.69
10y German Bund	2.26	2.36	2.72	2.45
Europe IG Credit	3.95	3.99	4.38	4.04
Europe HY Credit	6.61	6.88	7.35	7.38

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

Major regional equity indices



Source: Bloomberg, Galt & Taggart

*For detailed information of given portfolios please check page 5 of this document

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S&P 500 Sector Highlights

Real Consumer Discretionary was the best performing sector last week, with the associated ETF gaining 1.2% w/w. 51 out of the 100 largest sector stocks closed the week in green. From top 20, 13 companies rallied. The best performers from the list were Lululemon Athletica (LULU, +4.9%), Airbnb (ABNB, +4.2%), Booking Holdings (BKNG, +3.7%), and Ferrari (RACE, +2.7%). Meanwhile, the worst performers were MercadoLibre (MELI, -4.5%), PDD Holdings (PDD, -4.3%), and O'Reilly Automotive (ORLY, -3.5%).

Energy was the weakest performing sector, with respective ETF losing -3.3% w/w. 94 out of the 100 largest sector companies declined. From top 20, all stocks closed the week in red. The worst performers were Canadian Natural Resources (CNQ, -8.1%), SLB (SLB, -6.9%), Marathon Petroleum (MPC, -5.6%), William Cos (WMB, -4.7%), and Energy Transfer (ET, -4.3%).

*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	460.2	 0.2%	21.3	375.2	460.2	Neutral
Discretionary	XLY	173.2	 1.2%	34.9	126.3	177.0	Positive
Communications	XLC	70.5	 0.8%	45.0	46.7	71.2	Positive
Technology	XLK	186.7	 0.6%	51.4	121.2	186.7	Negative
Industrials	XLI	109.0	 0.2%	10.7	96.4	110.8	Neutral
Health Care	XLV	132.1	 0.2%	-2.5	123.1	139.5	Positive
Financials	XLF	36.1	-0.1% 	5.3	31.0	37.0	Neutral
Utilities	XLU	63.4	-0.2% 	-10.1	56.2	72.1	Negative
Real Estate	XLRE	37.9	-0.3% 	2.2	32.2	41.8	Neutral
Staples	XLP	70.1	-1.2% 	-5.6	66.2	77.5	Neutral
Materials	XLB	81.9	-1.7% 	5.6	74.5	85.7	Neutral
Energy	XLE	82.2	-3.3% 	-2.6	76.6	93.4	Positive

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 high, \$	52-week low, \$	12M price target, \$*	12M upside potential, %
1	UBER	Uber Technologies	61.7	7.6	24.6	143.3	61.7	24.4	63.3	2.5
2	AMD	Advanced Micro Devices	128.9	6.2	13.5	101.4	129.2	62.3	130.5	1.2
3	LULU	Lululemon Athletica	489.6	4.9	19.5	51.4	489.6	292.9	488.1	-0.3
4	C	Citigroup	48.9	3.5	16.9	7.8	52.3	37.7	51.3	4.9
5	QCOM	QUALCOMM	133.0	2.5	10.8	24.0	138.5	103.0	138.2	3.9
6	META	Meta Platforms	332.8	2.4	4.1	166.8	341.5	114.5	389.3	17.0
7	GOOGL	Alphabet	135.0	2.4	2.4	51.5	140.6	86.0	154.8	14.7
8	AAPL	Apple	195.7	2.3	7.2	56.7	196.4	124.8	203.4	3.9
9	TSLA	Tesla	243.8	2.1	9.8	125.6	293.3	108.1	270.8	11.0
10	TSM	TSM	100.3	1.8	9.1	35.6	107.0	73.1	113.8	13.4
11	NVDA	NVIDIA	475.1	1.6	2.0	231.9	504.1	140.4	656.0	38.1
12	AMZN	Amazon.com	147.4	0.3	3.8	71.8	147.7	81.8	178.3	21.0
13	BAC	Bank of America	31.0	0.0	11.0	-7.6	36.8	25.2	34.4	11.1
14	MSFT	Microsoft	374.2	-0.1	3.0	56.6	382.7	221.8	414.0	10.6
15	CVX	Chevron	144.3	-0.3	1.3	-16.3	186.1	141.5	181.3	25.6
16	PYPL	PayPal Holdings	58.9	-1.2	7.0	-21.0	87.0	50.4	72.2	22.6
17	WMT	Walmart	150.9	-1.9	-8.2	5.1	169.8	136.4	182.0	20.6
18	INTC	Intel	42.7	-2.4	12.6	61.7	44.9	24.9	38.2	-10.5
19	BABA	Alibaba Group	72.1	-2.5	-14.9	-21.6	120.6	71.5	129.9	80.0
20	XOM	Exxon Mobil	99.6	-3.3	-3.3	-5.8	120.2	98.4	131.2	31.8

*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

	Time (GMT +4)	Country	Event
Monday 11 December	20:00	US	Consumer inflation expectations (Nov)
Tuesday 12 December	11:00	UK	Unemployment (Oct)
	14:00	Eurozone	Economic sentiment index (Dec)
	17:30	US	Inflation (Nov)
Wednesday 13 December	11:00	UK	GDP (Oct)
	17:30	US	Producer price index (Nov)
	23:00	US	Fed interest rate decision
Thursday 14 December	16:00	UK	Bank of England interest rate decision
	17:15	Eurozone	European Central Bank interest rate decision
	17:30	US	Retail sales (Nov)
Friday 15 December	13:00	Eurozone	Manufacturing and services PMIs prel. (Dec)
	13:30	UK	Manufacturing and services PMIs prel. (Dec)
	18:45	US	Manufacturing and services PMIs prel. (Dec)

Company earnings

Company	Ticker	Time
Oracle	ORCL	After market
Caseys	CASY	After market
Mueller Water Products	MWA	After market
Johnson Controls	JCI	Premarket
Carl Zeiss Meditec	CZMWY	Premarket
Adobe	ADBE	After market
Nordson	NDSN	After market
Jabil Circuit	JBL	Premarket
Costco	COST	After market
Lennar	LEN	After market
Darden Restaurants	DRI	Premarket

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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