



## Weekly market overview

### Week ahead

- Analysts consider large semiconductor stocks undervalued, namely NVIDIA (NVDA), AMD (AMD), and Intel (INTC)
- Cisco (CSCO), Walmart (WMT), Home Depot (HD), Alibaba (BABA), JD.com (JD), and Tencent (TCEHY) will release earnings this week
- US inflation and retail sales alongside UK, Eurozone, and Japan GDP will be reported this week

\*For exact dates please check page 5 of the document

### Commentary

**US markets were highly volatile due to concerns over economic growth and technical factors.** S&P 500 and Nasdaq Composite approached correction levels, with fluctuations in the VIX volatility index reflecting investor unease. Technical trading factors, such as partial unwinding of Japanese carry trade and short covering, influenced market movements. Despite concerns over weaker consumer activity, some positive data points emerged, including a fall in jobless claims and a rebound in service sector activity. Moreover, as the labor market showed resilience, the US recession seems less likely in the near term.

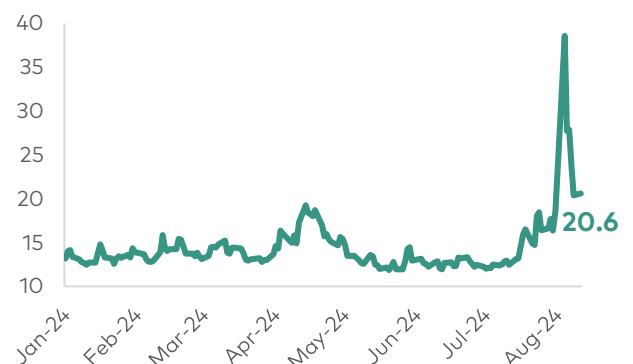
**In fixed income markets, US treasury yields increased as concerns over labor market eased.** The municipal bond market faced its strongest issuance week of the year, leading to challenges in attracting demand. The investment grade corporate bond market experienced volatility but saw healthier movement later in the week. Meanwhile, the high-yield bond market remained subdued due to overall market instability.

EQUITIES	Level	W/W % change	M/M % change	YTD % change
<b>United States</b>				
S&P 500	5,344	0.0	-4.2	12.0
Nasdaq 100	18,513	0.4	-9.5	10.0
Dow Jones 30	39,498	-0.6	0.5	4.8
Russell 2000	2,081	-1.3	2.5	2.7
<b>Global</b>				
S&P Europe	2,028	0.3	-2.5	4.4
S&P China	2,427	0.3	-2.4	-0.5
S&P Japan	2,049	-0.8	-6.5	2.4
S&P Global	3,797	0.0	-3.9	9.8

FIXED INCOME	Yield, %	1-week ago	1-month ago	1-Jan-2024
<b>United States</b>				
2y US Treasury	4.05	3.87	4.46	4.25
10y US Treasury	3.94	3.80	4.19	3.88
US IG Credit	5.16	5.02	5.40	5.22
US HY Credit	7.72	7.77	7.92	7.80
<b>Europe</b>				
2y German Bund	2.38	2.34	2.82	2.41
10y German Bund	2.22	2.16	2.50	2.02
Europe IG Credit	3.59	3.53	3.86	3.67
Europe HY Credit	6.05	6.00	6.00	6.06

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

### CBOE Volatility Index VIX YTD performance



Source: Bloomberg

Note: VIX represents the market expectation for volatility of S&P 500 index for the following 30 days

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## S&P 500 sector highlights












Analysts expect Energy, Materials, and Financial sectors to outperform market in the following twelve months. Meanwhile, Real Estate and Consumer Discretionary are expected to underperform the broader market.

In Energy, analysts forecast the best performance from Schlumberger (SLB), Ovintiv (OVV), and Permian Resources (PR). In Materials, Albemarle (ALB), Sociedad Quimica Y Minera (SQM), and Vale (VALE) are expected to deliver the best results. Lastly, in Financials, LPL Financial (LPLA), PayPal (PYPL), and Interactive Brokers (IBKR) are considered potential outperformers.

In Real Estate, Essex Property (ESS) and Iron Mountain (IRM) have the weakest performance forecasts. In Consumer Discretionary, the worst performance is expected from GameStop (GME) and Tesla (TSLA).

\*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, %	YTD, %	52-week low, \$	52-week high, \$	12 months outlook
<b>S&amp;P 500</b>	<b>SPY</b>	<b>533.0</b>	0.0	<b>12.9</b>	<b>410.7</b>	<b>564.9</b>	<b>Positive</b>
Industrials	XLI	124.3	 1.3	9.7	96.4	128.2	Neutral
Energy	XLE	89.4	 1.1	5.9	79.9	98.1	Positive
Financials	XLF	42.4	 0.8	12.1	31.5	43.8	Positive
Communications	XLC	85.2	 0.6	17.4	63.1	87.8	Neutral
Technology	XLK	205.6	 0.4	10.7	160.2	237.7	Neutral
Real Estate	XLRE	41.8	-0.1 	2.5	32.2	41.9	Negative
Staples	XLP	79.2	-0.1 	8.3	66.2	79.3	Neutral
Health Care	XLV	150.0	-0.6 	7.7	123.1	151.2	Neutral
Utilities	XLU	73.6	-0.8 	14.3	56.2	74.2	Neutral
Discretionary	XLY	174.3	-1.0 	-2.0	148.0	194.7	Negative
Materials	XLB	88.6	-1.6 	3.6	74.5	93.1	Positive

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	AXON	Axon Enterprise	369.1	26.2	26.1	46.7	189.1	376.0	369.0	0.0
2	FTNT	Fortinet	69.7	23.3	15.6	20.5	49.5	73.1	70.3	0.9
3	UBER	Uber Technologies	68.5	16.2	-3.9	17.7	40.6	81.4	88.1	28.5
4	NRG	NRG Energy	80.3	14.7	1.3	55.4	36.5	86.0	87.3	8.7
5	LLY	Eli Lilly	891.7	10.8	-4.4	44.4	520.2	950.5	1018.3	14.2

### 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	WBD	Warner Brothers Discovery	7.0	-15.0	-4.2	-37.8	7.0	14.1	11.4	62.2
2	CRL	Charles River Labs	201.0	-14.0	-0.4	-10.3	164.5	273.4	225.3	12.1
3	MCK	McKesson	541.2	-14.2	-7.8	12.7	407.1	630.4	621.6	14.9
4	ABNB	Airbnb	115.1	-10.3	-24.5	-13.7	113.0	168.2	129.0	12.1
5	MNST	Monster Beverage	46.1	-10.8	-7.5	-19.9	45.0	60.8	58.0	25.9

### 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	VALE	Vale	10.3	2.7	-11.2	-34.3	9.9	16.0	15.5	50.9
2	F	Ford Motor	10.1	2.3	-21.7	-13.7	9.6	14.6	16.0	58.4
3	BAC	Bank of America	38.3	1.9	-7.6	14.2	25.2	44.1	45.5	18.9
4	AMD	AMD	134.3	1.3	-24.2	-0.8	93.7	211.4	190.3	41.7
5	AMZN	Amazon.com	166.9	-0.6	-16.3	12.4	119.6	200.0	225.0	34.8
6	AAPL	Apple	218.7	-1.6	-5.4	17.4	165.0	234.8	249.2	13.9
7	NVDA	NVIDIA	104.8	-2.3	-20.3	127.8	39.2	140.8	144.3	37.8
8	TSLA	Tesla	200.0	-3.7	-23.8	-16.1	142.1	276.0	212.4	6.2
9	PFE	Pfizer	28.5	-6.2	3.0	-4.0	25.3	37.0	30.4	6.5
10	INTC	Intel	19.7	-7.7	-43.0	-58.1	19.0	50.8	27.8	41.0

\*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's /Scope)	Mid-Price	Mid-Yield
1	Bakhvi Hydro Power	USD	1.2	9.40%	Nov-17	Nov-27	-/-/-/-	n/a	n/a
2	Lisi Lake Development	USD	12	6.50%	Dec-21	Dec-24	-/-/-/B+	n/a	n/a
3	IG Development	USD	15	8.50%	Jul-22	Jul-24	-/-/-/-	99.87	8.75
4	Georgia Real Estate	USD	35	8.50%	Oct-22	Oct-24	-/-/-/-	99.98	8.50
5	Geo. Renewable Power	USD	80	7.00%	Oct-22	Oct-27	-/-/-/-	99.99	7.00
6	Lisi Lake Development	USD	10	8.50%	Dec-22	Dec-24	-/-/-/B+	100.00	8.50
7	Geosteel	USD	15	9.00%	Apr-23	Apr-25	-/-/-/-	99.98	9.00
8	Silk Real Estate	USD	20	9.00%	Apr-23	Apr-26	-/-/-/-	99.99	9.00
9	Tegeta Motors	USD	20	8.50%	Apr-23	Apr-25	-/-/-/BB-	99.66	8.75
10	Energy Development GEO	USD	10	8.50%	Jun-23	Jun-25	-/-/-/-	n/a	n/a
11	Georgia Capital	USD	150	8.50%	Aug-23	Aug-28	-/BB-/-/-	101.17	8.19
12	Silk Real Estate	USD	20	9.25%	Sep-23	Sep-26	-/-/-/-	101.14	8.63
13	Prime Concrete	USD	7.5	10.50%	Sep-23	Sep-27	-/-/-/-	n/a	n/a
14	Austrian-Georgian Development	USD	15	9.00%	Oct-23	Oct-25	-/-/-/-	n/a	n/a
15	MFO EuroCredit	USD	10	9.50%	Dec-23	Dec-27	-/-/-/-	n/a	n/a
16	Geosteel	USD	5	8.50%	Dec-23	Dec-25	-/-/-/-	99.57	8.75
17	IG Development	USD	20	8.50%	Dec-23	Dec-25	-/-/-/-	99.56	8.75
18	Tegeta Motors	EUR	5	7.00%	Apr-23	Apr-25	-/-/-/BB-	99.67	7.25
19	Tegeta Motors	EUR	4	7.00%	Dec-23	Dec-25	-/-/-/BB-	99.57	7.25
20	Tegeta Motors	EUR	7	6.75%	Dec-23	Dec-25	-/-/-/BB-	100.43	6.50
21	IG Development	EUR	5	7.00%	Jan-24	Jan-26	-/-/-/-	99.55	7.25
22	Vian (Evex)	GEL	50	RR + 3.10%	Nov-19	Nov-24	-/-/-/BB	n/a	n/a
23	Nikora Trade	GEL	35	TIBR3M + 3.50%	Nov-21	Nov-24	-/-/-/BB-	n/a	n/a
24	Nikora	GEL	35	TIBR3M + 3.50%	Nov-22	Nov-25	-/-/-/BB-	n/a	n/a
25	MFO MBC	GEL	15	TIBR3M + 4.50%	Dec-22	Dec-24	-/-/-/B	n/a	n/a
26	Tegeta Motors	GEL	150	TIBR3M + 3.50%	Dec-22	Dec-25	-/-/-/BB-	n/a	n/a
27	MFO Crystal	GEL	25	TIBR6M + 4.75%	Dec-22	Feb-25	B-/-/-/-	n/a	n/a
28	MFO Rico Express	GEL	130	TIBR1D + 2.00%	Mar-23	Mar-26	-/-/-/B+	n/a	n/a
29	TBC Leasing	GEL	100	TIBR3M + 3.00%	Mar-23	Mar-26	BB-/-/-/-	n/a	n/a
30	TBC Leasing	GEL	15	TIBR3M + 2.75%	Jun-23	Jun-26	BB-/-/-/-	n/a	n/a
31	Tegeta Motors	GEL	20	TIBR6M + 3.50%	Jun-23	Dec-25	-/-/-/BB-	n/a	n/a
32	Tegeta Motors	GEL	20	14.5%	Dec-23	Dec-25	-/-/-/BB-	n/a	n/a
33	Cellfie	GEL	65	TIBR6M + 3.50%	Dec-23	Dec-25	-/-/-/BB-	n/a	n/a

Source: Bloomberg, Galt &amp; Taggart



## Week ahead calendar

### Macroeconomic releases

### Company earnings

	Time (GMT +4)	Country	Event	Company	Ticker	Time
<b>Monday</b> 12 August				Monday.com	MNDY	Premarket
<b>Tuesday</b> 13 August	10:00	UK	Unemployment (Jun)	Home Depot	HD	Premarket
	13:00	Eurozone	Economic sentiment (Aug)	Sea	SE	Premarket
	16:30	US	Producer price index (Jul)	Nu Holdings	NU	After market
<b>Wednesday</b> 14 August	10:00	UK	CPI inflation (Jul)	UBS Group	UBS	Premarket
	13:00	Eurozone	GDP (2Q24)	JD.com	JD	Premarket
	16:30	US	CPI inflation (Jul)	Cisco	CSCO	After market
<b>Thursday</b> 15 August	03:50	Japan	GDP (2Q24)	Tencent	TCEHY	N/A
	10:00	UK	GDP (2Q24)	Walmart	WMT	Premarket
	16:30	US	Retail sales (Jul)	Alibaba	BABA	Premarket
<b>Friday</b> 16 August	16:30	US	Building permits (Jul)	Deere & Company	DE	Premarket
	18:00	US	Consumer sentiment prel. (Aug)	Applied Materials	AMAT	After market

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

<b>Communications</b>	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.
<b>Technology</b>	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.
<b>Discretionary</b>	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.
<b>Staples</b>	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.
<b>Health Care</b>	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.
<b>Financials</b>	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.
<b>Industrials</b>	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.
<b>Materials</b>	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.
<b>Energy</b>	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.
<b>Utilities</b>	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.
<b>Real Estate</b>	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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