



Weekly market overview

Week ahead

- Analysts consider large financial stocks (GPN, KEY, AIZ) undervalued
- Bank of America (BAC), Citigroup (C), Goldman Sachs (GS), and Morgan Stanley (MS) will publish earnings this week
- ECB will hold press conference on monetary policy decision, US will report retail sales data for September, and China will release Q3 GDP figures

*For exact dates please check page 5 of the document

Commentary

In the US, the S&P 500, Dow Jones, and S&P MidCap 400 reached new highs, driven by better-than-expected earnings from major banks such as JPMorgan Chase and Wells Fargo. Growth stocks, particularly NVIDIA, outperformed, offsetting declines in Alphabet and Tesla. Economic concerns arose as inflation ticked up slightly, with core inflation rising to 3.3% y/y in September, and jobless claims surged to a 14-month high. These factors lessened hopes for a significant interest rate cut by the Federal Reserve in November. Long-term bond yields also increased, with the 10-year U.S. Treasury yield hitting its highest level since late July.

STOXX Europe 600 Index rose amid expectations of quicker interest rate cuts from the ECB and possible economic stimulus from China. Major stock indexes in Italy, Germany, and France advanced, while the UK's FTSE 100 declined slightly. Germany faced challenges, with the government predicting a 0.2% economic contraction for the year, a downgrade from earlier growth estimates. The ECB remained cautious, signaling that a gradual reduction in interest rates might be appropriate if inflation trends align with projections, with further rate cuts expected in October.

In China, stock markets declined during a holiday-shortened week as optimism over Beijing's stimulus measures faded. The Shanghai Composite fell 3.56%, and the Hang Seng Index in Hong Kong dropped 6.53%. Concerns remain over the effectiveness of China's stimulus in reviving growth, as economic pressures persist.

EQUITIES	Level	W/W % change	M/M % change	YTD % change
United States				
S&P 500	5,815	1.1	4.7	21.9
Nasdaq 100	20,272	1.2	5.4	20.5
Dow Jones 30	42,864	1.2	4.9	13.7
Russell 2000	2,234	1.0	6.2	10.2
Global				
S&P Europe	2,121	0.7	2.8	9.1
S&P China	2,591	-4.9	24.3	18.0
S&P Japan	2,539	0.6	7.2	15.2
S&P Global	4,111	0.8	4.6	18.1

FIXED INCOME	Yield, %	1-week ago	1-month ago	1-Jan-2024
United States				
2y US Treasury	3.94	3.93	3.65	4.25
10y US Treasury	4.07	3.98	3.65	3.88
US IG Credit	4.98	4.92	4.80	5.22
US HY Credit	7.35	7.25	7.40	7.80
Europe				
2y German Bund	2.26	2.21	2.14	2.41
10y German Bund	2.28	2.22	2.10	2.02
Europe IG Credit	3.39	3.35	3.41	3.67
Europe HY Credit	5.50	5.45	5.78	6.06

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

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S&P 500 sector highlights













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

In Materials, The Mosaic Company (MOS), Smurfit Westrock (SW), and FMC Corporation (FMC) are expected to deliver the best results. In Financials, Global Payments (GPN), KeyCorp (KEY), and Assurant (AIZ) are considered potential outperformers.

In Consumer Discretionary, the worst performance is expected from eBay (EBAY), Hilton Worldwide Holdings (HLT), and Tractor Supply Company (TSCO).

*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
S&P 500	SPY	579.6	 1.2	21.9	409.2	585.3	Positive
Technology	XLK	230.8	 2.5	19.9	159.5	238.1	Neutral
Industrials	XLI	138.4	 2.1	21.4	96.1	139.3	Neutral
Financials	XLF	46.5	 1.9	23.7	31.4	46.9	Positive
Health Care	XLV	153.9	 1.5	12.8	122.6	159.6	Neutral
Materials	XLB	95.9	 0.8	12.1	74.3	97.8	Positive
Staples	XLP	81.6	 0.2	13.3	66.4	84.5	Neutral
Real Estate	XLRE	43.4	-0.2 	8.4	32.0	45.6	Neutral
Energy	XLE	92.8	-0.4 	10.7	79.0	99.0	Neutral
Communications	XLC	90.4	-0.5 	24.5	62.8	91.1	Neutral
Discretionary	XLY	196.6	-0.8 	9.9	147.8	201.9	Negative
Utilities	XLU	79.3	-2.5 	25.1	57.0	82.1	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	UBER	Uber Technologies	86.3	16.2	23.1	40.2	40.1	87.0	88.0	1.9
2	SMCI	Super Micro Computer	47.8	15.9	7.3	68.2	22.7	122.9	74.9	56.7
3	NCLH	Norwegian Cruise Line Holdings	23.4	14.7	25.0	16.7	12.7	23.8	24.3	3.9
4	CCL	Carnival Corporation	20.4	13.4	23.5	10.2	10.8	20.8	24.2	18.6
5	APD	Air Products and Chemicals	316.7	10.9	14.0	15.7	212.2	323.9	324.8	2.6

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	TSLA	Tesla	217.8	-12.9	-4.5	-12.3	138.8	271.0	210.1	-3.5
2	VST	Vistra Corp.	125.3	-9.5	56.5	225.3	31.4	143.9	136.5	9.0
3	FSLR	First Solar, Inc.	211.5	-8.5	-11.8	22.8	129.2	306.8	287.5	35.9
4	AES	AES Corporation	17.3	-8.4	-3.0	-10.0	13.2	22.2	22.2	28.2
5	ALGN	Align Technology	222.0	-8.0	-1.4	-19.0	176.3	335.4	280.5	26.3

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	134.8	7.9	15.3	172.2	39.2	140.8	149.9	11.2
2	TSLA	Tesla	217.8	-12.9	-4.5	-12.3	138.8	271.0	210.1	-3.5
3	SMCI	Super Micro Computer	47.8	15.9	7.3	68.2	22.7	122.9	74.9	56.7
4	AAPL	Apple	227.6	0.3	2.2	18.2	164.1	237.2	240.8	5.8
5	AMD	Advanced Micro Devices	167.9	-1.8	12.0	13.9	93.1	227.3	187.1	11.4
6	WFC	Wells Fargo	61.0	7.1	13.5	23.9	38.6	63.4	65.7	7.7
7	BAC	Bank of America	42.0	4.6	7.6	24.6	25.0	44.4	45.3	8.0
8	AMZN	Amazon.com	188.8	1.2	2.3	24.3	118.4	201.2	220.6	16.8
9	GOOG	Alphabet	164.5	-2.4	8.1	16.7	121.5	193.3	200.3	21.7
10	AVGO	Broadcom	181.5	2.7	14.7	62.6	81.8	186.4	192.8	6.3

*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
Lisi Lake Development	USD	12	6.50%	Dec-21	Dec-24	-/-/-/B+	n/a	6.75%
Georgia Real Estate	USD	35	8.50%	Oct-22	Oct-24	-/-/-/-	99.97	8.50%
Geo. Renewable Power Oper.	USD	80	7.00%	Oct-22	Oct-27	-/-/-/-	100.00	7.00%
Lisi Lake Development	USD	10	8.50%	Dec-22	Dec-24	-/-/-/B+	99.99	8.50%
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	8.40%
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%

■ 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	7.00%
Tegeta Motors	EUR	4	7.00%	Dec-23	Dec-25	-/-/BB-	99.63	7.00%
Tegeta Motors	EUR	7	6.75%	Dec-23	Dec-25	-/-/BB-	100.37	6.75%
IG Development	EUR	5	7.00%	Jan-24	Jan-26	-/-/-	99.60	7.00%
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	-/-/-	n/a	7.75%
Silk Real Estate	EUR	7	7.00%	Aug-24	Aug-25	-/-/-	n/a	7.00%
Chavchavadze 64B	EUR	3	7.75%	Aug-24	Aug-26	-/-/-	n/a	7.75%
GEL								
Nikora Trade	GEL	35	TIBR3M + 3.50%	Nov-21	Nov-24	-/-/BB-	n/a	n/a
Nikora	GEL	35	TIBR3M + 3.50%	Nov-22	Nov-25	-/-/BB-	100.00	11.58%
MFO MBC	GEL	15	TIBR3M + 4.50%	Dec-22	Dec-24	-/-/B	100.00	12.83%
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-/-/-	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/-/-	n/a	n/a
TBC Leasing	GEL	15	TIBR3M + 2.75%	Jun-23	Jun-26	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%

■ 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 14 October						
Tuesday 15 October	12:00	EU	ECB Bank Lending Survey	Bank of America	BAC	Premarket
				Johnson & Johnson	JNJ	Premarket
				Citigroup	C	Premarket
				Goldman Sachs	GS	Premarket
Wednesday 16 October	10:00	UK	CPI, September	Morgan Stanley	MS	Premarket
				ASML Holding	ASML	Premarket
				US Bancorp	USB	Premarket
Thursday 17 October	16:15	EU	ECB monetary policy statement	Netflix	NFLX	After market
	16:30	US	Retail sales, Sep	Taiwan Semiconductor	TSM	N/A
	16:45	EU	ECB press conference			
Friday 18 October	06:00	China	Retail sales, Sep	Procter & Gamble	PG	Premarket
	06:00	China	Industrial production, Sep	American Express	AXP	N/A
	06:00	China	GDP, 3Q			

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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