



Weekly market overview

Week ahead

- Analysts consider large tech stocks undervalued, namely Micron (MU), Snowflake (SNOW), and Intel (INTC)
- Ferguson (FERG), General Mills (GIS), Lennar (LEN), and FedEx (FDX) will release earnings this week
- Fed, BoE, and BoJ will announce interest rate decisions. UK and US will report retail sales figures for August

*For exact dates please check page 5 of the document

Commentary

The US market experienced a notable rebound after a period of volatility, particularly driven by growth in the tech sector. In the US, stocks recovered from their worst weekly loss since March 2023, with technology stocks, led by NVIDIA, propelling much of the gains. The chipmaker's optimistic outlook on AI helped stabilize investor sentiment after initial concerns about core inflation, which rose slightly above expectations in August. However, the U.S. economy showed some positive signs, with declining mortgage rates offering a glimmer of hope for the housing sector and lower Treasury yields reflecting investor expectations for future rate cuts by the Federal Reserve. These developments signal a cautious optimism for U.S. markets, despite the ongoing inflationary pressures.

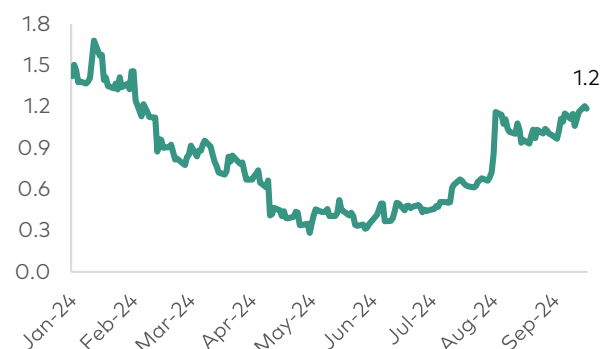
In Europe, markets also saw gains, buoyed by a rate cut from the European Central Bank (ECB). The European STOXX 600 index rose as Germany, France, and the UK posted gains, with the ECB's quarter-point rate cut aimed at addressing slowing economic growth and easing inflation. While the ECB is being careful not to commit to a specific future rate path, core inflation remains a concern, especially in the services sector, which is likely to keep the central bank cautious. The European labor market remains tight, and wage growth is expected to remain elevated, adding to inflationary pressures.

EQUITIES	Level	W/W % change	M/M % change	YTD % change
United States				
S&P 500	5,626	4.0	3.5	18.0
Nasdaq 100	19,515	5.9	2.7	16.0
Dow Jones 30	41,394	2.6	4.1	9.8
Russell 2000	2,182	4.4	4.2	7.7
Global				
S&P Europe	2,093	1.8	2.7	7.7
S&P China	2,108	-2.9	-2.0	-4.0
S&P Japan	2,430	-4.4	6.6	10.2
S&P Global	3,870	-3.9	4.0	11.2

FIXED INCOME	Yield, %	1-week ago	1-month ago	1-Jan-2024
United States				
2y US Treasury	3.58	3.65	3.94	4.25
10y US Treasury	3.65	3.71	3.85	3.87
US IG Credit	4.77	4.84	5.06	5.12
US HY Credit	7.34	7.39	7.69	7.88
Europe				
2y German Bund	2.21	2.23	2.34	2.41
10y German Bund	2.15	2.17	2.18	2.02
Europe IG Credit	3.45	3.45	3.54	3.65
Europe HY Credit	5.71	5.74	5.97	6.07

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

Expected cut in Fed rate by the end of 2024, ppts



Source: Bloomberg

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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, Consumer Discretionary is expected to underperform the broader market.

In Energy, analysts forecast the best performance from Schlumberger (SLB), APA Corporation (APA), and Halliburton (HAL). In Materials, Vale (VALE), The Mosaic Company (MOS) and Sealed Air (SEE) are expected to deliver the best results. Lastly, in Financials, Global Payments (GPN), Citigroup (C), and HSBC (HSBC) are considered potential outperformers.

In Consumer Discretionary, the worst performance is expected from Ferrari (RACE) 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
S&P 500	SPY	562.0	 4.0	19.9	410.7	564.9	Positive
Technology	XLK	220.4	 8.1	18.8	160.2	237.7	Neutral
Discretionary	XLY	192.5	 5.5	10.9	148.0	194.7	Negative
Industrials	XLI	130.6	 3.7	17.5	96.4	131.5	Neutral
Communications	XLC	86.9	 3.7	20.7	63.1	87.8	Neutral
Real Estate	XLRE	45.2	 3.6	14.5	32.2	45.2	Neutral
Utilities	XLU	78.5	 3.5	21.8	56.2	78.5	Neutral
Materials	XLB	92.7	 3.1	9.7	74.5	94.3	Positive
Health Care	XLV	156.2	 1.4	12.7	123.1	157.2	Neutral
Staples	XLP	83.9	 1.1	16.1	66.2	83.9	Neutral
Financials	XLF	44.5	 0.5	18.9	31.5	45.7	Positive
Energy	XLE	85.6	 -0.5	-0.6	79.9	98.1	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	ORCL	Oracle	162.0	14.3	20.7	58.1	100.3	162.0	173.0	6.8
2	AES	AES Corporation	18.5	14.5	9.8	-2.1	75.9	107.0	22.8	23.0
3	WBD	Warner Bros.	8.5	17.6	20.3	-24.9	6.7	12.5	12.5	47.2
4	AVGO	Broadcom Inc.	167.7	22.4	7.4	-84.2	136.3	1,828.9	198.7	18.5
5	ALB	Albemarle	87.4	14.2	13.2	-37.6	72.8	185.0	108.6	24.2

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	HUM	Humana Inc.	321.6	-10.1	-9.9	-30.8	302.1	524.2	386.9	20.3
2	ADBE	Adobe Inc.	536.9	-4.7	0.3	-6.1	439.0	634.8	620.2	15.5
3	TSN	Tyson Foods, Inc.	61.4	-6.8	0.4	12.4	45.2	65.9	60.5	-1.5
4	GRMN	Garmin Ltd.	172.7	-3.8	1.8	39.1	99.7	183.3	155.8	-9.8
5	JPM	JPMorgan Chase	204.3	-3.8	-1.7	20.0	135.7	224.8	224.1	9.7

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	119.1	15.8	2.5	-75.0	98.9	1,148.3	153.2	28.6
2	INTC	Intel Corporation	19.7	4.1	-4.0	-58.2	18.9	50.8	26.1	32.8
3	AAPL	Apple Inc.	222.5	0.8	0.6	20.8	165.0	234.8	250.0	12.4
4	TSLA	Tesla, Inc.	230.3	9.3	10.8	-3.4	142.1	276.0	209.0	-9.2
5	T	AT&T Inc.	21.6	3.2	10.9	25.6	14.3	21.7	21.7	0.3
6	AMD	AMD	152.3	13.4	7.9	12.6	93.7	211.4	190.3	24.9
7	MU	Micron Technology	91.2	5.6	-6.4	10.9	64.5	153.4	161.0	76.5
8	AMZN	Amazon.com, Inc.	186.5	8.8	9.6	25.6	119.6	200.0	22.9	-87.7
9	BAC	Bank of America	38.7	-0.3	0.5	15.3	25.2	44.1	45.4	17.5
10	GOOG	Alphabet Inc.	158.4	4.2	-4.6	12.8	123.4	192.7	208.4	31.6

*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	-/-/BB-	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	-/-/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 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	-/-/BB-	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-/-/BB-	100.00	13.22%
MFO Rico Express	GEL	130	TIBR1D + 2.00%	Mar-23	Mar-26	-/-/BB+	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%

■ 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 16 September						
	16:30	US	Retail sales (Aug)	Ferguson	FERG	Premarket
Tuesday 17 September						
Wednesday 18 September	10:00	UK	CPI (Aug)	General Mills	GIS	Premarket
	22:00	US	Fed interest rate decision			
	22:30	US	FOMC press conference			
Thursday 19 September	15:00	UK	BoE interest rate decision	Lennar	LEN	After market
				FactSet Research	FDS	Premarket
				FedEx	FDX	After market
Friday 20 September	05:15	China	PBoC interest rate decision			
	n/a	Japan	BoJ interest rate decision			
	10:00	UK	Retail sales (Aug)			
	18:00	Eurozone	Consumer confidence (Sep)			

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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