



Weekly Markets Overview

Last week

- US Fed, European Central Bank, and Bank of England have all kept their interest rates on hold
- US headline inflation declined to 3.1%, while core remained unchanged at 4.0%. PPI came in at 0.0% in monthly terms
- Economic sentiment has increased significantly in Eurozone to a positive 23.0

Week ahead

- US and UK 3Q23 GDP
- Eurozone November inflation
- Japan inflation and BoJ interest rate decision
- Earnings from Nike (NKE), FedEx (FDX), Accenture (ACN), Micron (MU), Carnival (CCL), and others

*For exact dates please check page 4 of this document

Commentary: Central Banks in Spotlight

Last week, all major western central banks kept their base rates unchanged. The US Fed, ECB, and Bank of England currently have rates at 5.50%, 4.50%, and 5.50%, respectively. As largely anticipated, the Fed has revised its forecasts of key rate due to the recent success in terms of inflation. It now expects to reach 4.75% by the end of 2024 and 3.75% by the end of 2025. Meanwhile, the consensus forecasts for ECB's main rate are 3.75% by the end of 2024 and 3.0% by the end of 2025. In contrast, Bank of England provided a hawkish tone, with 3 out of 9 representatives advocating another 25 bps hike.

Due to the dovish tilts from the Fed, equity markets have rallied. US stocks delivered the strongest gains, with small and mid-caps outperforming their larger peers.

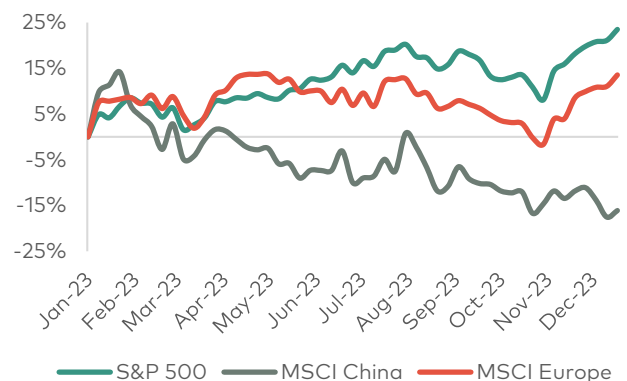
Due to the expectations on quicker rate cuts next year, yields in bond markets declined by considerable margins, as the 10-year US treasury fell below 4.0% for the first time in around 5 months. European bond markets saw falling yields as well, with 10-year German bund now offering 2.01% (down from last week's 2.27% and this year's peak of 2.97%).

EQUITIES	Level	1W % change	1M % change	YTD % change
United States				
S&P 500	4,719	2.5	4.8	22.9
Nasdaq 100	16,623	3.3	5.1	52.0
Dow Jones 30	37,305	2.9	6.6	12.5
Russell 2000	1,985	5.5	10.2	12.7
Global				
S&P Europe	1,935	0.8	4.8	12.4
S&P China	332	1.2	-5.7	-12.7
S&P Japan	67	0.6	3.9	15.0
S&P Global	3,430	2.5	4.6	18.9

FIXED INCOME	Yield (%)	1-week ago	1-month ago	1-Jan-2023
United States				
2y US Treasury	4.46	4.73	4.84	4.43
10y US Treasury	3.92	4.24	4.45	3.88
US IG Credit	5.26	5.62	5.92	5.31
US HY Credit	7.95	8.45	8.82	8.82
Europe				
2y German Bund	2.50	2.69	2.95	2.69
10y German Bund	2.01	2.27	2.59	2.45
Europe IG Credit	3.69	3.95	4.25	4.04
Europe HY Credit	6.23	6.61	7.14	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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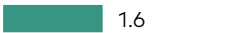
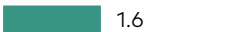


S&P 500 Sector Highlights

Real Estate was the best performing sector last week, with the associated ETF gaining 5.5% w/w. 96 out of 100 largest sector companies closed the week in green. From top 20, only Crown Castle (CCI, -2.8%) and Digital Realty Trust (-2.0%) declined. Meanwhile, the best performers from the list were Prologis (PLD, +12.0%), Extra Space Storage (EXR, +10.9%), CBRE Group (CBRE, +10.2%), Alexandria Real Estate Equities (ARE, +9.0%), and Simon Property Group (SPG, +8.6%).

Communications was the weakest performing sector, with respective ETF gaining 0.8% w/w. 70 out of the 100 largest sector stocks increased in value. From top 20, 11 companies rallied. The best performers from the list were Snap (SNAP, +12.1%), Warner Brothers Discovery (WBD, +6.9%), and Comcast (CMCSA, +5.7%). Meanwhile, the worst performers were BCE (BCE, -4.7%), Orange (ORAN, -3.9%), and AT&T (T, -2.4%).

*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	469.3	 2.4	23.7	375.2	470.1	Positive
Real Estate	XLRE	40.0	 5.5	7.9	32.2	41.8	Negative
Materials	XLB	85.2	 4.0	9.8	74.5	85.7	Neutral
Industrials	XLI	113.0	 3.7	14.8	96.4	113.2	Negative
Discretionary	XLY	179.2	 3.5	39.6	126.3	179.2	Neutral
Financials	XLF	37.3	 3.4	8.8	31.0	37.6	Neutral
Technology	XLK	191.7	 2.7	55.5	121.2	191.7	Neutral
Energy	XLE	84.3	 2.5	-0.1	76.6	93.4	Positive
Staples	XLP	71.2	 1.6	-4.1	66.2	77.5	Positive
Health Care	XLV	134.2	 1.6	-1.0	123.1	137.0	Positive
Utilities	XLU	64.0	 0.9	-9.3	56.2	72.1	Negative
Communications	XLC	71.0	 0.8	46.1	46.7	71.2	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	BAC	Bank of America	33.6	8.5	13.4	0.3	25.2	36.8	34.8	3.7
2	INTC	Intel	46.2	8.1	13.7	74.8	24.9	46.2	39.7	-14.0
3	AMD	AMD	139.1	7.9	17.9	117.4	62.3	139.1	132.8	-4.6
4	QCOM	Qualcomm	143.1	7.6	11.0	33.5	103.0	143.1	138.2	-3.5
5	CMCSA	Comcast	44.5	5.7	4.6	25.0	33.7	47.1	50.7	13.9
6	TSLA	Tesla	253.5	4.0	4.4	134.5	108.1	293.3	270.8	6.8
7	BABA	Alibaba Group	74.5	3.3	-14.4	-19.0	71.4	120.6	129.9	74.3
8	CSCO	Costco	49.9	3.1	-6.4	4.9	45.7	57.8	55.3	10.9
9	NVDA	NVIDIA	488.9	2.9	0.0	241.5	140.4	504.1	656.2	34.2
10	C	Citi Group	49.8	1.9	11.0	9.9	37.7	52.3	52.7	5.8
11	AMZN	Amazon.com	150.0	1.7	4.7	74.7	81.8	150.0	178.7	19.1
12	XOM	Exxon Mobil	100.9	1.4	-2.7	-4.5	98.1	120.2	130.8	29.6
13	AAPL	Apple	197.6	1.0	5.1	58.2	124.8	198.1	203.9	3.2
14	META	Meta Platforms	334.9	0.7	0.7	168.5	114.5	341.5	388.9	16.1
15	UBER	Uber Technologies	61.9	0.3	15.1	143.9	24.4	62.7	63.8	3.1
16	KO	Coca-Cola	58.6	0.0	2.4	-6.9	52.4	64.3	62.1	6.0
17	MSFT	Microsoft	370.7	-0.9	0.3	55.1	221.8	382.7	422.0	13.8
18	GOOGL	Alphabet	132.6	-1.8	-1.5	48.8	86.0	140.6	155.5	17.3
19	VZ	Verizon	37.4	-2.3	3.8	-5.4	30.7	42.0	40.4	8.0
20	PFE	Pfizer	26.6	-7.5	-11.8	-47.6	26.1	53.1	33.6	26.2

*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 18 December	13:00	Germany	Business climate (Dec)
	19:00	US	Housing market index (Dec)
Tuesday 19 December	07:00	Japan	BoJ interest rate decision
	14:00	Eurozone	Inflation (Nov)
	17:30	US	Building permits prel. (Nov)
Wednesday 20 December	11:00	UK	Inflation (Nov)
	19:00	US	Consumer confidence (Dec)
	19:00	Eurozone	Consumer confidence prel. (Dec)
Thursday 21 December	17:30	US	GDP (3Q23)
Friday 22 December	03:30	Japan	Inflation (Nov)
	11:00	UK	GDP (3Q23)
	17:30	US	PCE price index (Nov)
	17:30	US	Durable goods orders (Nov)
	19:00	US	Consumer sentiment (Dec)

Company earnings

Company	Ticker	Time
Heico	HEI	After market
Accenture	ACN	Premarket
FactSet Research	FDS	Premarket
FedEx	FDX	After market
General Mills	GIS	Premarket
Toro	TTC	Premarket
Micron	MU	N/A
Cintas	CTAS	Premarket
Paychex	PAYX	Premarket
Carnival	CCL	Premarket
Nike	NKE	After market

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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