



## Weekly market overview

### Week ahead

- Analysts consider large financial stocks (GPN, KEY, C) undervalued
- Large communication stocks (Verizon, AT&T, T-Mobile) will publish earnings this week
- EU, US, and UK will publish PMI figures, and Japan will release CPI data for October

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

### Commentary

**In the US, the S&P 500 rose, driven by utilities and real estate sectors, while energy stocks declined due to easing concerns over Israeli attacks on Iranian oil infrastructure.** Smaller-cap indexes like the Russell 2000 and S&P MidCap 400 outperformed the S&P 500. The Nasdaq Composite rallied, bolstered by strong quarterly results from TSM and Netflix. US Treasury yields fluctuated, influenced by lower housing starts and building permits, while the bank loan market saw high issuance. Consumer spending showed strength with a 0.4% rise in retail sales for September, while industrial production fell 0.3%. Initial jobless claims dropped unexpectedly, despite earlier spikes due to hurricane disruptions.

**In Europe, the STOXX Europe 600 Index gained 0.58%, supported by a second consecutive interest rate cut by the European Central Bank (ECB).** Major European stock indexes, including Germany's DAX and Italy's FTSE MIB, posted gains. The ECB reduced its key deposit rate to 3.25%, with expectations for further rate cuts to support the economy. Inflation in Eurozone stood at 1.7% in September and the ECB forecasts inflation to rise before stabilizing near its 2% target in 2025. UK inflation eased to 1.7%, its lowest since April 2021. UK wage growth slowed, signaling a potential rate cut from the Bank of England.

EQUITIES	Level	W/W % change	M/M % change	YTD % change
<b>United States</b>				
S&P 500	5,865	0.9	4.4	23.0
Nasdaq 100	20,324	0.3	5.1	20.8
Dow Jones 30	43,276	1.0	4.3	14.8
Russell 2000	2,276	1.9	3.2	12.3
<b>Global</b>				
S&P Europe	2,132	0.5	2.1	9.7
S&P China	2,580	-0.4	23.0	17.5
S&P Japan	2,520	-0.7	5.1	14.3
S&P Global	4,133	0.5	3.6	18.7

FIXED INCOME	Yield, %	1-week ago	1-month ago	1-Jan-2024
<b>United States</b>				
2y US Treasury	3.95	3.94	3.60	4.25
10y US Treasury	4.08	4.07	3.69	3.88
US IG Credit	4.97	4.98	4.78	5.22
US HY Credit	7.31	7.35	7.24	7.80
<b>Europe</b>				
2y German Bund	2.11	2.26	2.26	2.41
10y German Bund	2.18	2.28	2.19	2.02
Europe IG Credit	3.24	3.39	3.46	3.67
Europe HY Credit	5.33	5.47	5.65	6.06

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

**Eva Bochorishvili – Head of Research**

| evabochorishvili@gt.ge | +995 32 2401 111 ext. 8036

**Sergi Kurashvili – Capital Markets Research Associate**

| s.kurashvili@gt.ge | +995 32 2401 111 ext. 3654

**Elene Tabatadze – Capital Markets Junior Analyst**

| eltabatadze@gt.ge | +995 32 2401 111

## S&P 500 sector highlights







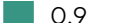

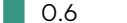


Analysts expect Materials and Financial sectors to outperform market in the following twelve months. Meanwhile, Consumer Discretionary is expected to underperform the broader market.

In Materials, Mosaic Company (MOS), Smurfit Westrock (SW), and Albemarle Corporation (ALB) are expected to deliver the best results. In Financials, Global Payments (GPN), KeyCorp (KEY), and Citigroup (C) are considered potential outperformers.

In Consumer Discretionary, the worst performance is expected from eBay (EBAY), Hilton Worldwide Holdings (HLT), and Marriott International (MAR).

\*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>584.6</b>	 0.9	<b>23.0</b>	<b>409.2</b>	<b>586.1</b>	<b>Positive</b>
Utilities	XLU	82.0	 3.4	29.4	57.0	82.5	Neutral
Real Estate	XLRE	44.7	 3.0	11.7	32.0	45.6	Neutral
Financials	XLF	47.6	 2.4	26.6	31.4	47.8	Positive
Materials	XLB	97.6	 1.8	14.1	74.3	97.9	Positive
Discretionary	XLY	199.5	 1.5	11.6	147.8	201.9	Negative
Communications	XLC	91.2	 0.9	25.6	62.8	91.5	Neutral
Staples	XLP	82.2	 0.7	14.2	66.4	84.5	Neutral
Industrials	XLI	139.3	 0.6	22.2	96.1	139.8	Neutral
Technology	XLK	230.9	0.0	20.0	159.5	238.1	Neutral
Health Care	XLV	153.1	-0.5 	12.3	122.6	159.6	Neutral
Energy	XLE	90.3	-2.7 	7.8	79.0	99.0	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	UAL	United Airlines	74.2	20.0	40.0	79.7	33.7	75.0	81.8	10.3
2	WBA	Walgreens Boots	10.8	17.2	19.8	-58.7	8.2	27.1	11.2	3.5
3	BX	Blackstone Inc.	172.4	12.6	11.3	31.7	88.6	175.9	162.0	-6.0
4	TRV	The Travelers Companies	265.5	12.2	10.7	39.4	157.3	269.6	249.7	-5.9
5	SNA	Snap-on	326.1	11.7	16.2	12.9	249.8	330.5	305.4	-6.4

### 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	KLAC	KLA Corporation	678.5	-15.6	-7.2	16.7	452.0	896.3	829.4	22.2
2	CNC	Centene Corporation	62.0	-14.4	-18.7	-16.4	61.6	81.4	86.2	39.0
3	ELV	Elevance Health	430.8	-14.2	-20.1	-8.7	398.0	567.3	573.0	33.0
4	MOH	Molina Healthcare	289.7	-12.2	-18.4	-19.8	283.0	423.9	374.6	29.3
5	LRCX	Lam Research Corporation	72.8	-12.1	-3.6	-7.0	57.4	113.0	97.8	34.3

### 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	138.0	2.4	21.7	178.7	39.2	140.9	149.9	8.6
2	TSLA	Tesla, Inc.	220.7	1.3	-2.9	-11.2	138.8	271.0	210.1	-4.8
3	AAPL	Apple Inc.	235.0	3.3	6.5	22.1	164.1	237.5	240.8	2.5
4	CVS	CVS Health	60.3	-9.4	3.3	-23.6	52.8	83.3	70.0	16.0
5	AMZN	Amazon.com, Inc.	189.0	0.1	1.4	24.4	118.4	201.2	220.6	16.7
6	SMCI	Super Micro Computer	47.3	-1.1	8.2	66.3	22.7	122.9	74.9	58.5
7	BAC	Bank of America	42.3	0.9	6.8	25.7	25.0	44.4	46.0	8.8
8	AMD	Advanced Micro Devices, Inc.	156.0	-7.1	5.2	5.8	93.1	227.3	188.1	20.6
9	GOOGL	Alphabet Inc.	163.4	0.1	2.3	17.0	120.2	191.8	201.3	23.2
10	WFC	Wells Fargo & Co	64.4	5.5	18.6	30.8	38.6	64.8	66.1	2.7

\*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, %
<b>USD</b>								
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, %
<b>EUR</b>								
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%
<b>GEL</b>								
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 21 October	05:00	China	PBoC interest rate decision	Kaspi.kz	KSPI	Premarket
Monday 21 October				Nucor	NUE	After market
Tuesday 22 October	18:30	EU	Lagarde speech	Philip Morris	PM	Premarket
Tuesday 22 October				Verizon	VZ	Premarket
Tuesday 22 October				Lockheed Martin	LMT	Premarket
Tuesday 22 October				Moody's	MCO	Premarket
Wednesday 23 October	18:00	EU	Consumer confidence, Oct	Coca-Cola	KO	Premarket
Wednesday 23 October				AT&T	T	Premarket
Wednesday 23 October				T Mobile US	TMUS	After market
Wednesday 23 October				Tesla	TSLA	After market
Thursday 24 October	12:00	EU	PMI, Oct	S&P Global	SPGI	Premarket
	12:30	UK	PMI, Oct	United Parcel	UPS	Premarket
	17:45	US	PMI, Oct	Barclays	BCS	Premarket
Friday 25 October	03:30	Japan	CPI, Oct	Vale SA	VALE	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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**Galt & Taggart**

**Address:** 3 A. Pushkin Street, Tbilisi 0105, Georgia

**Tel:** +995 32 2401 111

**Research:** [research@gt.ge](mailto:research@gt.ge)

Tel: +995 32 2401 111 (4298)

**Brokerage:** [sales@gt.ge](mailto:sales@gt.ge)

Tel: +995 32 2444 132

**Investment Banking:** [ib@gt.ge](mailto:ib@gt.ge)

Tel: +995 32 2401 111 (7457)