



Weekly market overview

Week ahead

- Analysts forecast strong returns for Broadcom (AVGO), Amazon.com (AMZN), and NVIDIA (NVDA) for the next twelve months
- Coca-Cola (KO), Alphabet (GOOGL), Tesla (TSLA), Visa (V), and IBM (IBM) will release earnings this week
- US 2Q24 GDP and June PCE price index will be reported this week

*For exact dates please check page 5 of the document

Commentary

Last week, global equity markets experienced a decline, with the exception of US small-caps and value stocks. In terms of sectors, technology was the weakest performer, with S&P 500 tech sector declining by 5.5%. This was mainly due to a decline in semiconductor stocks, which is attributed to potential new restriction on chip exports from US to China.

Meanwhile, macroeconomic data from the US painted a generally positive picture. Retail sales experienced an uptick, indicating robust consumer spending. This increase was seen as a sign of economic resilience, supporting the view that the economy is continuing to grow despite inflationary pressures. Additionally, industrial production also saw a rise, further bolstering the positive sentiment around the manufacturing sector.

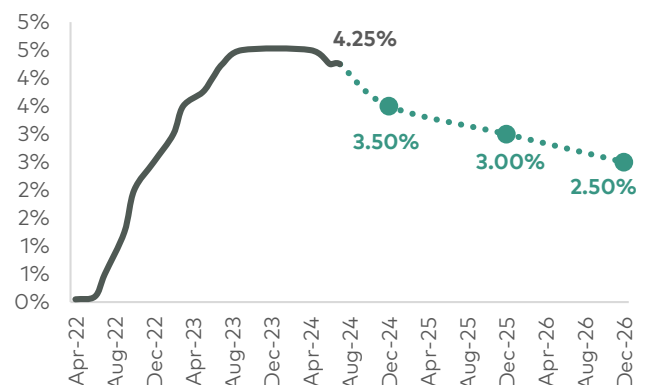
In Europe, the European Central Bank kept the interest rates unchanged, signaling a cautious approach amid economic uncertainty. The region's industrial production data revealed a decline, reflecting ongoing challenges in the manufacturing sector. Despite this, there was an observed increase in loan demand, which suggested that businesses and consumers were still seeking credit, possibly in anticipation of economic improvement.

EQUITIES	Level	W/W % change	M/M % change	YTD % change
United States				
S&P 500	5,505	-2.0	0.3	15.4
Nasdaq 100	19,523	-4.0	-1.9	16.0
Dow Jones 30	40,288	0.7	3.7	6.9
Russell 2000	2,184	1.7	7.9	7.8
Global				
S&P Europe	2,071	-2.8	-1.2	6.6
S&P China	2,501	-1.6	-3.0	2.6
S&P Japan	2,196	-0.9	4.6	9.7
S&P Global	3,914	-2.2	0.7	13.2

FIXED INCOME	Yield, %	1-week ago	1-month ago	1-Jan-2024
United States				
2y US Treasury	4.51	4.46	4.73	4.25
10y US Treasury	4.24	4.19	4.25	3.88
US IG Credit	5.35	5.29	5.42	5.22
US HY Credit	7.77	7.79	7.94	7.80
Europe				
2y German Bund	2.78	2.82	2.81	2.41
10y German Bund	2.46	2.50	2.42	2.02
Europe IG Credit	3.76	3.79	3.87	3.67
Europe HY Credit	5.9	5.95	6.04	6.06

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

ECB main refinancing operations interest rate and forecasts on future policy



Source: European Central Bank

Note: green line indicates forecasts which belong to professional forecasters surveyed by the ECB

Eva Bochorishvili – Head of Research

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

Gigi Tskitishvili – Capital Markets Research Associate

| g.tskitishvili@gt.ge | +995 32 2401 111 ext. 8967

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
S&P 500	SPY	549.0	-2.0 	0.7	410.7	564.9	Positive
Energy	XLE	92.4	 2.0	2.3	79.9	98.1	Positive
Real Estate	XLRE	40.5	 1.3	5.5	32.2	40.9	Negative
Financials	XLF	42.8	 1.1	3.3	31.5	43.8	Positive
Staples	XLP	78.1	 0.8	0.6	66.2	78.7	Neutral
Industrials	XLI	124.9	 0.6	1.3	96.4	128.2	Neutral
Health Care	XLV	147.9	-0.3 	1.0	123.1	150.5	Neutral
Materials	XLB	90.1	-0.4 	0.5	74.5	93.1	Positive
Communications	XLC	85.1	-1.4 	0.9	63.1	87.8	Neutral
Utilities	XLU	70.1	-1.6 	0.5	56.2	72.9	Neutral
Discretionary	XLY	187.8	-1.9 	3.7	148.0	194.7	Negative
Technology	XLK	220.9	-5.5 	-3.5	160.2	237.7	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	WBD	Warner Brothers	8.7	17.2	23.2	-23.3	7.0	14.5	11.4	31.5
2	DHI	DR Horton	173.8	13.1	23.2	17.5	100.7	173.8	189.1	8.8
3	UNH	UnitedHealth Group	565.3	10.5	16.7	4.3	439.2	573.3	571.8	1.1
4	HBAN	Huntington Bancshares	14.9	9.7	18.7	18.7	9.4	14.9	14.9	0.3
5	CBOE	Cboe Global Markets	184.6	8.9	7.1	5.6	139.7	197.1	197.0	6.7

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	MU	Micron	114.3	-14.4	-20.8	38.9	63.4	153.4	168.4	47.4
2	AMD	AMD	151.6	-16.5	-6.3	12.0	93.7	211.4	192.8	27.2
3	SCHW	Charles Schwab	62.1	-17.6	-14.6	-7.4	49.3	78.9	81.2	30.8
4	DPZ	Domino's Pizza	404.2	-17.8	-23.0	0.9	338.7	533.6	522.7	29.3
5	CRWD	CrowdStrike Holdings	305.0	-17.9	-19.3	23.5	140.5	398.3	393.4	29.0

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	BAC	Bank of America	42.9	3.1	7.3	27.9	25.2	44.1	45.2	5.4
2	XOM	AMD	116.1	2.5	3.9	12.4	96.8	122.2	135.1	16.4
3	AAPL	Apple	224.3	-2.7	7.0	21.7	165.0	234.8	232.6	3.7
4	MSFT	Microsoft	437.1	-3.6	-1.9	17.9	312.1	467.6	505.8	15.7
5	TSLA	Tesla	239.2	-3.6	31.7	0.3	142.1	291.3	222.3	-7.1
6	INTC	Intel	33.0	-4.4	7.7	-29.9	29.9	50.8	38.0	15.2
7	AMZN	Amazon.com	183.1	-5.8	-1.6	23.3	119.6	200.0	224.5	22.6
8	AVGO	Broadcom	157.4	-7.5	-1.2	45.0	156.0	1828.9	196.4	24.8
9	NVDA	NVIDIA	117.9	-8.8	-9.8	144.8	39.2	140.8	140.7	19.3
10	TSM	Taiwan Semiconductor	165.8	-11.5	-5.5	65.5	84.3	191.1	191.1	15.3

*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 around 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	-/-/-/BB+	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	-/-/-/BB+	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	-/-/-/BB+	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 & Taggart



Week ahead calendar

Macroeconomic releases

Company earnings

	Time (GMT +4)	Country	Event	Company	Ticker	Time
Monday 22 July				Verizon	VZ	Premarket
				SAP	SAP	After market
				Cadence Designs	CDNS	After market
Tuesday 23 July				Coca-Cola	KO	Premarket
				Alphabet	GOOGL	After market
				Tesla	TSLA	After market
				Visa	V	After market
				Louis Vuitton	LVMH	After market
Wednesday 24 July	10:00	Germany	Consumer confidence (Aug)	Thermo Fisher Scientific	TMO	Premarket
	12:00	Eurozone	Manufacturing & Services PMIs (Jul)	NextEra Energy	NEE	Premarket
Thursday 25 July	12:00	Germany	Business climate (Jul)	IBM	IBM	After market
	16:30	US	GDP (2Q24)	ServiceNow	NOW	After market
	16:30	US	Durable goods orders (Jun)	Qualcomm	QCOM	N/A
Friday 26 July	16:30	US	PCE price index (Jun)	AbbVie	ABBV	Premarket
	18:00	US	Consumer sentiment	Nestle	NSRGY	Premarket
				Roche Holding	RHHBY	Premarket
				AstraZeneca	AZN	Premarket
				Mercedes Benz Group	MBGAF	Premarket
				AON	AON	Premarket
				3M	MMM	Premarket

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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Galt & Taggart

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

Tel: +995 32 2401 111

Research: research@gt.ge

Tel: +995 32 2401 111 (4298)

Brokerage: sales@gt.ge

Tel: +995 32 2444 132

Investment Banking: ib@gt.ge

Tel: +995 32 2401 111 (7457)