



Weekly Markets Overview

Last week

- Bank of Japan maintained the base interest rate at -0.1%
- US core PCE inflation declined from 3.4% to 3.2% (vs 3.3% forecast)
- Eurozone inflation fell from 2.9% to 2.4%, while core declined from 4.2% to 3.6% (in line with expectations)
- UK inflation fell from 4.6% to 3.9% (vs 4.4% forecast), while core declined from 5.7% to 5.1% (vs 5.6% forecast)
- US 3Q23 GDP growth was revised to 4.9% (vs 5.2% forecast)
- US consumer confidence improved from 101.0 to 110.7

Week ahead

- China manufacturing and services PMIs
- Earnings from Farfetch (FTCHF)

*For exact dates please check page 4 of this document

Commentary: 2023 Summary

2023 has been a contrasting year to 2022. Inflation in DMs has retreated considerably since the start of the year (from 6.4% to 3.1% in the US and from 8.6% to 2.4% in Eurozone). Meanwhile, economic activity has been more resilient than expected. The first three quarter GDP growth averaged 3.1% in the US, while Europe got away without a recession. According to the latest forecast for 2024, IMF expects a 1.5% growth for the US GDP, 1.2% for Eurozone, and 2.9% for the global economy. Meanwhile, the gap between the actual and target inflation is expected to fall further.

Capital markets responded very positively to the improved macroeconomic climate as investor interest in risky assets came back. While S&P 500 returned 24% YTD, the tech-heavy Nasdaq 100 gained a strong 53%, partly attributed to the increased optimism around AI technologies.

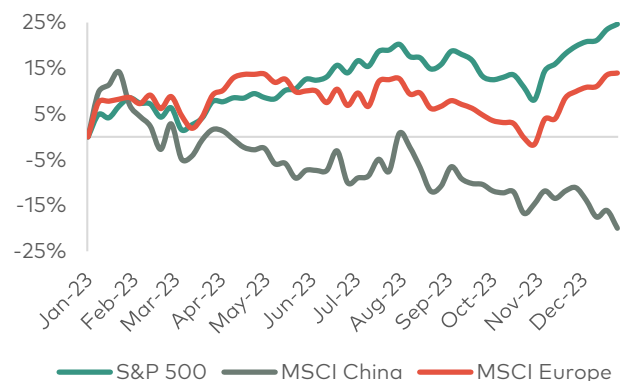
On the other hand, in 2023, global fixed income markets saw yields reach multi-year highs. Despite last month's drop in yields, major rates are still very attractive, with 1-year, 2-year, and 10-year US Treasury yields standing at 4.85%, 4.33%, and 3.90%, respectively.

EQUITIES	Level	1W % change	1M % change	YTD % change
United States				
S&P 500	4,754	0.8	4.3	23.8
Nasdaq 100	16,777	0.9	4.8	53.4
Dow Jones 30	37,386	0.2	6.0	12.8
Russell 2000	2,034	2.5	13.3	15.5
Global				
S&P Europe	1,937	0.2	4.3	12.6
S&P China	320	-3.5	-7.5	-15.8
S&P Japan	2,180	0.0	-1.9	24.6
S&P Global	3,457	0.8	4.3	19.9

FIXED INCOME	Yield (%)	1-week ago	1-month ago	1-Jan-2023
United States				
2y US Treasury	4.33	4.46	4.91	4.43
10y US Treasury	3.90	3.93	4.42	3.88
US IG Credit	5.17	5.17	5.75	5.31
US HY Credit	7.88	7.95	8.72	8.82
Europe				
2y German Bund	2.44	2.50	3.02	2.69
10y German Bund	1.98	2.01	2.56	2.45
Europe IG Credit	3.63	3.69	4.25	4.04
Europe HY Credit	6.06	6.15	7.08	7.38

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

Major regional equity indices: 2023 performance



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

Communications was the best performing sector last week, as sector ETF (XLC) gained 2.2% w/w. 76 out of 100 largest sector stocks closed the week in green. From top 20, 12 stocks rallied. The best performers from the list were Alphabet (GOOGL, +6.7%), Meta Platforms (META, +5.5%), Roblox Corporation (RBLX, +4.7%), and Netflix (NFLX, +3.1%). Meanwhile, the worst performers were NetEase (NTES, -14.8%) and Walt Disney (DIS, -2.6%).

Utilities was the weakest performing sector, as respective ETF (XLU) lost 2.1% w/w. 44 out of 100 largest sector stocks declined. From top 20, 16 stocks fell. The worst performers from the list were Dominion Energy (D, -3.5%), NextEra Energy (NEE, -2.9%), Constellation Energy (CEG, -2.9%), and American Electric Power Company (AEP, -2.3%). Meanwhile, the best performers were National Grid (NGG, +1.2%) and Xcel Energy (XEL, +0.8%).

*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	473.6	 0.8	24.9	375.2	474.8	Positive
Communications	XLC	72.6	 2.2	49.4	46.7	72.6	Positive
Energy	XLE	85.0	 0.8	0.7	76.6	93.4	Positive
Health Care	XLV	135.0	 0.6	-0.3	123.1	136.3	Positive
Materials	XLB	85.6	 0.5	10.3	74.5	85.7	Neutral
Discretionary	XLY	179.5	 0.2	39.8	126.3	181.4	Neutral
Technology	XLK	192.1	 0.2	55.8	121.2	192.6	Negative
Industrials	XLI	113.1	 0.1	14.9	96.4	113.3	Negative
Financials	XLF	37.3	0.0	8.8	31.0	37.6	Neutral
Staples	XLP	71.2	0.0	-4.1	66.2	77.5	Positive
Real Estate	XLRE	39.7	-0.7 	7.2	32.2	41.8	Negative
Utilities	XLU	62.6	-2.1 	-11.2	56.2	72.1	Neutral

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 low, \$	52-week high, \$	12M price target, \$*	12M upside potential, %
1	GOOGL	Alphabet	141.5	6.7	2.2	58.8	86.0	141.5	155.7	10.0
2	PFE	Pfizer	28.4	6.6	-6.3	-44.1	26.1	51.4	31.9	12.3
3	MU	Micron Technology	86.5	6.2	12.2	71.7	49.0	86.5	93.1	7.6
4	META	Alphabet	353.4	5.5	3.5	183.3	115.6	354.1	391.6	10.8
5	INTC	Intel	48.0	4.0	9.9	81.8	24.9	48.0	40.7	-15.2
6	WMT	Alibaba Group	156.6	2.6	1.3	9.1	136.4	169.8	181.2	15.7
7	BABA	Alibaba Group	75.3	2.4	-4.7	-18.2	70.4	120.6	129.9	72.5
8	AMZN	Amazon.com	153.4	2.3	4.6	78.8	81.8	154.1	181.8	18.5
9	MSFT	Micron Technology	374.6	1.0	-0.9	56.7	221.8	382.7	422.0	12.7
10	XOM	NVIDIA	101.9	1.0	-2.0	-3.6	98.1	120.2	130.2	27.8
11	PYPL	Dell	61.8	0.9	9.8	-17.1	50.4	87.0	73.2	18.4
12	NVDA	NVIDIA	488.3	-0.1	0.2	241.1	140.4	504.1	657.8	34.7
13	UBER	Exxon Mobil	61.7	-0.2	11.5	143.3	24.4	62.7	64.4	4.4
14	TSLA	Tesla	252.5	-0.4	7.8	133.6	108.1	293.3	263.6	4.4
15	BAC	Bank of America	33.4	-0.5	12.8	-0.2	25.2	36.8	35.0	4.7
16	AAPL	Apple	193.6	-2.0	1.2	55.0	124.8	198.1	203.3	5.0
17	PDD	Pfizer	144.5	-2.6	23.0	70.9	60.0	150.1	180.5	24.9
18	DIS	Meta Platforms	91.0	-2.6	-4.3	2.3	79.3	113.2	110.4	21.3
19	NKE	Nike	108.0	-11.1	0.1	-9.0	89.4	129.5	126.8	17.4
20	NTES	NetEase	87.6	-14.8	-24.9	14.6	71.1	118.5	140.0	59.7

*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
Source: Bloomberg, Tipranks (top 20 by value)



Week ahead calendar

Macroeconomic releases

	Time (GMT +4)	Country	Event
Monday 25 December	09:00	Japan	Leading economic index (Oct)
Tuesday 26 December	05:30	China	Industrial profits (Nov)
Wednesday 27 December	17:30	US	Jobless claims (Dec/23)
Thursday 28 December	11:00	UK	Nationwide housing prices (Dec)
Friday 29 December	05:30	China	Manufacturing PMI (Dec)
	05:30	China	Services PMI (Dec)

Company earnings

Company	Ticker	Time
Sprott Physical Gold and Silver Trust	CEF	N/A
Bancroft	BCV	N/A
Farfetch	FTCHF	Premarket
Eagle Pharm	EGRX	Premarket

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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