



Weekly market overview

Week ahead

- Analysts consider large financial stocks (GPN, KEY, C) undervalued
- Large tech and energy stocks will publish earnings this week
- China, US, and UK will publish Manufacturing PMI figures. US and EU will release preliminary GDP data for October

*For exact dates please check page 5 of the document

Commentary

In the US, the S&P 500 saw a slight dip after six weeks of gains, affected by rising Treasury yields and cautious expectations for Federal Reserve rate cuts. Large-cap and growth stocks, particularly tech-heavy Nasdaq components, held up better than small caps. Tesla emerged as the best-performing stock, driving its price up 22% on Thursday – the best single-day gain in over 11 years. Treasury yields climbed and stayed at around 4.20% for the week. The expectations for Fed rate cuts over the next year have gradually reduced to a total of 125bps. Investment-grade corporate bonds softened early in the week, and high-yield bond activity slowed due to higher Treasury yields and economic concerns.

In Europe, the STOXX Europe 600 fell by 1.18% as investors expect that the US Federal Reserve might slow down its pace of monetary easing. Major European indexes also declined, with Italy, France, Germany, and the UK all posting losses. Business activity in the eurozone continued to contract, with the composite PMI slightly edged up to 49.7 but remained below 50, indicating ongoing economic contraction, especially in France and Germany. ECB officials showed openness to lowering rates but expressed differing views on the timing. ECB President supported a cautious approach, while some officials called for more aggressive cuts to counteract weakening growth. In the UK, business activity slowed, with the composite PMI dropping to an 11-month low, and consumer confidence reaching its lowest point this year.

EQUITIES	Level	W/W % change	M/M % change	YTD % change
United States				
S&P 500	5,808	-1.0	1.5	21.8
Nasdaq 100	20,352	0.1	1.9	21.0
Dow Jones 30	42,114	-2.7	0.5	11.7
Russell 2000	2,208	-3.0	0.5	8.9
Global				
S&P Europe	2,109	-1.1	0.0	8.5
S&P China	2,589	0.3	14.6	17.9
S&P Japan	2,456	-2.5	-1.0	11.4
S&P Global	4,077	-1.3	0.4	17.1

FIXED INCOME	Yield, %	1-week ago	1-month ago	1-Jan-2024
United States				
2y US Treasury	4.10	3.95	3.55	4.25
10y US Treasury	4.23	4.08	3.78	3.88
US IG Credit	5.14	4.97	4.76	5.22
US HY Credit	7.43	7.31	7.24	7.80
Europe				
2y German Bund	2.15	2.11	2.13	2.41
10y German Bund	2.29	2.18	2.19	2.02
Europe IG Credit	3.27	3.24	3.37	3.67
Europe HY Credit	5.35	5.32	5.53	6.06

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

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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, The Mosaic Company (MOS), Smurfit Westrock (SW), and Nucor Corporation (NUE) 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 Royal Caribbean Cruises (RCL).

*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	579.0	-0.9 	21.8	409.2	586.1	Positive
Discretionary	XLY	200.8	0.7 	12.3	149.1	202.6	Negative
Technology	XLK	230.3	-0.3 	19.6	160.4	238.1	Neutral
Communications	XLC	90.9	-0.4 	25.0	62.8	91.8	Neutral
Energy	XLE	89.8	-0.6 	7.1	79.0	99.0	Neutral
Staples	XLP	81.1	-1.4 	12.5	66.4	84.5	Neutral
Real Estate	XLRE	44.1	-1.5 	10.0	32.0	45.6	Neutral
Utilities	XLU	80.4	-1.9 	26.9	58.5	82.5	Neutral
Financials	XLF	46.6	-2.1 	24.0	31.4	47.8	Positive
Industrials	XLI	135.4	-2.8 	18.8	96.1	139.8	Neutral
Health Care	XLV	148.6	-3.0 	9.0	122.6	159.6	Neutral
Materials	XLB	94.0	-3.8 	9.8	74.8	97.9	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	TSLA	Tesla, Inc.	269.2	22.0	4.7	8.3	138.8	271.0	210.1	-22.0
2	MOH	Molina Healthcare, Inc.	325.5	12.4	-5.5	-9.9	272.7	423.9	374.6	15.1
3	TPR	Tapestry, Inc.	50.5	11.8	10.4	37.2	26.0	51.6	49.4	-2.1
4	DLR	Digital Realty Trust, Inc.	181.0	9.5	11.1	34.5	120.1	193.9	158.3	-12.6
5	PM	Philip Morris International Inc.	129.9	8.0	6.7	38.0	87.2	133.3	127.4	-1.9

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	GPC	Genuine Parts Company	114.2	-20.2	-17.5	-17.5	112.7	164.5	154.5	35.3
2	MHK	Mohawk Industries, Inc.	130.9	-18.7	-15.2	26.5	76.0	164.3	167.9	28.3
3	NEM	Newmont Corporation	48.4	-16.0	-12.4	17.0	29.4	58.7	58.8	21.5
4	UHS	Universal Health Services, Inc.	202.8	-14.3	-16.0	33.0	121.6	243.3	244.6	20.6
5	WBA	Walgreens Boots Alliance, Inc.	9.3	-14.2	12.2	-64.5	8.2	27.1	11.2	20.6

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	141.5	2.6	14.6	185.8	39.2	144.4	149.9	5.9
2	TSLA	Tesla	269.2	22.0	4.7	8.3	138.8	271.0	210.1	-22.0
3	CCL	Carnival Corp.	20.9	-1.9	15.9	12.8	11.0	21.8	24.3	16.1
4	AAL	American Airlines	13.2	0.5	19.5	-4.3	9.1	16.2	12.2	-7.5
5	INTC	Intel	22.7	-0.4	-3.7	-54.9	18.5	51.3	24.8	9.5
6	AMD	AMD	156.2	0.2	-3.6	6.0	94.1	227.3	188.1	20.4
7	SMCI	Super Micro Computer	47.3	0.0	3.2	66.3	22.7	122.9	74.9	58.5
8	AAPL	Apple	231.4	-1.5	2.2	20.2	164.1	237.5	240.8	4.1
9	AMZN	Amazon.com	187.8	-0.6	-2.4	23.6	125.5	201.2	220.6	17.5
10	ON	ON Semiconductor	71.3	4.0	2.3	-14.7	59.3	86.8	85.7	20.3

*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 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	-/-/-/BB+	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	-/-/-/BB+	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	7.25%
Tegeta Motors	EUR	4	7.00%	Dec-23	Dec-25	-/-/BB-	99.63	7.25%
Tegeta Motors	EUR	7	6.75%	Dec-23	Dec-25	-/-/BB-	100.37	6.15%
IG Development	EUR	5	7.00%	Jan-24	Jan-26	-/-/BB-	99.60	6.15%
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 28 October				Ford Motor	F	After market
Tuesday 29 October	13:30	UK	Consumer credit, Sep	Alphabet	GOOGL	After market
	17:00	US	Housing Price Index, Aug	AMD	AMD	After market
	18:00	US	Consumer confidence, Oct	Pfizer	PFE	Premarket
Wednesday 30 October				Visa	V	After market
	14:00	EU	Preliminary GDP, Q3	Microsoft	MSFT	After market
	14:00	EU	Consumer Confidence, Oct	Meta Platforms	META	After market
Thursday 31 October	16:30	US	Preliminary GDP, Q3	AbbVie	ABBV	Premarket
	05:30	China	Manufacturing PMI, Oct	Starbucks	SBUX	After market
	n/a	Japan	Interest Rate Decision	Apple	AAPL	After market
Friday 1 November	14:00	EU	CPI, Oct	Amazon	AMZN	After market
	13:30	UK	Manufacturing PMI, Oct	Intel	INTC	After market
	16:30	US	Nonfarm Payrolls, Oct	Mastercard	MA	Premarket
	18:00	US	Manufacturing PMI, Oct	Exxon Mobil	XOM	Premarket
				Chevron	CVX	Premarket
				Dominion Energy	D	Premarket

- 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.
- 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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