



Weekly Markets Overview

Last week

- US 1Q24 GDP growth came in lower than expected at 1.6% (vs 2.5% forecast and down from 3.4% in 4Q23)
- US March PCE price index was reported above expectations, with headline at 2.7% and core at 2.8% (vs 2.6% forecasts, for both measures)

Week ahead

- US Fed interest rate decision, non-farm payrolls, PMIs
- Eurozone GDP and inflation
- Earnings from Amazon.com (AMZN), Apple (AAPL), Coca-Cola (KO), McDonald's (MCD), Sony (SONY), Pfizer (PFE), AMD (AMD), and others

*For exact dates please check page 4 of this document

Commentary:

The first estimate for 1Q 2024 US GDP growth was reported well below consensus forecasts at an annualized rate of 1.6%, a pace approximately half of that in 4Q 2023. However, the slowdown was predominantly a result of the volatile components of inventories and trade, while consumption and investments continued to grow (excluding volatile components, GDP grew by a strong pace of 3.1%). Therefore, the growth slowdown was less dramatic than what the headline figure would suggest.

On the inflation front, March PCE price index also delivered an unpleasant surprise, with core PCE remaining at 2.8% and headline figure rising from 2.5% to 2.7%.

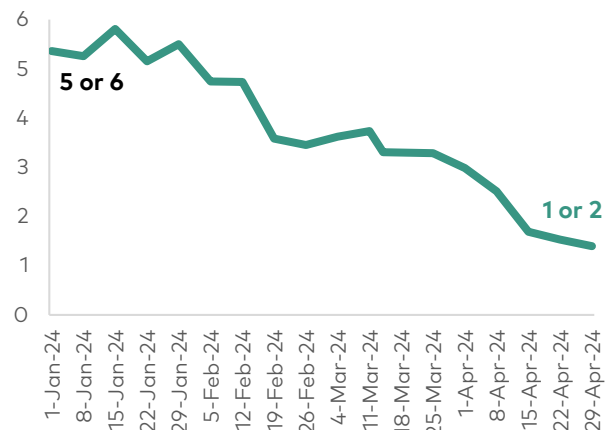
Importantly, markets were unfazed by negative macroeconomic surprises, with all major global equity indices rallying and yields remaining largely unchanged throughout the week. This was primarily due to the favorable quarterly earnings results from S&P 500 companies, as proportion of companies exceeding expectations together with the size of positive surprises were historically high. Lastly, markets are expecting less volatility in both US equity and bond markets, as demonstrated by decline in VIX and MOVE indices throughout the week.

EQUITIES	Level	1W % change	1M % change	YTD % change
United States				
S&P 500	5,100	2.7	-2.0	6.9
Nasdaq 100	17,718	4.0	-2.7	5.3
Dow Jones 30	38,240	0.7	-2.7	1.5
Russell 2000	2,002	2.8	-3.3	-1.2
Global				
S&P Europe	2,065	1.8	-0.5	6.3
S&P China	2,543	4.0	3.5	4.3
S&P Japan	2,096	1.3	-5.9	4.7
S&P Global	3,670	2.5	-2.9	6.2

FIXED INCOME	Yield (%)	1-week ago	1-month ago	1-Jan-2024
United States				
2y US Treasury	5.00	4.97	4.63	4.25
10y US Treasury	4.67	4.62	4.21	3.88
US IG Credit	5.74	5.73	5.37	5.22
US HY Credit	8.16	8.26	7.81	7.80
Europe				
2y German Bund	2.99	3.01	2.83	2.41
10y German Bund	2.57	2.50	2.29	2.02
Europe IG Credit	3.97	3.96	3.78	3.67
Europe HY Credit	6.32	6.34	6.02	6.06

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

Number of 25bps (0.25%) Fed rate cuts expected by 2024 year-end



Source: Bloomberg

Eva Bochorishvili - Head of Research
| evabochorishvili@gt.ge | +995 32 2401 111 ext. 8036

Gigi Tskitishvili - Senior Equity Markets Analyst
| g.tskitishvili@gt.ge | +995 32 2401 111 ext. 8967













S&P 500 Sector Highlights

Technology was the best performing sector last week, with the associated ETF (XLK) gaining 3.8% w/w. 82 out of 100 largest sector stocks rallied during the week. From top 20, only four stocks declined. The best performers from the list were NVIDIA (NVDA, +15.1%), Broadcom (AVGO, +11.6%), Texas Instruments (TXN, +11.2%), and Taiwan Semiconductor (TSM, +8.3%). Meanwhile, IBM (IBM, -8.0%) and Accenture (ACN, -2.8%) were the weakest performers.

Consumer Discretionary was the second strongest performing sector, with respective ETF (XLY) gaining 3.6% w/w. 77 out of 100 largest sector stocks rallied during the week. From top 20, 7 stocks declined. The best performers from the list were Tesla (TSLA, +14.4%), PDD Holdings (PDD, +13.9%), Chipotle Mexican Grill (CMG, +11.1%), Alibaba Group (BABA, +9.4%), and Airbnb (ABNB, +6.0%). Meanwhile, the weakest performers were O'Reilly Automotive (ORLY, -4.3%) and Stellantis (STLA, -4.0%).

*For detailed information on sectors please check page 5 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	508.3	 2.6	-2.0	404.4	523.2	Positive
Technology	XLK	199.8	 3.8	-3.8	146.1	211.0	Neutral
Discretionary	XLY	175.9	 3.6	-3.5	143.7	185.0	Negative
Industrials	XLI	122.7	 1.8	-1.0	96.4	126.0	Neutral
Real Estate	XLRE	36.5	 1.6	-4.8	32.2	40.5	Negative
Staples	XLP	75.6	 1.5	0.2	66.2	77.5	Neutral
Utilities	XLU	66.2	 1.2	4.4	56.2	69.4	Neutral
Financials	XLF	40.8	 1.1	-1.4	31.5	42.1	Positive
Energy	XLE	95.7	 0.8	3.5	76.6	98.1	Positive
Communications	XLC	80.1	 0.8	-1.5	56.1	82.8	Neutral
Health Care	XLV	140.0	 0.7	-4.0	123.1	147.9	Neutral
Materials	XLB	89.5	 0.6	-2.0	74.5	93.1	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 low, \$	52-week high, \$	12M price target, \$*	12M upside potential, %
1	NVDA	NVIDIA	877.3	15.1	-5.2	84.4	269.6	950.0	1008.8	15.0
2	TSLA	Tesla	168.3	14.4	-5.3	-29.4	142.1	293.3	199.7	18.7
3	PDD	PDD Holdings	129.3	13.9	7.7	-13.2	60.0	151.3	220.0	70.1
4	GOOGL	Alphabet	171.9	11.6	14.1	23.8	103.7	171.9	192.4	11.9
5	BABA	Alibaba	75.6	9.4	5.7	-1.4	68.1	102.2	104.9	38.8
6	TSM	Taiwan Semiconductor	138.3	8.3	-0.4	38.1	82.3	149.2	168.8	22.1
7	MU	Micron	114.8	7.6	-3.2	39.6	60.0	128.0	127.0	10.6
8	AMD	AMD	157.4	7.3	-11.5	16.3	81.6	211.4	201.8	28.2
9	MRK	Merck & Co	131.2	4.3	4.5	14.3	100.2	131.9	137.2	4.6
10	CVX	Chevron	165.9	3.7	6.8	8.9	141.5	171.0	184.7	11.3
11	AMZN	Amazon.com	179.6	2.9	0.7	21.0	102.1	189.1	214.2	19.3
12	AAPL	Apple	169.3	2.6	-0.2	-8.1	163.8	198.1	198.6	17.3
13	BAC	Bank of America	37.8	2.3	2.0	12.8	25.2	38.4	40.1	6.0
14	MSFT	Microsoft	406.3	1.8	-3.6	9.6	295.4	429.4	475.6	17.1
15	UBER	Uber	69.1	-0.2	-11.4	18.5	29.7	81.4	87.7	27.0
16	XOM	Exxon Mobil	118.0	-1.6	3.7	14.3	96.8	122.2	126.4	7.2
17	CMCSA	Comcast	38.6	-4.2	-9.2	-10.9	36.5	47.1	49.6	28.6
18	INTC	Intel	31.9	-6.8	-24.1	-32.2	27.4	50.8	43.8	37.4
19	META	Meta Platforms	443.3	-7.9	-10.6	28.7	209.4	527.3	545.1	23.0
20	IBM	IBM	167.1	-8.0	-11.3	4.4	120.9	197.8	183.0	9.5

*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

Company earnings

	Time (GMT +4)	Country	Event	Company	Ticker	Time
Monday 29 April	16:00	Germany	Inflation prel. (Apr)	Sony	SONY	N/A
			BYD	BYDDY	N/A	
Tuesday 30 April	05:30	China	Manufacturing PMI (Apr)	Eli Lilly	LLY	Premarket
	13:00	Eurozone	Inflation prel. (Apr)	Coca-Cola	KO	Premarket
	13:00	Eurozone	GDP prel. (1Q24)	McDonald's	MCD	Premarket
	18:00	US	Consumer confidence (Apr)	Amazon.com	AMZN	After market
			AMD	AMD	After market	
Wednesday 1 May	18:00	US	Manufacturing PMI (Apr)	MasterCard	MA	Premarket
	22:00	US	Fed interest rate decision	Pfizer	PFE	Premarket
			Qualcomm	QCOM	After market	
Thursday 2 May				Novo Nordisk	NVO	Premarket
				Shell	SHEL	Premarket
				Apple	AAPL	After market
Friday 3 May	16:30	US	Non-farm payrolls (Apr)	Societe General	SCGLY	Premarket
	16:30	US	Unemployment (Apr)			
	18:00	US	Services PMI (Apr)			

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

Disclaimer

This document is the property of and has been prepared by JSC Galt & Taggart ("Galt & Taggart"), a member of Bank of Georgia group PLC ("Group") solely for informational purposes and independently of the respective companies mentioned herein. This document does not constitute or form part of, and should not be construed as, an offer or solicitation or invitation of an offer to buy, sell or subscribe for any securities or assets and nothing contained herein shall form the basis of any contract or commitment whatsoever or shall be considered as a recommendation to take any such actions.

Galt & Taggart is authorized to perform professional activities on the Georgian market. The distribution of this document in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by Galt & Taggart to inform themselves about and to observe any and all restrictions applicable to them. This document is not directed to, or intended for distribution, directly or indirectly, to, or use by, any person or entity that is a citizen or resident located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.

Investments (or any short-term transactions) in emerging markets involve significant risk and volatility and may not be suitable for everyone. The recipients of this document must make their own investment decisions as they believe appropriate based on their specific objectives and financial situation. When doing so, such recipients should be sure to make their own assessment of the risks inherent in emerging market investments, including potential political and economic instability, other political risks including without limitation changes to laws and tariffs, and nationalization of assets, and currency exchange risk.

No representation, warranty or undertaking, express or implied, is or will be made by Galt & Taggart or any other member of the Group or their respective directors, employees, affiliates, advisers or agents or any other person as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of this document and the information contained herein (and whether any information has been omitted from this document) and no reliance should be placed on it. This document should not be considered as a complete description of the markets, industries and/or companies referred to herein. Nothing contained in this document is, is to be construed as, or shall be relied on as legal, investment, business or tax advice, whether relating to the past or the future, by Galt & Taggart any other member of the Group or any of their respective directors, employees, affiliates, advisers or agents in any respect. Recipients are required to make their own independent investigation and appraisal of the matters discussed herein. Any investment decision should be made at the investor's sole discretion. To the extent permitted by law, Galt & Taggart, any other member of the Group and their respective directors, employees, affiliates, advisers and agents disclaim all liability whatsoever (in negligence or otherwise) for any loss or damages however arising, directly or indirectly, from any use of this document or its contents or otherwise arising in connection with this document, or for any act, or failure to act, by any party, on the basis of this document.

The information in this document is subject to verification, completion and change without notice and Galt & Taggart is not under any obligation to update or keep current the information contained herein. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the information since the date hereof or the date upon which this document has been most recently updated, or that the information contained in this document is correct as at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. No representation or warranty, expressed or implied, is made by Galt & Taggart or any other member of the Group, or any of their respective directors, employees, affiliates, advisers or agents with respect to the accuracy or completeness of such information.

The information provided and opinions expressed in this document are based on the information available as of the issue date and are solely those of Galt & Taggart as part of its internal research coverage. Opinions, forecasts and estimates contained herein are based on information obtained from third party sources believed to be reliable and in good faith, and may change without notice. Third party publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. Accordingly, undue reliance should not be placed on any such data contained in this document. Neither Galt & Taggart, any other member of the Group, nor their respective directors, employees, affiliates, advisers or agents make any representation or warranty, express or implied, of this document's usefulness in predicting the future performance, or in estimating the current or future value, of any security or asset.

Galt & Taggart does, and seeks to do, and any other member of the Group may or seek to do business with companies covered in its research. As a result, investors should be aware of a potential conflict of interest that may affect the objectivity of the information contained in this document.

Unauthorized copying, distribution, publication or retransmission of all or any part of this document by any medium or in any form for any purpose is strictly prohibited.

The recipients of this document are responsible for protecting against viruses and other destructive items. Receipt of the electronic transmission is at risk of the recipient and it is his/her responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

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)