



## Weekly market overview

### Week ahead

- Analysts forecast strong returns for AMD (AMD), Intel (INTC), NVIDIA (NVDA), and Amazon.com (AMZN) for the next twelve months
- Microsoft (MSFT), Apple (AAPL), Meta Platforms (META), Amazon.com (AMZN), Boeing (BA), and others will release earnings this week
- US Fed, Bank of England, and Bank of Japan will make interest rate decisions

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

### Commentary

#### Last week, slight declines were observed in global equity markets.

In the US, small caps and value continued to outperform, with the year-to-date performance of Russell 2000 now almost matching returns of large cap benchmarks. In terms of sectors, defensives posted positive performance, while most cyclical sectors lost the ground. Meanwhile, yields continue to decline in fixed income markets. Declines were evident in both the US and European markets and across all major fixed income market segments.

#### As inflation keeps declining, markets expect Fed to deliver the first rate cut on September meeting, while making do change this week.

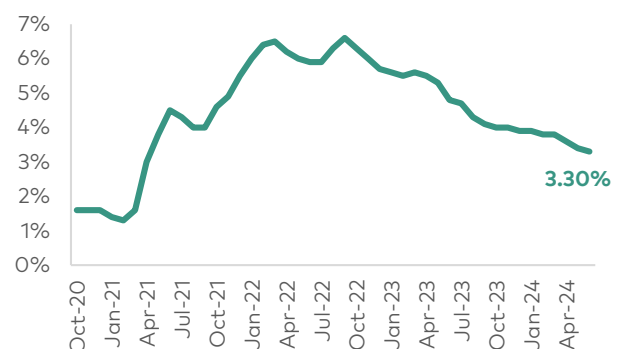
While the traditional inflation measure, core US CPI, has declined from 3.9% to 3.3% in 2024, core PCE (Fed's preferred measure) has declined from 2.9% to 2.6%, getting closer to the target 2.0% level. Overall, inflation progress has primarily helped the US small caps and value stocks. On the other hand, yields have fallen as a result.

EQUITIES	Level	W/W % change	M/M % change	YTD % change
<b>United States</b>				
S&P 500	5,459	-0.8	-0.3	14.5
Nasdaq 100	19,024	-2.6	-3.7	13.1
Dow Jones 30	40,589	0.7	3.7	7.7
Russell 2000	2,260	3.5	12.0	11.5
<b>Global</b>				
S&P Europe	2,083	0.6	-0.6	7.2
S&P China	2,426	-3.0	-2.8	-0.5
S&P Japan	2,187	-0.9	3.1	9.2
S&P Global	3,877	-0.9	0.1	12.1

FIXED INCOME	Yield, %	1-week ago	1-month ago	1-Jan-2024
<b>United States</b>				
2y US Treasury	4.39	4.51	4.77	4.25
10y US Treasury	4.20	4.24	4.48	3.88
US IG Credit	5.34	5.35	5.53	5.22
US HY Credit	7.75	7.77	7.99	7.80
<b>Europe</b>				
2y German Bund	2.67	2.78	2.92	2.41
10y German Bund	2.40	2.46	2.60	2.02
Europe IG Credit	3.68	3.76	3.90	3.67
Europe HY Credit	5.90	5.90	6.08	6.06

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

### US inflation (annual core CPI)



Source: Bloomberg

**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
<b>S&amp;P 500</b>	<b>SPY</b>	<b>544.4</b>	<b>-0.8</b> 	<b>15.2</b>	<b>410.7</b>	<b>564.9</b>	<b>Positive</b>
Utilities	XLU	71.2	 1.5	10.8	56.2	72.9	Negative
Health Care	XLV	150.0	 1.4	8.1	123.1	150.5	Neutral
Materials	XLB	91.3	 1.4	7.0	74.5	93.1	Positive
Financials	XLF	43.4	 1.3	15.0	31.5	43.8	Positive
Industrials	XLI	126.3	 1.1	11.9	96.4	128.2	Neutral
Real Estate	XLRE	40.7	 0.5	0.7	32.2	40.9	Negative
Staples	XLP	78.5	 0.5	7.8	66.2	78.7	Neutral
Energy	XLE	92.2	<b>-0.2</b> 	8.8	79.9	98.1	Positive
Communications	XLC	83.7	<b>-1.7</b> 	15.9	63.1	87.8	Neutral
Technology	XLK	216.3	<b>-2.1</b> 	15.4	160.2	237.7	Neutral
Discretionary	XLY	182.6	<b>-2.8</b> 	13.5	148.0	194.7	Negative

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	MHK	Mohawk	160.7	24.5	50.5	59.2	76.6	160.7	143.8	-10.5
2	MMM	3M	127.2	22.4	25.3	18.0	85.6	127.2	114.1	-10.3
3	BMJ	Bristol-Myers Squibb	50.5	18.3	18.7	-2.4	39.5	63.4	51.6	2.3
4	UHS	Universal Health	213.7	18.2	12.7	39.6	122.2	213.7	195.6	-8.5
5	CHTR	Charter Communications	367.6	14.8	26.1	-4.9	254.6	455.7	279.0	-24.1

### 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	DXCM	Dexcom	64.0	-42.7	-43.6	-46.8	64.0	140.4	116.3	81.7
2	EW	Edwards Lifesciences	62.4	-27.9	-31.9	-14.7	59.7	95.6	81.9	31.3
3	LW	Lamb Weston Holdings	56.7	-26.8	-32.5	-46.0	53.0	110.0	73.0	28.7
4	F	Ford Motor	11.2	-20.0	-7.6	-4.4	9.6	14.6	14.5	29.6
5	CRWD	CrowdStrike	256.2	-16.0	-34.7	3.8	140.5	398.3	367.6	43.5

### 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	PFE	Pfizer	30.8	4.1	12.2	3.5	25.3	37.0	30.4	-1.2
2	AMZN	Amazon.com	182.5	-0.3	-5.7	22.9	119.6	200.0	226.4	24.1
3	MSFT	Microsoft	425.3	-2.7	-5.9	14.8	312.1	467.6	509.0	19.7
4	AAPL	Apple	218.0	-2.8	2.2	18.3	165.0	234.8	242.2	11.1
5	BAC	Bank of America	41.7	-2.9	6.8	24.3	25.2	44.1	45.3	8.7
6	NVDA	NVIDIA	113.1	-4.1	-10.6	134.7	39.2	196.0	142.7	26.2
7	INTC	Intel	31.4	-4.9	2.7	-33.4	29.9	50.8	39.8	27.0
8	GOOGL	Alphabet	167.0	-6.0	-9.2	20.2	122.2	191.2	204.9	22.7
9	AMD	AMD	140.0	-7.6	-11.1	3.5	93.7	211.4	194.9	39.2
10	TSLA	Tesla	219.8	-8.1	11.9	-7.8	142.1	276.0	228.6	4.0

\*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 29 July				McDonald's	MCD	Premarket
				Welltower	WELL	After market
Tuesday 30 July	13:00	Eurozone	GDP (2Q24)	Procter & Gamble	PG	Premarket
	16:00	Germany	Inflation (Jul)	Merck & Co	MRK	Premarket
	18:00	US	Consumer confidence (Jul)	Pfizer	PFE	Premarket
Wednesday 31 July				Microsoft	MSFT	After market
				AMD	AMD	After market
	08:00	Japan	Bank of Japan interest rate decision	T-Mobile US	TMUS	Premarket
	13:00	Eurozone	Inflation (Jul)	Boeing	BA	Premarket
Thursday 1 August	22:00	US	Fed interest rate decision	Meta Platforms	META	After market
				Mastercard	MA	N/A
	15:00	UK	Bank of England interest rate decision	Apple	AAPL	After market
Friday 2 August	18:00	US	Manufacturing PMI (Jul)	Amazon.com	AMZN	After market
				Intel	INTC	After market
				Toyota Motor	TM	N/A
	16:30	US	Non-farm payrolls (Jul)	Exxon Mobil	XOM	Premarket
				Chevron	CVX	Premarket
				Linde	LIN	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

<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  
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)