



## Weekly Markets Overview

### Last week

- US 1Q24 GDP growth came in at 1.3% (as expected)
- US PCE inflation was reported in line with consensus forecasts, with core at 2.8% and headline at 2.7%
- Eurozone CPI inflation came in slightly higher than expected, with core at 2.9% and headline at 2.6%

### Week ahead

- ECB interest rate decision, Eurozone 1Q24 GDP growth
- US non-farm payrolls, manufacturing & services PMIs
- Earnings from Dollar Tree (DLTR), Nio (NIO), DocuSign (DOCU), and others

\*For exact dates please check page 4 of this document

### Commentary:

Last week, global equities experienced a general decline both in developed and emerging markets (excluding Japan). In the US, stocks across all styles and sizes closed the week in red, except for the large-cap growth category. In terms of sectors, Technology and Industrials were the weakest performers, while Energy, Real Estate, and Utilities delivered the strongest gains.

Importantly, Charles Schwab maintained its sector outlook for June, naming Financials, Materials, and Energy as potential outperformers.

In fixed income markets, yield dynamics were mixed across maturities and geographies. In the US, shorter term treasury yields decreased, while yields on longer maturities increased slightly. Meanwhile, the yield on short-term German bund, a European benchmark, was largely unchanged, while yield on longer-term bunds increased. With regard to Fed expectations, markets are now pricing in only one or two 25bps rate cuts in 2024.

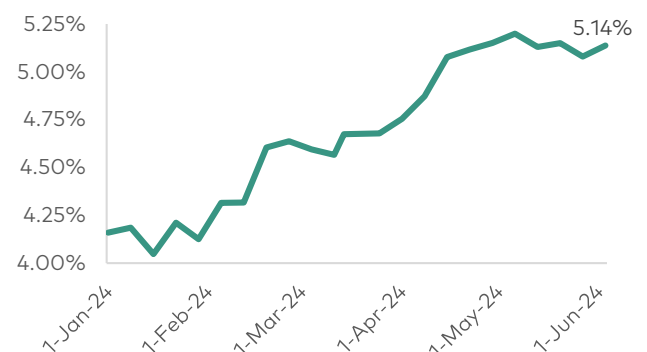
Lastly, out of last week's 20 most traded stocks globally, analysts expect the best performers in next 12 months to be Schlumberger (SLB), Amazon.com (AMZN), and Intel (INTC), while Qualcomm (QCOM) stock price is expected to decline.

EQUITIES	Level	1W % change	1M % change	YTD % change
<b>United States</b>				
S&P 500	5,278	-0.5	4.8	10.6
Nasdaq 100	18,537	-1.4	6.3	10.2
Dow Jones 30	38,686	-1.0	2.3	2.6
Russell 2000	2,070	0.0	4.9	2.1
<b>Global</b>				
S&P Europe	2,105	-0.4	2.6	8.3
S&P China	2,573	-1.8	0.7	5.5
S&P Japan	2,149	1.1	0.9	7.3
S&P Global	3,793	-0.6	4.3	9.7

FIXED INCOME	Yield (%)	1-week ago	1-month ago	1-Jan-2024
<b>United States</b>				
2y US Treasury	4.89	4.95	4.81	4.25
10y US Treasury	4.51	4.47	4.50	3.88
US IG Credit	5.55	5.58	5.74	5.22
US HY Credit	8.06	8.04	8.16	7.80
<b>Europe</b>				
2y German Bund	3.08	3.09	2.94	2.41
10y German Bund	2.65	2.58	2.51	2.02
Europe IG Credit	4.00	3.98	4.00	3.67
Europe HY Credit	6.05	6.03	6.27	6.06

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

### 2024 year-end Fed rate expectation (upper bound)



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

**Energy was the best performing sector last week, with the associated ETF (XLE) gaining 2.0% w/w.** 84 out of 100 largest sector stocks closed the week in green. From top 20, 16 stocks rallied. The best performers from the list were Petroleo Brasileiro (PBR, +4.4%), TotalEnergies (TTE, +3.7%), Shell (SHEL, +3.4%), and Chevron (CVX, +3.4%).

**Technology was the weakest performing sector, with respective ETF (XLK) losing -2.3% w/w.** 69 out of 100 largest sector stocks closed the week in red. From top 20, only 6 stocks managed to end the week with gains. The weakest performers from the list were Salesforce (CRM, -15.8%), Intuit (INTU, -13.0%), Adobe (ADBE, -8.0%), Accenture (ACN, -7.7%), and SAP (SAP, -6.5%). Meanwhile, the best performers were NVIDIA (NVDA, +5.6%) and AMD (AMD, +4.0%).

\*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	527.4	-0.4 	5.1	410.7	531.4	Positive
Energy	XLE	93.2	 2.0	-0.3	76.6	98.1	Positive
Real Estate	XLRE	38.0	 1.9	5.1	32.2	40.5	Negative
Utilities	XLU	72.7	 1.7	9.0	56.2	72.9	Neutral
Communications	XLC	83.3	 0.4	6.9	62.2	83.3	Neutral
Staples	XLP	77.3	 0.3	2.4	66.2	78.4	Neutral
Discretionary	XLY	176.0	 0.2	0.2	148.0	185.0	Negative
Materials	XLB	91.5	 0.2	3.3	74.5	93.1	Positive
Financials	XLF	41.6	 0.1	3.2	31.5	42.5	Positive
Health Care	XLV	143.7	-0.5 	2.4	123.1	147.9	Neutral
Industrials	XLI	123.5	-0.8 	1.6	96.4	126.0	Neutral
Technology	XLK	210.2	-2.3 	7.1	160.2	216.1	Neutral

Source: Galt & Taggart Research, Bloomberg, Tipranks, Charles Schwab  
 \*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	<b>XOM</b>	Exxon Mobil	117.3	3.4	-0.9	13.6	96.8	122.2	136.1	16.1
2	<b>NVDA</b>	NVIDIA	1,096.3	3.0	26.9	130.5	374.8	1,148.3	1,207.0	10.1
3	<b>AAPL</b>	Apple	192.3	1.2	12.9	4.3	165.0	198.1	208.3	8.3
4	<b>JPM</b>	JPMorgan	202.6	1.0	5.7	19.0	135.7	204.8	214.1	5.7
5	<b>TJX</b>	TJX Companies	103.1	0.9	9.6	12.4	76.7	103.4	115.4	11.9
6	<b>BAC</b>	Bank of America	40.0	0.7	8.1	19.3	25.2	40.0	40.1	0.3
7	<b>INTC</b>	Intel	30.9	0.4	1.2	-34.4	29.9	50.8	37.9	22.9
8	<b>AMD</b>	AMD	166.9	0.3	5.4	23.3	93.7	211.4	192.6	15.4
9	<b>CSCO</b>	Cisco Systems	46.5	0.2	-1.0	-7.9	46.1	57.8	54.9	18.1
10	<b>TSLA</b>	Tesla	178.1	-0.6	-2.8	-25.3	142.1	293.3	195.6	9.8
11	<b>SLB</b>	Schlumberger	45.9	-0.8	-3.3	-12.8	42.8	62.1	65.6	43.0
12	<b>PFE</b>	Pfizer	28.7	-0.8	11.9	-3.6	25.3	40.3	30.1	5.0
13	<b>GOOGL</b>	Alphabet	172.5	-1.4	6.0	24.2	116.4	177.9	197.2	14.3
14	<b>META</b>	Meta Platforms	466.8	-2.4	8.5	35.5	263.6	527.3	526.7	12.8
15	<b>AMZN</b>	Amazon.com	176.4	-2.4	0.8	18.8	119.6	189.5	222.0	25.8
16	<b>QCOM</b>	Qualcomm	204.1	-2.6	23.0	48.3	104.8	212.2	195.3	-4.3
17	<b>MRK</b>	Merck & Co	125.5	-3.1	-2.8	9.4	100.2	131.9	142.3	13.4
18	<b>MU</b>	Micron	125.0	-3.5	10.7	52.0	60.7	132.7	137.9	10.3
19	<b>MSFT</b>	Microsoft	415.1	-3.5	6.6	12.0	312.1	430.5	491.0	18.3
20	<b>CRM</b>	Salesforce	234.4	-13.9	-12.8	-6.9	196.3	316.9	290.2	23.8

\*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
<b>Monday</b> 3 June	18:00	US	Manufacturing PMI (May)	Gitlab	GTLB	After market
<b>Tuesday</b> 4 June	11:55	Germany	Unemployment (May)	Ferguson	FERG	Premarket
				CrowdStrike	CRWD	After market
				Hewlett Packard	HPE	After market
<b>Wednesday</b> 5 June	18:00	US	Services PMI (May)	Dollar Tree	DLTR	Premarket
				Lululemon Athletica	LULU	After market
<b>Thursday</b> 6 June	16:15	Eurozone	ECB interest rate decision	Nio	NIO	Premarket
				DocuSign	DOCU	Premarket
				Meituan	MPNGF	N/A
<b>Friday</b> 7 June	13:00	Eurozone	GDP growth (1Q24)			
	16:30	US	Non-farm payrolls (May)			
	16:30	US	Unemployment (May)			

Source: DailyFX, S&P Capital IQ

## Definitions: 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

## 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](mailto:research@gt.ge)

Tel: +995 32 2401 111 (4298)

**Brokerage:** [sales@gt.ge](mailto:sales@gt.ge)

Tel: +995 32 2444 132

**Investment Banking:** [ib@gt.ge](mailto:ib@gt.ge)

Tel: +995 32 2401 111 (7457)