



Weekly market overview

Week ahead

- Analysts consider large financials stocks undervalued, namely Global Payments (GPN), Citigroup (C), and KeyCorp (KEY)
- Paychex (PAYX), Nike (NKE), and Tesco (TSCDY) will release earnings this week
- US and Japan will report manufacturing indexes. US will also release nonfarm payroll data.

*For exact dates please check page 5 of the document

Commentary

US technology stocks surged, particularly Micron Technology, which boosted the entire sector with its positive AI demand outlook. Additionally, inflation data showed that the Federal Reserve's core personal consumption expenditures (PCE) price index rose by only 2.2%, nearing the Fed's 2% target. U.S. Treasury yields remained stable, while corporate bond issuance saw strong demand, driven in part by China's economic stimulus.

In Europe, the STOXX Europe 600 Index rose 2.69%, supported by hopes for interest rate cuts amid slowing business activity and China's stimulus. Germany's DAX surged 4.03%, and other major European indexes followed suit. However, the Eurozone's purchasing managers' index (PMI) fell, signaling contraction in business activity. Germany's business sentiment also worsened, suggesting the economy may be heading toward a recession.

China's stock markets soared, with the Shanghai Composite Index climbing 12.8% after the government introduced significant stimulus measures. The People's Bank of China (PBOC) reduced reserve requirements for banks and cut key interest rates, aiming to revitalize the economy. Property market support was also emphasized, with promises to stabilize real estate prices and fiscal stimulus measures to boost consumption. Despite these efforts, long-term concerns about China's slower growth trajectory persist.

EQUITIES	Level	W/W % change	M/M % change	YTD % change
United States				
S&P 500	5,738	0.6	2.0	20.3
Nasdaq 100	20,009	1.1	2.2	18.9
Dow Jones 30	42,313	0.6	2.6	12.3
Russell 2000	2,225	-0.1	1.0	9.7
Global				
S&P Europe	2,144	2.8	1.7	10.3
S&P China	2,822	16.7	16.1	13.9
S&P Japan	2,571	3.9	2.4	16.6
S&P Global	4,108	1.6	2.3	18.0

FIXED INCOME	Yield, %	1-week ago	1-month ago	1-Jan-2024
United States				
2y US Treasury	3.56	3.57	3.90	4.25
10y US Treasury	3.75	3.73	3.83	3.88
US IG Credit	4.74	4.74	4.97	5.22
US HY Credit	7.89	7.89	8.41	7.80
Europe				
2y German Bund	2.09	2.25	2.40	2.41
10y German Bund	2.14	2.22	2.28	2.02
Europe IG Credit	3.33	3.44	3.57	3.67
Europe HY Credit	5.51	5.57	5.79	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), Nucor Corporation (NUE) and Albemarle (ALB) 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 Tesla (TSLA), eBay (EBAY), and Hilton Worldwide Holdings (HLT).

*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	571.5	 0.6	20.2	409.2	574.7	Positive
Materials	XLB	96.9	 3.0	13.3	74.3	97.8	Positive
Discretionary	XLY	200.8	 2.1	12.3	147.8	201.9	Negative
Communications	XLC	90.0	 1.2	23.9	62.8	90.4	Neutral
Industrials	XLI	134.8	 1.2	18.3	96.1	135.7	Neutral
Technology	XLK	225.1	 1.2	16.9	159.5	238.1	Neutral
Utilities	XLU	80.4	 0.4	27.0	54.8	80.8	Neutral
Staples	XLP	83.0	0.0	15.3	65.2	84.5	Neutral
Real Estate	XLRE	44.3	-0.9 	10.6	32.0	45.6	Neutral
Financials	XLF	45.2	-1.1 	20.1	31.4	45.9	Positive
Health Care	XLV	153.0	-1.5 	12.2	122.6	159.6	Neutral
Energy	XLE	87.2	-1.8 	4.0	79.0	99.0	Neutral

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	WYNN	Wynn Resorts	97.6	22.5	26.7	7.1	71.6	110.4	111.3	14.0
2	LVS	Las Vegas Sands	51.1	21.8	28.0	3.9	36.6	55.7	53.5	4.6
3	MU	Micron Technology	107.5	18.3	9.9	26.0	63.9	157.5	146.1	35.9
4	EL	The Estée Lauder	99.9	17.5	7.5	-31.7	82.4	159.8	109.1	9.2
5	FCX	Freeport	51.3	15.3	13.5	20.6	32.8	55.2	54.3	5.7

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	REGN	Regeneron Pharmaceuticals	1042.7	-8.9	-13.2	18.7	769.2	1,211.2	1,157.7	11.0
2	GPN	Global Payments	101.0	-8.7	-8.1	-20.5	91.6	141.8	136.5	35.1
3	SMCI	Super Micro Computer	419.7	-8.2	-23.4	47.7	226.6	1,229.0	750.3	78.8
4	NOW	ServiceNow	881.8	-5.9	6.0	24.8	527.2	945.5	870.3	-1.3
5	FANG	Diamondback Energy	170.6	-5.7	-12.4	10.0	143.1	214.5	219.3	28.5

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	NVDA	NVIDIA	121.4	4.7	-5.4	145.1	39.2	140.8	149.9	23.4
2	INTC	Intel Corporation	23.9	9.5	19.1	-52.4	18.5	51.3	26.1	9.2
3	TSLA	Tesla, Inc.	260.5	9.3	24.5	4.8	138.8	271.0	208.3	-20.0
4	MU	Micron Technology	107.5	18.3	9.9	26.0	63.9	157.5	146.1	35.9
5	AMZN	Amazon.com	188.0	-1.9	8.6	23.7	118.4	201.2	219.7	16.9
6	AAPL	Apple Inc.	227.8	-0.2	-0.1	18.3	164.1	237.2	240.0	5.4
7	AMD	AMD	164.4	5.4	9.2	11.5	93.1	227.3	186.9	13.7
8	BAC	Bank of America	39.4	-2.2	-0.7	17.0	25.0	44.4	45.5	15.4
9	BMJ	Bristol-Myers Squibb	50.9	3.0	5.8	-0.8	39.4	58.5	53.9	5.8
10	GOOG	Alphabet	165.3	0.4	-0.7	17.3	121.5	193.3	201.4	21.8

*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

*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	6.50%
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	7.00%
Tegeta Motors	EUR	4	7.00%	Dec-23	Dec-25	-/-/BB-	99.63	7.00%
Tegeta Motors	EUR	7	6.75%	Dec-23	Dec-25	-/-/BB-	100.37	6.75%
IG Development	EUR	5	7.00%	Jan-24	Jan-26	-/-/BB-	n/a	7.25%
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 30 September	17:00	EU	Lagarde speech	Carnival	CCL	Premarket
	21:00	US	Powell speech			
Tuesday 1 October	03:50	JP	Large Manufacturing Index (Q3)	Paychex	PAYX	Premarket
	13:00	EU	Harmonized index of CPI, Sept	Nike	NKE	After market
	18:00	US	Manufacturing PMI, Sept			
Wednesday 2 October	16:15	US	Employment change, Sept			
Thursday 3 October	18:00	US	Services PMI, Sept	Tesco	TSCDY	Premarket
Friday 4 October	16:30	US	Nonfarm payrolls, Sept			

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

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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