



Weekly Markets Overview

Last week

- US core PCE price index declined from 3.7% to 3.5% in October
- Eurozone core inflation fell from 4.2% to 3.6% in November

Week ahead

- US Services PMI, Non-farm Payrolls, and Consumer Sentiment
- Eurozone 3Q23 GDP
- Earnings from AutoZone (AZN), Veeva Systems (VEEV), Dollar General (DG), Broadcom (AVGO), Lululemon (LULU), and DocuSign (DOCU)

*For exact dates please check page 4 of this document

Commentary

Global equity and bond markets rallied last week, as both the US and Eurozone inflation figures declined. In the US, the core Personal Consumption Expenditure index (Fed's preferred inflation indicator) declined to 3.5% (from January peak of 4.9%), while the Eurozone core inflation fell to 3.6% (from March peak of 5.7%).

Positive performance in equity markets was broad-based, as S&P 500 equal weight index strongly outperformed its market cap-weighted peer (+2.4% and +0.8%, respectively). Meanwhile, Russell 2000, a US small-cap benchmark, rallied 3.1%.

Alongside the equity rally, fixed income yields declined considerably. The 10-year US Treasury yield now stands at 4.24%, down from this year's peak of 4.99%. Corporate credit yields also retreated, with US investment grade and high yield credits now averaging 5.49% and 8.41%, respectively. Similar dynamics played out in the European fixed income markets.

Markets are now foreseeing a swift policy easing in 2024. The market-implied probability of Fed rate falling to 4.0-4.25% or below by December 2024 stands at 76% (vs 19% in past week).

EQUITIES	Level	1W % change	1M % change	YTD % change
United States				
S&P 500	4,595	0.8	8.4	20.1
Nasdaq 100	15,998	0.1	5.6	47.30
Dow Jones 30	36,246	2.4	8.9	9.4
Russell 2000	1,863	3.1	11.6	6.4
Global				
S&P Europe	1,894	1.3	6.5	10.1
S&P China	3,178	-1.4	-1.7	-10.3
S&P Japan	2,083	-0.5	3.5	22.0
S&P Global	3,349	0.8	6.5	10.6

FIXED INCOME	Yield (%)	1-week ago	1-month ago	1-Jan-2023
United States				
2y US Treasury	4.55	4.89	5.05	4.43
10y US Treasury	4.22	4.39	4.74	3.88
US IG Credit	5.49	5.81	5.97	5.31
US HY Credit	8.41	8.74	8.85	8.82
Europe				
2y German Bund	2.66	2.98	3.19	2.69
10y German Bund	2.36	2.55	2.65	2.45
Europe IG Credit	3.99	4.31	4.32	4.04
Europe HY Credit	6.88	7.06	7.38	7.38

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

Major regional equity indices



Source: Bloomberg, Galt & Taggart

*For detailed information of given portfolios please check page 5 of this document

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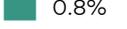
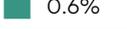
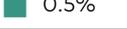
S&P 500 Sector Highlights

Real Estate was the best performing sector last week, as sector ETF (XLRE) gained 4.7%. 91 out of 100 largest sector companies closed the week in green. From top 20, only Weyerhaeuser (WY, -0.6%) and Welltower (WELL, -0.2%) declined. Meanwhile, the best performers from the list were Crown Castle (CCI, +14.5%), Alexandria Real Estate Equities (ARE, +12.3%), Simon Property Group (SPG, +6.6%), SBA Communications (SBAC, +6.6%), and VICI Properties (VICI, +6.4%).

Communications was the weakest performing sector, with respective ETF losing 1.5%. 36 out of 100 largest sector companies lost the ground. From top 20, 11 stocks declined. The worst performers from the list were Baidu (BIDU, -5.4%), NetEase (NTES, -5.2%), Meta Platforms (META, -4.0%), Walt Disney (DIS, -3.6%), and Alphabet (GOOGL, -3.6%).

*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	459.1	 0.8%	21.0	375.2	459.1	Positive
Real Estate	XLRE	38.0	 4.7%	2.5	32.2	41.8	Negative
Materials	XLB	83.3	 2.7%	7.4	74.5	85.7	Neutral
Industrials	XLI	108.7	 2.3%	10.5	96.4	110.8	Neutral
Financials	XLF	36.2	 2.2%	5.4	31.0	37.0	Neutral
Discretionary	XLY	171.1	 1.7%	33.3	126.3	177.0	Positive
Utilities	XLU	63.5	 1.3%	-9.9	56.2	72.1	Negative
Staples	XLP	70.9	 0.8%	-4.5	66.2	77.5	Neutral
Technology	XLK	185.6	 0.6%	50.6	121.2	185.6	Neutral
Health Care	XLV	131.8	 0.5%	-2.7	123.1	139.5	Positive
Energy	XLE	85.0	 0.1%	0.7	76.6	93.4	Positive
Communications	XLC	69.9	-1.5% 	43.8	46.7	71.2	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 high, \$	52-week low, \$	12M price target, \$*	12M upside potential, %
1	CRM	Salesforce	260.0	15.9	27.5	92.9	260.0	128.3	271.0	4.2
2	GM	General Motors	32.4	15.2	15.6	-4.3	43.2	26.6	44.8	38.5
3	SCHW	Charles Schwab	63.2	11.9	19.6	-22.7	85.4	47.3	68.5	8.4
4	PYPL	PayPal	59.7	7.0	15.5	-20.0	87.0	50.4	73.7	23.6
5	BAC	Bank of America	31.0	5.0	17.3	-7.6	36.8	25.2	34.5	11.3
6	UBER	Uber Technologies	57.3	3.7	30.8	126.1	57.3	24.4	62.3	8.6
7	TSLA	Tesla	238.8	1.4	16.1	120.9	293.3	108.1	260.9	9.2
8	AAPL	Apple	191.2	0.7	9.9	53.1	196.4	124.8	203.4	6.3
9	AMZN	Amazon.com	147.0	0.2	7.3	71.3	147.7	81.8	177.7	20.9
10	INTC	Intel	43.7	-0.5	17.3	65.6	44.9	24.9	37.8	-13.6
11	AMD	Advanced Micro Devices	121.4	-0.8	12.4	89.6	129.2	62.3	128.6	5.9
12	MSFT	Microsoft	374.5	-0.8	8.2	56.7	382.7	221.8	413.4	10.4
13	MU	Micron Technology	75.9	-1.2	9.4	50.7	78.6	49.0	80.6	6.2
14	XOM	Exxon Mobil	103.0	-1.5	-2.5	-2.6	120.2	99.8	131.5	27.7
15	NVDA	NVIDIA	467.6	-2.1	10.5	226.7	504.1	140.4	656.0	40.3
16	DELL	Dell	71.9	-3.3	4.7	77.3	75.9	36.6	77.9	8.3
17	GOOGL	Alphabet	131.9	-3.5	4.3	48.0	140.6	86.0	155.0	17.6
18	META	Meta Platforms	324.8	-4.0	4.2	160.4	341.5	113.9	389.3	19.9
19	PFE	Pfizer	28.9	-5.2	-5.2	-43.1	54.0	28.9	36.7	26.8
20	BABA	Alibaba Group	74.0	-5.7	-10.3	-19.6	120.6	74.0	129.9	75.5

*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 23 October	18:00	Eurozone	ECB President Lagarde speech	Nio	NIO	Premarket			
Tuesday 24 October	13:00	Eurozone	Services PMI (Nov)	Gitlab	GTLB	Premarket			
	19:00	US	Services PMI (Nov)	Science Applications	SAIC	Premarket			
Wednesday 25 October	14:00	Eurozone	Retail sales (Oct)	AutoZone	AZO	Premarket			
				Ferguson	FERG	Premarket			
				MongoDB	MDB	After market			
Thursday 26 October	14:00	Eurozone	GDP 3 rd est. (3Q23)	Brown Foreman	BF	Premarket			
	17:30	US	Jobless claims (Dec/02)	Campbell Soup	CPB	Premarket			
Friday 27 October	03:50	Japan	GDP (3Q23)	Veeva Systems	VEEV	After market			
				11:00	Germany	Inflation (Nov)	Dollar General	DG	Premarket
				17:30	US	Non-farm payrolls (Nov)	Broadcom	AVGO	After market
				19:00	US	Consumer sentiment prel. (Dec)	Lululemon Athletica	LULU	After market
				DocuSign	DOCU	After market			
				IES Holdings	IESC	N/A			

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

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