



## Weekly Markets Overview

### Last week

- US PCE inflation declined to 2.4%, while core PCE fell to 2.8% (in line with expectations)
- Eurozone CPI inflation declined to 2.6%, while core CPI fell to 3.1% (both figures higher than expected)

### Week ahead

- US non-farm payrolls and Fed Chairman Powell speech
- ECB interest rate decision and Eurozone GDP
- Earnings from Broadcom (AVGO), Oracle (ORCL), Nio (NIO), and others

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

### Commentary:

US PCE inflation, Fed's preferred inflation measure, continued to decline in January with headline figure reaching 2.4% and core falling to 2.8% (both figures in line with consensus analyst forecasts). The news had a positive impact on markets, especially after a higher than expected CPI figure (traditional inflation measure) released earlier in February. In fixed income markets, yields declined, especially on shorter-term securities (2-year US Treasury now offers 4.55% yield vs 4.69% a week ago). Meanwhile, a market-wide rally was observed in equities, with small-caps being the best performers. Moreover, the rally was less concentrated in large caps, with equal-weighted S&P 500 slightly outperforming its market-cap weighted peer.

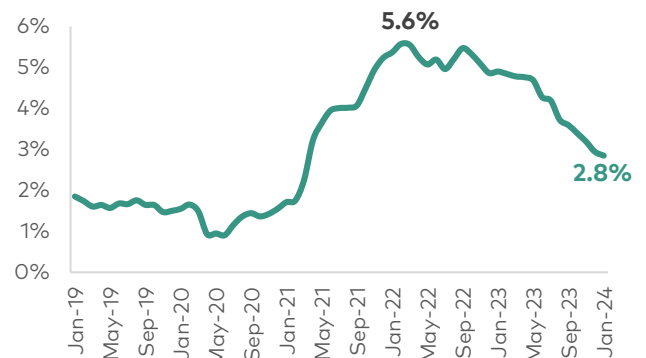
In contrast, preliminary February inflation came in higher than expected in Eurozone (core CPI declined to 3.1% vs 2.9% forecast). As a result, European equities remained largely stagnant last week. Importantly, on Thursday this week ECB will make an interest rate decision, which will factor in the latest inflation print.

EQUITIES	Level	1W % change	1M % change	YTD % change
<b>United States</b>				
S&P 500	5,137	0.9	4.7	7.7
Nasdaq 100	18,303	2.0	5.5	8.8
Dow Jones 30	39,087	-0.1	1.5	3.7
Russell 2000	2,076	3.0	5.2	2.4
<b>Global</b>				
S&P Europe	2,022	0.1	2.8	4.0
S&P China	326	-0.1	8.8	-2.7
S&P Japan	2,180	4.5	8.5	6.5
S&P Global	3,457	0.8	4.3	19.9

FIXED INCOME	Yield (%)	1-week ago	1-month ago	1-Jan-2024
<b>United States</b>				
2y US Treasury	4.55	4.69	4.47	4.25
10y US Treasury	4.20	4.26	4.16	3.88
US IG Credit	5.40	5.40	5.33	5.22
US HY Credit	7.85	7.88	7.93	7.80
<b>Europe</b>				
2y German Bund	2.88	2.87	2.62	2.41
10y German Bund	2.41	2.36	2.32	2.02
Europe IG Credit	3.93	3.89	3.85	3.67
Europe HY Credit	6.06	6.00	6.16	6.06

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

### US annual core PCE inflation



Source: Bloomberg

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## S&P 500 Sector Highlights

**Technology was the best performing sector last week, with the associated ETF (XLK) gaining 2.7% w/w.** 81 out of 100 largest sector stocks closed the week in green. From top 20, only Apple (AAPL, -1.6%) and Cisco (CSCO, -0.9%) declined. Meanwhile, the best performers from the list were AMD (AMD, +14.8%), Salesforce (CRM, +8.2%), Broadcom (AVGO, +7.9%), Qualcomm (QCOM, +5.3%), and ASML (ASML, +6.2%).

**Healthcare was the weakest performing sector, with respective ETF (XLV) losing -1.0% w/w.** 58 out of 100 largest sector companies closed the week in red. From top 20, 11 stocks declined. The weakest performers from the list were UnitedHealth Group (UNH, -7.2%), Pfizer (PFE, -4.2%), and Sanofi (SNY, -3.0%). Meanwhile, Intuitive Surgical (ISRG, +2.1%) was the best performer.

\*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	512.8	 1.0	4.8	383.9	512.8	Positive
Technology	XLK	210.8	 2.7	5.3	135.5	210.8	Neutral
Real Estate	XLRE	39.5	 2.1	1.9	32.2	40.5	Neutral
Discretionary	XLY	185.0	 2.1	6.2	138.2	185.0	Positive
Energy	XLE	87.1	 1.4	4.5	76.6	93.4	Positive
Materials	XLB	88.0	 1.3	5.2	74.5	88.0	Negative
Industrials	XLI	121.5	 1.1	5.8	96.4	121.5	Negative
Communications	XLC	80.0	 0.4	4.4	52.3	80.2	Positive
Financials	XLF	40.3	0.0	3.8	31.0	40.4	Neutral
Utilities	XLU	61.7	-0.4 	-1.4	56.2	70.0	Positive
Staples	XLP	74.5	-0.4 	0.1	66.2	77.5	Neutral
Health Care	XLV	146.3	-1.0 	2.9	123.1	147.9	Neutral

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	<b>DELL</b>	Dell Tech	124.6	<b>37.9</b>	45.2	62.7	36.6	124.6	113.5	<b>-8.9</b>
2	<b>AMD</b>	AMD	202.6	<b>14.8</b>	18.9	49.7	78.3	202.6	196.8	<b>-2.9</b>
3	<b>MU</b>	Micron	95.2	<b>10.6</b>	11.1	15.7	53.9	95.2	96.8	<b>1.7</b>
4	<b>CRM</b>	Salesforce	316.9	<b>8.2</b>	11.7	25.8	167.4	316.9	326.4	<b>3.0</b>
5	<b>QCOM</b>	Qualcomm	163.1	<b>5.8</b>	15.6	18.5	103.0	163.1	162.8	<b>-0.2</b>
6	<b>TSLA</b>	Tesla	202.6	<b>5.6</b>	7.3	<b>-15.0</b>	153.8	293.3	233.7	<b>15.3</b>
7	<b>NVDA</b>	NVIDIA	822.8	<b>4.4</b>	30.5	73.0	226.9	822.8	886.5	<b>7.7</b>
8	<b>META</b>	Meta Platforms	502.3	<b>3.8</b>	27.2	45.8	173.4	502.3	529.0	<b>5.3</b>
9	<b>UBER</b>	Uber Tech	81.0	<b>3.6</b>	21.4	39.1	29.6	81.4	86.4	<b>6.6</b>
10	<b>TSM</b>	Taiwan Semiconductor	133.9	<b>3.4</b>	18.1	33.7	82.3	133.9	145.8	<b>8.8</b>
11	<b>PYPL</b>	PayPal	60.5	<b>2.3</b>	<b>-2.4</b>	3.3	50.4	77.3	67.6	<b>11.7</b>
12	<b>BAC</b>	Bank of America	34.3	<b>2.0</b>	2.4	2.4	25.2	34.8	37.9	<b>10.2</b>
13	<b>INTC</b>	Intel	43.8	<b>1.9</b>	1.1	<b>-6.9</b>	25.3	50.8	46.0	<b>4.9</b>
14	<b>XOM</b>	Exxon Mobil	105.8	<b>1.9</b>	3.4	2.5	96.8	120.2	126.9	<b>19.9</b>
15	<b>AMZN</b>	Amazon.com	178.2	<b>1.8</b>	11.9	20.0	90.7	178.2	208.6	<b>17.0</b>
16	<b>WMT</b>	Walmart	58.8	<b>0.4</b>	4.5	10.7	56.8	170.3	84.0	<b>42.9</b>
17	<b>AAPL</b>	Apple	179.7	<b>-1.6</b>	<b>-3.9</b>	<b>-2.5</b>	145.3	198.1	203.8	<b>13.4</b>
18	<b>PFE</b>	Pfizer	26.6	<b>-4.2</b>	<b>-2.6</b>	<b>-10.6</b>	26.1	41.8	30.3	<b>14.1</b>
19	<b>GOOGL</b>	Alphabet	137.1	<b>-4.7</b>	<b>-2.8</b>	<b>-1.3</b>	90.4	153.5	164.6	<b>20.0</b>
20	<b>UNH</b>	UnitedHealth Group	489.5	<b>-7.2</b>	<b>-3.5</b>	<b>-9.7</b>	447.8	551.1	597.6	<b>22.1</b>

\*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 4 March				Sea	SE	Premarket
				Gitlab	GTLB	After market
Tuesday 5 March	13:00	Eurozone	Services PMI	Target	TGT	Premarket
	19:00	US	Services PMI	JD.com	JD	Premarket
Wednesday 6 March				Nio	NIO	Premarket
	14:00	Eurozone	Retail sales	CrowdStrike	CRWD	After market
	19:00	US	Fed Chairman Powell speech	Deutsche Post	DHLGY	Premarket
Thursday 7 March				Constellation Software	CNSWF	N/A
	17:15	Eurozone	ECB interest rate decision	Broadcom	AVGO	After market
	20:30	US	Fed Chairman Powell speech	Costco	COST	After market
				Petroleo Brasileiro	PBR	After market
Friday 8 March				Oracle	ORCL	N/A
	14:00	Eurozone	4Q23 GDP			
	17:30	US	Non-farm payrolls			

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

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