



## Weekly market overview

### Week ahead

- Analysts consider large semiconductor stocks undervalued, namely NVIDIA (NVDA), AMD (AMD), and Broadcom (AVGO)
- Palantir (PLTR), Uber Tech (UBER), Airbnb (ABNB), Novo Nordisk (NVO), Walt Disney (DIS), Occidental Petroleum (OXY), and Sony (SONY) will release earnings this week
- China and Germany will report July inflation

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

### Commentary

#### Last week saw sizeable declines across global equity markets.

Losses were observed in both developed and emerging markets and in all size and style categories. In the US, smaller stocks underperformed as Russell 2000 (a US small-cap benchmark) lost near 7% of value throughout the week. In terms of sectors, Utilities was the best performer, while Technology lost the most ground (for detailed sector performance please refer to page 2 of the document).

Investor pessimism was primarily explained by a weaker than expected macroeconomic data releases in the US. While job growth slowed remarkably in July, unemployment rate unexpectedly ticked up to 4.3%. Moreover, manufacturing PMI declined further into the contraction territory, while analysts were expecting a slight improvement in the figure.

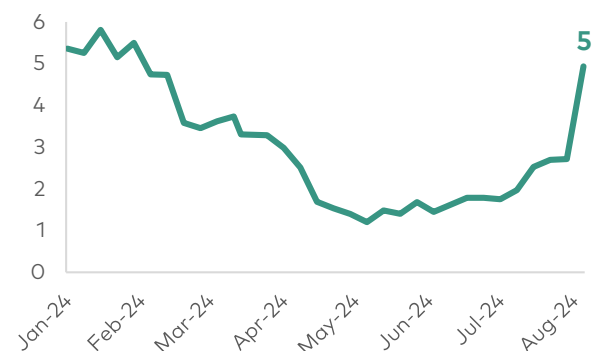
**In light of the weak economic activity, markets expect more rate cuts from the Fed.** Not so long ago, markets were pricing in only one or two 25bps cuts from the Fed in 2024. Currently, five cuts are expected (see the figure to the right). As a result, fixed income yields have fallen considerably in past month, with 2- and 10-year treasury yields losing 88bps and 47bps, respectively. Decline in yields is observed in corporate bond markets as well, with high-quality bonds now yielding 38bps less than a month ago.

EQUITIES	Level	W/W % change	M/M % change	YTD % change
<b>United States</b>				
S&P 500	5,347	-2.1	-2.9	12.1
Nasdaq 100	18,441	-3.1	-7.9	9.6
Dow Jones 30	39,737	-2.1	1.0	5.4
Russell 2000	2,109	-6.7	3.7	4.1
<b>Global</b>				
S&P Europe	2,022	-2.9	-2.7	4.1
S&P China	2,420	-0.3	-3.2	-0.7
S&P Japan	2,067	-3.2	-3.8	3.3
S&P Global	3,798	-2.0	-2.6	9.9

FIXED INCOME	Yield, %	1-week ago	1-month ago	1-Jan-2024
<b>United States</b>				
2y US Treasury	3.87	4.39	4.75	4.25
10y US Treasury	3.80	4.20	4.27	3.88
US IG Credit	5.02	5.34	5.40	5.22
US HY Credit	7.77	7.75	7.97	7.80
<b>Europe</b>				
2y German Bund	2.28	2.67	2.89	2.41
10y German Bund	2.14	2.40	2.53	2.02
Europe IG Credit	3.53	3.68	3.84	3.67
Europe HY Credit	5.90	5.90	6.01	6.06

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

#### Number of 25bps Fed rate cuts expected by the end of 2024 (upper bound)



Source: Bloomberg

Note: figure illustrates market-implied forecasts

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## 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>532.9</b>	<b>-2.1</b> 	<b>12.1</b>	<b>410.7</b>	<b>564.9</b>	<b>Positive</b>
Utilities	XLU	74.2	 4.3	15.5	56.2	74.2	Neutral
Real Estate	XLRE	41.9	 2.8	3.5	32.2	41.9	Negative
Communications	XLC	84.7	 1.2	17.3	63.1	87.8	Neutral
Staples	XLP	79.3	 1.0	8.8	66.2	79.3	Neutral
Health Care	XLV	150.9	 0.6	8.7	123.1	151.2	Neutral
Materials	XLB	90.0	-1.4 	5.5	74.5	93.1	Positive
Industrials	XLI	122.7	-2.8 	8.8	96.4	128.2	Neutral
Financials	XLF	42.1	-3.1 	11.4	31.5	43.8	Positive
Discretionary	XLY	176.2	-3.5 	-0.6	148.0	194.7	Negative
Energy	XLE	88.4	-4.1 	4.3	79.9	98.1	Positive
Technology	XLK	204.7	-5.3 	9.2	160.2	237.7	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	RMD	Resmed	223.6	13.5	18.1	34.9	134.6	223.6	207.5	-7.2
2	DXCM	Dexcom	72.3	13.0	-35.7	-39.9	64.0	140.4	110.3	52.6
3	LH	Laboratory	236.0	11.9	16.4	4.1	192.5	236.0	253.4	7.4
4	MTCH	Match Group	36.7	10.3	24.5	2.3	28.5	46.9	37.6	2.5
5	CHRW	CH Robinson	98.6	10.2	14.5	12.9	67.9	102.2	101.2	2.6

### 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	INTC	Intel	21.5	-31.5	-30.9	-54.3	21.5	50.8	30.2	40.6
2	MRNA	Moderna	86.6	-29.1	-26.8	-23.0	62.6	170.5	124.9	44.2
3	WDC	Western Digital	57.2	-16.2	-26.7	13.7	38.3	80.2	91.4	59.7
4	MU	Micron Technology	92.7	-15.3	-30.1	12.7	63.4	153.4	168.3	81.6
5	MGM	MGM Resorts	35.5	-15.2	-16.2	-19.8	34.2	49.3	56.7	59.8

### 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	AAPL	Apple	219.9	0.9	-0.2	19.3	165.0	234.8	248.8	13.2
2	MSFT	Microsoft	408.5	-3.9	-11.1	10.2	312.1	467.6	511.4	25.2
3	NVDA	NVIDIA	107.3	-5.1	-12.6	122.7	39.2	140.8	142.8	33.1
4	AVGO	Broadcom	143.8	-5.2	-15.6	32.5	79.5	185.2	196.9	36.9
5	AMD	AMD	132.5	-5.4	-19.4	-2.1	93.7	211.4	190.3	43.6
6	TSLA	Tesla	207.7	-5.5	-10.2	-12.9	142.1	276.0	228.6	10.1
7	TSM	Taiwan Semiconductor	149.9	-7.5	-14.7	49.6	84.3	191.1	191.1	27.5
8	AMZN	Amazon.com	167.9	-8.0	-16.1	13.1	119.6	200.0	226.3	34.8
9	BAC	Bank of America	37.6	-9.8	-8.2	12.1	25.2	44.1	45.5	21.1
10	C	Citigroup	58.8	-9.8	-9.2	9.5	37.7	67.6	71.1	21.0

\*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 regarding 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 &amp; Taggart



## Week ahead calendar

### Macroeconomic releases

### Company earnings

	Time (GMT +4)	Country	Event	Company	Ticker	Time
Monday 5 August	18:00	US	Services PMI (Jul)	BioNTech	BNTX	Premarket
			Palantir	PLTR	After market	
Tuesday 6 August	13:00	Eurozone	Retail sales (Jun)	Caterpillar	CAT	Premarket
				Uber Tech	UBER	Premarket
				Airbnb	ABNB	After market
				Amgen	AMGN	After market
Wednesday 7 August				Novo Nordisk	NVO	Premarket
				Walt Disney	DIS	Premarket
				CVS Health	CVS	Premarket
				Shopify	SHOP	Premarket
				Occidental Petroleum	OXY	After market
Thursday 8 August				Eli Lilly	LLY	Premarket
				Sony	SONY	N/A
Friday 9 August	05:30	China	Inflation (Jul)			
	10:00	Germany	Inflation (Jul)			

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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