



## Weekly market overview

### Week ahead

- Analysts consider materials and financials industries undervalued
- PepsiCo (PEP), JPMorgan (JPM), and Wells Fargo (WFC) will release earnings this week
- US will report CPI and PPI for September. EU will release retail sales data of August.

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

### Commentary

**The US economy added 254,000 jobs in September** (nearly twice the expected amount) which helped stocks overcome concerns about Middle East tensions and a dockworkers' strike on the East Coast. Unemployment dipped to 4.1%, but wage growth also surged, raising concerns about inflation. Oil prices spiked due to the conflict in the Middle East, boosting energy shares but weighing on sectors like consumer discretionary. Despite this, US Treasury yields reached their highest levels in nearly two months as investors reacted to strong economic data.

**In Europe, the growing unrest in the Middle East led to significant drops in stock markets across the region.** The STOXX 600 Index fell 1.80%, with Italy, France, and Germany facing more substantial losses. Meanwhile, Eurozone inflation dropped below the ECB's target to 1.8%, fueling expectations of a potential interest rate cut in October. ECB President Christine Lagarde hinted at a shift toward easier monetary policy to support growth, while in the UK, Bank of England officials debated the pace and scale of future rate cuts depending on inflation trends.

**In China, stocks surged as government support measures boosted market confidence,** with the Shanghai Composite and CSI 300 Indexes rising sharply. However, factory activity contracted for the fifth straight month, with a PMI of 49.8 signaling continued weakness in demand. The real estate sector remained troubled, with new home sales from top developers falling by nearly 38% year-over-year in September.

EQUITIES	Level	W/W % change	M/M % change	YTD % change
<b>United States</b>				
S&P 500	5,751	0.2	4.2	20.6
Nasdaq 100	20,035	0.1	5.9	19.1
Dow Jones 30	42,353	0.1	3.4	12.4
Russell 2000	2,213	-0.5	3.2	9.2
<b>Global</b>				
S&P Europe	2,106	-1.8	0.7	8.4
S&P China	2,725	10.2	28.3	24.1
S&P Japan	2,524	-1.8	2.3	14.5
S&P Global	4,080	-0.7	3.6	17.2

FIXED INCOME	Yield, %	1-week ago	1-month ago	1-Jan-2024
<b>United States</b>				
2y US Treasury	3.93	3.56	3.77	4.25
10y US Treasury	3.98	3.75	3.77	3.88
US IG Credit	4.92	4.74	4.90	5.22
US HY Credit	7.25	7.17	7.43	7.80
<b>Europe</b>				
2y German Bund	2.21	2.09	2.31	2.41
10y German Bund	2.22	2.14	2.22	2.02
Europe IG Credit	3.35	3.33	3.51	3.67
Europe HY Credit	5.44	5.49	5.75	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), Smurfit Westrock (SW), and Nucor Corporation (NUE) 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
<b>S&amp;P 500</b>	<b>SPY</b>	<b>573.0</b>	0.3	<b>20.5</b>	<b>409.2</b>	<b>574.7</b>	<b>Positive</b>
Energy	XLE	93.2	6.9	11.1	79.0	99.0	Neutral
Financials	XLF	45.7	1.1	21.4	31.4	45.9	Positive
Utilities	XLU	81.3	1.1	28.4	54.8	82.1	Neutral
Communications	XLC	90.9	1.0	25.1	62.8	91.0	Neutral
Industrials	XLI	135.5	0.5	18.9	96.1	136.2	Neutral
Technology	XLK	225.3	0.1	17.0	159.5	238.1	Neutral
Health Care	XLV	151.6	-0.9	11.2	122.6	159.6	Neutral
Discretionary	XLY	198.2	-1.3	10.8	147.8	201.9	Negative
Real Estate	XLRE	43.5	-1.7	8.6	32.0	45.6	Neutral
Materials	XLB	95.2	-1.8	11.3	74.3	97.8	Positive
Staples	XLP	81.5	-1.9	13.1	65.2	84.5	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	VST	Vistra Corp.	138.4	17.6	80.5	259.3	31.2	139.4	129.2	-6.6
2	FANG	Diamondback Energy	194.6	14.1	5.6	25.5	145.7	214.5	218.0	12.0
3	CEG	Constellation Energy	285.5	11.1	60.8	144.3	105.1	286.0	269.2	-5.7
4	WMB	The Williams Companies	49.6	9.9	11.7	42.5	32.7	49.7	46.1	-7.2
5	APA	APA Corporation	26.9	9.6	3.9	-25.1	22.7	43.6	35.3	31.3

### 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	HUM	Humana Inc.	240.0	-24.9	-35.4	-47.6	213.3	530.5	337.8	40.7
2	J	Jacobs Solutions	140.0	-10.0	-4.6	7.9	120.7	156.3	152.0	8.5
3	FSLR	First Solar, Inc.	231.1	-9.6	7.3	34.2	129.2	306.8	290.6	25.7
4	CAG	Conagra Brands	29.5	-9.1	-8.9	3.0	25.2	33.2	31.2	5.7
5	MRNA	Moderna, Inc.	60.2	-8.4	-17.0	-39.5	59.6	170.5	98.1	63.0

### 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	124.9	2.9	17.6	152.3	39.2	140.8	149.9	20.0
2	TSLA	Tesla	250.1	-4.0	14.0	0.6	138.8	271.0	208.6	-16.6
3	INTC	Intel Corporation	22.6	-5.5	16.3	-55.0	18.5	51.3	25.8	14.2
4	AMD	AMD	170.9	4.0	21.3	15.9	93.1	227.3	186.9	9.4
5	AMZN	Amazon.com	186.5	-0.8	7.6	22.8	118.4	201.2	220.8	18.4
6	AAPL	Apple Inc.	226.8	-0.4	2.7	17.8	164.1	237.2	240.2	5.9
7	BAC	Bank of America	40.1	1.8	-1.0	19.1	25.0	44.4	45.2	12.7
8	SMCI	Super Micro Computer	41.2	-1.8	-2.6	45.0	22.7	122.9	74.9	81.7
9	MU	Micron Technology	102.3	-4.9	14.5	19.8	63.9	157.5	146.1	42.9
10	XOM	Exxon Mobil	124.8	7.8	9.4	24.9	95.8	125.2	130.5	4.6

\*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, %
<b>USD</b>								
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	6.75%
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, %
<b>EUR</b>								
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	-/-/-	99.60	7.00%
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	-/-/-	n/a	7.75%
Silk Real Estate	EUR	7	7.00%	Aug-24	Aug-25	-/-/-	n/a	7.00%
Chavchavadze 64B	EUR	3	7.75%	Aug-24	Aug-26	-/-/-	n/a	7.75%
<b>GEL</b>								
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	-/-/B	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-/-/-	100.00	13.22%
MFO Rico Express	GEL	130	TIBR1D + 2.00%	Mar-23	Mar-26	-/-/B+	n/a	n/a
TBC Leasing	GEL	100	TIBR3M + 3.00%	Mar-23	Mar-26	BB-/-/-	n/a	n/a
TBC Leasing	GEL	15	TIBR3M + 2.75%	Jun-23	Jun-26	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
<b>Monday</b> 7 October	13:00	EU	Retail sales, Aug			
<b>Tuesday</b> 8 October	16:30	US	Trade balance, Aug	PepsiCo	PEP	Premarket
<b>Wednesday</b> 9 October	22:00	US	FOMC minutes	AZZ	AZZ	After market
<b>Thursday</b> 10 October	16:30	US	CPI, Sept	Delta Air Lines	DAL	Premarket
				Domino's Pizza	DPZ	Premarket
				Neogen	NEOG	Premarket
<b>Friday</b> 11 October	16:30	US	PPI, Sept	JPMorgan Chase	JPM	Premarket
				Wells Fargo	WFC	Premarket
				Bank of New York Mellon	BK	Premarket

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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