



Weekly Markets Overview

Last week

- US March non-farm payrolls came in at the highest level since May 2023 (303,000 vs 200,000 forecast), while unemployment is down from 3.9% to 3.8%
- Eurozone March preliminary core inflation declined more than expected from 3.1% to 2.9%

Week ahead

- ECB interest rate decision
- US inflation and consumer sentiment
- Earnings from JPMorgan (JPM), Wells Fargo (WFC), BlackRock (BRK), Citigroup (C), and others

*For exact dates please check page 4 of this document

Commentary:

Equities declined last week, with small-caps underperforming rest of the market. Two major macroeconomic indicators signaled a stronger than anticipated economic activity in the US. While non-farm payrolls came in significantly higher than consensus forecasts, manufacturing PMI unexpectedly entered the expansion territory for the first time since October 2022. As strong growth raises inflation concerns, stock markets declined with small-cap growth and large-cap growth styles being the weakest and strongest performers, respectively. Meanwhile, fixed income yields increased considerably, with longer term treasury yields rallying by a larger margin (2 and 10 year treasury yields increased by 10bps and 17bps*, respectively).

In response to the economic resilience in the US, markets are pricing in less Fed rate cuts in 2024. Since the start of the year, market expectations for Fed cuts have been gradually decreasing (see the figure to the right). While in January markets were foreseeing five to six 25bps cuts, now only two to three cuts are anticipated. Lastly, the Fed is expected to deliver the first interest rate cut on either June or July meeting, with near zero chance of a rate change in May.

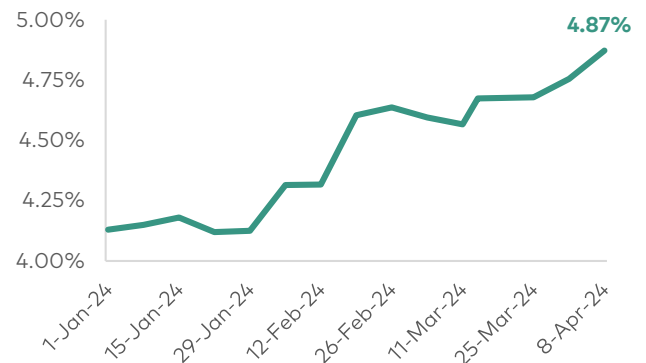
*Basis points (bps) is one hundredth of a percent (e.g., 10bps = 0.1%)

EQUITIES	Level	1W % change	1M % change	YTD % change
United States				
S&P 500	5,204	-1.0	2.5	9.1
Nasdaq 100	18,108	-0.8	1.2	7.6
Dow Jones 30	38,904	-2.3	0.8	3.2
Russell 2000	2,063	-2.9	0.5	1.8
Global				
S&P Europe	2,056	-1.2	2.0	5.8
S&P China	2,476	0.8	1.4	1.6
S&P Japan	2,190	-1.7	-0.5	9.4
S&P Global	3,741	-0.1	2.2	8.2

FIXED INCOME	Yield (%)	1-week ago	1-month ago	1-Jan-2024
United States				
2y US Treasury	4.73	4.63	4.55	4.25
10y US Treasury	4.38	4.21	4.14	3.88
US IG Credit	5.51	5.37	5.36	5.22
US HY Credit	7.88	7.81	7.83	7.80
Europe				
2y German Bund	2.87	2.83	2.84	2.41
10y German Bund	2.40	2.29	2.32	2.02
Europe IG Credit	3.79	3.78	3.88	3.67
Europe HY Credit	6.08	6.02	6.04	6.06

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

Market-implied 2024 year-end Fed rate (upper bound)



Source: Bloomberg

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S&P 500 Sector Highlights

Energy was the best performing sector last week, with the associated ETF (XLE) gaining 3.9% w/w. 84 out of 100 largest sector stocks rallied during the week. From top 20, only Enbridge (ENB, -2.3%) declined. Meanwhile, the best performers from the list were Marathon Petroleum (MPC, +8.8%), Valero Energy (VLO, +7.4%), Occidental petroleum (OXY, +6.6%), Canadian Natural Resources (CNQ, +6.4%), and Shell (SHEL, +6.3%).

Health Care was the weakest performing sector, with respective ETF (XLV) losing -3.1% w/w. 81 out of 100 largest sector stocks declined during the week. From top 20, Eli Lilly (LLY, +0.8%) was the only gainer. Meanwhile, the weakest performers from the list were UnitedHealth Group (UNH, -7.9%), Abbvie (ABBV, -6.6%), Amgen (AMGN, -5.1%), Pfizer (PFE, -3.9%), and Johnson & Johnson (JNJ, -3.7%).

*For detailed information on sectors please check page 5 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	518.4	-0.9 	2.2	404.4	523.2	Positive
Energy	XLE	98.1	 3.9	12.9	76.6	98.1	Positive
Communications	XLC	82.5	 1.1	5.3	56.1	82.8	Neutral
Materials	XLB	92.8	-0.1 	5.3	74.5	92.9	Positive
Industrials	XLI	125.7	-0.2 	3.9	96.4	126.0	Neutral
Utilities	XLU	65.2	-0.7 	4.1	56.2	70.0	Neutral
Technology	XLK	206.4	-0.9 	0.4	144.0	211.0	Neutral
Financials	XLF	41.6	-1.3 	2.9	31.5	42.1	Positive
Staples	XLP	74.3	-2.7 	-0.5	66.2	77.5	Neutral
Discretionary	XLY	178.8	-2.7 	-0.8	143.5	185.0	Negative
Real Estate	XLRE	38.4	-2.9 	-2.8	32.2	40.5	Negative
Health Care	XLV	143.2	-3.1 	-1.2	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	DELL	Dell Technology	132.7	16.3	12.7	73.3	40.2	132.7	83.9	-12.1
2	META	Meta Platforms	527.3	8.6	7.6	53.1	207.6	527.3	398.3	0.7
3	MU	Micron	123.6	4.8	30.8	50.2	56.9	128.0	95.2	2.8
4	XOM	Exxon Mobil	121.4	4.4	14.9	17.6	96.8	121.4	130.0	4.1
5	TSM	Taiwan Semiconductor	141.4	3.9	4.7	41.1	82.3	149.2	111.7	13.8
6	AMZN	Amazon.com	185.1	2.6	6.3	24.7	97.8	185.1	185.6	13.7
7	CVX	Chevron	161.6	2.4	8.0	6.1	141.5	172.4	179.3	8.7
8	MSFT	Microsoft	425.5	1.1	5.7	14.8	275.4	429.4	427.4	11.0
9	GOOGL	Alphabet	152.5	1.0	14.9	9.8	103.7	155.5	156.1	8.6
10	UBER	Uber Tech	77.2	0.2	-2.4	32.5	29.6	81.4	66.2	13.7
11	AAPL	Apple	169.6	-1.1	-0.3	-8.0	160.1	198.1	203.9	18.8
12	BAC	Bank of America	37.1	-2.1	4.9	10.7	25.2	37.9	36.5	3.5
13	NVDA	NVIDIA	880.1	-2.6	2.4	85.0	262.4	950.0	658.1	12.1
14	DIS	Walt Disney	118.4	-3.3	4.9	29.2	79.3	122.8	106.9	9.9
15	JNJ	Johnson & Johnson	152.4	-3.7	-4.7	-5.3	145.6	174.5	174.1	14.7
16	PFE	Pfizer	26.7	-3.9	2.2	-10.3	25.9	41.8	31.9	14.8
17	AMD	AMD	170.4	-5.6	-16.9	25.9	81.6	211.4	142.0	16.8
18	CMCSA	Comcast	40.9	-5.7	-2.8	-5.6	36.5	47.1	51.5	27.1
19	TSLA	Tesla	164.9	-6.2	-8.8	-30.8	153.8	293.3	267.9	34.8
20	INTC	Intel	38.7	-12.4	-10.3	-17.7	27.4	50.8	44.8	16.0

*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
 Source: Bloomberg, Tipranks (top 20 by value)



Week ahead calendar

Macroeconomic releases

Company earnings

	Time (GMT +4)	Country	Event	Company	Ticker	Time
Monday 8 April						
Tuesday 9 April	03:00	UK	Retail sales (Mar)			
Wednesday 10 April	16:30	US	Inflation (Mar)	Delta Air Lines	DAL	Premarket
	22:00	US	FOMC minutes	Tesco	TSCDY	Premarket
Thursday 11 April	05:30	China	Inflation (Mar)	Constellation Brands	STZ	Premarket
	16:15	Eurozone	ECB interest rate decision	CarMax	KMX	Premarket
	16:30	US	Producer Price Index (Mar)			
Friday 12 April	11:00	Germany	Inflation (Mar)	JPMorgan	JPM	Premarket
	10:00	UK	GDP (Feb)	Wells Fargo&Co	WFC	Premarket
	18:00	US	Consumer sentiment prel. (Apr)	BlackRock	BLK	Premarket
				Citigroup	C	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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