



Weekly market overview

Week ahead

- Analysts forecast strong returns for Alibaba (BABA), Micron (MU), and Intel (INTC) for the next twelve months
- JPMorgan (JPM), Wells Fargo (WFC), and Citigroup (C) will release earnings this week
- US June inflation (CPI and PPI) will be reported this week

*For exact dates please check page 5 of the document

2024 half-year review

Equities started 2024 with strong gains. Almost all major geographies rallied during the year, with the US and China being the best and worst performers, respectively. In the US, growth stocks have outperformed their value peers in all sizes, while large-caps delivered the strongest gains in all styles. Meanwhile, tech stocks had the strongest rally, as evidenced by a sizeable outperformance of Technology and Communications with respect to other S&P 500 sectors.

Looking ahead, analysts maintain a positive outlook for growth stocks over the next 6 to 12 months period. Particularly appealing areas in growth category are semiconductors, medical technologies, and defense manufacturing & servicing.

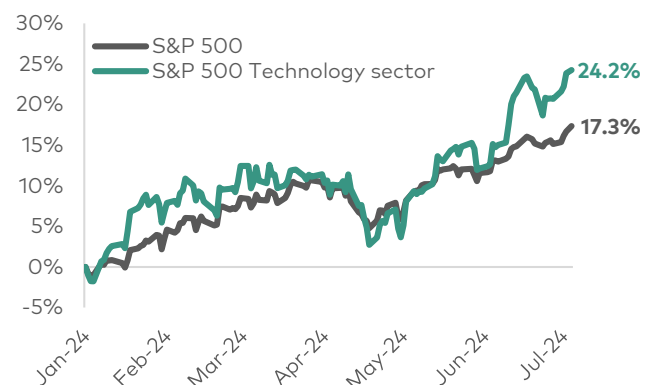
Yields remain on decade highs in fixed income. The last time DM fixed income markets offered yields this high was back in 2007. As such, investors no longer need to take excessive risk to generate strong income from debt securities. One thing to note, however, is that spreads have tightened a lot on US investment grade bonds. Therefore, it may be reasonable to focus on treasuries for safety while seeking risk (and therefore income) in high yield bond segment.

EQUITIES	Level	W/W % change	M/M % change	YTD % change
United States				
S&P 500	5,567	2.0	4.0	17.3
Nasdaq 100	20,392	3.6	7.1	21.2
Dow Jones 30	39,376	0.7	1.5	4.5
Russell 2000	2,027	-1.0	-1.8	0.0
Global				
S&P Europe	2,101	0.9	-0.9	8.1
S&P China	2,492	-0.1	-4.3	2.2
S&P Japan	2,173	2.4	1.3	8.6
S&P Global	3,953	2.1	2.9	14.3

FIXED INCOME	Yield, %	1-week ago	1-month ago	1-Jan-2024
United States				
2y US Treasury	4.60	4.72	4.89	4.25
10y US Treasury	4.27	4.34	4.47	3.88
US IG Credit	5.40	5.53	5.41	5.22
US HY Credit	7.97	7.99	7.93	7.80
Europe				
2y German Bund	2.89	2.83	3.09	2.41
10y German Bund	2.53	2.49	2.66	2.02
Europe IG Credit	3.84	3.90	3.90	3.67
Europe HY Credit	6.03	6.08	5.93	6.06

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

YTD performance of S&P 500 and Technology sector



Source: Bloomberg

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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 Texas Pacific Land (TPL), Chord Energy (CHRD), and ConocoPhillips (COP). In Materials, Barrick Gold (GOLD), Nutrien (NTR), and Franco-Nevada (FNV) are expected to deliver the best results. Lastly, in Financials, Barclays (BCS), Blue Owl Capital (OWL), and Deutsche Bank (DB) are considered potential outperformers.

In Real Estate, Essex Property (ESS) and Simon Property (SPG) have the weakest performance forecasts. In Consumer Discretionary, the worst performance is expected from eBay (EBAY) and Best Buy (BBY).

*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
S&P 500	SPY	554.6	 1.9	17.3	410.7	554.6	Positive
Discretionary	XLY	189.3	 3.8	6.9	148.0	189.3	Negative
Technology	XLK	232.9	 2.9	24.2	160.2	232.9	Neutral
Communications	XLC	87.8	 2.5	21.5	63.1	87.8	Positive
Financials	XLF	41.5	 1.0	10.0	31.5	42.5	Positive
Staples	XLP	77.4	 1.0	6.2	66.2	78.4	Neutral
Utilities	XLU	68.6	 0.6	6.7	56.2	72.9	Neutral
Real Estate	XLRE	38.3	-0.3 	-5.3	32.2	40.5	Negative
Materials	XLB	87.9	-0.5 	2.9	74.5	93.1	Positive
Industrials	XLI	121.2	-0.5 	7.4	96.4	126.0	Neutral
Health Care	XLV	144.4	-0.9 	4.1	123.1	147.9	Neutral
Energy	XLE	90.1	-1.2 	6.3	79.1	98.1	Positive

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	TSLA	Tesla	251.5	27.1	43.7	5.5	142.1	293.3	203.3	-19.2
2	PARA	Paramount Global	11.8	13.7	-2.2	-16.8	9.6	16.8	10.9	-7.7
3	AAPL	Apple	226.3	7.5	15.6	22.8	165.0	226.3	220.4	-2.6
4	META	Meta Platforms	539.9	7.1	9.1	56.7	283.3	539.9	532.0	-1.5
5	NEM	Newmont Mining	44.5	6.3	8.3	11.3	29.9	45.5	49.4	11.0

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	LUV	Southwest Airlines	26.9	-5.8	-5.3	-1.4	22.2	39.2	26.2	-2.7
2	MOS	Mosaic Co	27.2	-6.0	-6.0	-25.8	26.9	42.4	34.5	26.9
3	WBA	Walgreens Boots Alliance	11.3	-6.9	-29.4	-56.0	11.1	30.9	14.3	27.0
4	NCLH	Norwegian Cruise Line	17.5	-7.0	-5.2	0.9	12.8	22.5	20.6	17.8
5	CCL	Carnival	17.2	-8.1	1.5	5.3	11.0	19.3	22.3	29.6

Last week's 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	GOOGL	Alphabet	190.6	4.6	8.7	37.2	116.4	190.6	198.7	4.2
2	MSFT	Microsoft	467.6	4.6	10.3	26.2	312.1	467.6	502.7	7.5
3	BABA	Alibaba	74.5	3.5	-6.7	-2.7	68.1	102.2	107.8	44.7
4	AMZN	Amazon.com	200.0	3.5	10.3	34.7	119.6	200.0	222.5	11.3
5	WMT	Walmart	70.0	3.4	4.4	70.0	56.8	170.3	74.0	5.7
6	INTC	Intel	32.0	3.4	4.0	-31.9	29.9	50.8	38.0	18.7
7	NVDA	NVIDIA	125.8	1.9	3.3	161.2	39.2	140.8	136.5	8.5
8	BAC	Bank of America	40.4	1.6	1.7	20.5	25.2	40.9	41.5	2.7
9	NKE	Nike	75.4	0.1	-20.0	-27.5	75.2	122.6	94.4	25.1
10	MU	Micron	131.6	0.1	-1.6	60.0	60.7	153.4	160.4	21.9

*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 around 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	-/-/-/B+	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	-/-/-/B+	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	-/-/-/B+	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 & Taggart



Week ahead calendar

Macroeconomic releases

Company earnings

	Time (GMT +4)	Country	Event	Company	Ticker	Time
Monday 8 July						
Tuesday 9 July	18:00	US	Fed Chair Powell Testimony			
Wednesday 10 July	05:30	China	Inflation (Jun)			
Thursday 11 July	10:00	Germany	Inflation (Jun)	PepsiCo	PEP	Premarket
	10:00	UK	GDP (May)	Delta Airlines	DAL	Premarket
	16:30	US	Inflation (Jun)	Progressive	PGR	N/A
Friday 12 July	16:30	US	Producer price index (PPI) (Jun)	JPMorgan	JPM	Premarket
	18:00	US	Consumer sentiment prel. (Jul)	Wells Fargo	WFC	Premarket
				Citigroup	C	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

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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