



Weekly market overview

Week ahead

- Large technology and consumer discretionary stocks will publish earnings this week.
- The US will report its November CPI on Wednesday. The ECB will make monetary policy decision on Thursday, while the UK will announce its GDP figures on Friday.

*For exact dates please check page 6 of the document

Commentary

US stock indexes delivered mixed results last week, with S&P 500, DJIA, and Nasdaq reaching record highs, while the Russell 2000 Index declined after weeks of outpacing larger-cap peers. Growth stocks outperformed value stocks by 5.5ppts, the widest gap since March 2023. Labor market reports signal recovery, with the US adding 227k jobs in November, surpassing expectations. The unemployment rate ticked up to 4.2%, but markets reacted positively to the strong job growth ahead of the Fed's December meeting. Fed officials provided mixed signals about rate policy. Governor Waller supported a December rate cut, while Chair Powell adopted a cautious stance. Market expects 25bps cut on the next meeting. Treasury yields declined, and investment-grade corporate bonds performed well.

European stock markets ended higher, with the STOXX Europe 600 Index gaining 2.0%. Investors appeared optimistic, expecting the ECB to further ease monetary policy. In France, political instability briefly shook markets after Prime Minister's government fell. A no-confidence vote blocked the proposed 2025 budget, leading to concerns about eurozone stability. The yield gap between German and French bonds briefly spiked to its highest level since 2012. President Macron reassured markets by promising to form a new government soon. Economic data painted a weaker picture for Europe. Retail sales in the eurozone fell by 0.5% in October, reversing a small rise in September. Germany's economy also struggled, with industrial output down 1.0% and factory orders dropping 1.5%, especially for machinery.

EQUITIES	Level	W/W % change	M/M % change	YTD % change
United States				
S&P 500	6,090	1.0	2.7	27.7
Nasdaq 100	21,622	3.3	4.0	28.5
Dow Jones 30	44,643	-0.6	2.1	18.4
Russell 2000	2,409	-1.1	0.7	18.8
Global				
S&P Europe	2,114	2.0	2.7	8.8
S&P China	2,561	2.1	-2.3	16.6
S&P Japan	2,554	1.8	0.2	15.9
S&P Global	4,209	1.1	2.1	20.9
FIXED INCOME	Yield, %	1-week ago	1-month ago	1-Jan-2024
United States				
2y US Treasury	4.10	4.16	4.27	4.25
10y US Treasury	4.15	4.18	4.43	3.87
US IG Credit	5.00	5.08	5.23	5.12
US HY Credit	7.15	7.24	7.36	7.88
Europe				
2y German Bund	2.02	1.96	2.19	2.40
10y German Bund	2.12	2.09	2.39	2.03
Europe HY Credit	5.05	5.36	5.39	6.06

W/W performance of US stocks by style, %

Large-cap	-1.5	1.0	4.0
	-1.8	-0.7	2.6
	-1.7	-1.1	-0.4
	Value	Total	Growth

Source: Bloomberg

Eva Bochorishvili – Head of Research

| evabochorishvili@gt.ge | +995 32 2401 111 ext. 8036

Sergi Kurashvili – Capital Markets Research Associate

| s.kurashvili@gt.ge | +995 32 2401 111 ext. 3654

Elene Tabatadze – Capital Markets Junior Analyst

| eltabatadze@gt.ge | +995 32 2401 111 ext. 9606

S&P 500 sector highlights













Analysts expect Communications and Financial sectors to outperform market in the following twelve months. Meanwhile, Consumer Discretionary is expected to underperform the broader market.

In Communications, News Corporation (NWSA), Alphabet (GOOGL), and Match Group (MTCH) are expected to deliver the best results. In Financials, Globe Life (GL), Arch Capital (ACGL), and MarketAxess Holdings (MKTX) are considered potential outperformers.

In Consumer Discretionary, the worst performance is expected from Garmin (GRMN), Marriott International (MAR), and Royal Caribbean Cruises (RCL).

*For detailed information on sectors please check page 7 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	607.8	 0.9	27.9	457.2	609.1	Positive
Discretionary	XLY	232.8	 4.7	30.2	166.5	232.9	Negative
Technology	XLK	240.8	 3.0	25.1	183.4	241.9	Neutral
Communications	XLC	100.9	 2.6	38.9	69.6	101.1	Positive
Staples	XLP	82.4	-1.0 	14.4	70.0	84.5	Neutral
Financials	XLF	50.4	-1.8 	34.0	35.9	51.6	Positive
Health Care	XLV	144.3	-2.1 	5.8	131.3	159.6	Neutral
Industrials	XLI	140.6	-2.4 	23.3	108.6	144.5	Neutral
Real Estate	XLRE	43.8	-2.7 	9.3	35.6	45.6	Neutral
Materials	XLB	91.9	-3.0 	7.4	80.7	97.9	Neutral
Utilities	XLU	79.7	-3.9 	25.8	59.1	83.4	Neutral
Energy	XLE	91.0	-4.7 	8.6	79.0	99.0	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	SMCI	Super Micro Computer, Inc.	43.9	34.6	93.5	54.5	17.3	122.9	40.3	-8.2
2	LULU	Lululemon Athletica Inc.	399.6	24.6	27.6	-21.8	226.0	516.4	318.6	-20.3
3	AAL	American Airlines Group Inc.	17.4	19.8	24.3	26.6	9.1	18.1	14.5	-16.6
4	HPE	Hewlett Packard Enterprise Company	24.0	12.9	12.3	41.0	14.5	24.2	22.4	-6.5
5	TSLA	Tesla, Inc.	389.2	12.8	34.9	56.6	138.8	389.5	236.1	-39.3

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	MCHP	Microchip Technology	59.3	-13.0	-19.6	-34.3	58.0	100.6	85.0	43.3
2	INTC	Intel Corporation	20.9	-13.0	-16.5	-58.4	18.5	51.3	24.7	18.0
3	UNH	UnitedHealth Group	549.6	-9.9	-7.9	4.4	436.4	630.7	628.1	14.3
4	ODFL	Old Dominion Freight Line, Inc.	203.0	-9.8	-11.8	0.2	165.5	233.3	197.8	-2.6
5	HAL	Halliburton Company	28.8	-9.7	-5.6	-20.4	27.3	41.6	38.6	34.0

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	142.4	3.0	-2.2	187.6	45.8	152.9	170.4	19.7
2	SMCI	Super Micro Computer, Inc.	43.9	34.6	93.5	54.5	17.3	122.9	40.3	-8.2
3	TSLA	Tesla, Inc.	389.2	12.8	34.9	56.6	138.8	389.5	236.1	-39.3
4	INTC	Intel Corporation	20.9	-13.0	-16.5	-58.4	18.5	51.3	24.7	18.0
5	AMZN	Amazon.com, Inc.	227.0	9.2	9.6	49.4	143.6	227.2	234.3	3.2
6	AAPL	Apple Inc.	242.8	2.3	9.0	26.1	164.1	244.6	244.5	0.7
7	UBER	Uber Technologies, Inc.	66.1	-8.2	-11.1	7.3	54.8	87.0	89.9	36.0
8	AMD	Advanced Micro Devices, Inc.	138.6	1.0	-4.5	-6.0	121.8	227.3	185.1	33.6
9	BAC	Bank of America Corporation	46.8	-1.6	3.0	38.8	30.5	48.1	47.8	2.2
10	AVGO	Broadcom Inc.	179.5	10.8	0.0	60.8	91.1	186.4	193.5	7.8

*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, %
USD								
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	-/-/-/B+	n/a	6.75%
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	-/-/-/B+	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	8.13%
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, %
EUR								
Tegeta Motors	EUR	5	7.00%	Apr-23	Apr-25	-/-/BB-	99.77	7.25%
Tegeta Motors	EUR	4	7.00%	Dec-23	Dec-25	-/-/BB-	99.63	7.25%
Tegeta Motors	EUR	7	6.75%	Dec-23	Dec-25	-/-/BB-	100.37	6.15%
IG Development	EUR	5	7.00%	Jan-24	Jan-26	-/-/BB-	99.60	6.15%
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	-/-/BB-	n/a	7.75%
Silk Real Estate	EUR	7	7.00%	Aug-24	Aug-25	-/-/BB-	n/a	7.00%
Chavchavadze 64B	EUR	3	7.75%	Aug-24	Aug-26	-/-/BB-	n/a	7.75%
GEL								
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	-/-/BB-	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-/BB-	100.00	13.22%
MFO Rico Express	GEL	130	TIBR1D + 2.00%	Mar-23	Mar-26	-/-/BB+	n/a	n/a
TBC Leasing	GEL	100	TIBR3M + 3.00%	Mar-23	Mar-26	BB-/BB-	n/a	n/a
TBC Leasing	GEL	15	TIBR3M + 2.75%	Jun-23	Jun-26	BB-/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%
Nikora Trade	GEL	60	TIBR3M + 3.25%	Oct-24	Oct-29	-/-/BB-	n/a	n/a

■ 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
Monday 9 December	13:30	EU	Sentix Investor Confidence, Dec	Oracle	ORCL	After market
	17:00	UK	BoE's Ramsden speech	MongoDB	MDB	After market
Tuesday 10 December	N/A	EU	Eurogroup Meeting	AutoZone	AZO	Premarket
	17:30	US	Nonfarm Productivity, Q3	Ferguson PLC	FERG	Premarket
Wednesday 11 December	17:30	US	Consumer Price Index, Nov	GameStop	GME	After market
	23:00	US	Monthly Budget Statement, Nov	Adobe	ADBE	After market
Thursday 12 December	17:15	EU	ECB Monetary Policy Statement	Broadcom	AVGO	After market
	17:30	US	Producer Price Index, Nov	Costco	COST	After market
	17:45	EU	ECB Press Conference	Ciena	CIEN	Premarket
Friday 13 December	04:00	UK	GfK Consumer Confidence, Dec			
	11:00	UK	Manufacturing Production, Oct			
	11:00	UK	Gross Domestic Product, Oct			

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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Galt & Taggart

Address: 3 A. Pushkin Street, Tbilisi 0105, Georgia
Tel: +995 32 2401 111

Research: research@gt.ge
Tel: +995 32 2401 111 (4298)

Brokerage: sales@gt.ge
Tel: +995 32 2444 132

Investment Banking: ib@gt.ge
Tel: +995 32 2401 111 (7457)