



Week in review: Banks in spotlight

Major news on failure of banks on both sides of the Atlantic have shaken markets in past two weeks. Following Silicon Valley Bank and First Republic Bank, the European giant Credit Suisse was next to fail on large part of its liabilities (e.g., \$17bn of debt was voided). As of now, the second largest Swiss bank, UBS, is set to take over Credit Suisse for a worryingly low price of \$3.25bn (market capitalization of Credit Suisse was c.\$12.3bn in early-February 2023).

In response, the monetary authorities from the US and Europe have pledged to provide banks with liquidity, implying renewed expansion of their balance sheets (the US Treasury has already approved \$25bn for SVB from the Exchange Stabilization Fund). Meanwhile, private banks have also acknowledged the elevated system-wide risks. The sector giants like JPMorgan Chase and Bank of America have provided an aggregate of \$30bn rescue package for First Republic Bank. However, the move was not sufficient to calm investors, as First Republic Bank stock (FRC) remains down 81.3% m/m.

As Federal Reserve is set to meet on Wednesday this week, the monetary decision is expected to be more dovish than previously expected. Markets are now pricing in a 25bps hike with 72% probability and no hike – with 28% probability.

In light of these developments, investors have shifted towards quality equities and safe haven assets, such as gold. This caused large caps to outperform past week (e.g., S&P 500 rallied 1.4% w/w, while Russell 2000 declined 2.6), while gold just missed to hit a \$2,000 mark.

Week ahead

Macroeconomics: The list of this week's major macroeconomic news includes FOMC meeting, BoE monetary policy meeting, UK CPI, and Global preliminary PMIs.

Earnings: The list of this week's major earnings releases includes Tencent (TME), Nike (NKE), GameStop (GME), Accenture (ACN), and General Mills (GIS).

*For more detailed information on this week's important market news, please refer to the page 4 of the document.

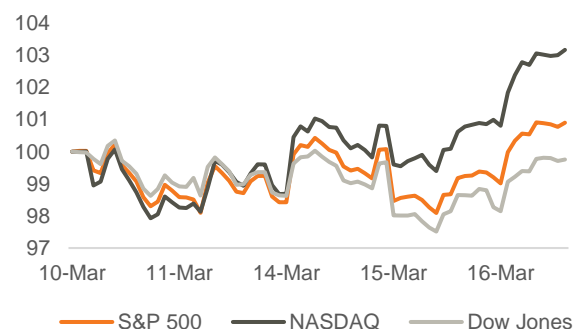
Performance of major equity indices

Index	W/W, %	M/M, %	YTD, %
S&P 500	1.4	-4.0	2.0
Nasdaq 100	5.8	3.8	15.3
Dow Jones 30	-0.1	-5.8	-3.9
Russell 2000	-2.6	-11.3	-2.0
FTSE 100 (£)	-5.3	-8.1	-2.5
FTSE 250 (£)	-4.6	-8.1	-2.0
STOXX 600 (€)	-3.8	-6.0	2.7
Nikkei 225 (¥)	-2.9	-0.7	4.7
MSCI China	0.7	-5.4	-4.2
MSCI EAFE	-2.1	-4.4	1.5
MSCI EM	-0.4	-4.8	-0.5
MSCI World	0.3	-2.9	2.3

Source: Bloomberg

Note: All data is denominated in USD unless specified otherwise.

Major US equity indices Indexed price returns (17-Mar-2023 = 100)



Source: Bloomberg

Eva Bochorishvili - Head of Research
| evabochorishvili@gt.ge | +995 32 2401 111 ext. 8036

Bachana Shengelia - Head of Sector Research
| bshengelia@gt.ge | +995 32 2401 111 ext. 7562

Giorgi Tskitishvili - Equity Markets Analyst
| g.tskitishvili@gt.ge | +995 32 2401 111 ext. 7562












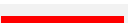
Weekly sector performance highlights

Energy and Financials were the worst performers, with respective ETFs losing 6.8% and 5.9% w/w, respectively. A steep decline in crude oil caused all 100 largest Energy companies to close the week in red. Among top 20, the worst performers were Schlumberger (SLB, -12.4%), Canadian Natural Resources (CNQ, -11.4%), Shell (SHEL, -10.6%), BP (BP, -9.8%), and ConocoPhillips (COP, -9.4%).

In Financials, 20 out of 100 largest companies managed to finish last week in gains. Blackstone (BX, 5.8%) and S&P Global (SPGI, 2.4%) were the strongest gainers from top 20. Meanwhile, the worst performers from the list were Wells Fargo (WFC, -8.7%), Citigroup (C, -8.5%), Bank of America (BAC, -8.1%), Goldman Sachs (GS, -7.4%), and Morgan Stanley (MS, -6.5%).

Technology was the best performing sector, with the associated ETF gaining 5.7% w/w. 70 of the 100 largest companies closed the week in green. Out of top 20 only IBM (IBM, -1.4%) and Accenture (CAN, -1.2%) declined. Meanwhile, the best performers from the list were AMD (AMD, 18.4%), Microsoft (MSFT, 12.4%), NVIDIA (NVDA, 12.0%), Intel (INTC, 9.5%), and Adobe (ADBE, 8.8%). The rally can be explained by extra funds flowing in after the selloff in bank stocks.

S&P 500 sector review: last week performance

Sector	ETF Ticker	Weekly ETF Change %	Close Price, \$	Market Cap, \$bn	P/E	YTD, %
S&P 500	SPY	 1.1	390.0	348.2	20.9	2.0
of which:						
Technology	XLK	 5.7	143.5	41.6	29.1	15.3
Communication	XLC	 5.3	55.0	9.1	22.3	14.6
Utilities	XLU	 4.0	67.0	15.4	22.6	-5.0
Cons. Discret.	XLY	 2.3	141.3	13.5	22.1	9.4
Cons. Staples	XLP	 1.4	72.1	16.3	23.2	-3.3
Health Care	XLV	 1.4	125.9	38.0	24.9	-7.4
Real Estate	XLRE	 0.4	36.2	4.5	25.5	-1.9
Industrials	XLI	-2.4 	96.7	13.0	19.3	-1.6
Materials	XLB	-3.4 	75.5	5.30	10.2	-2.8
Financials	XLF	-5.9 	31.0	27.7	13.6	-9.4
Energy	XLE	-6.8 	77.0	35.4	6.2	-12.0

Source: Bloomberg, Capital IQ

* Percentage price changes given in parentheses indicate w/w changes



Performance of last week's most traded stocks globally (top 20 by value)

#	Ticker	Name	Price, \$	1-week, %	YTD, %	P/E	12M Price Target, \$	12M Return Target, %
1	AMD	Advanced Micro Devices	97.8	18.4	51.1	32.1	94.1	-3.8
2	MSFT	Microsoft	279.4	12.4	16.5	28.2	293.5	5.0
3	GOOGL	Alphabet	101.6	12.1	15.2	19.6	130.2	28.1
4	NVDA	NVIDIA	257.3	12.0	76.0	57.2	264.1	2.7
5	AMZN	Amazon.com	99.0	9.1	17.8	68.9	138.3	39.8
6	META	Meta Platforms	195.6	9.0	62.5	20.4	228.1	16.6
7	AAPL	Apple	155.0	4.4	19.3	25.0	169.1	9.1
8	TSLA	Tesla	180.1	3.9	46.2	45.1	215.1	19.4
9	ABBV	AbbVie	154.2	3.0	-4.6	13.9	166.8	8.2
10	UPS	United Parcel Service	186.8	2.9	7.4	16.2	199.5	6.8
11	AVGO	Broadcom	631.0	2.6	12.8	15.0	702.5	11.3
12	V	Visa	217.4	0.6	4.6	25.1	258.9	19.1
13	IBM	IBM	123.7	-1.4	-12.2	13.1	143.6	16.1
14	BRK.B	Berkshire Hathaway	293.5	-3.3	-5.0	0.0	371.0	26.4
15	SCHW	Charles Schwab	56.4	-3.9	-32.2	13.6	83.8	48.6
16	CVX	Chevron	152.3	-4.6	-15.1	9.9	190.6	25.1
17	JPM	JPMorgan Chase & Co.	125.8	-5.9	-6.2	9.8	159.4	26.7
18	XOM	Exxon Mobil	99.8	-7.4	-9.5	9.4	130.8	31.0
19	BAC	Bank of America	27.8	-8.1	-16.0	8.1	39.7	42.7
20	FRC	First Republic Bank	23.0	-71.8	-81.1	5.3	N/A	N/A

Source: Bloomberg, Capital IQ

Note: Positive 12 month return targets imply an overall "Buy" recommendation by analysts



Week ahead calendar

Key macroeconomic releases

Key company earnings

	Time (GMT +4)	Country	Event	Company	Ticker	Time	Forecast EPS \$
Monday March 20	14:00	Euro Area	Balance of Trade (Jan)	PDD Holdings	PDD	Premarket	8.40
Tuesday March 21	14:00	Euro Area	Economic Sentiment (Mar)	Tencent Music Entertainment	TME	Premarket	0.79
	14:00	Germany	Economic Sentiment (Mar)	Nike	NKE	After Market	0.54
	16:30	Canada	Inflation (Feb)	GameStop	GME	After Market	-0.13
Wednesday March 22	11:00	UK	Inflation (Feb)	Chewy	CHWY	After Market	-0.11
	22:00	US	Fed Interest Rate Decision				
	22:00	US	Fed Economic Projections				
Thursday March 23	16:00	UK	BoE Interest Rate Decision	Accenture	ACN	Premarket	2.48
	16:30	US	Chicago Fed National Activity (Feb)	General Mills	GIS	Premarket	0.91
	18:00	US	New Home Sales (Feb)	Cintas	CTAS	N/A	3.04
	19:00	Euro Area	Consumer Confidence prel. (Mar)	Carnival Corp	CCL	N/A	-0.61
Friday March 24	03:30	Japan	Inflation (Feb)	Meituan	MPNGF	N/A	-0.01
	13:00	Euro Area	Manufacturing & Services PMIs prel. (Mar)				
	13:30	UK	Manufacturing & Services PMIs prel. (Mar)				
	16:30	US	Durable Goods Orders (Feb)				
	17:45	US	Manufacturing & Services PMIs prel. (Mar)				

Source: Bloomberg, NASDAQ

Disclaimer

This document is the property of and has been prepared by JSC Galt & Taggart ("Galt & Taggart"), a member of Bank of Georgia group PLC ("Group") solely for informational purposes and independently of the respective companies mentioned herein. This document does not constitute or form part of, and should not be construed as, an offer or solicitation or invitation of an offer to buy, sell or subscribe for any securities or assets and nothing contained herein shall form the basis of any contract or commitment whatsoever or shall be considered as a recommendation to take any such actions.

Galt & Taggart is authorized to perform professional activities on the Georgian market. The distribution of this document in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by Galt & Taggart to inform themselves about and to observe any and all restrictions applicable to them. This document is not directed to, or intended for distribution, directly or indirectly, to, or use by, any person or entity that is a citizen or resident located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.

Investments (or any short-term transactions) in emerging markets involve significant risk and volatility and may not be suitable for everyone. The recipients of this document must make their own investment decisions as they believe appropriate based on their specific objectives and financial situation. When doing so, such recipients should be sure to make their own assessment of the risks inherent in emerging market investments, including potential political and economic instability, other political risks including without limitation changes to laws and tariffs, and nationalization of assets, and currency exchange risk.

No representation, warranty or undertaking, express or implied, is or will be made by Galt & Taggart or any other member of the Group or their respective directors, employees, affiliates, advisers or agents or any other person as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of this document and the information contained herein (and whether any information has been omitted from this document) and no reliance should be placed on it. This document should not be considered as a complete description of the markets, industries and/or companies referred to herein. Nothing contained in this document is, is to be construed as, or shall be relied on as legal, investment, business or tax advice, whether relating to the past or the future, by Galt & Taggart any other member of the Group or any of their respective directors, employees, affiliates, advisers or agents in any respect. Recipients are required to make their own independent investigation and appraisal of the matters discussed herein. Any investment decision should be made at the investor's sole discretion. To the extent permitted by law, Galt & Taggart, any other member of the Group and their respective directors, employees, affiliates, advisers and agents disclaim all liability whatsoever (in negligence or otherwise) for any loss or damages however arising, directly or indirectly, from any use of this document or its contents or otherwise arising in connection with this document, or for any act, or failure to act, by any party, on the basis of this document.

The information in this document is subject to verification, completion and change without notice and Galt & Taggart is not under any obligation to update or keep current the information contained herein. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the information since the date hereof or the date upon which this document has been most recently updated, or that the information contained in this document is correct as at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. No representation or warranty, expressed or implied, is made by Galt & Taggart or any other member of the Group, or any of their respective directors, employees, affiliates, advisers or agents with respect to the accuracy or completeness of such information.

The information provided and opinions expressed in this document are based on the information available as of the issue date and are solely those of Galt & Taggart as part of its internal research coverage. Opinions, forecasts and estimates contained herein are based on information obtained from third party sources believed to be reliable and in good faith, and may change without notice. Third party publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. Accordingly, undue reliance should not be placed on any such data contained in this document. Neither Galt & Taggart, any other member of the Group, nor their respective directors, employees, affiliates, advisors or agents make any representation or warranty, express or implied, of this document's usefulness in predicting the future performance, or in estimating the current or future value, of any security or asset.

Galt & Taggart does, and seeks to do, and any other member of the Group may or seek to do business with companies covered in its research. As a result, investors should be aware of a potential conflict of interest that may affect the objectivity of the information contained in this document.

Unauthorized copying, distribution, publication or retransmission of all or any part of this document by any medium or in any form for any purpose is strictly prohibited.

The recipients of this document are responsible for protecting against viruses and other destructive items. Receipt of the electronic transmission is at risk of the recipient and it is his/her responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Galt & Taggart
Address: 3 A. Pushkin Street, Tbilisi 0105, Georgia
Tel: + (995) 32 2401 111
Email: research@gt.ge