



Week in review:

Markets take a breath after recent turbulence from US regional banks.

Last week, the US Federal Reserve hiked another 25bps, bringing the policy rate to 4.75-5.0 zone. Importantly, chairman Powell expressed a dovish tone, hinting that the hiking cycle is likely over. Along with monetary policymakers, fiscal authorities have also expressed their commitment to support the US banking system given further hardships arise. Similarly to Powell, the Treasury secretary Janet Yellen was also careful with her message, emphasizing that support from the Treasury will not be universal and would discriminate between bank and deposit types. Overall, the S&P 500 Financials sector traded flat during last week, with large systemic banks (e.g., JPMorgan, Bank of America, and Wells Fargo) mostly underperforming their smaller peers.

Overall, the outlook for markets is clearer than it was earlier this year.

Extra support is likely in the short term if economic conditions worsen considerably and Fed starts cutting rates earlier than expected. It must be also noted that equities and risky assets tend to outperform in a year following the end of hiking cycles: S&P 500 has posted an average annual return of 17.6% after past 6 cycles of monetary tightening. Lastly, low-risk fixed income securities are trading at historically appealing yields, providing real income, a trait they lacked for years.

Week ahead

Macroeconomics: The list of this week's major macroeconomic news includes speeches from monetary authorities of US Fed, ECB, and BoE, as well as inflation data from US and Europe.

Earnings: The list of this week's major earnings releases includes BioNTech (BNTX), Carnival Corp (CCL), Walgreen Boots (WBA), Micron (MU), and Lululemon Athletica (LULU).

*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

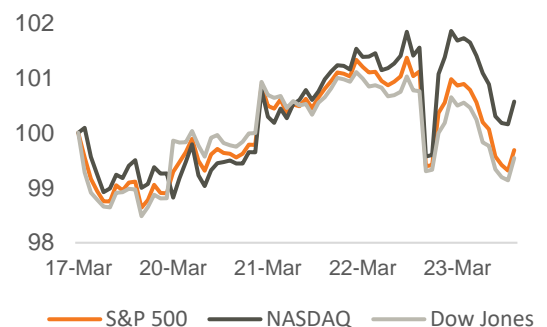
Index	Level	W/W, %	YTD, %
S&P 500	3,971	1.4	3.4
Nasdaq 100	11,824	1.7	13.0
Dow Jones 30	32,238	1.2	-2.7
Russell 2000	1,735	0.5	-1.5
FTSE 100 (£)	7,401	1.0	-1.0
FTSE 250 (£)	18,494	0.1	-1.9
STOXX 600 (€)	440	0.9	3.6
Nikkei 225 (¥)	27,385	0.2	4.9
MSCI China	48.79	3.7	-0.7
MSCI EAFE	68.82	2.4	3.9
MSCI EM	972	2.2	1.7
MSCI World	113.42	1.7	4.0

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

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Weekly sector performance highlights

Communications was the best performing sector last week, with the associated ETF gaining 3.0% w/w. The rally was moderately symmetric across the sector, with 26 out of 100 largest stocks closing the week in red. Meanwhile, 3 out of 20 largest companies lost the ground, including Warner Brothers Discovery (WBD, -2.4%), Charter Communications (CHTR, -1.7%), and Comcast (CMCSA, -0.3%). The best performers from the list were Netflix (NFLX, 8.2%), Activision Blizzard (ATVI, 6.8%), Baidu (BIDU, 6.4%), Meta Platforms (META, 5.3%), and Electronic Arts (EA, 5.0%).

Real Estate was the worst performer, with respective ETF losing 2.0% w/w. The downturn was less symmetric across the sector as 30 out of 100 largest stocks managed to close the week in green. Out of top 20, the only gainers were Prologis (PLD, 0.9%), CoStar Group (CSGP, 0.3%), and SBA Communications (SBAC, 0.2%). The largest losers from the list were CBRE Group (CBRE, -6.8%), Digital Realty Trust (DLR, -6.3%), Extra Space Storage (EXR, -4.0%), Invitation Homes (INVH, -3.4%), and KE Holdings (BEKE, -3.3%).

S&P 500 sector review: last week performance

Sector	ETF Ticker	Weekly ETF Change %	YTD, %	Close Price, \$	P/E	12M Outlook
S&P 500	SPY	 1.5	3.5	395.8	21.2	Positive
of which:						
Communication	XLC	 3.0	18.0	56.7	23.0	Positive
Technology	XLK	 1.7	17.3	146.0	20.9	Neutral
Materials	XLB	 1.7	-1.1	76.8	10.8	Positive
Energy	XLE	 1.2	-11.0	77.9	6.2	Very Positive
Cons. Staples	XLP	 1.2	-2.1	73.0	23.5	Neutral
Health Care	XLV	 1.1	-6.3	127.3	25.1	Positive
Industrials	XLI	 0.2	-1.3	96.9	19.5	Positive
Cons. Discret.	XLY	 0.2	9.6	141.6	22.3	Very Positive
Financials	XLF	 0.0	-9.4	31.0	13.9	Neutral
Utilities	XLU	-1.9 	-6.8	65.7	21.6	Positive
Real Estate	XLRE	-2.0 	-3.8	35.5	25.2	Very Positive

Source: Galt & Taggart Research, Bloomberg, S&P 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	NFLX	Netflix	328.4	8.2	11.4	28.7	347.4	5.8
2	MU	Micron Technology	61.2	7.9	22.4	N/A	67.0	9.5
3	ATVI	Activision Blizzard	84.4	6.8	10.2	22.2	91.2	8.1
4	TSLA	Tesla	190.4	5.7	54.6	47.6	212.9	11.8
5	META	Meta Platforms	206.0	5.3	71.2	21.5	236.2	14.7
6	NVDA	NVIDIA	267.8	4.1	83.2	59.5	277.0	3.4
7	GOOGL	Alphabet	105.4	3.8	19.5	20.6	130.8	24.1
8	XOM	Exxon Mobil	103.5	3.7	-6.1	9.7	130.2	25.8
9	AAPL	Apple	160.3	3.4	23.3	25.8	169.1	5.5
10	CRM	Salesforce	190.1	2.8	43.3	26.7	222.2	16.9
11	BRK.B	Berkshire Hathaway	298.9	1.8	-3.2	0.0	371.0	24.1
12	UNH	UnitedHealth Group	476.0	1.4	-10.2	19.1	614.5	29.1
13	MSFT	Microsoft	280.6	0.4	17.0	28.3	294.4	4.9
14	AMD	Advanced Micro Devices	98.0	0.1	51.2	32.1	94.1	-3.9
15	JPM	JPMorgan Chase & Co.	124.9	-0.7	-6.9	9.8	155.5	24.5
16	AMZN	Amazon.com	98.1	-0.8	16.8	68.2	138.3	40.9
17	INTC	Intel	29.4	-1.5	11.1	55.6	27.4	-6.7
18	BAC	Bank of America	27.1	-2.4	-18.1	7.9	38.6	42.2
19	WFC	Wells Fargo & Company	36.2	-4.1	-12.3	7.3	51.8	43.0
20	SCHW	Charles Schwab	53.3	-5.6	-36.0	12.9	83.7	57.2

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 27	12:00	Germany	Ifo Business Climate (Mar)	BioNTech	BNTX	Premarket	8.12
	18:40	Euro Area	ECB Elderson & Schnabel Speech	Carnival Corp	CCL	Premarket	-0.60
	21:00	UK	BoE Bailey Speech				
Tuesday March 28	16:30	US	Goods Trade Balance (Feb)	Walgreens Boots	WBA	Premarket	1.10
	18:00	US	CB Consumer Confidence (Mar)	Micron	MU	After Market	-0.66
	18:00	US	Fed Barr Testimony	Lululemon Athletica	LULU	After Market	4.26
Wednesday March 29	10:00	Germany	GfK Consumer Confidence (Apr)	Cintas	CTAS	Premarket	3.04
	11:00	Euro Area	ECB Non-Monetary Policy Meeting	Paychex	PAYX	Premarket	1.25
	18:00	US	Pending Home Sales (Feb)	Constellation Software	CNSWF	After Market	13.08
Thursday March 30	11:00	Euro Area	ECB General Council Meeting	Industrial Commercial Bank of China	IDCBY	N/A	0.69
	13:00	Euro Area	Consumer Confidence (Mar)	Bank of China	BACHY	N/A	1.10
	16:00	Germany	Inflation (Mar)	Air China	AIRYY	N/A	-1.57
	16:30	US	GDP (4Q22)				
Friday March 31	05:30	China	NBS Manufacturing & Services PMIs (Mar)	MSP Recovery	LIFW	After Market	0.69
	10:00	UK	GDP (4Q22)	Citic	CTPCY	N/A	N/A
	10:45	France	Inflation prel. (Mar)	Ncino	NCNO	N/A	-0.05
	11:55	Germany	Unemployment (Mar)				
	13:00	Euro Area	Inflation prel. (Mar)				
	16:30	US	PCE Price Index (Feb)				
	18:00	US	Michigan Consumer Sentiment (Mar)				

Source: Bloomberg, NASDAQ

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