



Executive Summary

Last week:

- US headline CPI came in at 5.0% y/y (vs 5.2% forecast and down from 6.0%). Core CPI was reported at 5.6% y/y (vs 5.6% forecast and up from 5.5%)
- US Michigan consumer sentiment improved from 62.0 to 63.5
- US retail sales contracted by 1.0% m/m (vs -0.4% forecast)

Week ahead:

- Global manufacturing & services PMIs
- UK inflation & employment data
- Euro Area inflation
- Earnings: Tesla (TSLA), Johnson & Johnson (JNJ), Bank of America (BAC), Goldman Sachs (GS), Morgan Stanley (MS), Netflix (NFLX), IBM (IBM), AT&T (T), Taiwan Semiconductor (TSM)

Commentary: US banks kick off the earnings season with a positive surprise

On Friday, number of large US banks reported their latest quarterly earnings, with almost all beating both top and bottom line forecasts. JPMorgan reported the EPS of \$4.10 and the revenue of \$91.9bn (vs \$3.41 and \$89.7bn forecasts), Wells Fargo & Co. reported \$1.23 and \$20.7bn (vs \$1.12 and \$20.1bn forecasts), Blackrock reported \$7.93 and \$4.2bn (vs \$7.75 and \$4.3bn forecasts), and Citigroup reported \$1.86 and \$21.4bn (vs \$1.70 and \$20.1bn forecasts). Investors cheered the stronger-than-expected performance, as the S&P 500 financial sector rallied 2.8% w/w, outperforming every other sector. These quarterly results demonstrate that, despite the recent turmoil, large, diversified banks are positioned well enough to weather the potential deterioration in economic conditions relatively well.

In terms of macroeconomic developments, the February US CPI report was in the spotlight last week. The headline CPI came in below expectations at 5.0% y/y (vs 5.2% forecast). However, the reading did not cheer the markets overall, as the core figure increased from 5.5% y/y to 5.6% y/y in February, demonstrating inflation stickiness in less volatile areas.

Lastly, the March US retail sales have surprised on the downside. Retail sales contracted by more than expected rate of 1.0% m/m (vs -0.4% forecast). The reading was second-worst in past 12 months, demonstrating that weakening consumer confidence is slowly taking a toll on the US economy.

Performance of major equity indices

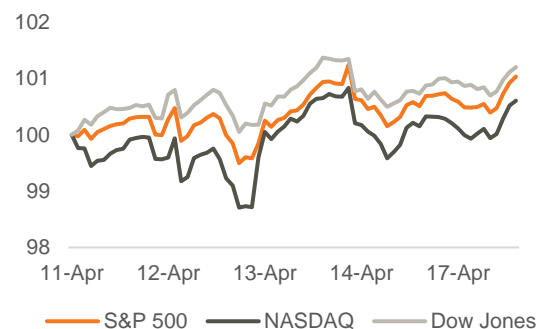
Index	Level	W/W, %	M/M, %	YTD, %
S&P 500	4,137	0.8	5.6	8.2
Nasdaq 100	12,123	0.3	6.1	16.7
Dow Jones 30	33,886	1.2	5.4	2.3
Russell 2000	1,781	1.5	0.2	1.7
FTSE 100 (£)	7,871	1.7	3.1	4.2
FTSE 250 (£)	19,242	2.4	0.6	0.6
STOXX 600 (€)	466.9	1.7	3.9	7.5
MSCI Europe	466.9	1.7	3.9	7.5
Nikkei 225 (¥)	28,493	3.7	4.7	9.2
MSCI China	48.8	-1.8	3.1	-0.5
MSCI EAFE	73.2	1.8	6.0	10.6
MSCI EM	39.7	0.8	4.7	3.9
MSCI World	119.1	1.2	5.8	9.2

Source: Bloomberg

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

Major US equity indices

Weekly indexed performance (11 April 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












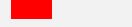
| g.tskitishvili@gt.ge | +995 32 2401 111 ext. 8967

Sector performance highlights

Financials was the best performing sector, with the associated ETF gaining 2.8% w/w. A strong performance was underlined by some of the largest US banks reporting stronger than expected quarterly results. The rally was rather broad-based, with 86 out of 100 largest sector stocks closing the week in green. Meanwhile, all 20 of the largest companies gained the ground. Top performers from the list were JPMorgan Chase & Co (JPM, +9.3%), Bank of America (BAC, +8.7%), Wells Fargo (WFC, +6.9%), Blackstone (BX, +6.9%), and Citigroup (C, +6.8%).

Utilities was the worst performing sector, with respective ETF losing 1.3% w/w. Sector performance was quite diversified, with 37 of 100 largest stocks managing to rise during the week of general sector decline. Out of top 20, 7 companies closed the week in green. Top performers from the list were Dominion Energy (D, +1.2%), Public Service Enterprise (PEG, +0.7%), and Fortis (FTS, +0.6%). The worst performers from top 20 were Constellation Energy (CEG, -3.0%), National Grid (NGG, -2.5%), WEC Energy (WEC, -1.9%), Eversource Energy (ES, -1.6%), and Exelon Corporation (EXC, -1.4%).

S&P 500 sector review: last week performance

Sector	ETF Ticker	Close Price, \$	ETF Change, W/W %	YTD, %	52-week high, \$	52-week low, \$	12M upside, %
S&P 500	SPY	412.5	 0.8	8.7	437.6	353.6	Neutral
Financials	XLFX	32.9	 2.8	-4.2	37.2	30.1	Neutral
Energy	XLE	87.2	 2.6	3.4	93.1	66.1	Positive
Industrials	XLI	99.8	 2.1	1.4	103.7	82.4	Neutral
Materials	XLB	80.9	 1.6	4.3	88.8	66.9	Neutral
Cons. Discretionary	XLY	146.9	 1.4	14.4	182.8	126.3	Positive
Health Care	XLV	134.6	 0.8	-0.7	139.5	118.4	Neutral
Communications	XLC	59.2	 0.5	67.1	21.8	45.3	Positive
Consumer Staples	XLP	75.2	-0.2 	1.2	78.9	66.0	Negative
Technology	XLK	148.6	-0.3 	20.6	151.0	116.2	Negative
Utilities	XLU	68.9	-1.3 	-2.3	77.0	61.0	Negative
Real Estate	XLRE	36.6	-1.3 	-1.3%	49.2	33.4	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 US stocks (top 20 by value)

#	Ticker	Name	Price, \$	W/W, %	M/M, %	YTD, %	52-week high, \$	52-week low, \$	12M price target, \$	12M upside potential, %
1	JPM	JPMorgan Chase & Co.	138.7	8.8	3.1	3.4	143.8	101.2	161.2	16.2
2	BAC	Bank of America	29.5	6.0	2.6	-11.9	38.9	27.0	35.9	21.4
3	WFC	Wells Fargo	39.6	4.6	-1.3	-4.5	48.5	36.2	47.5	19.8
4	V	Visa	234.0	3.6	7.0	13.1	234.0	176.9	265.5	13.5
5	SCHW	Charles Schwab	50.8	2.9	-10.4	-37.8	85.4	48.9	71.6	41.1
6	CVX	Chevron	172.4	2.9	7.3	0.0	186.1	132.5	191.2	10.9
7	META	Meta Platforms	221.5	2.5	14.2	77.6	223.4	88.9	237.2	7.1
8	ASML	ASML Holding	666.2	1.4	7.4	21.5	695.0	377.2	825.7	23.9
9	XOM	Exxon Mobil	116.1	0.9	8.5	9.8	118.3	79.4	129.6	11.7
10	AMZN	Amazon.com	102.5	0.4	8.0	19.4	158.1	81.8	138.0	34.6
11	JNJ	Johnson & Johnson	165.8	0.4	7.7	-6.3	181.1	151.1	177.9	7.2
12	GOOGL	Alphabet	108.9	0.4	15.9	22.2	130.0	83.4	128.4	17.9
13	AAPL	Apple	165.2	0.3	8.3	32.3	174.0	124.8	168.8	2.2
14	TSLA	Tesla	185.0	0.0	0.9	71.1	342.7	108.1	228.1	23.3
15	UNH	UnitedHealth Group	511.8	-0.2	10.2	-1.3	553.4	449.3	607.0	18.6
16	NFLX	Netflix	338.6	-0.2	14.8	14.8	368.0	166.4	355.2	4.9
17	AMD	Advanced Micro Devices	91.8	-0.8	4.9	43.3	108.6	55.9	97.4	6.1
18	NVDA	NVIDIA	267.6	-1.0	11.2	86.9	279.6	112.2	289.0	8.0
19	MSFT	Microsoft	286.1	-1.9	9.7	19.7	291.6	213.1	304.0	6.2
20	BABA	Alibaba Group Holding	94.6	-8.0	12.8	2.8	122.4	63.2	155.4	64.4

Source: Bloomberg, Capital IQ

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

Week ahead calendar

Macroeconomic releases

Company earnings

	Time (GMT +4)	Country	Event	Company	Ticker	Time	Forecast EPS \$
Monday April 17	18:00	US	NAHB Housing Market Index (Apr)	Charles Schwab	SCHW	Premarket	0.90
	19:00	Euro Area	ECB President Lagarde Speech	State Street	STT	Premarket	1.65
				M&T Bank	MTB	Premarket	3.95
Tuesday April 18	06:00	China	GDP (1Q23)	Johnson & Johnson	JNJ	Premarket	2.50
	10:00	UK	Employment (Jan)	Bank of America	BAC	Premarket	0.81
	13:00	Euro Area	Economic Sentiment Index (Apr)	Lockheed Martin	LMT	Premarket	6.07
	16:30	US	Building Permits prel. (Mar)	Goldman Sachs	GS	Premarket	8.24
	16:30	Canada	Inflation (Mar)	Netflix	NFLX	After Market	2.86
Wednesday April 19	08:30	Japan	Industrial Production (Feb)	ASML	ASML	Premarket	4.52
	10:00	UK	Inflation (Mar)	Morgan Stanley	MS	Premarket	1.75
	13:00	Euro Area	Inflation (Mar)	Tesla	TSLA	After Market	0.86
				Rio Tinto	RIO	After Market	N/A
				IBM	IBM	After Market	1.27
Thursday April 20	10:45	France	Business Confidence (Apr)	Philip Morris	PM	Premarket	1.35
	15:30	Euro Area	ECB Monetary Policy Meeting Accounts	AT&T	T	Premarket	0.58
	16:30	US	Philadelphia Fed Manufacturing Index (Apr)	American Express	AXP	Premarket	2.66
	18:00	Euro Area	Consumer Confidence prel. (Apr)	Taiwan Semiconductor	TSM	N/A	1.22
Friday April 21	12:00	Euro Area	Manufacturing & Services PMIs (Apr)	Procter & Gamble	PG	Premarket	1.32
	12:30	UK	Manufacturing & Services PMIs (Apr)	SAP	SAP	Premarket	1.22
	17:45	US	Manufacturing & Services PMIs (Apr)	Schlumberger	SLB	Premarket	0.60

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, advisers 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