



## Week in review

**The US reported mixed labor market data.** On the one hand, the February non-farm payroll figure came in significantly hotter than expected: the number of newly employed Americans stood at 311,000 vs 205,000 forecast, however, still lower than the past year's monthly average. Additionally, the unemployment rate rose from 3.4% to 3.6% due to higher participation rate, a further indication of labor market tightness. On the other hand, the wage growth came in slower than expected at 4.6% (vs 4.7% forecast), thus, providing a positive surprise for markets. Importantly, moderation in the growth of wages is just as important aspect for Fed as reduction in the payroll figure.

**The second largest bank failure in US history sparked fears on potential financial chaos in broader economy.** The California-based Silicon Valley Bank was unable to pay deposits after the call on short-term liabilities forced the tech-focused lender to realize losses on vast array of depreciated fixed income securities. The news had a significant impact on general equity markets, while banks have suffered the most: the S&P 500 financial sector lost 8.5% w/w, with near 100% of the 100 largest sector companies losing ground last week. In response, the Federal Reserve announced emergency funding for SVB as well as a new lending facility to ensure that banks are capable of meeting deposit obligations and the idiosyncratic illiquidity does not translate into an economy-wide issue.

Meanwhile, as equities tumbled on the fears of SVB's potential market-wide implications, bond markets rallied, as hawkish Fed is now less likely on the March meeting. The market implied probability of a 50 bps hike fell from c.70% from week before to 47% as of now (with 53% of a 25bps hike).

## Week ahead

**Macroeconomics:** The list of this week's major macroeconomic news includes CPI, PPI, and retail sales from the US and ECB interest rate decision and CPI from the Euro Area.

**Earnings:** The list of this week's major earnings releases includes FedEx (FDX), Dollar General (DG), Adobe (ADBE), BMW (BMWYY), and Volkswagen (VWAGY).

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

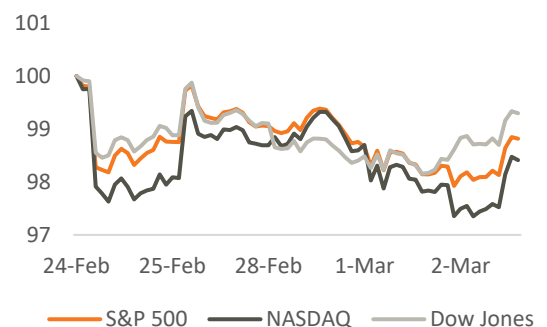
## Performance of major equity indices

Index	W/W, %	M/M, %	YTD, %
S&P 500	-4.5	-5.6	0.6
Nasdaq 100	-4.7	-4.9	6.4
Dow Jones 30	-4.4	-5.8	-3.7
Russell 2000	-8.1	-7.6	0.7
FTSE 100 (£)	-2.5	-4.6	0.4
FTSE 250 (£)	-2.9	-3.4	2.7
STOXX 600 (€)	-2.3	-0.9	6.8
Nikkei 225 (¥)	0.8	1.7	7.9
MSCI China	-7.5	-10.5	-4.9
MSCI EAFE	-3.2	-3.8	3.7
MSCI EM	-3.3	-5.8	-0.1
MSCI World	-4.3	-5.8	2.0

Source: Bloomberg

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

## Major US equity indices Indexed price returns (3-Mar-2023 = 100)



Source: Bloomberg

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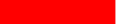





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## Weekly sector performance highlights

**As a defensive sector, Consumer Staples was the best performing sector, with respective ETF losing only 2.0% w/w.** The downward trend was rather symmetric, with 87% of sectors' 100 largest companies losing ground last week. Meanwhile, only Altria Group (MO, 0.2%) managed to finish the week in green from top 20. Estee Lauder (EL, -6.7%), Target Corporation (TGT, -4.7%), Colgate-Palmolive Company (CL, -3.6%), Diageo (DEO, -3.3%), and Anheuser-Busch InBev (BUD, -2.9%) were the worst performers from the list.

**Financials was the worst performing sector, with the associated ETF tumbling 8.5%.** The disappointing performance was underlined by the story around SVB (discussed earlier in the report). The dynamic was extremely symmetric across the sector, with all but one stock out of the 100 largest losing ground. The worst performers from top 20 were Charles Schwab (SCHW, -24.2%), Blackstone (BX, -12.1%), Wells Fargo & Company (WFC, -11.7%), Bank of America (BAC, -11.4%), and BlackRock (BLK, -8.7%).

## S&P 500 sector review: last week performance

Sector	ETF Ticker	Weekly ETF Change %	Close Price, \$	Market Cap, \$bn	P/E	YTD, %
<b>S&amp;P 500</b>	<b>SPY</b>	-4.5 	<b>385.9</b>	<b>348.3</b>	<b>20.6</b>	<b>0.9</b>
of which:						
Cons. Staples	XLP	-2.0 	71.1	16.1	22.9	-4.6
Utilities	XLU	-2.8 	64.4	14.3	21.9	-8.6
Technology	XLK	-3.1 	135.8	39.3	27.6	9.1
Health Care	XLV	-3.9 	124.2	37.3	24.4	-8.6
Industrials	XLI	-4.5 	99.0	13.3	19.7	0.8
Communication	XLC	-4.6 	52.3	8.7	20.9	8.9
Energy	XLE	-5.3 	82.6	39.1	6.7	-5.5
Cons. Discret.	XLY	-5.5 	138.2	13.3	21.6	7.0
Real Estate	XLRE	-6.8 	36.1	4.5	25.6	-2.2
Materials	XLB	-7.6 	78.2	5.6	10.3	0.6
Financials	XLF	-8.5 	32.9	30.5	14.0	-3.7

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	<b>INTC</b>	Intel Corporation	27.2	3.1	3.0	51.6	27.3	0.3
2	<b>AMD</b>	Advanced Micro Devices	82.7	1.4	27.6	27.1	93.2	12.7
3	<b>AAPL</b>	Apple	148.5	-1.7	14.3	23.9	168.8	13.7
4	<b>BRK.B</b>	Berkshire Hathaway	303.6	-2.8	-1.7	0.0	371.0	22.2
5	<b>META</b>	Meta Platforms	179.5	-3.1	49.2	19.3	221.1	23.2
6	<b>GOOGL</b>	Alphabet	90.6	-3.2	2.7	17.7	130.2	43.7
7	<b>UNH</b>	UnitedHealth Group	460.3	-3.8	-13.2	18.5	614.5	33.5
8	<b>NVDA</b>	NVIDIA	229.7	-3.9	57.1	51.6	258.7	12.6
9	<b>AMZN</b>	Amazon.com	90.7	-4.4	8.0	63.1	138.5	52.7
10	<b>JPM</b>	JPMorgan Chase & Co.	133.7	-7.0	-0.3	10.4	160.4	20.0
11	<b>F</b>	Ford Motor Company	12.1	-7.5	4.0	7.5	16.5	36.4
12	<b>BAC</b>	Bank of America	30.3	-11.4	-8.6	8.8	39.7	31.2
13	<b>WFC</b>	Wells Fargo & Company	41.4	-11.7	0.2	8.4	52.5	26.9
14	<b>HBAN</b>	Huntington Bancshares	13.4	-12.2	-5.2	8.8	16.5	23.4
15	<b>TSLA</b>	Tesla	173.4	-12.3	40.8	43.3	215.1	24.0
16	<b>CCL</b>	Carnival Corporation	9.7	-12.8	20.2	NM	13.8	42.4
17	<b>KEY</b>	KeyCorp	15.7	-14.5	-10.1	7.8	20.4	30.3
18	<b>LUMN</b>	Lumen Technologies	2.7	-15.5	-48.7	NM	4.0	49.3
19	<b>SCHW</b>	Charles Schwab	58.7	-24.2	-29.5	13.4	87.3	48.7
20	<b>FRC</b>	First Republic Bank	81.8	-33.6	-32.9	13.5	150.3	83.8

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 13	04:00	Euro Area	Eurogroup Meeting	Alimentation Couchen	ANCTF	After Market	0.69
				Telekom Indonesia	TLK	N/A	0.38
				Polyrus	OPYGY	N/A	1.16
Tuesday March 14	11:00	UK	Unemployment (Jan)	Assicurazioni Generali	ARZGY	Premarket	0.40
	16:30	US	Inflation (Feb)	Lennar	LEN	After Market	1.55
				Volkswagen	VWAGY	N/A	1.27
Wednesday March 15	11:45	France	Inflation (Feb)	BMW	BMWYY	Premarket	1.40
	14:00	Euro Area	Industrial Production (Jan)	Adobe	ADBE	After Market	3.68
	16:30	US	PPI (Feb)	PDD Holdings	PDD	N/A	8.40
	16:30	US	Retail Sales (Feb)	Prudential Public	PUK	N/A	N/A
Thursday March 16	16:30	US	Building Permits (Feb)	Dollar General	DG	Premarket	2.99
	16:30	US	Philadelphia Fed Manufacturing Index (Mar)	Verbund	OEZVY	Premarket	N/A
	17:15	Euro Area	ECB Interest Rate Decision	FedEx	FDX	After Market	2.73
Friday March 17	14:00	Euro Area	Inflation (Feb)	Legend Bio	LEGN	N/A	-0.38
	17:15	US	Industrial Production (Feb)				
	18:00	US	Michigan Consumer Sentiment (Mar)				

Source: Bloomberg, NASDAQ

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