



Executive Summary

Last week:

- US non-farm payrolls came in higher than expected (187,000 vs 170,000 forecast). However, the unemployment rate increased from 3.5% to 3.8%
- US 2Q23 GDP growth revised downwards to 2.1% q/q
- US headline and core PCE price indices came in as expected, at 3.3% y/y and 4.2% y/y, respectively
- Euro Area headline inflation came in higher than expected at 5.3% y/y (vs 5.1% forecast), while the core figure matched expectations at 5.3% y/y
- US consumer confidence declined unexpectedly to 106.1

Week ahead:

- Services PMIs from the US, Euro Area, and the UK
- Euro Area and Japan 2Q22 GDPs
- Earnings from Trip.com (TCOM), CS.ai (AI), Kroger (KR), and more

Commentary: cooling US labor market

Despite worse-than-expected macroeconomic releases, global equity markets delivered solid gains during the past week. The main catalyst was a sign of loosening in the US labor market that caused the downward revision of the US inflation expectations. While non-farm payrolls came in slightly higher than expected, the unemployment rate reached a 17-month high of 3.8% in August (up from July's 3.5%), as nearly 740,000 people entered the workforce and increased the participation rate to 63%. In addition, the growth rate of wages was the lowest in past year (0.2% m/m vs 0.3% forecast). Overall, this latest release shows cooling in the US labor market which is a necessary precondition for reducing inflation to 2.0% target.

In effect, the market-implied probability of the Fed hike on September meeting declined from 22% to a mere 6%. Dovish signals came from Fed representative as well, as Atlanta Fed President Bostic described the current base rate as "appropriately restrictive". Overall, as estimated by CME FedWatch, the probability that the Fed would leave the interest rates unchanged in 2023 rose from 45% to 60%.

Performance of major equity indices

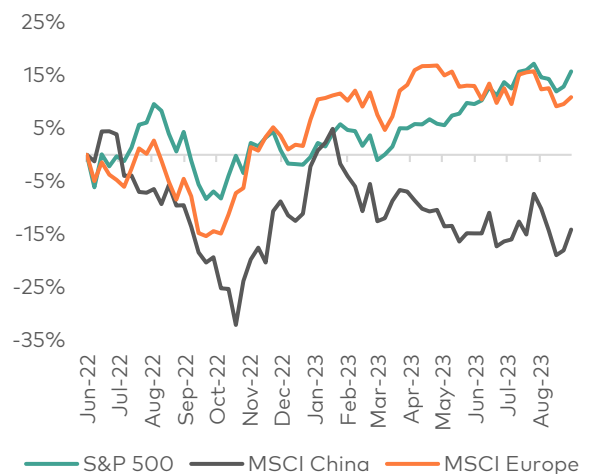
Index	Level	W/W, %	M/M, %	YTD, %
S&P 500	4,516	2.5	-1.3	18.1
Nasdaq 100	14,032	3.2	-1.8	35.1
Dow Jones 30	34,838	1.4	-2.2	5.1
Russell 2000	1,921	3.6	-3.7	9.7
FTSE 100 (£)	7,465	1.7	-2.6	-1.2
FTSE 250 (£)	18,537	2.2	-2.8	-3.1
STOXX 600 (€)	458	1.5	-2.8	5.5
MSCI Europe	51.8	1.0	-1.4	7.8
Nikkei 225 (¥)	32,711	3.4	-2.3	25.4
MSCI China	45.9	4.9	-5.8	-6.6
MSCI EAFE	71.5	1.8	-2.8	8.0
MSCI EM	39.6	1.9	-4.3	3.7
MSCI World	125.9	2.6	-1.6	15.4

Source: Bloomberg

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

Major global equity indices

Weekly indexed price returns (01-Jun-22 = 100)



Source: Bloomberg

Eva Bochorishvili - Head of Research

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

Gigi Tskitishvili - Senior Equity Markets Analyst

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

Sector performance highlights









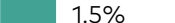
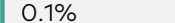


Technology was the best performing sector last week, with the associated ETF gaining 4.4% w/w. Out of the 100 largest sector companies, only 3 lost the ground during the week. From

top 20 all stocks rallied. Best performers from the list were Intel Corporation (INTC, +10.11%), Adobe (ADBE, +7.3%), Advanced Micro Devices (AMD, +7.0%), Applied Materials (AMAT, +6.7%), and Apple (AAPL, +6.1%).

Utilities was the weakest performing sector, with respective ETF losing -1.6% w/w. 74 out of

100 largest sector stocks closed the week in red. From top 20, only Constellation Energy Corporation (CEG, +1.3%) and National Grid (NGG, +1.2%) managed to deliver gains. Meanwhile, the worst performers from the list were Eversource Energy (ES, -3.3%), Duke Energy Corporation (DUK, -2.9%), DTE Energy Company (DTE, -2.6%), Ameren Corporation (AEE, -2.5%), and American Electric Power Company (AEP, -2.3%).

S&P 500 sector review: last week performance

Sector	ETF Ticker	Close Price, \$	W/W ETF Change %	YTD, %	52-week high, \$	52-week low, \$	12M outlook
S&P 500	SPY	451.2	 2.6%	18.9	457.8	353.6	Positive
Technology	XLK	176.2	 4.4%	42.9	180.3	116.2	Neutral
Materials	XLB	83.8	 3.7%	8.0	85.7	66.9	Neutral
Energy	XLE	90.7	 3.6%	7.5	93.1	68.0	Neutral
Discretionary	XLY	169.7	 3.0%	32.2	177.0	126.3	Positive
Communications	XLC	67.1	 2.6%	38.0	68.8	45.3	Positive
Industrials	XLI	108.8	 2.1%	10.5	110.8	82.4	Neutral
Financials	XLF	34.7	 2.1%	37.0	1.1	30.1	Positive
Real Estate	XLRE	37.0	 1.5%	-0.2	42.5	33.4	Positive
Health Care	XLV	133.6	 0.1%	-1.4	139.5	120.6	Positive
Staples	XLP	72.1	-0.4% 	-2.9	77.5	66.0	Neutral
Utilities	XLU	62.6	-1.6% 	-11.1%	77.0	61.0	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	PDD	PDD Holdings	103.3	29.3	14.7	22.2	104.7	44.5	123.0	19.1
2	DELL	Dell Technologies	68.2	21.3	27.8	68.1	68.2	33.2	66.8	-2.1
3	LULU	Lululemon Athletica	404.2	10.6	6.0	25.0	404.2	279.6	451.6	11.7
4	INTC	Intel	36.6	10.1	2.6	38.6	36.8	24.4	36.1	-1.4
5	AMD	Advanced Micro Devices	109.4	7.0	-6.9	71.0	129.2	55.9	143.8	31.3
6	AAPL	Apple	189.5	6.1	-3.1	51.7	196.4	124.8	208.2	9.9
7	BABA	Alibaba Group	95.0	5.8	-5.1	3.3	120.6	63.2	143.2	50.7
8	NFLX	Netflix	439.9	5.7	0.3	49.1	477.6	214.3	480.4	9.2
9	NVDA	NVIDIA	485.1	5.4	4.3	238.9	493.5	112.2	630.8	30.0
10	XOM	Exxon Mobil	113.5	4.9	6.5	7.4	118.3	82.7	123.8	9.0
11	GOOGL	Alphabet	135.7	4.5	3.1	52.2	136.2	83.4	153.2	12.9
12	META	Meta Platforms	296.4	3.8	-8.2	137.6	325.5	88.9	380.6	28.4
13	AMZN	Amazon.com	138.1	3.6	4.9	60.9	142.2	81.8	175.2	26.9
14	TSLA	Tesla	245.0	2.7	-6.2	126.7	309.1	108.1	279.1	13.9
15	AVGO	Broadcom	872.5	2.4	-5.2	57.6	922.9	423.6	966.2	10.7
16	MSFT	Microsoft	328.7	1.8	-2.3	37.5	359.5	213.1	391.0	19.0
17	DIS	Walt Disney	81.6	-2.1	-8.3	-8.2	116.4	81.6	110.6	35.4
18	UNH	UnitedHealth Group	476.2	-2.6	-5.6	-8.2	553.4	447.8	571.9	20.1
19	JNJ	Johnson & Johnson	160.5	-3.5	-5.0	-9.3	179.0	151.1	179.0	11.5
20	DG	Dollar General	130.3	-15.9	-22.7	-47.2	259.9	130.3	158.0	21.3

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 4 September	17:30	Euro Area	ECB President Lagarde speech	Trip.com	TCOM	N/A	3.62
				Sprott Physical Gold and Silver Trust	CEF	N/A	N/A
				Daktronics	DAKT	N/A	0.18
Tuesday 5 September	03:00	UK	Retail sales (Aug)	Ashtead Gro	ASHTY	Premarket	4.22
	12:00	Euro Area	Services PMI (Aug)	Zscaler	ZS	After market	0.49
	18:00	US	Factory orders (Jul)	Healthequity	HQY	After market	0.48
Wednesday 6 September	13:00	Euro Area	Retail sales (Jul)	C3.ai	AI	Premarket	-0.17
	16:30	US	Balance of trade (Jul)	GameStop	GME	After market	-0.14
	18:00	US	Services PMI (Aug)	Copart	CPRT	N/A	0.33
				UiPath	PATH	N/A	0.04
Thursday 7 September	13:00	Euro Area	GDP prel. (2Q23)	Toro	TTC	Premarket	1.23
	16:00	US	Jobless claims (Aug/26)	DocuSign	DOCU	After market	0.66
				Guidewire	GWRE	After market	0.38
Friday 8 September	03:50	Japan	GDP (2Q22)	Kroger	KR	Premarket	0.91
	10:00	Germany	Inflation (Aug)	Hooker Furniture	HOFT	Premarket	0.26
	18:00	US	Wholesale inventories (Jul)				
	23:00	US	Consumer credit change (Jul)				

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