



## Executive Summary

### Last week:

- US Fed and Bank of England kept interest rates unchanged at 5.25%-5.50% and 5.25%, respectively
- US non-farm payrolls came in lower than expected at 150,000 (vs 180,000 forecast)
- Euro area preliminary headline inflation came in below forecasts at 2.9%, while core matched expectations at 4.2%
- Euro area preliminary 3Q23 GDP surprised on the downside (-0.1% vs 0.0% forecast)

### Week ahead:

- Fed Chair Powell and ECB President Lagarde speeches
- Euro area retail sales
- Germany and China inflation
- Earnings from Alibaba (BABA), Walt Disney (DIS), Warner Brothers (WBD), AstraZeneca (AZN), and others

\*For detailed dates see page 5 of this document

## Commentary

Global equities rallied during past week, with S&P 500 delivering the strongest weekly gain in almost a year. In the US, small-cap stocks were the best performers, with value stocks generally outperforming their growth peers. As such, the performance was broad-based, as it usually is in response to favorable macroeconomic news.

The primary catalyst for last week's rally was Fed's policy meeting that left the rates unchanged at 5.25%-5.50%. On top of a much anticipated pause, the Fed officials made rather dovish statements, claiming that financial conditions seem restrictive enough at this point. As a result, yields declined considerably, with the 10-year US treasury yield falling from 4.85% to 4.54%.

On Friday, the US labor market data provided more positive news for stocks. The US economy added fewer than expected jobs in October, lifting unemployment rate from 3.8% to 3.9% (the highest since early 2022). Lastly, wage growth has also moderated from annual 4.3% to 4.1%, yet still standing above the Fed's target level of 3.0%.

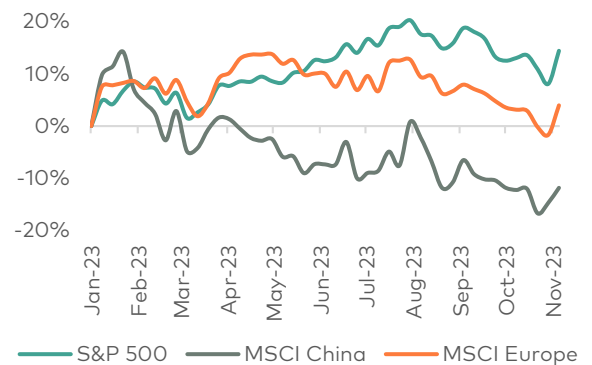
### Performance of major equity indices

Index	Level	W/W, %	M/M, %	YTD, %
S&P 500	4,358	5.9	3.0	14.0
Nasdaq 100	13,478	6.6	3.2	29.8
Dow Jones 30	34,061	5.1	3.2	2.8
Russell 2000	1,760	7.6	1.9	0.6
FTSE 100 (£)	7,417	1.7	-0.7	-1.8
FTSE 250 (£)	17,983	6.6	1.7	-6.0
STOXX 600 (€)	444.2	3.4	0.8	2.3
MSCI Europe	49.9	5.6	0.8	3.8
Nikkei 225 (¥)	31,950	3.1	0.6	24.2
MSCI China	43.3	3.2	2.4	-11.9
MSCI EAFE	69.7	5.8	3.9	5.2
MSCI EM	38.5	5.3	3.2	0.6
MSCI World	121.9	6.0	3.4	11.8

Source: Bloomberg

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

### Major global equity indices YTD indexed price returns



Source: Bloomberg

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## Sector performance highlights













### Real Estate was the best performing sector last week, with respective ETF gaining 8.5%

**w/w.** 97 out of 100 largest sector companies closed the week in green. From top 20, only KE Holdings (BEKE, -1.6%) declined. Meanwhile, the best performers from the list were CBRE Group (CBRE, +14.9%), Simon Property Group (SPG, +12.8%), Invitation Homes (INVH, +11.0%), American Tower Corp (AMT, +10.8%), and Costar Group (CSGP, +9.6%).

### Financials was the second-best performing sector, with the associated ETF rising 7.4% w/w.

96 out of 100 largest sector companies rose during the week. From top 20, all stocks rallied. The best performers from the list were Goldman Sachs (GS, +13.0%), Bank of America (BAC, +12.9%), Blackstone (BX, +12.6%), S&P Global (SPGI, +11.8%), Charles Schwab (+11.4%), BlackRock (BLK, +10.0%), Royal Bank of Canada (RY, +8.6%), and Morgan Stanley (MS, +8.3%).

### 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
<b>S&amp;P 500</b>	<b>SPY</b>	<b>434.7</b>	 5.8%	<b>14.6</b>	<b>457.8</b>	<b>367.9</b>	<b>Positive</b>
Real Estate	XLRE	35.1	 8.5%	-5.3	41.8	32.2	Neutral
Financials	XLF	33.8	 7.4%	-1.6	37.0	31.0	Neutral
Discretionary	XLY	160.2	 7.1%	24.8	177.0	126.3	Positive
Communications	XLC	67.6	 7.1%	39.0	68.8	45.3	Positive
Technology	XLK	171.8	 6.6%	39.3	180.3	118.5	Neutral
Industrials	XLI	101.6	 5.4%	3.2	110.8	93.1	Neutral
Utilities	XLU	61.9	 5.3%	72.1	-12.3	56.2	Negative
Materials	XLB	78.8	 5.1%	1.5	85.7	72.4	Neutral
Health Care	XLV	127.4	 3.5%	-5.9	139.5	123.1	Positive
Staples	XLP	68.8	 3.3%	-7.4	77.5	66.2	Neutral
Energy	XLE	86.7	 2.4%	2.7	93.4	76.6	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	<b>SHOP</b>	Shopify	61.5	<b>32.5</b>	19.6	72.3	70.4	30.9	68.6	<b>11.6</b>
2	<b>AMD</b>	Advanced Micro Devices	112.3	<b>16.4</b>	12.2	75.3	129.2	59.9	129.5	<b>15.4</b>
3	<b>UBER</b>	Uber Technologies	47.8	<b>15.8</b>	7.3	88.3	49.5	24.4	58.2	<b>21.9</b>
4	<b>BAC</b>	Bank of America	28.4	<b>12.9</b>	9.7	-15.2	38.2	25.2	34.1	<b>20.1</b>
5	<b>QCOM</b>	QUALCOMM	119.5	<b>12.3</b>	8.5	11.5	138.5	103.0	134.4	<b>12.5</b>
6	<b>PYPL</b>	PayPal Holdings	56.1	<b>11.3</b>	-2.1	-24.8	91.0	50.4	80.4	<b>43.3</b>
7	<b>NVDA</b>	NVIDIA	450.0	<b>11.1</b>	3.4	214.4	493.5	134.2	639.4	<b>42.1</b>
8	<b>MU</b>	Micron Technology	72.6	<b>10.6</b>	7.2	44.1	73.9	49.0	79.3	<b>9.3</b>
9	<b>MS</b>	Morgan Stanley	76.3	<b>9.6</b>	-2.3	-10.3	100.8	69.6	91.1	<b>19.4</b>
10	<b>AMZN</b>	Amazon.com	138.6	<b>8.5</b>	11.1	61.5	144.9	81.8	175.8	<b>26.8</b>
11	<b>INTC</b>	Intel	38.1	<b>7.3</b>	6.9	44.4	38.9	24.9	37.1	<b>-2.8</b>
12	<b>DIS</b>	Walt Disney	85.1	<b>7.2</b>	7.0	-4.4	113.2	79.3	110.4	<b>29.7</b>
13	<b>MSFT</b>	Microsoft	352.8	<b>7.0</b>	12.6	47.6	359.5	213.1	407.6	<b>15.5</b>
14	<b>TSLA</b>	Tesla	220.0	<b>6.1</b>	-10.8	103.5	293.3	108.1	257.2	<b>16.9</b>
15	<b>META</b>	Meta Platforms	314.6	<b>6.0</b>	4.5	152.2	327.8	88.9	388.2	<b>23.4</b>
16	<b>GOOGL</b>	Alphabet	129.1	<b>5.7</b>	-2.5	44.9	140.6	83.4	152.8	<b>18.4</b>
17	<b>AAPL</b>	Apple	176.6	<b>5.0</b>	2.5	41.5	196.4	124.8	203.0	<b>14.9</b>
18	<b>BABA</b>	Alibaba Group Holding	85.3	<b>3.0</b>	0.9	-7.3	120.6	64.8	142.9	<b>67.5</b>
19	<b>CVX</b>	Chevron	147.6	<b>2.3</b>	-11.6	-14.4	186.1	144.0	183.9	<b>24.6</b>
20	<b>XOM</b>	Exxon Mobil	107.8	<b>2.1</b>	-6.9	2.0	120.2	99.8	129.3	<b>20.0</b>

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 6 November	13:00	Euro area	Services PMI (Oct)	Vertex	VRTX	After market	3.92
	13:30	UK	Services PMI (Oct)	Alibaba	BABA	N/A	15.39
				Sony	SONY	N/A	1.22
Tuesday 7 November	04:00	UK	Retail sales (Oct)	Uber Technologies	UBER	Premarket	0.07
	18:15	US	Fed representatives' speeches	UBS Group	UBS	Premarket	0.06
				Gilead	GILD	After market	1.91
Wednesday 8 November	11:00	Germany	Inflation (Oct)	Warner Brothers	WBD	Premarket	-0.11
	14:00	Euro area	Retail sales (Sep)	Biogen	BIIB	Premarket	3.99
	18:15	US	Fed Chair Powell speech	Walt Disney	DIS	After market	0.71
Thursday 9 November	05:30	China	Inflation (Oct)	AstraZeneca	AZN	Premarket	0.86
	17:30	US	Jobless claims (Oct/28)	Becton Dickinson	BDX	Premarket	3.42
				Petroleo Brasileiro	PBR	After market	0.50
Friday 10 November	11:00	UK	GDP (Sep)	Allianz	ALIZY	Premarket	0.65
	12:00	China	New Yuan Loans (Oct)	Bridgestone	BRDCY	Premarket	0.50
	16:30	Euro area	ECB President Lagarde speech				
	19:00	US	Consumer sentiment (Nov)				

Source: Bloomberg, NASDAQ

## Definitions: Equity indices

<b>S&amp;P 500</b>	S&P 500 is a market capitalization weighted index of 500 leading US companies, developed by Standard & Poor's in 1957. As the index is diversified over 11 fundamental sectors of the economy it is widely considered a benchmark for the overall US stock market.
<b>Nasdaq 100</b>	Nasdaq 100 is a market capitalization weighted index of 100 largest companies (mostly US-based) listed on Nasdaq stock exchange. The index includes companies from numerous sectors, but is mostly composed of technology-focused companies. The index excludes companies from financial sector.
<b>Dow Jones 30</b>	Founded in 1882, Dow Jones Industrial Average (DJIA) or Dow Jones 30 is the price weighted index of some of the largest 30 US stocks. While most of the constituent companies are quite old and established, there have been some new additions, such as Salesforce, Amgen, and Honeywell in 2020.
<b>Russell 2000</b>	Russell 2000 is a market capitalization weighted benchmark equity index of 2,000 small-cap (market cap between \$300mn and \$3bn) US stocks. The index is viewed as a strong indicator for the broader US economic trend, as the constituent companies mostly operate only within the US.
<b>FTSE 100 (£)</b>	FTSE 100 is a market capitalization weighted index of 100 largest companies listed on London Stock Exchange (LSE). As such, the index is similar to S&P 500 and Dow Jones 30 but includes companies mostly from Europe.
<b>FTSE 250 (£)</b>	The index covers 250 companies listed on the LSE that rank from 100 to 350 in terms of market capitalization (therefore, focusing largely on mid-cap companies). FTSE 250 covers stocks mostly from Europe.
<b>STOXX 600 (€)</b>	Stoxx 600 aims to capture the broad European equity market, as it includes companies of all sizes from 17 different countries. The index includes famous European companies, such as Nestle, AstraZeneca, and Moët Hennessy Louis Vuitton.
<b>MSCI Europe</b>	MSCI Europe includes 427 large (market cap above \$10bn) and mid-cap (market cap between \$2bn and \$10bn) companies from 15 European developed economies. As such, the index covers roughly 85% of free-float adjusted market capitalization of the European DM equity universe.
<b>Nikkei 225 (¥)</b>	Nikkei is the price weighted index of 225 blue-chip stocks listed on Tokyo stock exchange (therefore, an equivalent of S&P 500 in the US). Some of the most prominent constituents of the index are Sony, Nissan, and Honda.
<b>MSCI China</b>	MSCI China includes 717 large and mid-cap companies listed on Beijing, Shanghai, and Shenzhen stock exchanges. As such, the index covers roughly 85% of the Chinese equity universe.
<b>MSCI EAFE</b>	MSCI EAFE consists of 900 stocks from developed markets worldwide, excluding the US and Canada (including Japan, the UK, France, Germany, Switzerland, and others). The index covers roughly 85% of free-float adjusted market capitalization of 21 countries of focus.
<b>MSCI EM</b>	MSCI EM includes 1,436 large and mid-cap companies from 24 emerging economies (including China, India, Taiwan, South Korea, Brazil, and others). As such, the index covers roughly 85% of free-float adjusted market capitalization of countries of focus.
<b>MSCI World</b>	MSCI World includes 1,510 large and mid-cap companies from 23 developed economies. As such, it is an extension of MSCI EAFE and includes the US and Canada as well. The index covers roughly 85% of free-float adjusted market capitalization of countries of focus.

Source: MSCI, Investopedia

## Definitions: Sectors

<b>Communications</b>	Includes companies that produce communication technologies and services. Major industries are internet content & information, telecom services, entertainment, electronic gaming & multimedia, advertising agencies, broadcasting, and publishing. Examples of leading companies in this sector are Alphabet, Meta Platforms, Netflix, T-Mobile, and Walt Disney.
<b>Technology</b>	Includes companies that produce technological goods or services. Major industries are software, semiconductors, consumer electronics, IT services, computer hardware, electronic components, and scientific & technical instruments. Examples of leading companies in this sector are Apple, Microsoft, NVIDIA, Cisco, and IBM.
<b>Discretionary</b>	Includes companies that produce non-essential or luxury goods and services (aka Consumer Discretionary or Consumer Cyclical). Major industries are general and internet retail, auto manufacturing & dealership, apparel, restaurants, travel services & resorts, and gambling. Examples of leading companies in this sector are Amazon, Tesla, Nike, Alibaba, and McDonald's.
<b>Staples</b>	Includes companies that produce goods essential to life (aka Consumer Staples or Consumer Defensive). Major industries are discount stores, household & personal products, beverages, tobacco, packaged foods, confectioneries, farm products, and grocery stores. Examples of leading companies in this sector are Walmart, Procter & Gamble, Coca-Cola, Philip Morris, and Costco.
<b>Health Care</b>	Includes companies that produce health-related products and services. Major industries are drug manufacturing, biotechnology, healthcare plans, medical devices, instruments & supplies, diagnostics & research, and medical care facilities. Examples of leading companies in this sector are Eli Lilly, UnitedHealth Group, Johnson & Johnson, AstraZeneca, and Pfizer.
<b>Financials</b>	Includes companies related to finance and investing. Major industries are banks, insurance, credit services, asset management, capital markets, and financial data & stock exchanges. Examples of leading companies in this sector are Berkshire Hathaway, Visa, JPMorgan, Bank of America, and Goldman Sachs.
<b>Industrials</b>	Includes companies that mainly produce capital goods for manufacturing and construction. Major industries are aerospace & defense, industrial machinery, railroads, farm & heavy construction machinery, freight & logistics, and building products & equipment. Examples of leading companies in this sector are Union Pacific, United Parcel Services, FedEx, General Electric, and Boeing.
<b>Materials</b>	Includes companies that produce raw materials mostly for manufacturing purposes. Major industries are chemicals, industrial metals & mining, precious metals & mining, building materials, agricultural inputs, paper & paper products, and lumber & wood products. Examples of leading companies in this sector are Linde, BHP Group, Rio Tinto, and Dow.
<b>Energy</b>	Includes companies relating to oil, gas, and consumable fuels. Major industries of the sector are oil & gas: exploration & production, midstream, equipment & services, refining & marketing, drilling, uranium, and thermal coal. Examples of leading companies in this sector are Exxon Mobil, Chevron, Shell, Occidental Petroleum, and BP.
<b>Utilities</b>	Includes companies that provide basic utilities, such as gas, water, and electricity. Major industries include regulated electric, renewables, regulated gas, regulated water, and independent power producers. Examples of leading companies in this sector are NextEra Energy, Southern Company, and Duke Energy.
<b>Real Estate</b>	Mainly includes Real Estate Investment Trusts (REITs). Major industries are REIT: specialty, industrial, residential, retail, healthcare facilities, diversified, office, mortgage, hotel & motel, and real estate services. Examples of leading companies in this sector are Prologis, American Tower, and Equinix.

Source: Corporate Finance Institute

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