



Executive Summary

Last week:

- US non-farm payrolls came in at 336,000, a figure roughly twice higher than forecast and the highest since January
- With the strong payroll figure, the US unemployment remained unchanged at 3.8%, while wage growth came in slightly lower than expected at 4.2% y/y (vs 4.3% forecast)
- US manufacturing PMI increased from 47.6 to 49.0, while services PMI fell from 54.5 to 53.6

Week ahead:

- September inflation from the US, China, Germany, and France
- Producer Price Index from the US and China
- FOMC minutes and ECB monetary policy meeting accounts
- Earnings from PepsiCo (PEP), Louis Vuitton (LVMUY), JPMorgan (JPM), BlackRock (BLK), Citigroup (C), and Wells Fargo&Co (WFC)

Commentary: large and mega-caps outperform

In response to a hotter than expected US labor market data, general equity markets declined during past week, as illustrated by a 1.2% drop in S&P 500 equal weight index. In contrast to broad markets, however, the large and mega cap stocks from Technology and Communication sectors rallied, leading to slight overall gains in S&P 500. Generally speaking, the large growth companies outperformed, while small, mid-sized, and value stocks experienced losses.

Interestingly, the US labor market data provided mixed signals. While non-farm payrolls came in well above the consensus forecast, the wage growth was reported at lowest level in more than a year. In addition, unemployment rate remained unchanged at 3.8% (vs a 3.7% forecast). This mix of data suggests that strong hiring took place due to a higher supply of workers, implying a more favorable inflationary environment.

Performance of major equity indices

| Index | Level | W/W, % | M/M, % | YTD, % |
|----------------|--------|--------|--------|--------|
| S&P 500 | 4,308 | 0.5 | -3.5 | 12.7 |
| Nasdaq 100 | 13,431 | 1.6 | -3.2 | 29.3 |
| Dow Jones 30 | 33,407 | -0.3 | -3.0 | 0.8 |
| Russell 2000 | 1,745 | -2.2 | -6.9 | -0.3 |
| FTSE 100 (£) | 7,494 | -1.5 | 0.9 | -0.8 |
| FTSE 250 (£) | 17,732 | -3.0 | -3.9 | -7.3 |
| STOXX 600 (€) | 444.9 | -1.2 | -2.1 | 2.5 |
| MSCI Europe | 49.5 | -0.4 | -3.8 | 3.0 |
| Nikkei 225 (¥) | 30,994 | -2.7 | -6.8 | 18.8 |
| MSCI China | 43.1 | -0.4 | -4.9 | -12.2 |
| MSCI EAFE | 68.5 | -0.6 | -3.1 | 3.5 |
| MSCI EM | 37.8 | -0.3 | -3.2 | -1.0 |
| MSCI World | 120.3 | 0.1 | -3.4 | 10.2 |

Source: Bloomberg

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

Major global equity indices YTD performance Weekly indexed price returns



Source: Bloomberg

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Sector performance highlights

Technology was the best performing sector last week, with XLK gaining 2.6% w/w. 68 out of 100 largest sector companies closed the week in green. From top 20, only Texas Instruments (TXN, -1.3%), Cisco Systems (CSCO, -0.6%), and Qualcomm (QCOM, -0.2%), failed to rally. Meanwhile, the best performers from the list were NVIDIA (NVDA, +5.2%), Intuit (INTU, +4.4%), Advanced Micro Devices (AMD, +4.3%), Oracle (ORCL, +3.8%), and Adobe (ADBE, +3.3%).

Energy was the weakest performing sector, with XLE losing -5.2% w/w. 87 out of 100 largest sector stocks declined during the week. From top 20, only Pioneer Natural Resources (PXD, +3.4%) and Shell (SHEL, +0.2%) managed to closed the week in green. Meanwhile, the weakest performers from top 20 were Valero Energy (VLO, -10.7%), Phillips 66 (PSX, -9.1%), Exxon Mobil (XOM, -8.9%), Petroleo Brasileiro (PBR, -6.0%), and Occidental petroleum (OXY, -5.4%).

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 upside, % |
|--------------------|------------|-----------------|---|-------------|------------------|-----------------|-----------------|
| S&P 500 | SPY | 429.5 |  0.5% | 13.2 | 457.8 | 353.6 | Positive |
| Technology | XLK | 168.2 |  2.6% | 36.5 | 180.3 | 116.2 | Positive |
| Communications | XLC | 66.9 |  2.0% | 37.6 | 68.8 | 45.3 | Positive |
| Health Care | XLV | 130.0 |  1.0% | -4.0 | 139.5 | 121.4 | Neutral |
| Discretionary | XLY | 160.6 | -0.2%  | 25.1 | 177.0 | 126.3 | Neutral |
| Financials | XLF | 33.0 | -0.4%  | -3.7 | 37.0 | 30.1 | Positive |
| Industrials | XLI | 100.8 | -0.6%  | 2.4 | 110.8 | 84.3 | Neutral |
| Materials | XLB | 78.0 | -0.7%  | 85.7 | 0.5 | 67.7 | Positive |
| Real Estate | XLRE | 33.6 | -1.5%  | -9.5 | 41.8 | 32.8 | Positive |
| Utilities | XLU | 57.3 | -2.9%  | -18.8 | 72.1 | 57.3 | Neutral |
| Staples | XLP | 66.7 | -3.1%  | -10.2 | 77.5 | 66.0 | Neutral |
| Energy | XLE | 85.7 | -5.2%  | 1.6 | 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 | PDD | PDD Holdings | 105.6 | 7.7 | 4.0 | 25.0 | 105.6 | 44.5 | 127.0 | 20.2 |
| 2 | NVDA | NVIDIA | 457.6 | 5.2 | -2.8 | 219.7 | 493.5 | 112.2 | 641.7 | 40.2 |
| 3 | GOOGL | Alphabet | 137.6 | 5.1 | 2.3 | 54.4 | 138.2 | 83.4 | 153.2 | 11.4 |
| 4 | META | Meta Platforms | 315.4 | 5.1 | 5.4 | 152.9 | 325.5 | 88.9 | 380.5 | 20.6 |
| 5 | AMD | Advanced Micro Devices | 107.2 | 4.3 | -1.9 | 67.5 | 129.2 | 55.9 | 139.1 | 29.7 |
| 6 | TSLA | Tesla | 260.5 | 4.1 | 3.4 | 141.0 | 293.3 | 108.1 | 273.3 | 4.9 |
| 7 | AAPL | Apple | 177.5 | 3.7 | -3.0 | 42.1 | 196.4 | 124.8 | 208.5 | 17.5 |
| 8 | MSFT | Microsoft | 327.3 | 3.6 | -1.7 | 36.9 | 359.5 | 213.1 | 398.1 | 21.7 |
| 9 | DIS | Walt Disney | 82.9 | 2.3 | 2.4 | -6.8 | 113.2 | 79.3 | 108.8 | 31.2 |
| 10 | INTC | Intel | 36.2 | 1.8 | -2.1 | 37.0 | 38.9 | 24.4 | 36.7 | 1.3 |
| 11 | AMZN | Amazon.com | 128.0 | 0.7 | -5.5 | 49.1 | 144.9 | 81.8 | 175.9 | 37.4 |
| 12 | PYPL | PayPal Holdings | 57.8 | -1.2 | -8.0 | -22.5 | 94.4 | 57.3 | 88.3 | 52.8 |
| 13 | CMCSA | Comcast | 43.5 | -1.3 | -3.2 | 22.2 | 47.1 | 28.5 | 50.0 | 15.0 |
| 14 | VZ | Verizon Communications | 30.9 | -2.8 | -9.7 | -21.9 | 42.0 | 30.9 | 40.3 | 30.7 |
| 15 | BAC | Bank of America | 26.1 | -4.8 | -8.2 | -22.2 | 38.2 | 25.9 | 35.7 | 36.7 |
| 16 | KO | Coca-Cola | 53.1 | -5.1 | -9.6 | -15.6 | 64.3 | 52.4 | 70.4 | 32.5 |
| 17 | MDLZ | Mondelez International | 63.4 | -8.7 | -9.1 | -4.4 | 78.4 | 54.9 | 81.3 | 28.4 |
| 18 | XOM | Exxon Mobil | 107.2 | -8.9 | -6.4 | 1.4 | 120.2 | 96.5 | 126.3 | 17.8 |
| 19 | NEE | NextEra Energy | 50.2 | -12.3 | -23.5 | -40.1 | 87.2 | 49.5 | 74.3 | 47.8 |
| 20 | RIVN | Rivian Automotive | 18.9 | -22.1 | -18.7 | 9.1 | 36.8 | 12.0 | 28.5 | 50.6 |

Source: Bloomberg, Capital IQ

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



Week ahead calendar

Macroeconomic releases

| | Time (GMT +4) | Country | Event |
|--------------------------------|------------------|---------|--------------------------------------|
| Monday 9 October | 10:00 | Germany | Industrial production (Aug) |
| | 17:00 | US | Fed Logan Speech |
| | 17:15 | US | Fed Barr Speech |
| Tuesday 10 October | 03:00 | UK | Retail sales (Sep) |
| | | | |
| | | | |
| Wednesday 11 October | 10:00 | Germany | Inflation (Sep) |
| | 12:00 | China | New Yuan loans (Sep) |
| | 16:30 | US | PPI (Sep) |
| | 22:00 | US | FOMC minutes |
| Thursday 12 October | 10:00 | UK | GDP (Aug) |
| | 15:30 | UK | ECB monetary policy meeting accounts |
| | 16:30 | US | Inflation (Sep) |
| | | | |
| Friday 13 October | 05:30 | China | Inflation (Sep) |
| | 05:30 | China | PPI (Sep) |
| | 10:45 | France | Inflation (Sep) |
| | 18:00 | US | Consumer sentiment prel. (Oct) |
| | | | |
| | | | |

Company earnings

| Company | Ticker | Time | Forecast EPS \$ |
|--------------------|--------|-----------|--------------------|
| ASX | ASXFY | N/A | N/A |
| | | | |
| | | | |
| PepsiCo | PEP | Premarket | 2.15 |
| Neogen | NEOG | Premarket | 0.05 |
| Louis Vuitton | LVMUY | N/A | N/A |
| | | | |
| Aeon | AONNY | N/A | 0.00 |
| | | | |
| | | | |
| | | | |
| Infosys | INFY | Premarket | 0.18 |
| Delta Air Lines | DAL | Premarket | 1.97 |
| Fastenal | FAST | Premarket | 0.50 |
| Fast Retailing | FRCOY | N/A | 0.01 |
| | | | |
| UnitedHealth Group | UNH | Premarket | 6.33 |
| JPMorgan | JPM | Premarket | 3.89 |
| Wells Fargo&Co | WFC | Premarket | 1.24 |
| BlackRock | BLK | Premarket | 8.55 |
| Citigroup | C | Premarket | 1.71 |
| PNC Financial | PNC | Premarket | 3.1 |

Source: Bloomberg, NASDAQ

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