



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

Company earnings

	Time (GMT +4)	Country	Event	Company	Ticker	Time	Forecast EPS \$
Monday 9 October	10:00	Germany	Industrial production (Aug)	ASX	ASXFY	N/A	N/A
	17:00	US	Fed Logan Speech				
	17:15	US	Fed Barr Speech				
Tuesday 10 October	03:00	UK	Retail sales (Sep)	PepsiCo	PEP	Premarket	2.15
				Neogen	NEOG	Premarket	0.05
				Louis Vuitton	LVMUY	N/A	N/A
Wednesday 11 October	10:00	Germany	Inflation (Sep)	Aeon	AONNY	N/A	0.00
	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)	Infosys	INFY	Premarket	0.18
	15:30	UK	ECB monetary policy meeting accounts	Delta Air Lines	DAL	Premarket	1.97
	16:30	US	Inflation (Sep)	Fastenal	FAST	Premarket	0.50
				Fast Retailing	FRCOY	N/A	0.01
Friday 13 October	05:30	China	Inflation (Sep)	UnitedHealth Group	UNH	Premarket	6.33
	05:30	China	PPI (Sep)	JPMorgan	JPM	Premarket	3.89
	10:45	France	Inflation (Sep)	Wells Fargo&Co	WFC	Premarket	1.24
	18:00	US	Consumer sentiment prel. (Oct)	BlackRock	BLK	Premarket	8.55
				Citigroup	C	Premarket	1.71
				PNC Financial	PNC	Premarket	3.1

Source: Bloomberg, NASDAQ

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