



Executive Summary

Last week:

- As expected, the US Fed kept the base rate unchanged at 5.0%-5.25%, while ECB hiked by 25bps to 4.0%
- The US headline inflation came in slightly below expectations at 4.0% y/y, while core came in at expected 5.3% y/y. Producer Price index (PPI) came in well below expectations at -0.3% m/m
- US retail sales surprised on the upside at 0.3% growth m/m
- In Euro Area, core inflation came in at expected 5.3% y/y

Week ahead:

- Bank of England interest rate decision
- June preliminary manufacturing and services PMIs from the US, Euro Area, and the UK
- FedEx (FDX) and Accenture (ACN) will be reporting earnings

Commentary: Equity rally continues

Last week, the series of favorable macroeconomic events and data releases helped global equity markets deliver positive returns. S&P 500 gained the ground for the fifth consecutive week, while almost every other global benchmark increased as well. Notably, large-caps have started to outperform again, with S&P 500 equal weight gaining 2.5% w/w, while Russell 2000 (small-cap benchmark) and S&P mid-cap 400 rose 0.5% w/w and 1.5% w/w, respectively.

The major catalysts for last week's rally came from the US. Firstly, the headline inflation dropped from 4.9% to 4.0% y/y in May, reaching the lowest level since March 2021. The Producer Price Index (PPI), also came in below expectations, showing -0.3% decline m/m. Secondly, the May retail sales surprised on the upside, showing a 0.3% m/m increase vs forecasted -0.1% contraction.

Lastly, as widely anticipated, the US Federal Reserve kept the base rate unchanged on June FOMC meeting. Importantly, this move is more likely a skip than a long-lasting pause, as the Fed rate projections hint on two more 25bps hikes in 2023. On the flipside, however, Fed Chair Powell's post-meeting speech provided dovish signals, as he reiterated his stance that future policymaking will fully depend on the incoming inflation and activity data.

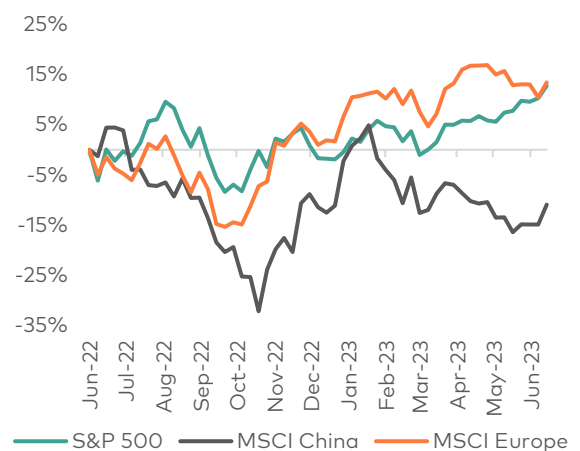
Performance of major equity indices

Index	Level	W/W, %	M/M, %	YTD, %
S&P 500	4,409	2.6	7.3	15.3
Nasdaq Comp.	13,689	3.2	10.9	31.8
Dow Jones 30	34,299	1.2	3.9	3.5
Russell 2000	1,875	0.5	8.0	7.1
FTSE 100 (£)	7,642	1.1	-1.4	1.2
FTSE 250 (£)	19,030	-0.3	-1.3	-0.5
STOXX 600 (€)	466.8	1.5	0.5	7.5
MSCI Europe	53.0	2.8	-1.9	10.4
Nikkei 225 (¥)	33,706	4.5	12.9	29.2
MSCI China	47.6	4.7	0.1	-3.0
MSCI EAFE	73.4	2.6	0.5	10.8
MSCI EM	40.9	2.6	4.9	7.0
MSCI World	124.3	2.6	4.9	13.9

Source: Bloomberg

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

Major global equity indices YTD indexed price returns



Source: Bloomberg

Eva Bochorishvili - Head of Research

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

Giorgi Tskitishvili - 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 4.3% w/w.

The rally was highly broad-based, with 90 out of 100 largest companies closing the week in green. From top 20, 17 stocks gained the ground. Best performers from the list were Intel Corporation (INTC, +16.1%), Oracle (ORCL, +14.2%), NVIDIA (NVDA, +10.1%), Adobe (ADBE, +9.1%), and Broadcom (AVGO, +7.9%). Meanwhile, Advanced Micro Devices (AMD, -3.9%), Salesforce (CRM, -1.7%), and Sony (SONY, -0.9%) lost the ground.

Energy was the only sector losing the ground past week, with respective ETF down -0.6% w/w.

58 out of 100 largest stocks closed the week in green. From top 20, 11 companies gained the ground. Best performers from the list were Woodside Energy Group (WDS, +5.9%), Shell (SHEL, +3.3%) and Equinor (EQNR, +3.2%). Meanwhile, worst performers were EOG Resources (EOG, -2.4%), Canadian Natural Resources (CNQ, -2.4%), and Exxon Mobil Corporation (XOM, -2.1%).

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	439.5	 2.2%	15.8	441.0	353.6	Neutral
Technology	XLK	173.2	 4.3%	40.5	174.6	116.2	Negative
Materials	XLB	81.8	 3.5%	5.3	85.2	66.9	Neutral
Discretionary	XLY	166.4	 3.2%	29.6	172.1	126.3	Negative
Industrials	XLI	105.4	 3.0%	7.1	105.6	82.4	Negative
Communications	XLC	64.8	 2.5%	33.2	65.3	45.3	Positive
Staples	XLP	74.7	 2.1%	-1.7	77.5	66.0	Neutral
Real Estate	XLRE	37.7	 1.5%	44.8	1.7	33.4	Positive
Health Care	XLV	132.2	 1.4%	-2.4	139.5	118.4	Positive
Utilities	XLU	67.3	 1.4%	-4.5	77.0	61.0	Neutral
Financials	XLF	33.6	 1.3%	-2.2	37.0	30.1	Neutral
Energy	XLE	80.9	 -0.6%	-4.2%	93.1	66.1	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	ORCL	Oracle	125.5	14.2	27.7	50.4	126.6	60.5	129.2	3.0
2	NVDA	NVIDIA	426.9	10.1	46.1	198.2	430.0	112.2	458.0	7.3
3	ADBE	Adobe	495.2	9.1	43.5	47.0	495.2	275.2	529.2	6.9
4	BABA	Alibaba Group Holding	92.1	7.7	3.8	0.1	122.4	63.2	145.9	58.4
5	TSLA	Tesla	260.5	6.6	56.5	141.0	309.3	108.1	207.1	-20.5
6	MSFT	Microsoft	342.3	4.8	10.1	43.2	348.1	213.1	347.1	1.4
7	PYPL	PayPal	66.4	4.6	9.3	-10.9	102.1	59.4	92.8	39.7
8	NFLX	Netflix	432.0	2.8	29.4	46.5	445.3	170.9	400.3	-7.3
9	PFE	Pfizer	40.1	2.8	8.2	-21.1	54.0	36.5	47.8	19.2
10	JNJ	Johnson & Johnson	164.2	2.6	3.1	-7.2	179.0	151.1	181.8	10.7
11	AAPL	Apple	184.9	2.2	7.5	48.1	186.0	124.8	189.9	2.7
12	MA	Mastercard	376.5	2.0	-1.0	8.7	392.0	282.9	436.0	15.8
13	BKNG	Booking Holdings	2,641.0	1.3	-0.2	30.0	2,781.0	1,634.6	2,807.4	6.3
14	GOOGL	Alphabet	123.5	1.1	3.4	38.6	127.3	83.4	132.1	7.0
15	HD	Home Depot	300.4	1.0	6.4	-4.9	339.8	265.0	321.1	6.9
16	CVX	Chevron	157.3	-1.0	3.4	-8.8	186.1	132.5	189.6	20.6
17	CRM	Salesforce	211.8	-1.6	3.5	57.1	223.4	128.3	235.9	11.4
18	XOM	Exxon Mobil	105.1	-2.1	2.5	-0.5	118.3	81.1	130.7	24.3
19	AMD	Advanced Micro Devices	120.1	-3.9	18.3	87.6	129.2	55.9	133.9	11.5
20	UNH	UnitedHealth Group	458.5	-7.1	-4.4	-11.6	553.4	449.3	584.4	27.5

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 June 19	18:00	US	Housing Market Index (Jun)
Tuesday June 20	08:30	Japan	Industrial Production (Apr)
	14:30	US	Fed Bullard Speech
	16:30	US	Building Permits (May)
Wednesday June 21	10:00	UK	Inflation (May)
	18:00	US	Fed Powell Testimony
Thursday June 22	15:00	UK	BoE Interest Rate Decision
	16:30	US	Jobless Claims (Jun/10)
	18:00	US	Fed Powell Testimony
Friday June 23	08:30	Japan	Inflation (May)
	12:00	Euro Area	Manufacturing & Services PMIs prel. (Jun)
	12:30	UK	Manufacturing & Services PMIs prel. (Jun)
	17:45	US	Manufacturing & Services PMIs prel. (Jun)

Company earnings

Company	Ticker	Time	Forecast EPS \$
Sprott Physical Gold and Silver Trust	CEF	N/A	N/A
FedEx	FDX	After Market	4.86
Korn Ferry	KFY	N/A	1.0
Patterson	PDCO	Premarket	0.70
Winnebago Industries	WGO	Premarket	1.80
KB Home	KBH	After Market	1.31
Accenture	ACN	Premarket	3.01
Darden Restaurants	DRI	Premarket	2.54
FactSet Research	FDS	Premarket	3.60
CarMax	KMX	Premarket	0.79
Apogee	APOG	Premarket	0.91

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