



Executive Summary

Last week:

- US inflation declined by more than expected, with headline CPI at 3.2% and core at 4.0%
- UK inflation also came in below forecasts, with headline and core CPIs falling to 4.6% and 5.7%, respectively
- Eurozone inflation declined as expected, with headline and core CPIs at 2.9% and 4.2%, respectively
- Eurozone GDP contracted by -0.1% in 3Q23

Week ahead:

- FOMC minutes and Durable Goods Orders from the US
- Germany 3Q23 GDP
- Manufacturing and Services PMIs from the US, UK, and Eurozone
- Earnings from Agilent Technologies (A), Trip.com (TCOM), Baidu (BIDU), NVIDIA (NVDA), Deere & Company (DE), and others

*For detailed dates please see page 5 of this document

Commentary

Global equity markets saw strong performance last week, as S&P 500 breached the 4,500 barrier. The rally was broad-based, with S&P 500 equal weight outperforming its market cap-weighted peer by 1 percentage point. Meanwhile, the US small-caps also delivered strong gains, as Russell 2000 jumped 5.4% over the week.

The major catalyst of last week's rally was the US inflation, which declined by a stronger-than-expected pace in October, primarily helped by reduced gasoline prices. In light of falling inflation, markets are now pricing in a near-100% probability of no rate change by Fed on the December meeting.

As a consequence, yields on global fixed income have fallen to multiple month lows. The US 10-year treasury yield now stands at 4.45% (down from October's peak of 4.99%), while the 10-year German Bund yield (a European benchmark) has reached 2.59% (down from September's peak of 2.98%).

Performance of global equity indices

Index	Level	W/W, %	M/M, %	YTD, %
S&P 500	4,514	2.2	3.2	18.0
Nasdaq 100	15,838	2.0	4.73	45.8
Dow Jones 30	34,947	1.9	2.8	5.5
Russell 2000	1,797	5.4	1.8	2.7
FTSE 100 (£)	7,504	2.0	-2.2	-0.7
FTSE 250 (£)	18,567	4.0	5.0	-3.0
STOXX 600 (€)	455.8	2.8	1.3	5.0
MSCI Europe	52.1	4.5	4.9	8.5
Nikkei 225 (¥)	33,388	2.5	4.8	29.8
MSCI China	43.3	1.8	0.7	-11.9
MSCI EAFE	71.8	4.0	4.2	8.5
MSCI EM	39.4	2.6	3.5	3.0
MSCI World	126.3	2.8	3.7	15.8

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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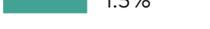
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Sector performance highlights

Real Estate was the best performing sector last week, with sector ETF (XLRE) gaining 4.6%. 92 out of 100 largest sector stock rallied last week. From top 20, all stocks closed the week in green. The best performers from the list were Crown Castle (CCI, +8.7%), Extra Space Storage (EXR, +7.7%), American Tower (AMT, +7.6%), SBA Communications (SBAC, +6.7%), and CBRE Group (CBRE, +6.3%).

Materials was the second best performing sector, with respective ETF (XLB) rising by 3.8%. 93 out of 100 largest sector companies delivered gains during past week. From top 20, all stocks rallied. The best performers from the list were Corteva (CTVA, +8.7%), Newmont (NEM, +6.3%), Sherwin-Williams (SHW, +5.7%), Nutrien (NTR, +5.6%), and PPG Industries (PPG, +5.5%).

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	450.8	 2.3%	18.8	457.8	375.2	Neutral
Real Estate	XLRE	36.0	 4.6%	-3.0	41.8	32.2	Neutral
Materials	XLB	80.3	 3.8%	3.4	85.7	74.5	Neutral
Discretionary	XLY	167.1	 3.6%	30.2	177.0	126.3	Positive
Utilities	XLU	62.3	 3.3%	-11.6	72.1	56.2	Negative
Financials	XLF	35.0	 3.2%	2.0	37.0	31.0	Neutral
Industrials	XLI	105.6	 3.0%	7.3	110.8	96.4	Negative
Communications	XLC	70.1	 2.3%	70.1	44.1	46.7	Positive
Technology	XLK	182.8	 1.8%	48.3	183.2	121.2	Negative
Health Care	XLV	128.3	 1.6%	-5.3	139.5	123.1	Positive
Energy	XLE	84.7	 1.5%	0.3	93.4	76.6	Positive
Staples	XLP	69.5	 0.8%	-6.4	77.5	66.2	Neutral

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	INTC	Intel	43.8	12.7	21.5	65.9	43.8	24.9	37.8	-13.8
2	TSLA	Tesla	234.3	9.2	-8.1	116.7	293.3	108.1	260.6	11.2
3	BAC	Bank of America	30.0	8.3	8.5	-10.5	37.6	25.2	34.3	14.5
4	DIS	Walt Disney	94.2	6.7	9.2	5.8	113.2	79.3	109.3	16.1
5	UBER	Uber Technologies	54.4	5.5	22.7	114.7	54.4	24.4	61.2	12.4
6	CVX	Chevron	144.5	2.1	-13.8	-16.2	186.1	141.5	181.5	25.6
7	XOM	Exxon Mobil	105.0	2.1	-5.8	-0.7	120.2	99.8	130.2	24.0
8	GOOGL	Alphabet	135.3	2.1	-3.2	51.8	140.6	86.0	153.0	13.0
9	NVDA	NVIDIA	493.0	2.0	12.2	244.4	496.6	140.4	641.4	30.1
10	META	Meta Platforms	335.0	1.9	3.4	168.6	336.3	108.8	387.4	15.6
11	AAPL	Apple	189.7	1.8	7.1	51.9	196.4	124.8	203.1	7.1
12	AMD	Advanced Micro Devices	120.6	1.7	14.7	88.4	129.2	62.3	128.3	6.3
13	PFE	Pfizer	29.9	1.5	-8.6	-41.1	54.0	29.0	36.0	20.3
14	AMZN	Amazon.com	145.2	1.1	10.4	69.2	145.8	81.8	176.2	21.4
15	KO	Coca-Cola	57.3	1.0	5.9	-9.0	64.3	52.4	62.1	8.5
16	MSFT	Microsoft	369.9	0.3	11.4	54.8	376.2	221.8	410.0	10.8
17	AMAT	Applied Materials	148.6	-1.4	4.1	54.0	155.4	94.0	166.5	12.0
18	BABA	Alibaba Group Holding	77.6	-6.2	-7.5	-15.6	120.6	75.5	130.8	68.6
19	WMT	Walmart	155.4	-6.5	-3.8	8.2	169.8	136.4	182.3	17.3
20	CSCO	Cisco Systems	47.8	-9.2	-11.5	0.4	57.8	45.7	55.4	16.1

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 20 November	19:00	US	CB leading index (Oct)	Agilent Technologies	A	After market	1.35
				Trip.com	TCOM	N/A	4.78
				British American Tobacco	BTI	N/A	N/A
Tuesday 21 November	17:30	US	Chicago Fed national activity index (Oct)	Lowe's	LOW	Premarket	3.02
	23:00	US	FOMC minutes	Medtronic	MDT	Premarket	1.18
				Baidu	BIDU	Premarket	17.11
				NVIDIA	NVDA	After market	3.36
Wednesday 22 November	16:00	UK	Autumn Statement	Deere & Company	DE	Premarket	7.48
	17:30	US	Durable goods orders (Oct)	Sage	SGPYY	N/A	N/A
	19:00	US	Michigan consumer sentiment (Nov)				
Thursday 23 November	12:30	Germany	Manufacturing and Services PMIs prel. (Nov)	PDD Holdings	PDD	N/A	8.94
	13:00	Eurozone	Manufacturing and Services PMIs prel. (Nov)	Meituan	MPNGF	N/A	0.10
	13:30	UK	Manufacturing and Services PMIs prel. (Nov)				
Friday 24 November	03:30	Japan	Inflation (Oct)	Naspers	NPSNY	N/A	N/A
	11:00	Germany	GDP (3Q23)	Cathay Financial	CHYYY	N/A	0.52
	13:00	Germany	Business climate (Nov)				
	18:45	US	Manufacturing and Services PMIs prel. (Nov)				

Source: Bloomberg, NASDAQ

Definitions: Equity indices

S&P 500	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.
Nasdaq 100	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.
Dow Jones 30	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.
Russell 2000	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.
FTSE 100 (£)	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.
FTSE 250 (£)	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.
STOXX 600 (€)	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.
MSCI Europe	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.
Nikkei 225 (¥)	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.
MSCI China	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.
MSCI EAFE	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.
MSCI EM	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.
MSCI World	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

Communications	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.
Technology	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.
Discretionary	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.
Staples	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.
Health Care	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.
Financials	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.
Industrials	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.
Materials	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.
Energy	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.
Utilities	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.
Real Estate	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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