



## Executive Summary

### Last week:

- Euro Area 2Q23 GDP grew by 0.6% y/y (as expected and down from 1Q23 growth of 1.1%)
- Euro Area headline inflation came in at 5.3% y/y (as expected and down from June's 5.5%), while core stood at 5.5% y/y (as expected and unchanged from June)
- UK headline inflation came in at 6.8% y/y (as expected), while the core figure surprised on the upside at 6.9% y/y
- Japan GDP grew by a stunning 6.0% y/y in 2Q23 (vs 3.1% forecast)

### Week ahead:

- US Jackson Hole Symposium
- Manufacturing & services PMIs from US, Euro Area, and UK
- US Michigan consumer sentiment and durable goods orders
- Germany 2Q22 GDP and August business climate
- Fed Chair Powell and ECB President Lagarde speeches
- Earnings from NVIDIA (NVDA), Intuit (INTU), Zoom Video (ZM), NetEase (NTES), and others

## Commentary

Global equities continued to decline in past week, primarily due to the weakened investor sentiment and fears on economic slowdown in China. While the reported macroeconomic data from Europe matched analyst expectations, the US surprised the market with higher than expected growth in retail sales. In July, the retail sales grew by 0.7% m/m (vs 0.4% forecast and up from June's 0.2%). Importantly, online sales were the major contributor, growing by 1.9% m/m. Similarly, industrial production also delivered a positive surprise, growing by 1.0% m/m (vs 0.3% forecast and up from June's -0.8%).

The US economy has proven much more resilient in 1H23 than most have anticipated. While most analysts foresaw recession, consumer demand as well as supply-side of the economy has remained strong. In fact, the Atlanta Fed GDPNow models now forecasts that the US economy will grow by 5.8% seasonally-adjusted annual rate in 2Q23. This would mark the fifth consecutive quarterly above-trend growth.

### Performance of major equity indices

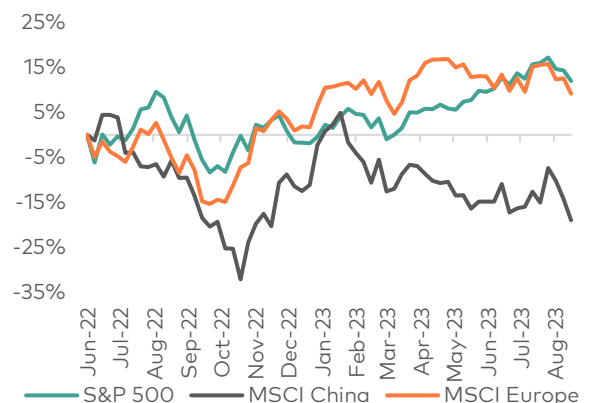
Index	Level	W/W, %	M/M, %	YTD, %
S&P 500	4,369	-2.1	-4.1	14.3
Nasdaq 100	13,290	-2.6	-7.4	28.0
Dow Jones 30	34,500	-2.2	-1.3	4.1
Russell 2000	1,859	-3.4	-5.9	6.2
FTSE 100 (£)	7,262	-3.5	-2.6	-3.9
FTSE 250 (£)	18,096	-3.7	-2.8	-5.4
STOXX 600 (€)	448.4	-2.3	-2.7	3.3
MSCI Europe	51.0	-3.0	-5.5	6.3
Nikkei 225 (¥)	31,450	-2.8	-3.2	20.5
MSCI China	43.3	-5.5	-4.6	-11.8
MSCI EAFE	69.8	-3.2	-5.9	5.5
MSCI EM	38.4	-2.9	-5.8	0.5
MSCI World	121.8	-2.4	-4.8	11.7

Source: Bloomberg

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

### Major global equity indices

#### Weekly indexed price returns (01-Jun-22 = 100)



Source: Bloomberg

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## Sector performance highlights

**Consumer Discretionary was the weakest performing sector last week, with the associated ETF losing 4.2% w/w.** 89 out of 100 largest sector companies lost the ground. From top 20, only TJX Companies (TJX, +4.2%) and VinFast Auto (VFS, +3.9%) managed to close the week in green. Worst performers from the list were Tesla (TSLA, -11.2%), MercadoLibre (MELI, -9.8%), JD.com (JD, -9.2%), Alibaba Group Holding (BABA, -8.0%), and Airbnb (ABNB, -6.5%).

**Real Estate was the second worst performing sector, with respective ETF declining by 3.2% w/w.** 96 out of 100 largest sector stocks lost the ground. From top 20, only Digital Realty Trust (DLR, +0.8%) managed to rise. Worst performers from the list were KE Holdings (BEKE, -9.2%), Alexandria Real Estate Equities (ARE, -5.8%), American Tower Corporation (AMT, -5.7%), Public Storage (PSA, -4.7%), and AvalonBay Communities (AVB, -4.3%).

## S&P 500 sector review: last week's 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>436.5</b>	-2.1% 	<b>15.1</b>	<b>457.8</b>	<b>353.6</b>	<b>Positive</b>
Energy	XLE	88.8	-1.2% 	5.2	93.1	68.0	Neutral
Technology	XLK	165.0	-1.2% 	33.8	180.3	116.2	Positive
Health Care	XLV	133.5	-1.6% 	-1.4	139.5	120.6	Neutral
Utilities	XLU	63.5	-1.7% 	-9.9	77.0	61.0	Neutral
Materials	XLB	80.8	-2.3% 	4.2	85.7	66.9	Neutral
Staples	XLP	73.0	-2.4% 	-1.7	77.5	66.0	Neutral
Industrials	XLI	106.2	-2.4% 	110.8	7.9	82.4	Neutral
Financials	XLF	34.0	-2.7% 	-1.0	37.0	30.1	Positive
Communications	XLC	65.1	-3.1% 	33.8	68.8	45.3	Positive
Real Estate	XLRE	36.2	-3.2% 	-2.4	44.2	33.4	Positive
Discretionary	XLY	162.7	-4.2% 	26.7	177.0	126.3	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>NVDA</b>	NVIDIA	433.0	6.0	-8.8	202.5	474.9	112.2	522.8	20.7
2	<b>LLY</b>	Eli Lilly	546.4	3.7	21.1	50.2	546.6	294.7	565.0	3.4
3	<b>AMAT</b>	Applied Materials	142.7	2.8	-1.3	47.8	152.6	74.1	159.8	12.0
4	<b>CSCO</b>	Cisco Systems	55.0	2.3	7.4	15.7	55.0	39.0	56.8	3.2
5	<b>AVGO</b>	Broadcom	825.8	-0.5	-8.6	49.2	920.0	423.6	877.9	6.3
6	<b>JNJ</b>	Johnson & Johnson	172.5	-0.8	8.4	-2.5	179.0	151.1	180.1	4.4
7	<b>XOM</b>	Exxon Mobil	110.0	-0.8	9.0	4.1	118.3	82.7	125.6	14.2
8	<b>MSFT</b>	Microsoft	316.5	-1.2	-12.0	32.4	359.5	213.1	391.1	23.6
9	<b>GOOGL</b>	Alphabet	127.5	-1.6	3.0	43.0	132.7	83.4	152.9	19.9
10	<b>AAPL</b>	Apple	174.5	-1.9	-9.9	39.7	196.4	124.8	208.7	19.6
11	<b>AMD</b>	Advanced Micro Devices	105.4	-2.0	-10.6	64.7	129.2	55.9	143.6	36.1
12	<b>WMT</b>	Walmart	157.9	-2.0	2.2	10.0	161.2	128.1	179.2	13.5
13	<b>JPM</b>	JPMorgan Chase & Co.	149.0	-3.5	-3.1	11.1	158.0	101.2	170.1	14.2
14	<b>AMZN</b>	Amazon.com	133.2	-3.7	0.3	55.2	142.3	81.8	173.9	30.6
15	<b>NFLX</b>	Netflix	404.5	-4.1	-14.8	37.2	477.6	214.3	468.3	15.8
16	<b>BKNG</b>	Booking Holdings	3,058.4	-4.6	2.6	50.5	3,243.0	1,634.6	3,420.4	11.8
17	<b>META</b>	Meta Platforms	283.3	-6.1	-9.2	127.1	325.5	88.9	381.6	34.7
18	<b>EL</b>	Estée Lauder	156.7	-6.5	-16.7	-38.3	280.8	156.7	197.5	26.0
19	<b>BABA</b>	Alibaba Group Holding	88.0	-8.0	-3.5	-4.3	120.6	63.2	145.8	65.7
20	<b>TSLA</b>	Tesla	215.5	-11.2	-26.5	99.3	309.1	108.1	281.7	30.7

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 \$
<b>Monday</b> August 21	10:00	Germany	PPI (Jul)	BHP Group	BHP	After market	3.08
				Zoom Video	ZM	After market	1.06
				Nordson	NDSN	After market	2.32
<b>Tuesday</b> August 22	10:00	UK	Public sector net borrowing (Jul)	Lowe's	LOW	Premarket	4.47
	15:30	US	Fed Barkin speech	Medtronic	MDT	Premarket	1.11
	18:00	US	Existing home sales	Dick's Sporting Goods	DKS	Premarket	3.81
<b>Wednesday</b> August 23	12:00	Euro Area	Manufacturing and services PMIs prel. (Aug)	Analog Devices	ADI	Premarket	2.52
	12:30	UK	Manufacturing and services PMIs prel. (Aug)	NetEase	NTES	Premarket	9.14
	17:45	US	Manufacturing and services PMIs prel. (Aug)	NVIDIA	NVDA	After market	2.07
				Snowflake	SNOW	After market	0.10
<b>Thursday</b> August 24	04:00	US	Jackson Hole Symposium	RBC	RY	Premarket	2.70
	16:30	US	Durable goods	Toronto Dominion Bank	TD	Premarket	2.06
				Intuit	INTU	After market	1.43
				PDD Holdings	PDD	N/A	7.30
<b>Friday</b> August 25	10:00	Germany	GDP (2Q23)	Meituan	MPNGF	N/A	0.09
	12:00	Germany	Business climate (Aug)	Marvell	MRVL	N/A	0.32
	18:00	US	Consumer sentiment (Aug)	Dell Tech	DELL	N/A	1.14
	18:05	US	Fed Chair Powell speech				
	23:00	Europe	ECB President Lagarde speech				

Source: Bloomberg, NASDAQ

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