



## Executive Summary

### Last week:

- US retail sales came in much stronger than expected at 0.7% m/m (vs 0.3% forecast)
- China's 3Q23 GDP surprised on the upside at 4.9% y/y (vs 4.4% forecast)
- UK inflation was reported slightly above forecasts, with headline and core CPIs at 6.7% y/y and 6.1% y/y, respectively

### Week ahead:

- ECB interest rate decision
- US 3Q23 GDP, PCE price index, and durable goods orders
- Manufacturing & services PMIs from the US, UK, and Euro Area
- Earnings from Coca-Cola (KO), Microsoft (MSFT), Alphabet (GOOGL), Meta Platforms (META), and Amazon.com (AMZN)
- For exact dates check page 4 of this document

## Commentary

All major global equity indices declined during the past week, as geopolitical headwinds in the Middle East and mixed signals from the US Fed officials weighed heavily on markets.

On the macroeconomic front, it was comments by Richmond Fed President Thomas Barkin that concerned the markets. According to Barkin, demand in the US economy may not be cooling with sufficient pace (Tuesday's retail sales data serves this position well). Importantly, however, the Fed Chairman Powell's speech was seen as slightly more dovish, as he pointed out that the current yields may prove restrictive enough to tame inflation further.

In the US, declines were largely similar across equity styles. However, the large-cap value stocks held up relatively well (-1.8% w/w), while the large-cap growth stocks saw a sharper decline (-2.9% w/w).

In China, increased pessimism about the real estate sector outweighed a stronger-than-expected GDP print, causing the Chinese equities to follow the suit of Western peers.

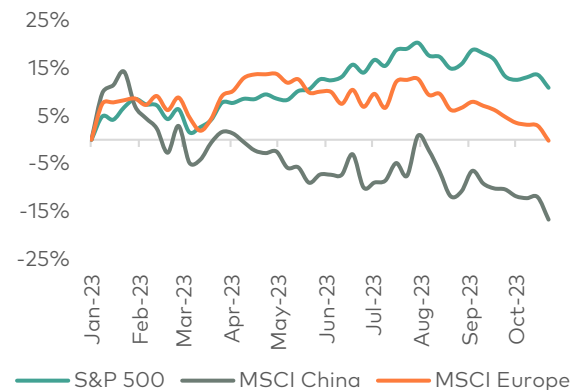
## Performance of major equity indices

Index	Level	W/W, %	M/M, %	YTD, %
S&P 500	4,224	-2.4	-4.0	10.5
Nasdaq 100	14,461	-2.9	-0.6	35.2
Dow Jones 30	33,127	-1.6	-3.8	0.0
Russell 2000	1,680	-2.3	-7.1	-4.0
FTSE 100 (£)	7,402	-2.6	-4.3	-2.0
FTSE 250 (£)	17,032	-2.4	-9.0	-11.0
STOXX 600 (€)	433.7	-3.4	-5.8	-0.1
MSCI Europe	47.9	-2.9	-4.0	-0.2
Nikkei 225 (¥)	31,259	-3.3	-5.3	19.8
MSCI China	40.9	-5.2	-6.0	-16.7
MSCI EAFE	66.6	-2.7	-6.3	0.5
MSCI EM	36.8	-2.8	-4.9	-3.7
MSCI World	117.7	-2.5	-4.7	7.8

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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## US sector performance highlights


**Real Estate and Consumer Discretionary were the weakest performing sectors last week, with Real Estate ETF (XLRE) and Consumer Discretionary ETF (XLY) losing 4.6% w/w, each.**

In Real Estate, 91 out of 100 largest sector companies closed the week in red. From top 20, all stocks declined. The weakest performers from the list were Crown Castle (CCI, -8.9%), Costar Group (CSGP, -8.0%), Public Storage (PSA, -7.7%), Extra Space Storage (EXR, -7.2%), and Prologis (PLD, -6.6%).

In Consumer Discretionary, 69 out of 100 largest sector stocks declined. From top 20, 5 companies saw positive performance. The best performers from the list were McDonald's (MCD, +4.0%), Starbucks (SBUX, +3.0%), Chipotle Mexican Grill (CMG, +2.8%), and Nike (NKE, +2.8%). Meanwhile, the worst performers were Tesla (TSLA, -15.6%), Booking Holdings (BKNG, -6.6%), Airbnb (ABNB, -6.1%), Alibaba Group (BABA, -4.9%), and MercadoLibre (MELI, -4.4%).

\*For detailed information on sectors please check page 6 of this document

## S&P sector review: last week 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>421.2</b>	-2.4% 	<b>11.0</b>	<b>457.8</b>	<b>362.4</b>	<b>Positive</b>
Energy	XLE	90.3	 0.7%	6.9	93.4	76.6	Neutral
Staples	XLP	67.3	 0.7%	-9.4	77.5	66.2	Negative
Communications	XLC	66.5	-0.8% 	36.8	68.8	45.3	Positive
Health Care	XLV	128.1	-1.6% 	-5.5	139.5	123.3	Neutral
Utilities	XLU	58.0	-2.1% 	-17.7	72.1	56.2	Neutral
Technology	XLK	163.9	-2.8% 	33.0	180.3	118.5	Positive
Industrials	XLI	98.7	-3.0% 	110.8	0.3	85.9	Neutral
Materials	XLB	75.3	-3.0% 	-3.0	85.7	69.5	Positive
Financials	XLF	32.2	-3.0% 	-6.2	37.0	31.0	Positive
Discretionary	XLY	151.7	-4.6% 	18.2	177.0	126.3	Positive
Real Estate	XLRE	32.8	-4.6% 	-11.7	41.8	32.8	Positive

Source: Galt & Taggart Research, Bloomberg, Tipranks

\* 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>NFLX</b>	Netflix	401.0	<b>12.7</b>	3.8	35.9	477.6	254.7	459.4	<b>14.6</b>
2	<b>XOM</b>	Exxon Mobil	111.1	<b>1.1</b>	-4.6	5.1	120.2	99.8	129.3	<b>16.4</b>
3	<b>MSFT</b>	Microsoft	326.7	<b>-0.3</b>	1.8	36.7	359.5	213.1	400.6	<b>22.6</b>
4	<b>GOOGL</b>	Alphabet	135.6	<b>-1.3</b>	1.4	52.2	140.6	83.4	153.6	<b>13.3</b>
5	<b>MRK</b>	Merck & Co.	102.7	<b>-1.3</b>	-4.3	-7.6	118.4	92.3	123.7	<b>20.5</b>
6	<b>CSCO</b>	Cisco Systems	52.9	<b>-1.6</b>	-4.6	11.3	57.8	41.4	60.0	<b>13.4</b>
7	<b>BAC</b>	Bank of America	26.3	<b>-1.7</b>	-7.8	-21.5	38.2	25.9	34.8	<b>32.1</b>
8	<b>META</b>	Meta Platforms	308.6	<b>-1.9</b>	3.0	147.4	327.8	88.9	381.0	<b>23.5</b>
9	<b>INTC</b>	Intel	34.9	<b>-2.9</b>	0.7	32.2	38.9	24.9	36.8	<b>5.4</b>
10	<b>AMD</b>	Advanced Micro Devices	101.8	<b>-3.1</b>	1.5	59.0	129.2	57.8	137.5	<b>35.0</b>
11	<b>AAPL</b>	Apple	172.9	<b>-3.3</b>	-1.5	38.4	196.4	124.8	208.5	<b>20.6</b>
12	<b>JPM</b>	JPMorgan Chase & Co.	142.9	<b>-3.4</b>	-3.6	6.6	158.0	115.3	175.9	<b>23.0</b>
13	<b>AMZN</b>	Amazon.com	125.2	<b>-3.6</b>	-7.5	45.9	144.9	81.8	174.1	<b>39.1</b>
14	<b>PYPL</b>	PayPal Holdings	53.4	<b>-4.2</b>	-12.3	-28.4	91.0	53.4	86.1	<b>61.3</b>
15	<b>PFE</b>	Pfizer	30.6	<b>-4.5</b>	-8.8	-39.7	54.0	30.6	36.6	<b>19.5</b>
16	<b>NEE</b>	NextEra Energy	52.0	<b>-4.6</b>	-22.9	-38.0	87.2	49.3	70.0	<b>34.7</b>
17	<b>BABA</b>	Alibaba Group Holding	79.9	<b>-4.9</b>	-6.8	-13.1	120.6	63.2	145.5	<b>82.0</b>
18	<b>ORCL</b>	Oracle	101.8	<b>-5.9</b>	-9.8	22.1	126.7	0.0	128.3	<b>26.0</b>
19	<b>NVDA</b>	NVIDIA	413.9	<b>-9.0</b>	-2.0	189.1	493.5	121.9	639.4	<b>54.5</b>
20	<b>TSLA</b>	Tesla	212.0	<b>-15.6</b>	-19.3	96.1	293.3	108.1	265.5	<b>25.2</b>

A positive 12 month return target implies an overall "Buy" recommendation by analysts  
 Source: Bloomberg, Capital IQ



## Week ahead calendar

### Macroeconomic releases

### Company earnings

	Time (GMT +4)	Country	Event	Company	Ticker	Time	Forecast EPS \$
<b>Monday</b> 23 October	16:30	US	Fed national activity index (Sep)	Nidec	NJDCY	Premarket	0.14
	18:00	Euro Area	Consumer confidence (Oct)	Sandvik	SDVKY	Premarket	0.31
				Cadence Designs	CDNS	After market	1.20
<b>Tuesday</b> 24 October	10:00	Germany	Consumer confidence (Nov)	Coca-Cola	KO	Premarket	0.70
	10:00	UK	Unemployment (Aug)	Novartis	NVS	Premarket	1.68
	11:30	Germany	Manufacturing & services PMIs prel. (Oct)	Hermes International	HESAY	Premarket	N/A
	12:00	Euro Area	Manufacturing & services PMIs prel. (Oct)	Microsoft	MSFT	After market	2.65
	12:30	UK	Manufacturing & services PMIs prel. (Oct)	Alphabet	GOOGL	After market	1.45
	17:45	US	Manufacturing & services PMIs prel. (Oct)	Visa	V	After market	2.25
<b>Wednesday</b> 25 October	15:00	US	Mortgage applications (Oct/20)	Thermo Fisher Scientific	TMO	Premarket	5.63
	21:00	Euro Area	ECB President Lagarde speech	T-Mobile US	TMUS	Premarket	1.70
				Meta Platforms	META	After market	3.64
<b>Thursday</b> 26 October	00:35	US	Fed Chair Powell speech	MasterCard	MA	Premarket	3.21
	16:15	Euro Area	ECB interest rate decision	Merck&Co	MRK	Premarket	1.95
	16:30	US	Durable goods orders (Sep)	Linde	LIN	Premarket	3.57
	16:30	US	GDP prel. 3Q23	Amazon.com	AMZN	After market	0.58
<b>Friday</b> 27 October	16:30	US	PCE price index (Sep)	Exxon Mobil	XOM	Premarket	2.37
	18:00	US	Consumer sentiment (Oct)	AbbVie	ABBV	Premarket	2.87
				Chevron	CVX	N/A	3.60

Source: Bloomberg, DailyFX

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