



Executive Summary

Last week:

- China 1Q23 GDP growth came in stronger than expected (4.5% y/y vs 4.0% forecast)
- Core inflation in Euro Area edged higher in March (to 5.7% y/y from February's 5.6%). Headline figure fell sharply (to 6.9% y/y from 8.5%)
- US PMIs surprised on the upside, with manufacturing and services at 50.4 and 53.7, respectively

Week ahead:

- US PCE index
- US and Euro Area prel. 1Q23 GDP
- US consumer confidence

Commentary – US earnings in spotlight

Earnings season has officially started in the US, as last week, some of the major companies reported their quarterly results for 1Q23. The results were largely mixed. Many blue chips from financial sector displayed favorable results, including Bank of America (BAC), Goldman Sachs (GS), and Charles Schwab (SCHW), that all surprised on the upside in terms of EPS. Regarding the topline figures, however, the latter two disappointed on the downside. Importantly, Bank of America declined regardless of beating analyst forecasts. Giants from consumer staples sector have also delivered positive surprise, with Johnson & Johnson (JNJ) and Procter & Gamble (PG) reporting higher than expected top and bottom line figures (nevertheless, the former lost the ground during the week). From tech, Netflix (NFLX), Tesla (TSLA), IBM (IBM), and Taiwan Semiconductors (TSM) posted mixed results.

The week ahead is likely to be turbulent. On the earnings side, many of the large and mega-caps are reporting their financial results. Examples include Microsoft (MSFT), Alphabet (GOOGL), Amazon.com (AMZN), Meta Platforms (META), Coca-Cola (KO), PepsiCo (PEP), and Boeing (BA). On the macroeconomics side, the preliminary figures will be reported for 1Q23 US and Euro Area GDP. In addition, the US will report the PCE index (major inflation indicator) and both CB and Michigan consumer confidence indices.

Performance of major equity indices

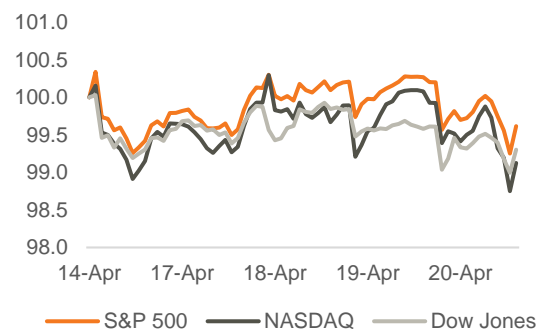
Index	Level	W/W, %	M/M, %	YTD, %
S&P 500	4,133	-0.1	3.3	8.1
Nasdaq	12,072	-0.4	1.8	16.2
Dow Jones 30	33,809	-0.2	3.8	2.0
Russell 2000	1,791	0.6	0.8	2.3
FTSE 100 (£)	7,914	0.5	5.0	4.8
FTSE 250 (£)	19,270	0.1	2.6	0.7
STOXX 600 (€)	469.0	0.4	5.0	8.0
MSCI Europe	54.6	0.7	8.9	13.6
Nikkei 225 (¥)	28,564	0.2	6.0	9.5
MSCI China	48.0	-1.7	0.8	-2.3
MSCI EAFE	73.6	0.6	6.3	11.2
MSCI EM	39.0	-1.8	2.4	2.1
MSCI World	119.2	0.1	4.2	9.3

Source: Bloomberg

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

Major US equity indices

Weekly indexed price returns (14-Apr-2023 = 100)



Source: Bloomberg

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




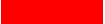

Sector performance highlights

Consumer Staples was the best performing sector, with respective ETF gaining 1.8% w/w. The rally was less broad-based in the 100 largest sector stocks as 27 lost the ground during the week. Meanwhile, from top 20, only Philip Morris International (PM, -1.7%) declined. Best performers from the list were Procter & Gamble (PG, +3.4%), Costco Wholesale (COST, +3.1%), British American Tobacco (BTI, +3.0%), Altria Group (MO, +2.5%), and Mondelez International (MDLZ, +2.2%).

Energy and Communications were the weakest performing sectors, with both declining 2.6% w/w. The fall in crude oil price to around \$77 bbl caused all but 4 from the 100 largest sector companies to tumble during the week. Worst performers from top 20 were Valero Energy (VLO, -9.3%), Phillips 66 (PSX, -5.8%), ConocoPhillips (COP, -5.8%), Marathon Petroleum (MPC, -5.5%), and Schlumberger (SLB, -5.1%).

In Communications, the decline was less broad-based, with 30 out of 100 largest stocks closing the week in green. Best performers from top 20 were Orange S.A. (ORAN, +1.4%), Chunghwa Telecom (CHT, +1.3%), and Electronic Arts (EA, 1.0%). Meanwhile, the worst performers from the list were AT&T (T, -8.6%), Verizon Communications (VZ, -4.8%), and Meta Platforms (META, -3.9%).

S&P 500 sector review: last week performance (TABLE 2 & CHART 2)

Sector	ETF Ticker	Close Price, \$	W/W ETF Change %	YTD, %	52-week high, \$	52-week low, \$	12M upside, %
S&P 500	SPY	412.2	-0.1 	8.7	430.8	353.6	Neutral
Consumer Staples	XLP	76.6	 1.8	3.1	78.8	66.0	Negative
Utilities	XLU	69.6	 1.1	-1.2	77.0	61.0	Negative
Financials	XLF	33.2	 1.0	-3.2	37.0	30.1	Neutral
Industrials	XLI	100.6	 0.8	2.2	103.7	82.4	Neutral
Cons. Discretionary	XLY	147.4	 0.3	14.8	178.7	126.3	Positive
Health Care	XLV	134.3	-0.2 	-0.9	139.5	118.4	Neutral
Materials	XLB	80.7	-0.3 	87.4	4.0	66.9	Neutral
Technology	XLK	147.8	-0.6 	19.9	151.0	116.2	Neutral
Real Estate	XLRE	36.6	-1.3 	-1.3	49.2	33.4	Positive
Energy	XLE	85.0	-2.6 	0.7	93.1	66.1	Positive
Communications	XLC	57.7	-2.6 	18.7	62.5	45.3	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	AMZN	Amazon.com	107.0	4.3	6.3	24.6	148.3	81.8	137.9	29.0
2	PG	Procter & Gamble	156.1	3.4	8.3	3.6	160.2	122.1	162.2	3.9
3	LLY	Eli Lilly	385.2	2.8	16.4	5.9	385.2	275.2	391.4	1.6
4	WMT	Walmart	151.7	2.2	8.1	5.7	158.0	117.3	165.8	9.2
5	NVDA	NVIDIA	271.2	1.3	3.5	89.4	279.6	112.2	288.9	6.5
6	JPM	JPMorgan Chase & Co.	140.5	1.3	7.7	4.8	143.8	101.2	161.5	14.9
7	BAC	Bank of America	29.9	1.2	4.5	-10.9	38.2	27.0	36.6	22.4
8	MA	Mastercard	375.2	0.8	5.8	8.4	382.4	282.9	419.9	11.9
9	V	Visa	234.1	0.0	5.5	13.1	234.6	176.9	267.5	14.3
10	XOM	Exxon Mobil	116.0	0.0	8.4	9.8	118.3	79.4	130.9	12.8
11	AAPL	Apple	165.0	-0.1	3.6	32.1	174.0	124.8	172.9	4.8
12	MSFT	Microsoft	285.8	-0.1	4.4	19.6	291.6	213.1	309.9	8.5
13	UBER	Uber Technologies	30.8	-2.1	-6.2	21.6	36.8	20.5	47.0	52.4
14	NFLX	Netflix	328.0	-3.1	7.3	11.2	368.0	166.4	359.3	9.5
15	GOOGL	Alphabet	105.4	-3.2	0.5	18.3	124.8	83.4	128.6	22.0
16	AMD	Advanced Micro Devices	88.4	-3.6	-7.8	38.1	108.6	55.9	98.2	11.0
17	META	Meta Platforms	212.9	-3.9	5.3	70.7	223.4	88.9	239.4	12.5
18	UNH	UnitedHealth Group	483.8	-5.5	0.8	-6.7	553.4	449.3	605.8	25.2
19	BABA	Alibaba Group Holding	89.1	-5.7	6.5	-3.1	122.4	63.2	155.4	74.4
20	TSLA	Tesla	165.1	-10.8	-16.4	52.7	336.3	108.1	215.7	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 \$
Monday April 24	12:00	Germany	Ifo Business Climate (Apr)	Coca-Cola	KO	Premarket	0.65
	16:30	US	Chicago Fed National Activity Index (Mar)	Canadian National Railway	CNI	After Market	1.72
				Prudential Public	PUK	N/A	N/A
Tuesday April 25	16:00	US	Building Permits (Mar)	United Parcel Service	UPS	Premarket	2.21
	17:00	US	House Price Index (Feb)	Microsoft	MSFT	After Market	2.24
	18:00	US	New Home Sales (Mar)	Alphabet	GOOGL	After Market	1.08
	18:00	US	CB Consumer Confidence (Apr)	Visa	V	After Market	1.99
				PepsiCo	PEP	N/A	1.38
Wednesday April 26	10:00	Germany	Consumer Confidence (May)	Thermo Fisher Scientific	TMO	Premarket	5.03
	10:45	France	Consumer Confidence (Apr)	Boeing	BA	Premarket	-1.04
	16:30	US	Durable Goods Orders (Mar)	Meta Platforms	META	After Market	2.02
Thursday April 27	05:30	China	Industrial Profits (Mar)	MasterCard	MA	Premarket	2.71
	13:00	Euro Area	Consumer Confidence (Apr)	Eli Lilly	LLY	Premarket	1.69
	13:00	Euro Area	Economic & Industrial Sentiment (Apr)	Merck&Co	MRK	Premarket	1.35
	16:30	US	GDP prel. (1Q23)	AstraZeneca	AZN	Premarket	0.86
	18:00	US	Pending Home Sales (Mar)	Amazon.com	AMZN	After Market	0.21
Friday April 28	13:00	Euro Area	GDP prel. (1Q23)	Exxon Mobil	XOM	Premarket	2.60
	16:00	Germany	GDP (1Q23), Inflation (Apr), and Unemployment (Apr)	Chevron	CVX	Premarket	3.38
	16:30	US	PCE Index (Mar)	Charter Communications	CHTR	Premarket	7.47
	18:00	US	Michigan Consumer Sentiment (Apr)	Aon	AON	Premarket	5.31

Source: Bloomberg, NASDAQ

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