



## Executive Summary

### Last week:

- China's 2Q23 GDP growth rate came in below expectations at 6.3% y/y (vs 7.3% forecast)
- US June retail sales and industrial production surprised on the downside, as former grew by 0.2% m/m while latter contracted by 0.5% m/m
- Euro area June core inflation ticked upwards from 5.3% to 5.5% y/y, while headline fell from 6.1% to 5.5% y/y
- UK June inflation came in below forecasts, with core at 6.9% y/y and headline at 7.9% y/y

### Week ahead:

- Fed, ECB, and Bank of Japan interest rate decisions
- US 2Q23 GDP, PCE price index, and consume sentiment
- Manufacturing and services PMIs from the US, Euro Area, and the UK
- Earnings from Microsoft, Alphabet, Visa, Meta Platforms, Amazon.com, Coca-Cola, Intel, MasterCard, and more

### Commentary: Fed, ECB, and major earnings

While economic calendar was relatively light in past week, this week will deliver numerous important news. Firstly, both the US Fed and European Central Banks will make interest rate decisions. Markets are pricing in a 98% probability of another 25bps hike which will lift the base rate to 5.25-5.50% range. Importantly, this is widely expected to mark the end of the hiking cycle and the Fed rate should start falling by a steady pace. This view is supported by the fact that the US inflation has moderated considerably. Another positive note for markets is that the US economic activity has proven highly resilient in 1H23. Labor market and retail sales have displayed strength (despite July's downwards surprise) and this should once again be proven by 2Q23 GDP and durable goods orders data due Thursday this week.

Meanwhile, the ECB is also expected to hike by 25bps, lifting the rate to 4.25%. The week ahead will also deliver earnings from a large number of major US companies from the sectors of technology, financials, health care, and communications.

### Performance of benchmark equity indices

Index	Level	W/W, %	M/M, %	YTD, %
S&P 500	4,536	0.7	3.9	18.6
Nasdaq 100	14,032	-0.6	3.9	35.1
Dow Jones 30	35,227	2.1	3.8	6.3
Russell 2000	1,960	1.5	5.2	12.0
FTSE 100 (£)	7,663	3.1	1.4	1.5
FTSE 250 (£)	19,200	3.4	3.4	0.3
STOXX 600 (€)	465.4	1.0	1.8	7.2
MSCI Europe	54.0	0.3	5.1	12.5
Nikkei 225 (¥)	32,304	-0.3	-3.8	23.8
MSCI China	45.4	-2.7	0.2	-7.6
MSCI EAFE	74.0	0.2	2.0	11.7
MSCI EM	40.3	-1.7	1.1	5.5
MSCI World	127.4	0.6	3.7	16.8

Source: Bloomberg

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

### Major global equity indices

#### Weekly indexed price returns (1-Jun-23 = 100)



Source: Bloomberg

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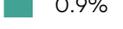
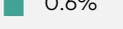
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## Sector performance highlights

**Energy was the best performing sector last week, with respective ETF gaining 3.5% w/w.** 94 out of 100 largest stocks closed the week in green. From top-20, only Schlumberger (SLB, -2.0%) lost the ground. Best performers from the list were Marathon Petroleum (MPC, +6.3%), Equinor (EQNR, +5.6%), ConocoPhillips (COP, +5.4%), Phillips 66 (PSX, +5.3%), and TotalEnergies (TTE, +5.0%).

**Communications was the weakest performing sector, with the associated ETF losing 2.4% w/w.** 49 out of 100 largest stocks closed the week in red. From top-20, 11 stocks declined. Best performers from the list were Charter Communications (CHTR, +5.1%), Warner Brothers Discovery (WBD, +4.3%), and Comcast (CMCSA, +2.1%). The weakest performers were Baidu (BIDU, -5.2%), Meta Platforms (META, -4.7%), Alphabet (GOOGL, -4.3%), America Movil (AMX, -3.9%), and Netflix (NFLX, -3.3%).

## 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, %
<b>S&amp;P 500</b>	<b>SPY</b>	<b>452.2</b>	 0.6%	<b>19.2</b>	<b>455.2</b>	<b>353.6</b>	<b>Neutral</b>
Energy	XLE	84.3	 3.5%	-0.1	93.1	66.1	Positive
Health Care	XLV	136.2	 3.4%	0.6	139.5	120.6	Positive
Financials	XLF	35.3	 2.9%	2.7	37.0	30.1	Neutral
Utilities	XLU	68.5	 2.4%	-2.9	77.0	61.0	Neutral
Staples	XLP	75.6	 1.8%	1.8	77.5	66.0	Neutral
Industrials	XLI	109.6	 0.9%	11.3	110.1	82.4	Negative
Materials	XLB	83.8	 0.6%	85.2	7.9	66.9	Neutral
Technology	XLK	176.1	 0.1%	42.9	180.3	116.2	Negative
Real Estate	XLRE	38.6	-0.5% 	4.1	44.8	33.4	Neutral
Discretionary	XLY	171.0	-2.3% 	33.2	177.0	126.3	Neutral
Communications	XLC	65.6	-2.4% 	34.9	67.8	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	<b>BAC</b>	Bank of America	32.0	<b>9.9</b>	11.9	-4.6	38.2	27.0	35.1	<b>9.9</b>
2	<b>CSCO</b>	Cisco Systems	52.6	<b>4.5</b>	3.5	10.7	52.6	39.0	55.8	<b>6.1</b>
3	<b>INTC</b>	Intel	34.0	<b>2.6</b>	3.4	28.8	39.2	24.4	32.5	<b>-4.5</b>
4	<b>CMCSA</b>	Comcast	42.9	<b>2.1</b>	5.6	20.6	43.2	28.5	46.4	<b>8.1</b>
5	<b>COST</b>	Costco Wholesale	557.9	<b>2.0</b>	7.4	23.3	559.0	449.4	564.4	<b>1.2</b>
6	<b>TXN</b>	Texas Instruments	184.3	<b>1.9</b>	8.1	13.7	186.0	146.1	186.0	<b>0.9</b>
7	<b>INTU</b>	Intuit	492.5	<b>1.8</b>	9.3	26.2	500.6	360.5	501.8	<b>1.9</b>
8	<b>QCOM</b>	QUALCOMM	124.7	<b>1.8</b>	7.7	16.3	154.0	103.0	136.0	<b>9.0</b>
9	<b>ADBE</b>	Adobe	520.2	<b>1.0</b>	9.0	54.4	532.2	275.2	539.8	<b>3.8</b>
10	<b>PEP</b>	PepsiCo	190.2	<b>1.0</b>	2.6	6.0	196.1	160.6	201.6	<b>6.0</b>
11	<b>AVGO</b>	Broadcom	896.8	<b>0.9</b>	5.8	62.0	910.3	423.6	877.9	<b>-2.1</b>
12	<b>AAPL</b>	Apple	191.9	<b>0.7</b>	4.3	53.7	195.1	124.8	196.5	<b>2.4</b>
13	<b>MSFT</b>	Microsoft	343.8	<b>-0.4</b>	3.1	43.8	359.5	213.1	377.6	<b>9.8</b>
14	<b>NVDA</b>	NVIDIA	443.1	<b>-2.6</b>	2.9	209.5	474.9	112.2	493.9	<b>11.5</b>
15	<b>NFLX</b>	Netflix	427.5	<b>-3.3</b>	0.7	44.9	477.6	213.9	469.4	<b>9.8</b>
16	<b>AMZN</b>	Amazon.com	130.0	<b>-3.5</b>	4.1	51.5	144.8	81.8	145.6	<b>12.0</b>
17	<b>AMD</b>	Advanced Micro Devices	110.9	<b>-4.3</b>	-1.0	73.3	129.2	55.9	137.7	<b>24.1</b>
18	<b>GOOGL</b>	Alphabet	120.0	<b>-4.3</b>	-0.4	34.7	127.3	83.4	138.3	<b>15.3</b>
19	<b>META</b>	Meta Platforms	294.3	<b>-4.7</b>	4.5	135.9	316.0	88.9	322.7	<b>9.6</b>
20	<b>TSLA</b>	Tesla	260.0	<b>-7.6%</b>	0.2%	140.5%	309.3	108.1	266.7	<b>2.6</b>

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> 24 July	12:00	Euro Area	Manufacturing & services PMIs prel. (Jul)	Vodafone Group	VOD	Premarket	N/A
	12:30	UK	Manufacturing & services PMIs prel. (Jul)	Cadence Design	CDNS	After market	1.18
	17:45	US	Manufacturing & services PMIs prel. (Jul)	Ryanair	RYAAY	N/A	2.71
<b>Tuesday</b> 25 July	12:00	Germany	Business climate (Jul)	General Electric	GE	Premarket	0.46
	18:00	US	Consumer confidence (Jul)	Microsoft	MSFT	After market	2.55
				Alphabet	GOOGL	After market	1.34
				Visa	V	After market	2.11
<b>Wednesday</b> 26 July	18:00	US	New home sales (Jun)	Coca-Cola	KO	Premarket	0.72
	22:00	US	Fed interest rate decision	Thermo Fisher Scientific	TMO	Premarket	5.43
				Boeing	BA	Premarket	-0.90
				Meta Platforms	META	After market	2.91
<b>Thursday</b> 27 July	05:30	China	Industrial profits (Aug)	MasterCard	MA	Premarket	2.85
	16:15	Euro area	ECB interest rate decision	Intel	INTC	Premarket	-0.04
	16:30	US	GDP prel. (2Q23)	T-Mobile US	TMUS	After market	1.70
	16:30	US	Durable goods orders (Jun)	Amazon.com	AMZN	N/A	0.35
<b>Friday</b> 28 July	07:00	Japan	Bank of Japan interest rate decision	Exxon Mobil	XOM	Premarket	2.06
	16:00	Germany	Inflation (Jul)	Procter & Gamble	PG	Premarket	1.32
	16:30	US	PCE price index (Jun)	Chevron	CVX	Premarket	2.98
	18:00	US	Consumer sentiment (Jul)	AstraZeneca	AZN	Premarket	1.00

Source: Bloomberg, NASDAQ

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