



## 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

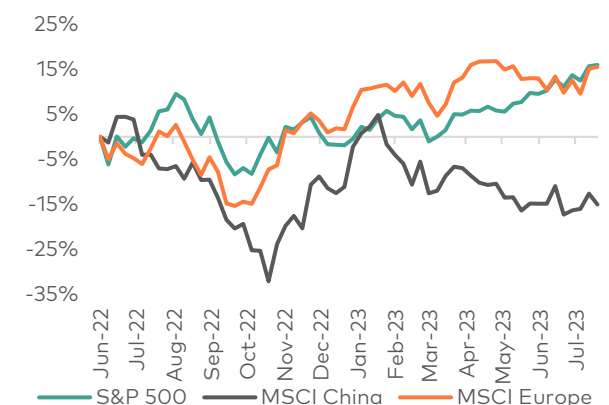
Index	Level	W/W, %	M/M, %	YTD, %
S&P 500	4,536	0.7	3.9	18.6
Nasdaq 100	14,032	-0.6	3.9	35.1
Dow Jones 30	35,227	2.1	3.8	6.3
Russell 2000	1,960	1.5	5.2	12.0
FTSE 100 (£)	7,663	3.1	1.4	1.5
FTSE 250 (£)	19,200	3.4	3.4	0.3
STOXX 600 (€)	465.4	1.0	1.8	7.2
MSCI Europe	54.0	0.3	5.1	12.5
Nikkei 225 (¥)	32,304	-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

#### Eva Bochorishvili - Head of Research

| evabochoreshvili@gt.ge | +995 32 2401 111 ext. 8036

#### Gigi Tskitishvili - Senior Equity Markets Analyst







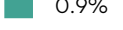
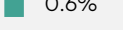
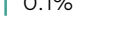



| g.tskitishvili@gt.ge | +995 32 2401 111 ext. 8967

## 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	9.9	11.9	-4.6	38.2	27.0	35.1	9.9
2	<b>CSCO</b>	Cisco Systems	52.6	4.5	3.5	10.7	52.6	39.0	55.8	6.1
3	<b>INTC</b>	Intel	34.0	2.6	3.4	28.8	39.2	24.4	32.5	-4.5
4	<b>CMCSA</b>	Comcast	42.9	2.1	5.6	20.6	43.2	28.5	46.4	8.1
5	<b>COST</b>	Costco Wholesale	557.9	2.0	7.4	23.3	559.0	449.4	564.4	1.2
6	<b>TXN</b>	Texas Instruments	184.3	1.9	8.1	13.7	186.0	146.1	186.0	0.9
7	<b>INTU</b>	Intuit	492.5	1.8	9.3	26.2	500.6	360.5	501.8	1.9
8	<b>QCOM</b>	QUALCOMM	124.7	1.8	7.7	16.3	154.0	103.0	136.0	9.0
9	<b>ADBE</b>	Adobe	520.2	1.0	9.0	54.4	532.2	275.2	539.8	3.8
10	<b>PEP</b>	PepsiCo	190.2	1.0	2.6	6.0	196.1	160.6	201.6	6.0
11	<b>AVGO</b>	Broadcom	896.8	0.9	5.8	62.0	910.3	423.6	877.9	-2.1
12	<b>AAPL</b>	Apple	191.9	0.7	4.3	53.7	195.1	124.8	196.5	2.4
13	<b>MSFT</b>	Microsoft	343.8	-0.4	3.1	43.8	359.5	213.1	377.6	9.8
14	<b>NVDA</b>	NVIDIA	443.1	-2.6	2.9	209.5	474.9	112.2	493.9	11.5
15	<b>NFLX</b>	Netflix	427.5	-3.3	0.7	44.9	477.6	213.9	469.4	9.8
16	<b>AMZN</b>	Amazon.com	130.0	-3.5	4.1	51.5	144.8	81.8	145.6	12.0
17	<b>AMD</b>	Advanced Micro Devices	110.9	-4.3	-1.0	73.3	129.2	55.9	137.7	24.1
18	<b>GOOGL</b>	Alphabet	120.0	-4.3	-0.4	34.7	127.3	83.4	138.3	15.3
19	<b>META</b>	Meta Platforms	294.3	-4.7	4.5	135.9	316.0	88.9	322.7	9.6
20	<b>TSLA</b>	Tesla	260.0	-7.6%	0.2%	140.5%	309.3	108.1	266.7	2.6

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 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
Tuesday 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
Wednesday 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
Thursday 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
Friday 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

## Disclaimer

This document is the property of and has been prepared by JSC Galt & Taggart ("Galt & Taggart"), a member of Bank of Georgia group PLC ("Group") solely for informational purposes and independently of the respective companies mentioned herein. This document does not constitute or form part of, and should not be construed as, an offer or solicitation or invitation of an offer to buy, sell or subscribe for any securities or assets and nothing contained herein shall form the basis of any contract or commitment whatsoever or shall be considered as a recommendation to take any such actions.

Galt & Taggart is authorized to perform professional activities on the Georgian market. The distribution of this document in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by Galt & Taggart to inform themselves about and to observe any and all restrictions applicable to them. This document is not directed to, or intended for distribution, directly or indirectly, to, or use by, any person or entity that is a citizen or resident located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.

Investments (or any short-term transactions) in emerging markets involve significant risk and volatility and may not be suitable for everyone. The recipients of this document must make their own investment decisions as they believe appropriate based on their specific objectives and financial situation. When doing so, such recipients should be sure to make their own assessment of the risks inherent in emerging market investments, including potential political and economic instability, other political risks including without limitation changes to laws and tariffs, and nationalization of assets, and currency exchange risk.

No representation, warranty or undertaking, express or implied, is or will be made by Galt & Taggart or any other member of the Group or their respective directors, employees, affiliates, advisers or agents or any other person as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of this document and the information contained herein (and whether any information has been omitted from this document) and no reliance should be placed on it. This document should not be considered as a complete description of the markets, industries and/or companies referred to herein. Nothing contained in this document is, is to be construed as, or shall be relied on as legal, investment, business or tax advice, whether relating to the past or the future, by Galt & Taggart any other member of the Group or any of their respective directors, employees, affiliates, advisers or agents in any respect. Recipients are required to make their own independent investigation and appraisal of the matters discussed herein. Any investment decision should be made at the investor's sole discretion. To the extent permitted by law, Galt & Taggart, any other member of the Group and their respective directors, employees, affiliates, advisers and agents disclaim all liability whatsoever (in negligence or otherwise) for any loss or damages however arising, directly or indirectly, from any use of this document or its contents or otherwise arising in connection with this document, or for any act, or failure to act, by any party, on the basis of this document.

The information in this document is subject to verification, completion and change without notice and Galt & Taggart is not under any obligation to update or keep current the information contained herein. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the information since the date hereof or the date upon which this document has been most recently updated, or that the information contained in this document is correct as at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. No representation or warranty, expressed or implied, is made by Galt & Taggart or any other member of the Group, or any of their respective directors, employees, affiliates, advisers or agents with respect to the accuracy or completeness of such information.

The information provided and opinions expressed in this document are based on the information available as of the issue date and are solely those of Galt & Taggart as part of its internal research coverage. Opinions, forecasts and estimates contained herein are based on information obtained from third party sources believed to be reliable and in good faith, and may change without notice. Third party publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. Accordingly, undue reliance should not be placed on any such data contained in this document. Neither Galt & Taggart, any other member of the Group, nor their respective directors, employees, affiliates, advisers or agents make any representation or warranty, express or implied, of this document's usefulness in predicting the future performance, or in estimating the current or future value, of any security or asset.

Galt & Taggart does, and seeks to do, and any other member of the Group may or seek to do business with companies covered in its research. As a result, investors should be aware of a potential conflict of interest that may affect the objectivity of the information contained in this document.

Unauthorized copying, distribution, publication or retransmission of all or any part of this document by any medium or in any form for any purpose is strictly prohibited.

The recipients of this document are responsible for protecting against viruses and other destructive items. Receipt of the electronic transmission is at risk of the recipient and it is his/her responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

**Galt & Taggart**  
**Address:** 3 A. Pushkin Street, Tbilisi 0105, Georgia  
**Tel:** + (995) 32 2401 111  
**Email:** research@gt.ge