



## Executive Summary

### Last week:

- Germany GDP contracted by a more-than-expected -0.4% in 3Q23. Business climate index ticked slightly upwards, yet still remaining below its 2023 peak
- US Durable Goods Orders declined by a more-than-expected -5.4%, the second largest decline since mid-2020

### Week ahead:

- US 3Q23 GDP and PCE price index
- Eurozone inflation
- US, China, and Eurozone Manufacturing PMIs
- Earnings from PDD Holdings (PDD), Intuit (INTU), Salesforce (CRM), Kroger (KR), and others

\*For detailed dates please see page 5 of this document

## Commentary

Last week was rather calm yet rewarding for global equity markets. All major US indices closed the week in green, while European benchmarks mostly rallied as well. Performance was rather broad-based, with only small-cap value stocks being noticeable underperformers.

Fixed income markets were also stable throughout the week, with yields on most benchmark contracts remaining largely unchanged. The only exception was yield on 2-year US treasuries, which increased by 50bps to 4.96%.

At this point, it is worth mentioning the unique performance of markets in 2023. While S&P 500 has gained over 19% YTD, almost 95% of these gains came from the 7 best performing stocks - Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, and Tesla. Meanwhile, the remaining of S&P 500 rose by a mere 3.5%. From valuations perspective, this means that most of the index constituents still have room to grow, especially now that the macroeconomic headwinds are gradually neutralizing.

### Performance of global equity indices

Index	Level	W/W, %	M/M, %	YTD, %
S&P 500	4,559	1.0	7.3	19.2
Nasdaq 100	15,982	0.9	8.4	47.1
Dow Jones 30	35,390	1.3	6.8	6.8
Russell 2000	1,808	0.5	7.6	3.2
FTSE 100 (£)	7,488	-0.2	1.3	-0.9
FTSE 250 (£)	18,458	-0.6	8.6	-3.5
STOXX 600 (€)	460.0	0.9	5.7	5.9
MSCI Europe	52.8	1.2	9.5	9.9
Nikkei 225 (¥)	33,448	0.1	7.9	28.9
MSCI China	43.7	0.9	3.1	-11.1
MSCI EAFE	72.6	1.0	8.3	9.6
MSCI EM	39.5	0.5	6.2	3.5
MSCI World	127.5	1.0	7.8	16.9

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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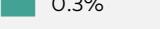
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## Sector performance highlights

**Healthcare was the best performing sector last week, with the sector ETF (XLV) gaining 2.2%.** 69 out of 100 largest sector companies closed the week in green. From top 20, only Bristol-Myers Squibb (BMY, -2.1%), AMGEN (AMGN, -1.3%), and Merck & Co (MRK, -0.1%) declined. Meanwhile, the best performers from the list were Novo Nordisk (NVO, +6.0%), Danaher (DHR, +5.9%), Medtronic (MDT, +5.5%), Intuitive Surgical (ISRG, +4.6%) and Novartis (NVS, +4.3%).

**Consume Staples was the second-best performing sector, with the associated ETF (XLP) rising 1.3%.** 83 out of 100 largest sector companies rallied during the week. From top 20, only Ambev (ABEV, -1.4%) and Procter & Gamble (PG, -1.0%) declined. Meanwhile, the best performers from the list were British American Tobacco (BTI, +3.7%), Phillip Morris International (PM, +3.4%), Kraft Heinz (KHC, +3.3%), and Anheuser-Busch InBev (BUD, +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 outlook
<b>S&amp;P 500</b>	<b>SPY</b>	455.3	 <b>1.0%</b>	20.0	457.8	375.2	<b>Neutral</b>
Health Care	XLV	131.1	 <b>2.2%</b>	-3.2	139.5	123.1	<b>Positive</b>
Staples	XLP	70.4	 <b>1.3%</b>	-5.2	77.5	66.2	<b>Neutral</b>
Communications	XLC	71.0	 <b>1.3%</b>	46.0	71.2	46.7	<b>Positive</b>
Financials	XLF	35.4	 <b>1.1%</b>	3.1	37.0	31.0	<b>Neutral</b>
Materials	XLB	81.1	 <b>1.1%</b>	4.5	85.7	74.5	<b>Neutral</b>
Real Estate	XLRE	36.3	 <b>1.0%</b>	-2.0	41.8	32.2	<b>Neutral</b>
Technology	XLK	184.4	 <b>0.9%</b>	49.6	185.4	121.2	<b>Negative</b>
Industrials	XLI	106.3	 <b>0.7%</b>	8.0	110.8	96.4	<b>Negative</b>
Discretionary	XLY	168.2	 <b>0.7%</b>	31.0	177.0	126.3	<b>Positive</b>
Utilities	XLU	62.7	 <b>0.6%</b>	-11.1	72.1	56.2	<b>Negative</b>
Energy	XLE	84.9	 <b>0.3%</b>	0.6	93.4	76.6	<b>Positive</b>

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>BIDU</b>	Baidu	123.4	<b>14.2</b>	10.7	3.6	160.2	93.4	171.3	<b>38.8</b>
2	<b>NVO</b>	Novo Nordisk	105.4	<b>4.0</b>	8.1	<b>-23.0</b>	199.5	87.8	110.0	<b>4.3</b>
3	<b>PDD</b>	PDD Holdings	118.7	<b>3.1</b>	9.6	40.4	118.8	60.0	121.7	<b>2.5</b>
4	<b>SHOP</b>	Shopify	70.3	<b>2.9</b>	34.4	97.2	71.0	32.6	69.5	<b>-1.2</b>
5	<b>MSFT</b>	Microsoft	377.4	<b>2.0</b>	14.2	57.9	377.9	221.8	411.8	<b>9.1</b>
6	<b>DIS</b>	Walt Disney	96.1	<b>2.0</b>	16.4	8.0	113.2	79.3	109.3	<b>13.8</b>
7	<b>UBER</b>	Uber Technologies	55.3	<b>1.6</b>	25.2	118.1	55.4	24.4	61.2	<b>10.6</b>
8	<b>AMD</b>	Advanced Micro Devices	122.3	<b>1.4</b>	20.3	91.0	129.2	62.3	128.3	<b>4.9</b>
9	<b>CSCO</b>	Cisco Systems	48.4	<b>1.3</b>	<b>-8.8</b>	1.7	57.8	45.7	52.2	<b>7.9</b>
10	<b>BABA</b>	Alibaba Group Holding	78.5	<b>1.1</b>	<b>-5.3</b>	<b>-14.7</b>	120.6	75.5	131.3	<b>67.3</b>
11	<b>AMZN</b>	Amazon.com	146.7	<b>1.1</b>	14.1	71.0	146.7	81.8	176.2	<b>20.1</b>
12	<b>GOOGL</b>	Alphabet	136.7	<b>1.0</b>	<b>-1.5</b>	53.4	140.6	86.0	153.9	<b>12.6</b>
13	<b>META</b>	Meta Platforms	338.2	<b>1.0</b>	8.2	171.1	341.5	108.8	389.0	<b>15.0</b>
14	<b>TSLA</b>	Tesla	235.4	<b>0.5</b>	8.7	117.8	293.3	108.1	257.7	<b>9.4</b>
15	<b>INTC</b>	Intel	44.0	<b>0.3</b>	27.1	66.5	44.7	24.9	37.8	<b>-14.1</b>
16	<b>AAPL</b>	Apple	190.0	<b>0.1</b>	9.5	52.1	196.4	124.8	203.1	<b>6.9</b>
17	<b>XOM</b>	Exxon Mobil	104.6	<b>-0.4</b>	<b>-3.5</b>	<b>-1.1</b>	120.2	99.8	130.2	<b>24.5</b>
18	<b>BAC</b>	Bank of America	29.7	<b>-0.8</b>	16.7	<b>-11.3</b>	37.6	25.2	34.3	<b>15.4</b>
19	<b>PYPL</b>	PayPal Holdings	55.8	<b>-1.4</b>	2.8	<b>-25.2</b>	87.0	50.4	73.9	<b>32.6</b>
20	<b>NVDA</b>	NVIDIA	477.8	<b>-3.1</b>	9.4	233.7	504.1	140.4	656.6	<b>37.4</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
<b>Monday</b> 27 November	18:00	Eurozone	ECB President Lagarde speech	Zscaler	ZS	After market
				Johnson Controls	JCI	N/A
				Prudential Public	PUK	N/A
<b>Tuesday</b> 28 November	11:00	Germany	Consumer confidence (Dec)	PDD Holdings	PDD	Premarket
	19:00	US	Consumer confidence (Nov)	Meituan	MPNGF	Premarket
				Intuit	INTU	After market
				Workday	WDAY	After market
<b>Wednesday</b> 29 November	14:00	Eurozone	Consumer confidence	Salesforce	CRM	After market
	14:00	Eurozone	Economic and industrial sentiment (Nov)	Synopsys	SNPS	After market
	17:00	Germany	Inflation prel. (Nov)	Snowflake	SNOW	After market
	17:30	US	GDP 2 <sup>nd</sup> est. (3Q23)	Rolls Royce Holdings	RYCEY	N/A
<b>Thursday</b> 30 November	05:30	China	Manufacturing PMI (Nov)	RBC	RY	Premarket
	12:55	Germany	Unemployment (Nov)	Toronto Dominion Bank	TD	Premarket
	14:00	Eurozone	Inflation prel. (Nov)	Kroger	KR	Premarket
	17:30	US	PCE price index (Oct)	Dell Tech	DELL	N/A
<b>Friday</b> 1 December	13:00	Eurozone	Manufacturing PMI (Nov)	Bank of Montreal	BMO	Premarket
	19:00	US	Manufacturing PMI (Nov)	Marvell	MRVL	N/A
	20:00	US	Fed Chair Powell speech			

Source: Bloomberg, NASDAQ

## Definitions: Equity indices

<b>S&amp;P 500</b>	S&P 500 is a market capitalization weighted index of 500 leading US companies, developed by Standard & Poor's in 1957. As the index is diversified over 11 fundamental sectors of the economy it is widely considered a benchmark for the overall US stock market.
<b>Nasdaq 100</b>	Nasdaq 100 is a market capitalization weighted index of 100 largest companies (mostly US-based) listed on Nasdaq stock exchange. The index includes companies from numerous sectors, but is mostly composed of technology-focused companies. The index excludes companies from financial sector.
<b>Dow Jones 30</b>	Founded in 1882, Dow Jones Industrial Average (DJIA) or Dow Jones 30 is the price weighted index of some of the largest 30 US stocks. While most of the constituent companies are quite old and established, there have been some new additions, such as Salesforce, Amgen, and Honeywell in 2020.
<b>Russell 2000</b>	Russell 2000 is a market capitalization weighted benchmark equity index of 2,000 small-cap (market cap between \$300mn and \$3bn) US stocks. The index is viewed as a strong indicator for the broader US economic trend, as the constituent companies mostly operate only within the US.
<b>FTSE 100 (£)</b>	FTSE 100 is a market capitalization weighted index of 100 largest companies listed on London Stock Exchange (LSE). As such, the index is similar to S&P 500 and Dow Jones 30 but includes companies mostly from Europe.
<b>FTSE 250 (£)</b>	The index covers 250 companies listed on the LSE that rank from 100 to 350 in terms of market capitalization (therefore, focusing largely on mid-cap companies). FTSE 250 covers stocks mostly from Europe.
<b>STOXX 600 (€)</b>	Stoxx 600 aims to capture the broad European equity market, as it includes companies of all sizes from 17 different countries. The index includes famous European companies, such as Nestle, AstraZeneca, and Moët Hennessy Louis Vuitton.
<b>MSCI Europe</b>	MSCI Europe includes 427 large (market cap above \$10bn) and mid-cap (market cap between \$2bn and \$10bn) companies from 15 European developed economies. As such, the index covers roughly 85% of free-float adjusted market capitalization of the European DM equity universe.
<b>Nikkei 225 (¥)</b>	Nikkei is the price weighted index of 225 blue-chip stocks listed on Tokyo stock exchange (therefore, an equivalent of S&P 500 in the US). Some of the most prominent constituents of the index are Sony, Nissan, and Honda.
<b>MSCI China</b>	MSCI China includes 717 large and mid-cap companies listed on Beijing, Shanghai, and Shenzhen stock exchanges. As such, the index covers roughly 85% of the Chinese equity universe.
<b>MSCI EAFE</b>	MSCI EAFE consists of 900 stocks from developed markets worldwide, excluding the US and Canada (including Japan, the UK, France, Germany, Switzerland, and others). The index covers roughly 85% of free-float adjusted market capitalization of 21 countries of focus.
<b>MSCI EM</b>	MSCI EM includes 1,436 large and mid-cap companies from 24 emerging economies (including China, India, Taiwan, South Korea, Brazil, and others). As such, the index covers roughly 85% of free-float adjusted market capitalization of countries of focus.
<b>MSCI World</b>	MSCI World includes 1,510 large and mid-cap companies from 23 developed economies. As such, it is an extension of MSCI EAFE and includes the US and Canada as well. The index covers roughly 85% of free-float adjusted market capitalization of countries of focus.

Source: MSCI, Investopedia

## Definitions: Sectors

<b>Communications</b>	Includes companies that produce communication technologies and services. Major industries are internet content & information, telecom services, entertainment, electronic gaming & multimedia, advertising agencies, broadcasting, and publishing. Examples of leading companies in this sector are Alphabet, Meta Platforms, Netflix, T-Mobile, and Walt Disney.
<b>Technology</b>	Includes companies that produce technological goods or services. Major industries are software, semiconductors, consumer electronics, IT services, computer hardware, electronic components, and scientific & technical instruments. Examples of leading companies in this sector are Apple, Microsoft, NVIDIA, Cisco, and IBM.
<b>Discretionary</b>	Includes companies that produce non-essential or luxury goods and services (aka Consumer Discretionary or Consumer Cyclical). Major industries are general and internet retail, auto manufacturing & dealership, apparel, restaurants, travel services & resorts, and gambling. Examples of leading companies in this sector are Amazon, Tesla, Nike, Alibaba, and McDonald's.
<b>Staples</b>	Includes companies that produce goods essential to life (aka Consumer Staples or Consumer Defensive). Major industries are discount stores, household & personal products, beverages, tobacco, packaged foods, confectioneries, farm products, and grocery stores. Examples of leading companies in this sector are Walmart, Procter & Gamble, Coca-Cola, Philip Morris, and Costco.
<b>Health Care</b>	Includes companies that produce health-related products and services. Major industries are drug manufacturing, biotechnology, healthcare plans, medical devices, instruments & supplies, diagnostics & research, and medical care facilities. Examples of leading companies in this sector are Eli Lilly, UnitedHealth Group, Johnson & Johnson, AstraZeneca, and Pfizer.
<b>Financials</b>	Includes companies related to finance and investing. Major industries are banks, insurance, credit services, asset management, capital markets, and financial data & stock exchanges. Examples of leading companies in this sector are Berkshire Hathaway, Visa, JPMorgan, Bank of America, and Goldman Sachs.
<b>Industrials</b>	Includes companies that mainly produce capital goods for manufacturing and construction. Major industries are aerospace & defense, industrial machinery, railroads, farm & heavy construction machinery, freight & logistics, and building products & equipment. Examples of leading companies in this sector are Union Pacific, United Parcel Services, FedEx, General Electric, and Boeing.
<b>Materials</b>	Includes companies that produce raw materials mostly for manufacturing purposes. Major industries are chemicals, industrial metals & mining, precious metals & mining, building materials, agricultural inputs, paper & paper products, and lumber & wood products. Examples of leading companies in this sector are Linde, BHP Group, Rio Tinto, and Dow.
<b>Energy</b>	Includes companies relating to oil, gas, and consumable fuels. Major industries of the sector are oil & gas: exploration & production, midstream, equipment & services, refining & marketing, drilling, uranium, and thermal coal. Examples of leading companies in this sector are Exxon Mobil, Chevron, Shell, Occidental Petroleum, and BP.
<b>Utilities</b>	Includes companies that provide basic utilities, such as gas, water, and electricity. Major industries include regulated electric, renewables, regulated gas, regulated water, and independent power producers. Examples of leading companies in this sector are NextEra Energy, Southern Company, and Duke Energy.
<b>Real Estate</b>	Mainly includes Real Estate Investment Trusts (REITs). Major industries are REIT: specialty, industrial, residential, retail, healthcare facilities, diversified, office, mortgage, hotel & motel, and real estate services. Examples of leading companies in this sector are Prologis, American Tower, and Equinix.

Source: Corporate Finance Institute

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