



Executive Summary

Last week:

- The US Fed hiked by 25bps to 5.25%-5.50% range, as expected
- ECB also hiked by 25bps, reaching 4.25%
- The US 2Q23 GDP grew by more than expected 2.4% y/y

Week ahead:

- US July non-farm payrolls and unemployment
- Euro Area 2Q23 GDP and July inflation
- US, Euro Area, and UK July services PMIs
- Earnings from Apple (AAPL), Amazon.com (AMZN), AMD (AMD), Uber Tech (UBER), and more

Commentary: US economic outlook improves

Investor sentiment was elevated last week, with favorable economic releases and corporate earnings serving as main catalysts. Broadly speaking, growth stocks outperformed their value peers in the face of major earnings announcements. Tech-focused companies also performed well, as shown by the 2.0% rally in Nasdaq Composite.

In the US, major news was the lower-than-expected core personal consumption expenditure (PCE) index which declined from 4.6% y/y to 4.1% in June. Moreover, wage growth has also moderated to 1.0% q/q.

On the activity side, 2Q23 GDP and June durable goods orders both surprised on the upside. GDP grew by a stunning 2.4% q/q (vs 1.9% forecast) while durable goods rose 4.7% m/m (vs 1.0% forecast). As both activity and inflation data seem to be moving in a favorable direction, investors are increasingly hoping for soft landing scenario.

Chinese equities rallied as well. The main catalyst was the government's announcement on the planned stimuli to boost the economy that underperformed the analyst expectations in 1Q23. Importantly, inflation in China is very low (close to zero), which implies there is a large room for expansionary policy.

Performance of benchmark equity indices

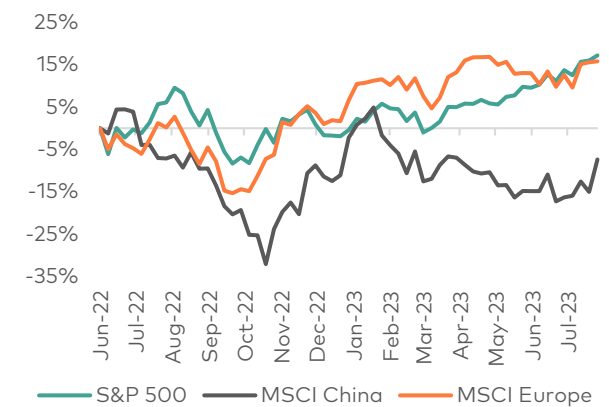
Index	Level	W/W, %	M/M, %	YTD, %
S&P 500	4,582.2	1.0	4.7	19.8
Nasdaq 100	14,316.7	2.0	5.3	37.8
Dow Jones 30	35,459.3	0.7	4.7	7.0
Russell 2000	1,981.5	1.1	6.6	13.2
FTSE 100 (£)	7,694.3	0.4	2.6	1.9
FTSE 250 (£)	19,124.1	-0.4	3.9	-0.1
STOXX 600 (€)	470.8	1.2	3.2	8.4
MSCI Europe	470.8	1.2	3.2	8.4
Nikkei 225 (¥)	32,759.2	1.4	-1.3	25.5
MSCI China	49.5	9.0	10.0	0.8
MSCI EAFE	74.4	0.6	3.8	12.4
MSCI EM	41.9	4.0	6.3	9.7
MSCI World	128.4	0.8	4.6	17.7

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

Communications was the best performing sector last week, with respective ETF gaining 5.0% w/w. 59 out of 100 largest sector stocks closed the week in green. From top-20, 13 managed to gain the ground. Best performers from the list were Meta Platforms (10.6%), Alphabet (GOOGL, +1.5%), Baidu (BIDU, +9.8%), NetEase (NTES, +6.2%), and DoorDash (DASH, +6.1%). Meanwhile, the worst performers were Orange (ORAN, -4.8%), BCE (BCE, -3.1%), and AT&T (T, -2.1%).

Utilities was the weakest performing sector, with the associated ETF losing 2.1% w/w. 88 out of 100 largest companies lost the ground during the week. From top-20, only Edison International (EIX, +0.8%) delivered a positive performance. Worst performers from the list were NextEra Energy (NEE, -4.0%), Xcel Energy (XEL, -3.6%), Public Service Enterprise (PEG, -3.0%), Eversource Energy (ES, -3.0%), and WEC Energy (WEC, -2.5%).

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, %
S&P 500	SPY	456.9	 1.0%	20.4	456.9	353.6	Neutral
Communications	XLC	68.8	 5.0%	41.6	68.8	45.3	Positive
Energy	XLE	85.8	 1.8%	1.7	93.1	68.0	Positive
Materials	XLB	85.3	 1.8%	9.9	85.5	66.9	Neutral
Discretionary	XLY	172.8	 1.0%	34.6	177.0	126.3	Neutral
Technology	XLK	177.9	 1.0%	44.4	180.3	116.2	Neutral
Staples	XLP	76.1	 0.6%	2.5	77.5	66.0	Neutral
Industrials	XLI	110.2	 0.6%	110.4	11.9	82.4	Negative
Financials	XLF	35.2	-0.2% 	2.6	37.0	30.1	Neutral
Health Care	XLV	135.2	-0.8% 	-0.2	139.5	120.6	Positive
Real Estate	XLRE	37.9	-1.8% 	2.2	44.8	33.4	Positive
Utilities	XLU	67.0	-2.1% 	-4.9%	77.0	61.0	Neutral

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	NIO	NIO	14.7	39.3	54.8	53.1	22.0	7.4	10.3	-30.3
2	META	Meta Platforms	325.5	10.6	14.1	160.9	325.5	88.9	379.1	16.5
3	GOOGL	Alphabet	132.6	10.5	10.3	48.8	132.6	83.4	151.7	14.4
4	BABA	Alibaba Group	100.6	9.1	18.9	9.3	120.6	63.2	144.1	43.4
5	INTC	Intel	36.8	8.3	9.7	39.5	38.3	24.4	35.4	-4.0
6	NVDA	NVIDIA	467.5	5.5	13.7	226.6	474.9	112.2	502.9	7.6
7	JNJ	Johnson & Johnson	174.5	2.5	7.1	-1.4	179.0	151.1	180.1	3.2
8	TSLA	Tesla	266.4	2.5	4.0	146.5	309.3	108.1	274.9	3.2
9	AAPL	Apple	195.8	2.0	3.5	56.8	195.8	124.8	199.2	1.7
10	AMD	Advanced Micro Devices	113.0	1.8	2.5	76.4	129.2	55.9	137.5	21.7
11	AMZN	Amazon.com	132.2	1.7	2.5	54.1	144.8	81.8	151.5	14.6
12	ADBE	Adobe	528.9	1.7	9.6	57.0	532.2	275.2	539.8	2.1
13	AVGO	Broadcom	899.8	0.3	6.1	62.6	918.0	423.6	877.9	-2.4
14	XOM	Exxon Mobil	104.2	0.3	-1.2	-1.5	118.3	82.7	125.7	20.7
15	NFLX	Netflix	425.8	-0.4	-0.9	44.4	477.6	214.3	468.3	10.0
16	UNH	UnitedHealth Group	502.9	-0.7	6.0	-3.0	553.4	447.8	561.9	11.7
17	MA	Mastercard	393.0	-1.1	3.3	13.5	404.8	282.9	460.4	17.2
18	V	Visa	235.8	-1.5	3.4	13.9	244.0	176.9	281.0	19.2
19	MSFT	Microsoft	338.4	-1.6	0.8	41.6	359.5	213.1	390.5	15.4
20	F	Ford Motor	13.3	-4.8	-10.3	20.7	15.4	10.3	16.0	20.7

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 31 July	05:30	China	Manufacturing PMI (Jul)	Heineken	HEINY	Premarket	1.15
	13:00	Euro Area	Inflation (Jul)	Republic Services	RSG	After market	1.32
	13:00	Euro Area	GDP (2Q23)	Sony	SONY	N/A	1.02
Tuesday 1 August	11:55	Germany	Unemployment (Jul)	Merck&Co	MRK	Premarket	-2.18
	12:00	Euro Area	Manufacturing PMI (Jul)	Pfizer	PFE	Premarket	0.57
	13:00	Euro Area	Unemployment (Jun)	AMD	AMD	After market	0.57
	18:00	US	Manufacturing PMI (Jul)	Starbucks	SBUX	After market	0.95
				Toyota Motor	TM	N/A	4.01
				Uber Tech	UBER	N/A	-0.01
Wednesday 2 August	03:50	Japan	BoJ monetary policy meeting mintues	Qualcomm	QCOM	After market	1.81
				Shopify	SHOP	After market	0.07
				PayPal Holdings	PYPL	After market	1.15
				CVS Health	CVS	N/A	2.13
Thursday 3 August	12:00	Euro Area	Services PMI (Jul)	ConocoPhillips	COP	Premarket	2.0
	12:30	UK	Services PMI (Jul)	Apple	AAPL	After market	1.19
	15:00	UK	BoE interest rate decision	Amazon.com	AMZN	After market	0.35
	18:00	US	Services PMI (Jul)	Airbnb	ABNB	After market	0.80
Friday 4 August	13:00	Euro Area	Retail sales (Jun)	Enbridge	ENB	Premarket	0.69
	16:30	US	Non-farm payrolls (Jul)	Dominion Energy	D	Premarket	0.48
	16:30	US	Unemployment (Jul)				

Source: Bloomberg, NASDAQ

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