GALT & TAGGART
CREATING OPPORTUNITIES

Global Capital Markets
Weekly Update
15 July 2024

Weekly market overview

Week ahead

- Analysts forecast strong returns for Amazon.com (AMZN), Wells Fargo (WFC), and Ford Motor (F) for the next twelve months
- Goldman Sachs (GS), Bank of America (BAC), Morgan Stanley (MS), Netflix (NFLX), and Taiwan Semiconductor (TSM) will release earnings this week
- European Central Bank will make interest rate decision on Thursday

*For exact dates please check page 5 of the document

Commentary

Last week, global equities delivered a broad market rally as US headline prices declined for the first time since 2020. In June, the US headline CPI fell by -0.1% m/m, while core CPI rose by a less than expected 0.1%. In annualized terms, headline and core CPIs rose by 3.0% and 3.3%, respectively. The dynamic was welcomed by monetary authorities, as Chicago Fed President Goolsbee labeled the release "profoundly encouraging". In response, markets are now more optimistic about the near-term Fed policy, giving a fair chance to three 25bps cuts in 2024.

As a result, US small-caps and value stocks outperformed the broad market, with Russell 2000 gaining a strong 6%. In sector terms, Real Estate and Utilities were the primary beneficiaries.

Fixed income markets saw a decline in yields. In response to falling inflation, bond prices rallied last week (bond prices and yields move in opposite directions). The, 2 and 10-year treasury yields lost 14bps and 7bps, respectively. Importantly, yields are still way more attractive as compared to the start of 2024.

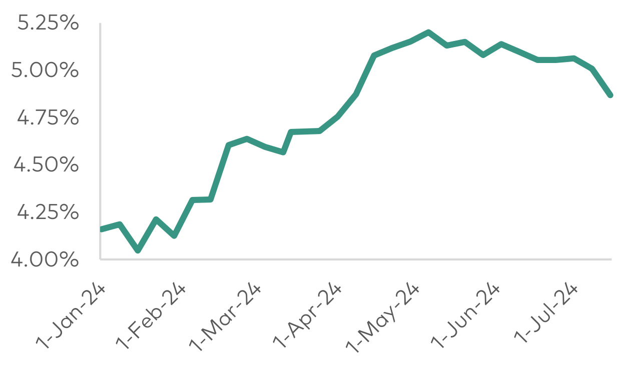
Investors should appreciate the dynamic nature of financial markets and make use of opportunities when presented with them. More downside surprises in US inflation are likely to have further negative pressure on fixed income yields.

EQUITIES	Level	W/W % change	M/M % change	YTD % change
United States				
S&P 500	5,615	0.9	3.6	17.7
Nasdaq 100	20,331	-0.3	4.5	20.8
Dow Jones 30	40,001	1.6	3.3	6.1
Russell 2000	2,148	6.0	4.4	6.0
Global				
S&P Europe	2,130	1.4	0.2	9.6
S&P China	2,540	1.9	-0.8	4.2
S&P Japan	2,215	1.3	4.0	10.7
S&P Global	4,003	1.3	3.5	15.8

FIXED INCOME	Yield, %	1-week ago	1-month ago	1-Jan-2024
United States				
2y US Treasury	**4.46**	4.60	4.76	4.25
10y US Treasury	**4.19**	4.27	4.28	3.88
US IG Credit	**5.29**	5.40	5.45	5.22
US HY Credit	**7.79**	7.97	7.89	7.80
Europe				
2y German Bund	**2.80**	2.89	2.81	2.41
10y German Bund	**2.48**	2.53	2.41	2.02
Europe IG Credit	**3.79**	3.84	3.92	3.67
Europe HY Credit	**5.96**	6.01	5.97	6.06

*For detailed information on listed indices and securities please check page 5 of this document

Market-implied 2024 year-end Fed rate (upper bound)



Source: Bloomberg

Eva Bochorishvili - Head of Research
| evabochorishvili@gt.ge | +995 32 2401 111 ext. 8036

Gigi Tskitishvili – Senior Equity Markets Analyst
| g.tskitishvili@gt.ge | +995 32 2401 111 ext. 8967

S&P 500 sector highlights

Analysts expect Energy, Materials, and Financial sectors to outperform market in the following twelve months. Meanwhile, Real Estate and Consumer Discretionary are expected to underperform the broader market.

In Energy, analysts forecast the best performance from Texas Pacific Land (TPL), Chord Energy (CHRD), and ConocoPhillips (COP). In Materials, Barrick Gold (GOLD), Nutrien (NTR), and Franco-Nevada (FNV) are expected to deliver the best results. Lastly, in Financials, Barclays (BCS), Blue Owl Capital (OWL), and Deutsche Bank (DB) are considered potential outperformers.

In Real Estate, Essex Property (ESS) and Simon Property (SPG) have the weakest performance forecasts. In Consumer Discretionary, the worst performance is expected from eBay (EBAY) and Best Buy (BBY).

*For detailed information on sectors please check page 6 of this document

S&P 500 sector review: last week performance

Sector	ETF Ticker	Price, $	W/W, %	YTD, %	52-week low, $	52-week high, $	12 months outlook
S&P 500	**SPY**	**560.0**	**1.0**	**3.4**	**410.7**	**561.3**	**Positive**
Real Estate	XLRE	40.0	4.4	4.4	32.2	40.5	Negative
Utilities	XLU	71.3	4.0	1.9	56.2	72.9	Neutral
Materials	XLB	90.5	3.0	0.7	74.5	93.1	Positive
Health Care	XLV	148.3	2.7	1.5	123.1	148.3	Neutral
Industrials	XLI	124.2	2.4	0.8	96.4	126.0	Neutral
Financials	XLF	42.4	2.0	3.8	31.5	42.5	Positive
Discretionary	XLY	191.5	1.2	6.6	148.0	191.5	Negative
Energy	XLE	90.5	0.5	1.1	79.9	98.1	Positive
Technology	XLK	233.8	0.4	3.9	160.2	237.7	Neutral
Staples	XLP	77.4	0.1	1.0	66.2	78.4	Neutral
Communications	XLC	86.3	-1.7	2.0	63.1	87.8	Neutral

Source: Galt & Taggart Research, Bloomberg, Tipranks, Charles Schwab
*Percentage price changes given in parentheses indicate w/w changes

Global equities

Last week's strongest performers in S&P 500

#	Ticker	Name	Price, $	W/W, %	M/M, %	YTD, %	52-week low, $	52-week high, $	12M price target, $*	12M upside potential, %
1	ENPH	Enphase	119.3	**22.9**	-11.3	-2.7	75.6	189.7	129.6	**8.6**
2	GLW	Corning	45.6	**18.7**	20.0	51.4	26.6	45.6	43.3	**-5.1**
3	MHK	Mohawk	125.0	**14.8**	8.2	23.8	76.6	130.9	126.1	**0.9**
4	DHI	DR Horton	153.7	**13.4**	7.0	3.9	100.7	164.6	165.2	**7.5**
5	KMX	CarMax	80.9	**13.1**	15.4	11.6	60.4	87.1	78.6	**-2.9**

Last week's weakest performers in S&P 500

#	Ticker	Name	Price, $	W/W, %	M/M, %	YTD, %	52-week low, $	52-week high, $	12M price target, $*	12M upside potential, %*
1	CMG	Chipotle	57.7	**-8.1**	-14.3	28.4	35.4	69.3	66.6	**15.5**
2	META	Meta Platforms	498.9	**-7.6**	-1.9	44.8	283.3	539.9	537.6	**7.8**
3	NFLX	Netflix	647.6	**-6.2**	-0.4	37.7	346.2	690.7	684.6	**5.7**
4	NOW	ServiceNow	758.5	**-5.9**	5.1	12.3	530.2	812.9	847.6	**11.7**
5	DAL	Delta Air Lines	43.6	**-5.2**	-13.8	12.6	30.6	53.3	58.5	**34.1**

Last week's 10 most traded stocks globally

#	Ticker	Name	Price, $	W/W, %	M/M, %	YTD, %	52-week low, $	52-week high, $	12M price target, $*	12M upside potential, %
1	RIVN	Rivian Automotive	18.1	**22.4**	53.5	-10.9	8.4	27.6	18.8	**3.8**
2	F	Ford Motor	14.0	**9.3**	16.1	19.8	9.6	15.2	15.7	**11.9**
3	INTC	Intel	34.5	**7.7**	12.1	-26.7	29.9	50.8	38.0	**10.2**
4	AMD	AMD	181.6	**5.6**	13.3	34.2	93.7	211.4	191.6	**5.5**
5	NVDA	NVIDIA	129.2	**2.7**	3.2	168.4	39.2	140.8	140.7	**8.9**
6	AAPL	Apple	230.5	**1.9**	8.2	25.1	165.0	233.0	222.8	**-3.4**
7	C	Citigroup	64.5	**0.8**	7.5	20.3	37.7	67.0	70.7	**9.6**
8	TSLA	Tesla	248.2	**-1.3**	40.0	4.1	142.1	293.3	222.3	**-10.4**
9	AMZN	Amazon.com	194.5	**-2.8**	4.1	31.0	119.6	200.0	223.2	**14.8**
10	WFC	Wells Fargo	56.5	**-5.2**	-1.3	16.1	38.4	62.3	63.3	**12.0**

*Price targets represent the average price forecasts made during past three months by the highest ranked analysts (primarily from Wall Street). A positive 12 month return target implies an overall "Buy" recommendation by analysts
*Upside potentials for stocks with negative short-term performance may be biased. This is because analysts may take time to reflect in their forecasts any unfavorable information around the stock.
Source: Bloomberg, Tipranks

Georgian corporate bonds

#	Issuer	Currency	Amount, mn	Coupon	Issue Date	Maturity Date	Ratings (Fitch/S&P/Moody's /Scope)	Mid-Price	Mid-Yield
1	Bakhvi Hydro Power	USD	1.2	9.40%	Nov-17	Nov-27	-/-/-/-	n/a	n/a
2	Lisi Lake Development	USD	12	6.50%	Dec-21	Dec-24	-/-/-/B+	n/a	n/a
3	IG Development	USD	15	8.50%	Jul-22	Jul-24	-/-/-/-	99.87	8.75
4	Georgia Real Estate	USD	35	8.50%	Oct-22	Oct-24	-/-/-/-	99.98	8.50
5	Geo. Renewable Power	USD	80	7.00%	Oct-22	Oct-27	-/-/-/-	99.99	7.00
6	Lisi Lake Development	USD	10	8.50%	Dec-22	Dec-24	-/-/-/B+	100.00	8.50
7	Geosteel	USD	15	9.00%	Apr-23	Apr-25	-/-/-/-	99.98	9.00
8	Silk Real Estate	USD	20	9.00%	Apr-23	Apr-26	-/-/-/-	99.99	9.00
9	Tegeta Motors	USD	20	8.50%	Apr-23	Apr-25	-/-/-/BB-	99.66	8.75
10	Energy Development GEO	USD	10	8.50%	Jun-23	Jun-25	-/-/-/-	n/a	n/a
11	Georgia Capital	USD	150	8.50%	Aug-23	Aug-28	-/BB-/-/-	101.17	8.19
12	Silk Real Estate	USD	20	9.25%	Sep-23	Sep-26	-/-/-/-	101.14	8.63
13	Prime Concrete	USD	7.5	10.50%	Sep-23	Sep-27	-/-/-/-	n/a	n/a
14	Austrian-Georgian Development	USD	15	9.00%	Oct-23	Oct-25	-/-/-/-	n/a	n/a
15	MFO EuroCredit	USD	10	9.50%	Dec-23	Dec-27	-/-/-/-	n/a	n/a
16	Geosteel	USD	5	8.50%	Dec-23	Dec-25	-/-/-/-	99.57	8.75
17	IG Development	USD	20	8.50%	Dec-23	Dec-25	-/-/-/-	99.56	8.75
18	Tegeta Motors	EUR	5	7.00%	Apr-23	Apr-25	-/-/-/BB-	99.67	7.25
19	Tegeta Motors	EUR	4	7.00%	Dec-23	Dec-25	-/-/-/BB-	99.57	7.25
20	Tegeta Motors	EUR	7	6.75%	Dec-23	Dec-25	-/-/-/BB-	100.43	6.50
21	IG Development	EUR	5	7.00%	Jan-24	Jan-26	-/-/-/-	99.55	7.25
22	Vian (Evex)	GEL	50	RR + 3.10%	Nov-19	Nov-24	-/-/-/BB	n/a	n/a
23	Nikora Trade	GEL	35	TIBR3M + 3.50%	Nov-21	Nov-24	-/-/-/BB-	n/a	n/a
24	Nikora	GEL	35	TIBR3M + 3.50%	Nov-22	Nov-25	-/-/-/BB-	n/a	n/a
25	MFO MBC	GEL	15	TIBR3M + 4.50%	Dec-22	Dec-24	-/-/-/B	n/a	n/a
26	Tegeta Motors	GEL	150	TIBR3M + 3.50%	Dec-22	Dec-25	-/-/-/BB-	n/a	n/a
27	MFO Crystal	GEL	25	TIBR6M + 4.75%	Dec-22	Feb-25	B-/-/-/-	n/a	n/a
28	MFO Rico Express	GEL	130	TIBR1D + 2.00%	Mar-23	Mar-26	-/-/-/B+	n/a	n/a
29	TBC Leasing	GEL	100	TIBR3M + 3.00%	Mar-23	Mar-26	BB/-/-/-	n/a	n/a
30	TBC Leasing	GEL	15	TIBR3M + 2.75%	Jun-23	Jun-26	BB/-/-/-	n/a	n/a
31	Tegeta Motors	GEL	20	TIBR6M + 3.50%	Jun-23	Dec-25	-/-/-/BB-	n/a	n/a
32	Tegeta Motors	GEL	20	14.5%	Dec-23	Dec-25	-/-/-/BB-	n/a	n/a
33	Cellfie	GEL	65	TIBR6M + 3.50%	Dec-23	Dec-25	-/-/-/BB-	n/a	n/a

Source: Bloomberg, Galt & Taggart

Week ahead calendar

Day	Macroeconomic releases: Time (GMT +4)	Country	Event	Company earnings: Company	Ticker	Time
Monday 15 July	06:00	China	GDP (2Q24)	Goldman Sachs	GS	Premarket
	20:30	US	Fed Chair Powell speech	BlackRock	BLK	Premarket
				Progressive	PGR	N/A
Tuesday 16 July	13:00	Eurozone	Economic sentiment index (Jul)	UnitedHealth Group	UNH	Premarket
	16:30	US	Retail sales (Jun)	Bank of America	BAC	Premarket
				Morgan Stanley	MS	Premarket
				Charles Schwab	SCHW	N/A
Wednesday 17 July	10:00	UK	Inflation (Jun)	ASML	ASML	Premarket
	13:00	Eurozone	Inflation (Jun)	Johnson & Johnson	JNJ	Premarket
				Elevance Health	ELV	Premarket
				Prologis	PLD	Premarket
Thursday 18July	10:00	UK	Unemployment	Novartis	NVS	Premarket
	16:15	Eurozone	ECB interest rate decision	Netflix	NFLX	After market
				Taiwan Semiconductor	TSM	N/A
Friday 19 July	03:30	Japan	Inflation (Jun)			

1. Central bank interest rates have significant impact on equity valuations. Higher rates result in lower discounted values of future earnings, which naturally bring down the stock prices.
2. Inflation is currently a very closely watched macroeconomic statistic, as central banks respond to high inflation by raising interest rates. Generally, developed economies target a 2% annual inflation rate, which is less than current inflation levels in both the US and Eurozone.

Descriptions of key sectors

Communications	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.
Technology	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.
Discretionary	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.
Staples	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.
Health Care	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.
Financials	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.
Industrials	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.
Materials	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.
Energy	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.
Utilities	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.
Real Estate	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: S&P Capital IQ, Corporate Finance Institute

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, advisors 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

Research: research@gt.ge
Tel: +995 32 2401 111 (4298)

Brokerage: sales@gt.ge
Tel: +995 32 2444 132

Investment Banking: ib@gt.ge
Tel: +995 32 2401 111 (7457)