



Weekly Markets Overview

Last week

- Eurozone inflation continued to decline, with core CPI down from 3.1% to 2.9% in March
- China GDP grew by more than expected 5.3% in 1Q24

Week ahead

- US GDP and PCE price index
- Earnings from Tesla (TSLA), Boeing (BA), Meta Platforms (META), Alphabet (GOOGL), Microsoft (MSFT), and others

*For exact dates please check page 4 of this document

Commentary:

Equity markets posted their third consecutive week of decline in response to elevated geopolitical tensions in the Middle East and expectations on more Fed hawkishness. Growth stocks declined the most across sizes, while large value stocks held up relatively well. Semiconductors was the weakest performing industry last week, with VanEck Semiconductor ETF down -9.7% w/w. In contrast, Airlines and Healthcare Plans industries delivered strong gains. In the light of rising geopolitical tensions and sticky inflation, markets are anticipating higher volatility in equity markets, as depicted by elevated VIX index, which measures expected volatility of S&P 500 for the following thirty days.

In response to fading Fed rate cut expectations, yields continued to rise last week, with both the US and European government bond yields nearly reaching their 2023 highs. As such, developed markets fixed income currently looks extremely attractive, with 2 and 5 year US Treasuries now yielding 4.97% and 4.65%, respectively.

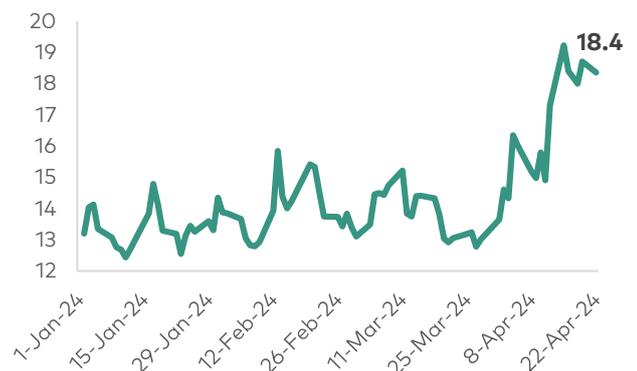
Week ahead has a heavy calendar, both in terms of macroeconomic and corporate results releases. The first estimate of 1Q24 US GDP growth will be reported alongside the PCE price index (Fed's preferred inflation measure). On the earnings side, four Magnificent 7 stocks will be posting earnings, together with Boeing (BA), PepsiCo (PEP), IBM (IBM), Visa (V), and others.

EQUITIES	Level	1W % change	1M % change	YTD % change
United States				
S&P 500	4,967	-3.0	-4.1	4.1
Nasdaq 100	17,038	-5.4	-5.5	1.3
Dow Jones 30	37,986	0.0	-2.9	0.8
Russell 2000	1,948	-2.8	-4.3	-3.9
Global				
S&P Europe	2,028	-1.2	-1.2	4.4
S&P China	2,445	0.2	-1.6	0.3
S&P Japan	2,094	-4.6	-6.1	4.6
S&P Global	3,579	-2.9	-4.0	3.5

FIXED INCOME	Yield (%)	1-week ago	1-month ago	1-Jan-2024
United States				
2y US Treasury	4.97	4.88	4.60	4.25
10y US Treasury	4.61	4.50	4.22	3.88
US IG Credit	5.73	5.62	5.35	5.22
US HY Credit	8.26	8.08	7.76	7.80
Europe				
2y German Bund	3.01	2.86	2.79	2.41
10y German Bund	2.52	2.36	2.32	2.02
Europe IG Credit	3.96	3.80	3.80	3.67
Europe HY Credit	6.34	6.20	6.03	6.06

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

VIX (implied 30 day volatility of S&P 500 index)



Source: Bloomberg

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S&P 500 Sector Highlights

Utilities was the best performing sector last week, with the associated ETF (XLU) gaining 1.9% w/w. 72 out of 100 largest sector stocks rallied during the week. From top 20, only Vistra (VST, -5.9%), Constellation Energy (CEG, -5.6%), and Public Services Enterprise (PEG, -0.2%) lost the ground. Meanwhile, the best performers were Southern Company (SO, +5.0%), Entergy (ETR, +3.8%), WEC Energy Group (WEC, +3.3%), Exelon (EXC, +2.9%), and Xcel Energy (XEL, +2.9%).

Technology was the weakest performing sector, with respective ETF (XLK) losing -6.3% w/w. 95 out of 100 largest sector stocks declined during the week. From top 20, only Accenture (CAN, +0.5%) gained the ground. Meanwhile, the weakest performers from the list were NVIDIA (NVDA, -13.6%), ASML (ASML, -10.6%), Taiwan Semiconductor (TSM, -10.4%), Broadcom (AVGO, -10.4%), and AMD (AMD, -10.2%).

*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 return	YTD, %	52-week low, \$	52-week high, \$	12 month outlook
S&P 500	SPY	495.2	-3.1 	-4.0	404.4	523.2	Positive
Utilities	XLU	65.4	 1.9	2.6	56.2	70.0	Neutral
Staples	XLP	74.4	 1.4	-1.7	66.2	77.5	Neutral
Financials	XLF	40.4	 0.8	-1.7	31.5	42.1	Positive
Health Care	XLV	138.9	0.0	-4.7	123.1	147.9	Neutral
Materials	XLB	89.0	-1.1 	-1.9	74.5	93.1	Positive
Energy	XLE	95.0	-1.2 	3.0	76.6	98.1	Positive
Industrials	XLI	120.5	-2.0 	-2.0	96.4	126.0	Neutral
Communications	XLC	79.5	-2.3 	-1.5	56.1	82.8	Neutral
Real Estate	XLRE	35.9	-3.7 	-7.5	32.2	40.5	Negative
Discretionary	XLY	169.8	-4.1 	-6.0	143.7	185.0	Negative
Technology	XLK	192.5	-6.3 	-7.2	144.0	211.0	Neutral

Source: Galt & Taggart Research, Bloomberg, Tipranks

*Percentage price changes given in parentheses indicate w/w changes

Performance of last week's most traded stocks

#	Ticker	Name	Price, \$	W/W, %	M/M, %	YTD, %	52-week low, \$	52-week high, \$	12M price target, \$*	12M upside potential, %
1	UNH	UnitedHealth Group	501.1	14.1	1.6	-7.5	439.2	551.1	599.1	19.5
2	WFC	Wells Fargo & Co	60.3	6.9	5.9	24.0	36.7	60.3	55.4	-8.2
3	BAC	Bank of America	37.0	3.3	2.6	10.3	25.2	37.9	40.1	8.5
4	PG	Procter & Gamble	158.1	2.5	-2.3	7.0	142.5	162.6	169.6	7.2
5	JPM	JPMorgan	185.8	1.6	-4.1	9.1	134.1	200.3	208.5	12.2
6	XOM	Exxon Mobil	119.9	-0.4	6.0	16.1	96.8	122.2	126.4	5.4
7	V	Visa	269.8	-2.2	-6.1	4.6	221.0	290.4	310.9	15.2
8	GOOGL	Alphabet	154.1	-2.3	4.8	10.9	103.7	159.4	168.3	9.2
9	LLY	Eli Lilly	726.3	-3.4	-6.0	17.6	370.5	792.3	845.4	16.4
10	INTC	Intel	34.2	-4.2	-18.7	-27.3	27.4	50.8	43.8	28.1
11	MSFT	Microsoft	399.1	-5.4	-5.3	7.7	275.4	429.4	475.6	19.2
12	META	Meta Platforms	481.1	-6.0	-3.1	39.7	207.6	527.3	545.1	13.3
13	AMZN	Amazon.com	174.6	-6.2	-0.7	17.6	102.1	189.1	212.6	21.7
14	AAPL	Apple	165.0	-6.5	-6.3	-10.4	163.8	198.1	197.5	19.7
15	AMD	AMD	146.6	-10.2	-19.2	8.4	81.6	211.4	200.7	36.9
16	AVGO	Broadcom	1,204.7	-10.4	-2.3	13.8	610.2	1,407.0	1572.7	30.5
17	NFLX	Netflix	555.0	-10.9	-10.6	18.0	317.5	636.2	650.6	17.2
18	MU	Micron	106.8	-12.9	13.6	29.8	58.1	128.0	127	18.9
19	NVDA	NVIDIA	762.0	-13.6	-14.8	60.2	262.4	950.0	1008.8	32.4
20	TSLA	Tesla	147.1	-14.0	-14.2	-38.3	147.1	293.3	205.3	39.6

*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
 Source: Bloomberg, Tipranks (top 20 by value)



Week ahead calendar

Macroeconomic releases

Company earnings

	Time (GMT +4)	Country	Event	Company	Ticker	Time
Monday 22 April	18:00	US	Consumer confidence prel. (Apr)	Verizon	VZ	Premarket
			Cadence Designs	CDNS	Premarket	
Tuesday 23 April	11:30	Germany	Manufacturing PMI (Apr)	PepsiCo	PEP	Premarket
	12:00	Eurozone	Manufacturing PMI (Apr)	General Electric	GE	Premarket
Wednesday 24 April	12:00	Germany	Business climate (Apr)	Tesla	TSLA	After market
	16:30	US	Durable goods orders (Mar)	Visa	V	After market
Thursday 25 April	12:00	Germany	Business climate (Apr)	Boeing	BA	Premarket
	16:30	US	Durable goods orders (Mar)	AT&T	T	Premarket
	10:00	Germany	Consumer confidence (May)	Meta Platforms	META	After market
	16:30	US	GDP prel. (1Q24)	IBM	IBM	After market
				Qualcomm	QCOM	N/A
Friday 26 April	07:00	Japan	Bank of Japan interest rate decision	AstraZeneca	AZN	Premarket
	16:30	US	PCE price index (Mar)	Unilever	UL	Premarket
	18:00	US	Consumer sentiment (Apr)	Merck & Co	MRK	Premarket
				Alphabet	GOOGL	After market
				Microsoft	MSFT	After market
			Intel	INTC	After market	
			Exxon Mobil	XOM	Premarket	
			Chevron	CVX	Premarket	
			AbbVie	ABBV	Premarket	

Source: DailyFX, S&P Capital IQ

Definitions: 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

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