



Weekly market overview

Week ahead

- Analysts consider financial and material sectors as potential outperformers.
- Large healthcare and energy stocks will publish earnings this week.
- Fed and BoE will make decisions on interest rates. The presidential elections in the US will take place on Tuesday

*For exact dates please check page 5 of the document

Commentary

US stocks ended lower after a busy week of company earnings reports and economic data. The Nasdaq and S&P MidCap 400 hit record highs midweek but dropped on Thursday, with technology stocks like Meta and Microsoft underperforming value stocks. About 42% of S&P 500 companies shared 3Q results, including big tech names - Meta, Microsoft, Apple, and Amazon. Nonfarm payrolls barely grew, though wages rose slightly more than expected. Manufacturing also struggled, with business investment slowing as companies worry about future policy changes. Treasury yields hit a four-month high, while the corporate bond market saw steady demand despite cautious trading before the US elections.

European stocks dropped last week, with the STOXX Europe 600 Index falling 1.52%. Concerns about the Middle East, disappointing earnings, and lower expectations for ECB rate cuts affected markets, leading to declines in France's CAC 40, Germany's DAX, and Italy's FTSE MIB. The eurozone economy grew by 0.4% in 3Q, higher than expected, as Germany avoided recession and France and Spain saw strong growth, while Italy's economy remained flat. Inflation in the eurozone rose to 2% in October, partly due to last year's low base effect. In the UK, Chancellor Rachel Reeves announced a budget with new taxes and increased borrowing, raising investor concerns and causing bond prices to fall. The UK's budget office now expects slower economic growth.

EQUITIES	Level	W/W % change	M/M % change	YTD % change
United States				
S&P 500	5,729	-1.4	0.4	20.1
Nasdaq 100	20,033	-1.6	1.3	19.1
Dow Jones 30	42,052	-0.1	-0.2	11.6
Russell 2000	2,210	0.1	0.6	9.0
Global				
S&P Europe	2,076	-1.5	-1.8	6.8
S&P China	2,559	-1.2	-3.1	16.6
S&P Japan	2,479	0.9	-1.6	12.5
S&P Global	4,025	-1.3	-1.1	15.6

FIXED INCOME	Yield, %	1-week ago	1-month ago	1-Jan-2024
United States				
2y US Treasury	4.20	4.10	3.62	4.25
10y US Treasury	4.36	4.23	3.74	3.87
US IG Credit	5.23	5.14	4.75	5.12
US HY Credit	7.39	7.43	7.15	7.88
Europe				
2y German Bund	2.27	2.15	2.03	2.40
10y German Bund	2.39	2.29	2.04	2.03
Europe IG Credit	3.40	3.27	3.24	3.65
Europe HY Credit	5.42	5.36	5.39	6.06

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

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

Sergi Kurashvili – Capital Markets Research Associate
| s.kurashvili@gt.ge | +995 32 2401 111 ext. 3654

Elene Tabatadze – Capital Markets Junior Analyst
| eltabatadze@gt.ge | +995 32 2401 111 ext. 9606

S&P 500 sector highlights

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

In Materials, Mosaic Company (MOS), Newmont Corporation (NEM), and Nucor Corporation (NUE) are expected to deliver the best results. In Financials, Global Payments (GPN), Arch Capital (ACGL), and Everest Group (EG) are considered potential outperformers.

In Consumer Discretionary, the worst performance is expected from Garmin Ltd (GRMN), Tesla (TSLA), and Booking Holdings Inc (BKNG).

*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	571.0	-1.4 	20.1	433.0	586.1	Positive
Communications	XLC	92.4	 1.7	27.2	67.1	93.9	Neutral
Financials	XLF	46.6	0.0	24.0	33.5	47.8	Positive
Discretionary	XLY	200.1	-0.4 	11.9	158.2	203.1	Negative
Health Care	XLV	147.7	-0.6 	8.3	124.6	159.6	Neutral
Materials	XLB	93.1	-0.9 	8.9	76.4	97.9	Positive
Industrials	XLI	134.0	-1.0 	17.6	100.4	139.8	Neutral
Staples	XLP	80.2	-1.1 	11.3	68.3	84.5	Neutral
Energy	XLE	88.0	-1.9 	5.0	79.0	99.0	Neutral
Technology	XLK	223.9	-2.8 	16.3	169.5	238.1	Neutral
Utilities	XLU	78.1	-2.8 	23.4	59.1	82.5	Neutral
Real Estate	XLRE	42.7	-3.0 	6.7	33.9	45.6	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	PAYC	Paycom Software	210.7	28.0	26.7	1.9	139.5	222.3	183.3	-13.0
2	GRMN	Garmin Ltd.	198.2	22.1	14.7	54.2	114.5	207.2	163.5	-17.5
3	WAT	Waters Corp.	387.2	19.3	8.1	17.6	242.0	389.4	349.2	-9.8
4	INCY	Incyte Corporation	76.1	17.0	11.9	21.2	50.3	76.3	74.5	-2.1
5	DAY	Dayforce Inc.	75.2	16.0	23.7	12.1	47.1	75.4	70.9	-5.7

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	SMCI	Super Micro Computer	26.1	-44.9	-35.8	-8.4	24.8	122.9	74.9	187.6
2	QRVO	Qorvo, Inc.	71.9	-27.4	-28.0	-36.2	70.4	131.0	124.3	72.9
3	HII	Huntington Ingalls Industries, Inc.	189.2	-25.5	-28.5	-27.1	184.3	299.5	284.8	50.5
4	EL	The Estée Lauder	66.6	-23.7	-31.5	-54.5	63.4	159.8	107.5	61.5
5	APTV	Aptiv PLC	56.4	-18.7	-20.1	-37.2	54.7	91.7	91.8	62.8

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	NVDA	NVIDIA	135.4	-4.3	15.7	173.4	43.7	144.4	149.9	10.7
2	INTC	Intel	23.2	2.3	2.2	-53.8	18.5	51.3	24.8	7.1
3	SMCI	Super Micro Computer	26.1	-44.9	-35.8	-8.4	24.8	122.9	74.9	187.6
4	AMZN	Amazon.com	197.9	5.4	6.9	30.3	137.5	201.2	220.6	11.5
5	AAPL	Apple Inc.	222.9	-3.7	-1.5	15.8	164.1	237.5	240.8	8.0
6	TSLA	Tesla, Inc.	249.0	-7.5	-3.5	0.2	138.8	273.5	210.1	-15.6
7	PFE	Pfizer Inc.	28.1	-1.3	-2.0	-2.4	25.2	31.5	33.4	18.9
8	AMD	AMD	141.9	-9.2	-11.2	-3.8	107.9	227.3	188.1	32.6
9	UBER	Uber Technologies	73.3	-5.6	-1.3	19.0	46.6	87.0	88.4	20.7
10	GOOGL	Alphabet Inc.	171.3	3.6	2.6	22.6	127.9	191.8	201.3	17.5

*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 regarding the stock.

Source: Bloomberg, Tipranks

Georgian corporate bonds

Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings (Fitch/S&P/Moody/Scope)	Mid price	Mid yield, %
USD								
Bakhvi Hydro Power	USD	1.2	9.40%	Nov-17	Nov-27	-/-/-/-	n/a	n/a
Lisi Lake Development	USD	12	6.50%	Dec-21	Dec-24	-/-/-/B+	n/a	6.75%
Geo. Renewable Power Oper.	USD	80	7.00%	Oct-22	Oct-27	-/-/-/-	100.00	7.00%
Lisi Lake Development	USD	10	8.50%	Dec-22	Dec-24	-/-/-/B+	99.99	8.50%
Geosteel	USD	15	9.00%	Apr-23	Apr-25	-/-/-/-	99.99	9.00%
Silk Real Estate	USD	20	9.00%	Apr-23	Apr-26	-/-/-/-	99.99	9.00%
Tegeta Motors	USD	20	8.50%	Apr-23	Apr-25	-/-/-/BB-	99.77	8.75%
Energy Development Georgia	USD	10	8.50%	Jun-23	Jun-25	-/-/-/-	n/a	n/a
Georgia Capital	USD	150	8.50%	Aug-23	Aug-28	-/BB-/--	101.08	8.13%
Silk Real Estate	USD	20	9.25%	Sep-23	Sep-26	-/-/-/-	100.91	8.63%
Prime Concrete	USD	7.5	10.50%	Sep-23	Sep-27	-/-/-/-	n/a	n/a
Austrian-Georgian Development	USD	15	9.00%	Oct-23	Oct-25	-/-/-/-	n/a	n/a
MFO EuroCredit	USD	10	9.50%	Dec-23	Dec-27	-/-/-/-	n/a	n/a
Geosteel	USD	5	8.50%	Dec-23	Dec-25	-/-/-/-	99.63	8.75%
IG Development	USD	20	8.50%	Dec-23	Dec-25	-/-/-/-	99.61	8.75%
Tegeta Motors	USD	5	8.50%	Jun-24	Jun-26	-/-/-/BB-	n/a	8.63%
Tegeta Motors	USD	3.3	8.50%	Jun-24	Jun-26	-/-/-/BB-	n/a	8.63%
IG Development	USD	19.5	8.50%	Jul-24	Jul-26	-/-/-/-	n/a	8.63%
Tegeta Motors	USD	5	8.50%	Jul-24	Jul-26	-/-/-/BB-	n/a	n/a
MP Development	USD	5	8.75%	Jul-24	Jul-26	-/-/-/-	n/a	8.75%
JSC BasisBank	USD	20	7.00%	Aug-24	Aug-27	-/-/-/-	n/a	7.00%
Georgia Real Estate	USD	25	8.50%	Aug-24	Aug-26	-/-/-/-	n/a	8.50%
Chavchavadze 64B	USD	10	8.75%	Aug-24	Aug-26	-/-/-/-	n/a	8.75%

■ Galt & Taggart-led and/or co-managed deals
 Source: Bloomberg, Galt & Taggart

Georgian corporate bonds

Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings (Fitch/S&P/Moody/Scope)	Mid price	Mid yield, %
EUR								
Tegeta Motors	EUR	5	7.00%	Apr-23	Apr-25	-/-/BB-	99.77	7.25%
Tegeta Motors	EUR	4	7.00%	Dec-23	Dec-25	-/-/BB-	99.63	7.25%
Tegeta Motors	EUR	7	6.75%	Dec-23	Dec-25	-/-/BB-	100.37	6.15%
IG Development	EUR	5	7.00%	Jan-24	Jan-26	-/-/BB-	99.60	6.15%
Tegeta Motors	EUR	10	6.75%	May-24	May-26	-/-/BB-	n/a	n/a
MP Development	EUR	3	7.75%	Jul-24	Jul-26	-/-/BB-	n/a	7.75%
Silk Real Estate	EUR	7	7.00%	Aug-24	Aug-25	-/-/BB-	n/a	7.00%
Chavchavadze 64B	EUR	3	7.75%	Aug-24	Aug-26	-/-/BB-	n/a	7.75%
GEL								
Nikora Trade	GEL	35	TIBR3M + 3.50%	Nov-21	Nov-24	-/-/BB-	n/a	n/a
Nikora	GEL	35	TIBR3M + 3.50%	Nov-22	Nov-25	-/-/BB-	100.00	11.58%
MFO MBC	GEL	15	TIBR3M + 4.50%	Dec-22	Dec-24	-/-/BB-	100.00	12.83%
Tegeta Motors	GEL	150	TIBR3M + 3.50%	Dec-22	Dec-25	-/-/BB-	n/a	n/a
MFO Crystal	GEL	25	TIBR6M + 4.75%	Dec-22	Feb-25	B-/-/BB-	100.00	13.22%
MFO Rico Express	GEL	130	TIBR1D + 2.00%	Mar-23	Mar-26	-/-/BB+	n/a	n/a
TBC Leasing	GEL	100	TIBR3M + 3.00%	Mar-23	Mar-26	BB/-/BB-	n/a	n/a
TBC Leasing	GEL	15	TIBR3M + 2.75%	Jun-23	Jun-26	BB/-/BB-	n/a	n/a
Tegeta Motors	GEL	20	TIBR6M + 3.50%	Jun-23	Dec-25	-/-/BB-	n/a	n/a
Tegeta Motors	GEL	20	14.5%	Dec-23	Dec-25	-/-/BB-	n/a	n/a
Cellfie	GEL	65	TIBR6M + 3.50%	Dec-23	Dec-25	-/-/BB-	100.00	12.33%
Tegeta Motors	GEL	10	13.50%	Jul-24	Jul-26	-/-/BB-	n/a	n/a
Tegeta Motors	GEL	15	13.50%	Aug-24	Aug-26	-/-/BB-	100.00	13.50%

■ Galt & Taggart-led and/or co-managed deals

Source: Bloomberg, Galt & Taggart



Week ahead calendar

Macroeconomic releases			Company earnings			
	Time (GMT +4)	Country	Event	Company	Ticker	Time
Monday 4 November	13:00	EU	Manufacturing PMI, Oct	Vertex Pharmaceuticals	VRTX	After market
	13:30	EU	Investor confidence, Nov	Palantir Technologies	PLTR	After market
	23:00	US	Loan Officer survey, Q3	Constellation Energy	CEG	Premarket
Tuesday 5 November	24h	US	Presidential election	Marriot International	MAR	Premarket
	24h	EU	Eurogroup meeting	Apollo Global Management	APO	Premarket
	17:45	US	PMI, Oct	Marathon Petroleum	MPC	Premarket
				DHL Group	DHLGY	Premarket
Wednesday 6 November				Microchip	MCHP	After market
	13:00	EU	Composite PMI, Oct	Novo Nordisk	NVO	Premarket
	14:00	EU	Producer Price Index, Sep	CVS Health	CVS	Premarket
	18:00	EU	ECB's President Lagarde speech	Energy Transfer	ET	After market
Thursday 7 November				AppLovin	APP	After market
	16:00	UK	BoE interest rate decision	Petrobras	PBR	After market
	23:00	US	Fed interest rate decision	Duke Energy	DUK	Premarket
	23:30	US	FOMC press conference	Airbnb	ABNB	After market
Friday 8 November				DBS Group	DBSDY	Premarket
	24h	EU	EU leaders summit	NRG Energy	NRG	Premarket
				Singapore Airlines	SINGY	After market
			United Overseas	UOVEY	Premarket	

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

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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)