



Executive Summary

Last week:

- US durable goods orders surprised on the upside, increasing by 0.2% m/m vs -0.5% contraction forecast
- US core PCE inflation fell from 4.3% y/y to 3.9%, while headline ticked slightly upwards from 3.4% y/y to 3.5%
- Euro area September inflation fell further, with headline at 4.3% y/y (vs 4.5% forecast and down from 5.2%) and core at 4.5% y/y (vs 4.8% forecast and down from 5.3%)
- China's manufacturing PMI entered expansion (above the 50 point threshold) for the first time since March

Week ahead:

- US non-farm payrolls
- Manufacturing and services PMIs from the US, UK, and Europe
- Earnings from Constellation Brands (STZ), Tesco (TSCDY), and others

Commentary

Last week saw modest declines in developed markets equities, while EM stock markets delivered more sizeable drops. In the US, small-caps outperformed their larger peers, as Russell 2000 (a small-cap US benchmark) managed to gain half a percent during the week, while S&P 500 lost 0.7%. Among S&P 500 stocks, the decline was quite symmetric in terms of both size and sectors. Energy and Utilities, however, were outliers as rising oil price pushed former to rally while pulling the latter downwards. The treasury yields generally rose alongside the fall in equities, with 10 and 30-year notes now yielding 4.59% and 4.73%, respectively.

Importantly, however, the general picture of the US economy remains more positive than what was expected at the beginning of the year. Despite the recent upwards revision of expected Fed rates, healthy consumer balance sheets and resilient business profit margins give higher hopes for the soft-landing scenario. On the other hand, economic activity in Euro area displays weaker momentum, as illustrated by manufacturing and services PMIs and retail sales data.

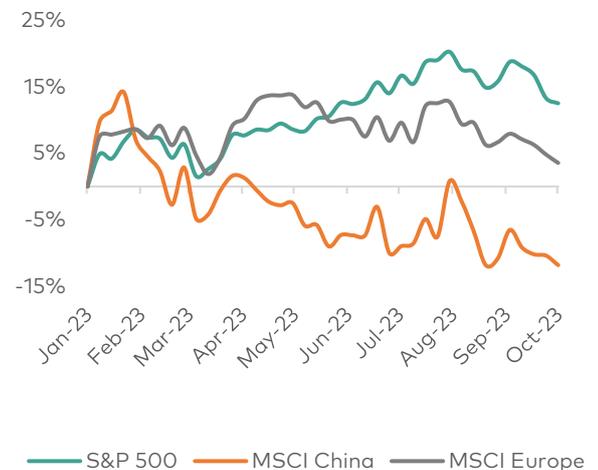
Performance of major equity indices

Index	Level	W/W, %	M/M, %	YTD, %
S&P 500	4,288	-0.7	-4.7	12.1
Nasdaq 100	13,219	0.1	-5.2	27.3
Dow Jones 30	33,507	-1.3	-3.9	1.1
Russell 2000	1,785	0.5	-5.8	2.0
FTSE 100 (£)	7,608	-1.0	1.9	0.7
FTSE 250 (£)	18,279	-1.8	-1.0	-4.5
STOXX 600 (€)	450.2	-0.7	-2.1	3.7
MSCI Europe	49.7	-1.2	-2.9	3.4
Nikkei 225 (¥)	31,857	-1.7	-1.1	22.1
MSCI China	43.3	-1.7	-5.1	-11.9
MSCI EAFE	68.9	-1.4	-4.1	4.1
MSCI EM	38.0	-1.4	-4.6	-0.7
MSCI World	120.2	-0.8	-4.2	10.1

Source: Bloomberg

Note: All data is denominated in USD unless specified otherwise.

Major global equity indices YTD weekly indexed price returns



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

Sector performance highlights

Energy was the best performing sector, as XLE gained 1.3% w/w. 64 out of 100 largest sector companies gained the ground during the week. From top 20, 12 stocks closed the week in green. Best performers from the list were Canadian Natural Resources (CNR, +4.9%), EOG Resources (EOG, +3.4%), Occidental Petroleum (OXY, +3.2%), and Pioneer Natural Resources (PXD, +2.9%). Meanwhile, the worst performers were Enbridge (ENB, -3.9%) and Valero Energy (VLO, -2.5%).

Utilities was the weakest performing sector, as XLU lost 6.9% w/w. 91 out of 100 largest utility companies declined, while from top 20, all lost the ground. The worst performers from the list were NextEra Energy (-15.4%), Eversource Energy (ES, -7.1%), Edison International (EIX, -7.0%), Southern Company (SO, -6.7%), and Ameren Corp. (AEE, -6.7%).

S&P 500 sector review: last week's performance and outlook

Sector	ETF Ticker	Close Price, \$	W/W ETF Change	YTD, %	52-week high, \$	52-week low, \$	12M outlook
S&P 500	SPY	427.5	-0.7% 	12.7	457.8	353.6	Positive
Energy	XLE	90.4	 1.2%	7.1	93.4	71.3	Neutral
Materials	XLB	78.6	 0.2%	1.2	85.7	67.6	Positive
Discretionary	XLY	161.0	0.0%	25.4	177.0	126.3	Neutral
Communications	XLC	65.6	-0.1% 	34.9	68.8	45.3	Positive
Technology	XLK	163.9	-0.3% 	33.0	180.3	116.2	Positive
Industrials	XLI	101.4	-0.4% 	3.0	110.8	82.4	Positive
Health Care	XLV	128.7	-1.1% 	139.5	-5.0	120.6	Positive
Real Estate	XLRE	34.1	-1.4% 	-8.1	41.8	33.4	Positive
Financials	XLF	33.2	-1.5% 	-3.4	37.0	30.1	Positive
Staples	XLP	68.8	-1.9% 	-7.4	77.5	66.0	Neutral
Utilities	XLU	58.9	-6.9% 	-16.4	72.1	58.8	Positive

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	RIVN	Rivian Automotive	24.3	17.9	8.8	40.0	36.8	12.0	28.4	17.0
2	AMD	Advanced Micro Devices	102.8	6.9	-2.9	60.6	129.2	55.9	141.0	37.2
3	NKE	Nike	95.6	5.3	-5.7	-19.5	129.5	82.9	118.9	24.4
4	NVDA	NVIDIA	435.0	4.5	-10.8	203.9	493.5	112.2	632.3	45.4
5	INTC	Intel	35.5	4.0	3.6	34.6	38.9	24.4	36.3	2.0
6	XOM	Exxon Mobil	117.6	2.3	7.1	11.2	120.2	86.0	125.4	6.6
7	TSLA	Tesla	250.2	2.2	-2.7	131.5	293.3	108.1	293.6	17.3
8	PFE	Pfizer	33.2	1.5	-8.2	-34.7	54.0	32.1	43.8	32.0
9	GOOGL	Alphabet	130.9	0.5	-2.8	46.8	138.2	83.4	153.2	17.0
10	META	Meta Platforms	300.2	0.4	0.7	140.7	325.5	88.9	381.3	27.0
11	DIS	Walt Disney	81.1	-0.2	-4.0	-8.9	113.2	79.9	108.9	34.4
12	MSFT	Microsoft	315.8	-0.4	-3.9	32.1	359.5	213.1	398.1	26.1
13	JPM	JPMorgan Chase & Co.	145.0	-0.5	-2.5	8.1	158.0	101.2	169.9	17.2
14	BAC	Bank of America	27.4	-0.9	-5.4	-18.3	38.2	27.0	36.3	32.5
15	MU	Micron Technology	68.0	-1.2	2.0	35.1	73.9	49.0	78.9	16.0
16	AMZN	Amazon.com	127.1	-1.5	-5.8	48.1	144.9	81.8	175.7	38.2
17	BABA	Alibaba Group Holding	86.7	-1.8	-7.8	-5.7	120.6	63.2	145.4	67.7
18	AAPL	Apple	171.2	-2.0	-7.0	37.1	196.4	124.8	208.5	21.8
19	CCL	Carnival Corporation	13.7	-2.3	-14.5	72.1	19.3	6.4	19.7	43.4
20	NEE	NextEra Energy	57.3	-15.4	-15.1	-31.7	87.2	57.1	80.0	39.6

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 2 October	12:00	Euro area	Manufacturing PMI (Sep)	Comtech	CMTL	N/A	-0.22
	12:30	UK	Manufacturing PMI (Sep)				
	18:00	US	Manufacturing PMI (Sep)				
Tuesday 3 October	03:30	US	Fed Mester speech	McCormick&Co	MKC	Premarket	0.65
	16:00	US	Fed Bostic Speech	Cal-Maine	CALM	After market	0.33
Wednesday 4 October	12:00	Euro area	Services PMI (Sep)	Tesco	TSCDY	Premarket	N/A
	12:30	UK	Services PMI (Sep)	RPM	RPM	Premarket	1.55
	13:00	Euro area	Retail sales (AUG)	Acuity Brands	AYI	Premarket	3.72
	18:00	US	Services PMI (Sep)				
Thursday 5 October	16:30	US	Jobless claims (Sep/30)	Constellation Brands	STZ	Premarket	3.36
				Lamb Weston Holdings	LW	Premarket	1.08
				ConAgra Foods	CAG	Premarket	0.60
Friday 6 October	16:30	US	Non-farm payrolls (Sep)	Tilray	TLRY	N/A	-0.08
	16:30	US	Unemployment				
	23:00	US	Consumer credit change (Aug)				

Source: Bloomberg, NASDAQ

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, advisers 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

Email: research@gt.ge