



Global macroeconomic summary

US Fed and Bank of England increased the base rates by 75bps and 50bps, respectively. The terminal rate for Fed is now at staggering 4.6%. Bank of Japan, in contrast, has resisted the pressure and remained dovish, leaving both short-term and long-term rates unchanged. Due to hikes and hawkish announcements from monetary officials, markets fell sharply on Wednesday.

Contractionary monetary policies are starting to affect the Western economies. While the US Housing Market Index kept declining in September, the PMIs in all major Western economies have fallen from August. With only a few exceptions, both manufacturing and services PMIs are in contractionary zones for the US, UK, Germany, France, and Eurozone.

Moreover, in line with the economic activity data, consumer sentiment has worsened considerably in Europe, with the UK and Eurozone indicators now standing at historical lows.

In light of these macroeconomic developments, Goldman Sachs has downgraded the year-end target for S&P 500 from 4,300 to 3,600.

Meanwhile, China appears to be on a path to recovery, with Fixed Asset Investment, Industrial Production, and Retail Sales all growing significantly more than expected y/y. Importantly, however, the Chinese economy is far from low-risk. If a deep recession does materialize in the West, it will surely take a toll on China in the form of diminished exports and not only.

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Performance of major assets

Equities	Level	W/W, %	M/M, %	YTD, %
S&P 500	3,693	-4.65	-10.55	-22.51
NASDAQ	10,867	-5.07	-12.22	-30.53
Dow Jones	29,590	-4.00	-10.09	-18.57
Russell 2000	1,679	-6.60	-12.48	-25.20
FTSE 250 (£)	17,972	-4.39	-6.91	-23.46
STOXX 600 (€)	390	-4.37	-9.49	-19.97
Nikkei 225 (¥)	27,153	-1.50	-4.57	-5.69
MSCI EM	905	-4.05	-8.46	-26.47

Source: Bloomberg

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

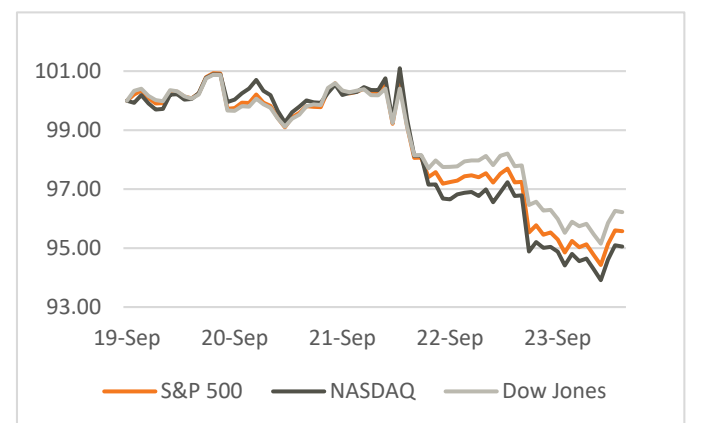
Commodities	Price, \$	W/W, %	M/M, %	YTD, %
WTI Oil (\$/barrel)	78.74	-7.48	-16.00	4.69
Gold (\$/oz)	1,643.94	-1.86	-5.96	-10.13
Natural Gas (\$/mmBtu)	6.828	-12.06	-25.73	83.06
Silver (\$/oz)	18.87	-3.67	-1.29	-19.04
Wheat (\$/bu)	880.5	2.41	12.49	14.24

Source: Bloomberg

Currencies	Current	Week ago	1-Jan-22
1EUR/\$	0.9687	1.0016	1.1370
1GBP/\$	1.0859	1.1420	1.3532

Source: Bloomberg

Weekly performance of major US indices (16 September 2022 = 100)








Source: Bloomberg

Weekly sector performance highlights

Consumer Staples sector proved the most resilient, with respective ETF down only 2.7%, as compared to the 4.6% fall in SPY. As expected, other defensive sectors like Health Care and Utilities have also outperformed the broad market. The non-cyclical nature of these sectors means they resist bear markets more than the cyclical sectors, such as Consumer Discretionary.

Energy sector was the worst performer, with the associated ETF falling 10%+. The fall is attributed to a strong US dollar coupled with heightened recession fears that have pushed the oil prices to eight-month lows. The cyclical sectors, like Consumer Discretionary, Real Estate, and Materials also underperformed the broad market considerably. The fall in Real Estate sector was also fueled by a weaker-than-expected US NAHB Housing Market Index released on Monday.

S&P 500 sector review: last week performance

Sector	ETF Ticker	Weekly ETF Change %	Close Price, \$	Market Cap, \$bn	P/E	YTD, %
S&P 500	SPY	-4.57 	367.95	331.42	18.66	-22.53
of which:						
Cons. Staples	XLP	-2.73 	69.38	15.22	22.75	-10.02
Utilities	XLU	-3.64 	71.76	17.12	24.08	0.25
Health Care	XLV	-3.70 	122.73	36.84	21.48	-12.89
Technology	XLK	-3.86 	123.74	37.36	24.01	-28.83
Industrials	XLI	-5.00 	84.75	13.30	19.09	-19.90
Communication	XLC	-5.81 	49.11	7.92	16.70	-36.78
Financials	XLF	-6.08 	31.05	28.42	12.14	-20.49
Materials	XLB	-6.13 	68.43	4.87	7.61	-24.48
Real Estate	XLRE	-7.16 	37.46	4.73	23.79	-27.70
Cons. Discret.	XLY	-7.29 	146.42	14.79	21.12	-28.38
Energy	XLE	-10.15 	70.48	32.20	7.77	26.99

Source: Bloomberg, Capital IQ

Performance of last week's most traded stocks globally (top 20 by value)

#	Ticker	Name	Close Price, \$	W/W, %	YTD, %	P/E	12M Price Target, \$	12M Return Target, %
1	AAPL	Apple	150.43	-0.18	-15.28	24.27	183.45	21.95
2	MSFT	Microsoft	237.92	-2.79	-29.26	23.35	325.95	37.00
3	META	Meta Platforms	140.41	-4.02	-58.25	15.54	223.70	59.32
4	VZ	Verizon Communications	39.52	-4.19	-23.94	7.64	50.09	26.75
5	GOOG	Alphabet	99.17	-4.30	-31.46	0.00	145.85	47.07
6	T	AT&T	16.01	-4.36	-34.92	6.57	22.23	38.85
7	NVDA	NVIDIA	125.16	-5.17	-57.44	35.90	205.74	64.38
8	MU	Micron Technology	50.10	-5.20	-46.22	12.89	70.56	40.84
9	INTC	Intel	27.52	-5.88	-46.56	12.07	38.55	40.08
10	BAC	Bank of America	31.73	-7.00	-28.68	9.09	42.66	34.45
11	LUMN	Lumen Technologies	8.13	-7.61	-35.22	7.60	10.67	31.24
12	AMZN	Amazon.com	113.78	-7.89	-31.75	68.97	177.05	55.61
13	C	Citigroup	44.26	-8.00	-26.71	6.56	61.40	38.73
14	XOM	Exxon Mobil	85.75	-8.00	40.14	7.18	112.13	30.76
15	OXY	Occidental Petroleum	58.73	-8.82	102.59	5.88	77.50	31.96
16	TSLA	Tesla	275.33	-9.24	-21.84	54.60	311.97	13.31
17	AMD	Advanced Micro Devices	67.96	-11.18	-52.77	15.34	118.96	75.04
18	AAL	American Airlines Group	12.21	-11.20	-32.02	13.00	16.57	35.71
19	F	Ford Motor	12.31	-16.37	-40.73	6.30	15.96	29.65
20	CCL	Carnival Corporation	8.95	-16.82	-55.52	N/A	13.20	47.49

Source: Bloomberg, Capital IQ, Tipranks

Note: Positive 12 month return targets imply aggregated "Buy" recommendation by analysts

Selected company news

Ford Motor (F)

Close Price, \$	12.31
Weekly Change, %	-16.37
YTD Change, %	-40.73
P/E	6.30
12M Price Target, \$	15.96
12M Growth Potential, %	29.65

On Tuesday, Ford Motor suffered the worst day in 11 years after the company warned of extra \$1bn in supply costs during 3Q22 pre-announcement. The company also faces parts shortages, with 45,000 high-margin vehicles unable to be shipped to the dealers. Importantly, this may be an industry-wide red flag rather than a company-specific issue, as illustrated by the GM stock also losing the ground on Tuesday.

Microsoft (MSFT)

Close Price, \$	237.92
Weekly Change, %	-2.79
YTD Change, %	-29.26
P/E	23.35
12M Price Target, \$	325.95
12M Growth Potential, %	37.00

Microsoft announced a sizeable 10% raise in dividends. As a result, the stock gained almost 3% on Tuesday, helped further by Morgan Stanley's analysts reaffirming their overweight rating on the company. During Wednesday trading, however, Microsoft followed the broad market dynamic and the pessimistic sentiment on techs and the stock fell sharply by appx. 3.5%.

NVIDIA (NVDA)

Close Price, \$	125.16
Weekly Change, %	-5.17
YTD Change, %	-57.44
P/E	35.90
12M Price Target, \$	205.74
12M Growth Potential, %	64.38

Despite the NASDAQ selloff on Tuesday, NVIDIA stock jumped 3%+ in response to company's announcement during the 2022 Global Technical Conference (GTC). The company CEO gave demonstrations of new GPU processors that come with significant upgrades over older versions. In addition, NVIDIA presented the newly launched Omniverse, a platform for developing and operating metaverse applications. However, despite positive news, the company shares fell on Wednesday in line with the market.

Source: Bloomberg, Tipranks, Forbes, Barrons

This week calendar

Macroeconomic news

Company earnings

	Time (GMT +4)	Country	Event	Company	Ticker	Time	Forecast EPS \$
Monday September 26	12:00	Germany	Business Climate Index (SEP)	Azure Power Global	AZRE	After market	N/A
	16:30	US	National Activity Index (AUG)	Arizona Metals Corp	AZMCF	After market	N/A
	17:00	Europe	ECB President Lagarde Speech				
Tuesday September 27	05:30	China	Industrial Profits (AUG)	Ferguson	FERG	Premarket	2.77
	16:30	US	Durable Goods Orders (AUG)	Synnex	SNX	Premarket	2.74
	17:00	US	House Price Index (JUL)	Neogen	NEOG	Premarket	0.13
	18:00	US	Consumer Confidence (SEP)	BlackBerry	BB	After market	-0.07
Wednesday September 28	10:00	Germany	Consumer Confidence (OCT)	Paychex	PAYX	Premarket	0.97
	10:45	France	Consumer Confidence (SEP)	Cintas	CTAS	Premarket	3.11
	15:00	US	Mortgage Applications	Vail Resorts	MTN	After market	-2.29
Thursday September 29	13:00	Europe	Consumer Confidence (SEP)	Micron	MU	Premarket	1.43
	13:00	Europe	Economic & Industrial Sentiment	CarlMax	KMX	Premarket	1.44
	16:00	Germany	Inflation Rate Prelim (SEP)	Nike	NKE	After market	0.93
	16:30	US	GDP (2Q22)	Carnival Corp	CCL	N/A	-0.13
Friday September 30	05:20	China	Manufacturing PMI (SEP)	Cosan S.A.	CSAN	Premarket	N/A
	10:00	UK	GDP (2Q22)	AngloGold Ashanti	AU	After market	N/A
	11:55	Germany	Employment (SEP)				
	13:00	Europe	Inflation (SEP)				
	16:30	US	PCE Price Index				
	18:00	US	Consumer Sentiment (SEP)				

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