



Global macroeconomic summary

Fed hiked 75bps to 4.0% on November meeting in line with expectations, but added a hawkish tone during the post-meeting press conference. The market-wide rally before the FOMC announcement proved to be short-lived as Chairman Powell's comments quickly dissipated the dovish investor sentiment. As the Chairman noted, Fed has a clear-cut strategy that does not include 'a pause', implying that the hiking cycle is still far from over. Futures are now pricing in a terminal base rate of 5.14% (up from pre-meeting 4.96%) with the pivot expected in June 2023.

Stronger than expected US employment and weaker labor participation create more room for Fed hawkishness. Non-Farm Payrolls increased by 261,000 in October (vs 200,000 forecast), illustrating the tightness of US labor market. Moreover, unemployment rate also increased to higher-than-expected 3.7% (vs 3.6% forecast) due to a lower participation rate. In effect, the lower supply of labor will likely drive wages up, therefore fueling the inflation further. Incidentally, wages have also increased more than expected by 0.4% m/m (vs 0.3% forecast).

In October, the Eurozone headline inflation increased by more than expected to 10.7% y/y (vs 10.2% forecast), while the core stood at 5.0% (vs 4.9% forecast). Soaring prices pressure ECB to implement a contractionary monetary policy; however, the diminishing consumer confidence coupled with the steadily weakening production (as illustrated by falling PMIs) limit the European monetary authority's degree of hawkishness.

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

Bachana Shengelia - Head of Sector Research
| bshengelia@gt.ge | +995 32 2401 111 ext. 7562

Giorgi Tskitishvili - Equity Markets Analyst
| g.tskitishvili@gt.ge | +995 32 2401 111 ext. 7562

Performance of major assets

Equities	Level	W/W, %	M/M, %	YTD, %
S&P 500	3,770.6	-3.3	-0.5	-20.9
NASDAQ	10,475.3	-5.6	-6.3	-33.0
Dow Jones	32,403.2	-1.4	6.9	-10.8
Russell 2000	1,799.9	-2.5	1.4	-19.8
FTSE 250 (£)	18,341.6	2.4	2.9	-21.9
STOXX 600 (€)	417.0	1.5	3.5	-14.5
Nikkei 225 (¥)	27,199.7	0.3	0.8	-5.5
MSCI EM	885.0	4.7	-1.0	-28.2

Source: Bloomberg

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

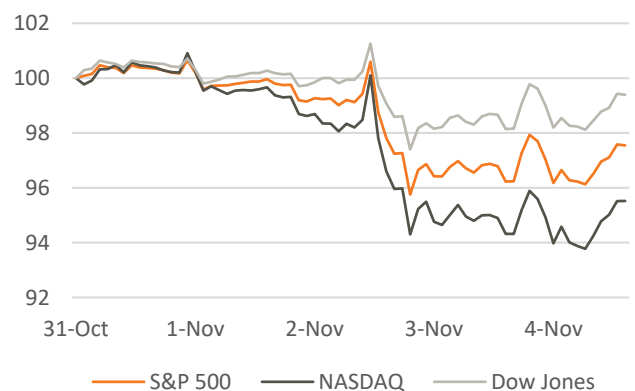
Commodities	Price, \$	W/W, %	M/M, %	YTD, %
WTI Oil (\$/barrel)	92.6	5.4	7.0	23.1
Gold (\$/oz)	1681.9	2.3	-2.6	-8.1
Natural Gas (\$/mmBtu)	6.4	12.6	-6.4	71.6
Silver (\$/oz)	20.9	8.3	-1.0	-10.5
Wheat (\$/bu)	847.8	2.2	-6.1	10.0

Source: Bloomberg

Currencies	4-Nov-22	Week ago	1-Jan-22
1EUR/\$	0.9957	0.9965	1.1370
1GBP/\$	1.1379	1.1615	1.3532

Source: Bloomberg

Weekly performance of major US indices (28 October 2022 = 100)















Source: Bloomberg

Weekly sector performance highlights

Energy was the top performer, with the respective ETF up 2.4% w/w. Surge in prices of natural gas (12.6% w/w) and oil (5.4% w/w) (see page 1) significantly supported valuations of equities in the Energy sector. The sector rally was largely uniform, but nonetheless led by EOG Resources, ConocoPhillips, Schlumberger, Marathon Oil, Marathon Petroleum, and Diamondback Energy.

Communications and Technology sectors were the weakest performers, with the associated ETFs down 6.8% w/w and 6.6% w/w, respectively. Decline in communication sector was almost fully fueled by the sector giants, such as Alphabet, Meta, and Netflix that experienced sizeable downturns in past week. Meanwhile, slump in the Technology sector was slightly more uniform; however, it was still big techs that led the fall with Apple, Accenture, Adobe, Qualcomm, and PayPal significantly losing grounds (See page 3).

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	-3.3 	376.4	357.7	19.6	-20.8
of which:						
Energy	XLE	 2.4	91.4	43.6	10.2	64.7
Materials	XLB	 0.9	75.4	5.3	8.5	-16.8
Industrials	XLI	 0.5	95.1	14.9	20.4	-10.2
Utilities	XLU	-0.5 	67.1	15.3	23.5	-6.3
Financials	XLF	-0.8 	33.9	31.1	13.2	-13.2
Health Care	XLV	-1.5 	130.8	39.6	23.0	-7.2
Real Estate	XLRE	-1.7 	36.2	4.7	23.4	-30.1
Cons. Staples	XLP	-1.8 	71.9	15.9	23.6	-6.8
Cons. Discret.	XLY	-5.1 	137.5	13.9	20.0	-32.7
Technology	XLK	-6.6 	121.0	36.5	23.7	-30.4
Communication	XLC	-6.8 	45.7	8.0	16.7	-41.1

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	PCRFY	Panasonic Holdings	8.7	20.8	-21.5	14.3	8.8	0.9
2	NIO	Nio	11.7	20.5	-65.1	N/A	29.3	150.9
3	BABA	Alibaba Group	69.8	9.5	-42.0	34.2	137.8	97.4
4	SBUX	Starbucks	91.9	5.5	-21.5	27.1	100.4	9.3
5	JPM	JPMorgan Chase & Co.	130.7	3.6	-17.5	10.2	138.6	6.1
6	NVDA	NVIDIA	141.6	2.3	-51.9	41.1	195.5	38.1
7	F	Ford Motor Company	13.5	1.9	-35.0	6.8	16.9	25.1
8	BAC	Bank of America	36.8	1.7	-17.3	10.3	40.1	9.0
9	CCL	Carnival Corporation	9.0	0.7	-55.3	N/A	10.6	17.8
10	AMD	Advanced Micro Devices	62.2	0.3	-56.8	19.4	85.6	37.6
11	INTC	Intel	28.2	-3.0	-45.2	18.9	29.4	4.3
12	MSFT	Microsoft	221.4	-6.1	-34.2	22.4	294.9	33.2
13	META	Meta Platforms	90.8	-8.5	-73.0	12.6	146.9	61.8
14	TSLA	Tesla	207.5	-9.2	-41.1	38.3	302.1	45.6
15	GOOGL	Alphabet	86.6	-10.1	-40.2	17.4	129.7	49.8
16	AAPL	Apple	138.4	-11.1	-22.1	22.1	181.3	31.0
17	AMZN	Amazon.com	91.0	-12.0	-45.4	63.3	142.3	56.4
18	PYPL	PayPal Holdings	75.2	-12.8	-60.1	16.3	108.9	44.9
19	LUMN	Lumen Technologies	5.9	-19.3	-52.8	7.9	7.3	23.3
20	WBD	Warner Bros. Discovery	10.4	-19.5	-55.7	37.0	20.9	100.4

Source: Bloomberg, Capital IQ, Tipranks

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

Select company news

Starbucks (SBUX)

Close Price, \$	91.9	Starbucks reported better than expected top and bottom lines for 3Q22, with EPS beating estimate by 13% and revenue coming in \$10mn higher than forecasts at \$8.4bn. Global same-store sales increased by 7% y/y, largely fueled by 11% increase in the US. Interestingly, much of the growth in sales in the US was due to the increased consumption of high-margin drinks, such as spiced lattes. Moreover, as the company CFO noted, consumers are increasingly purchasing costly additives, like syrups. Higher willingness to spend by American consumers indicates their improved confidence, which is also illustrated by steadily increasing consumer confidence metrics.
Weekly Change, %	5.5	
YTD Change, %	-21.5	
P/E	27.1	
12M Price Target, \$	100.4	
12M Growth Potential, %	9.3	

Alibaba (BABA)

Close Price, \$	69.8	On Friday, the former chief epidemiologist of Chinese Center for Disease Control and Prevention stated that the Chinese government will likely ease pandemic-related restrictions, therefore putting end to the zero-Covid policy which is largely responsible for current economic underperformance. Stocks of major Chinese companies reacted positively to the news, with Alibaba, JD.com, Nio, and likes gaining ground.
Weekly Change, %	9.5	
YTD Change, %	-42.0	
P/E	34.2	
12M Price Target, \$	137.8	
12M Growth Potential, %	97.4	

Panasonic (PCRFY)

Close Price, \$	8.7	Panasonic delivered better than expected earnings, surprising on operating profits by 5% on the upside. Despite lowering guidance for next year, the company management stated they plan to build a lithium battery factory in Kansas, US to supply electric vehicle makers (e.g., Tesla). The factory will start operations in November while mass manufacturing will start from 2025. Initial production volume will be 30 MWh, meaning the Kansas plant will produce 60% of the amount currently produced by Panasonic's factories in Japan and the US.
Weekly Change, %	20.8	
YTD Change, %	-21.5	
P/E	14.3	
12M Price Target, \$	8.8	
12M Growth Potential, %	0.9	

Source: Bloomberg, Tipranks, Yahoo Finance, CNBC

Week ahead calendar

Macroeconomic releases

Company earnings

	Time (GMT +4)	Country	Event	Company	Ticker	Time	Forecast EPS \$
Monday November 7	07:00	China	Balance of Trade (OCT)	BioNTech	BNTX	Premarket	3.63
	12:30	Germany	Industrial Production (SEP)	Activision Blizzard	ATVI	After Market	0.51
	12:30	Euro area	Construction PMI (OCT)	Roblox	RBLX	N/A	-0.30
Tuesday November 8	04:00	US	2022 Midterm Elections	Walt Disney	DIS	After Market	0.59
	04:00	UK	Retail Sales (OCT)	Occidental	OXY	After Market	2.68
	14:00	Euro area	Retail Sales (SEP)	Emerson	EMR	N/A	1.39
Wednesday November 9	05:30	China	Inflation	Adidas	ADDYY	Premarket	1.37
	16:00	US	Mortgage Applications (04/NOV)	Manulife Financial	MFC	After Market	0.63
	19:00	US	Wholesale Inventories	Rivian Automotive	RIVN	After Market	-1.81
				Siemens Healthineers	SMMNY	N/A	0.31
Thursday November 10	12:00	China	New Yuan Loans (OCT)	Zurich Insurance Group	ZFSVF	Premarket	N/A
	13:00	Italy	Industrial Production (SEP)	Brookfield Asset Management	BAM	Premarket	0.78
	17:30	US	Inflation (OCT)	Deutsche Telekom	DTEGY	N/A	0.35
	17:30	US	Jobless Claims (05/OCT)	AstraZeneca	AZN	N/A	0.77
				The Trade Desk	TTD	N/A	0.22
Friday November 11	11:00	Germany	Inflation Rate (OCT)	Softbank Group	SFTBF	N/A	104.50
	11:00	UK	GDP (SEP)	Coupang	CPNG	N/A	-0.04
	19:00	US	Consumer Sentiment (NOV)	Ubiquiti	UI	N/A	1.80

Source: Yahoo Finance, DailyFX

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Galt & Taggart

Address: 3 A. Pushkin Street, Tbilisi 0105, Georgia

Tel: + (995) 32 2401 111

Email: research@gt.ge