



## Global macroeconomic summary

**US November PPI came in lower than expected at 0.2% m/m, as widely anticipated due to the downward CPI surprise from last week.** Sharp drop in the pace of price increases will likely push the Federal Reserve to slow/stop rate hikes sooner than previously projected. However, Fed Governor Waller suggested on Monday that a single data release (i.e. recent CPI and PPI) does not guarantee Fed's pivot. Nevertheless, markets' overall interpretation of Fed's recent commentary is slightly dovish.

**Stronger recession fears serve as another argument for Fed to pivot, as the US manufacturing index dropped contrary to expected improvement.** The Philadelphia Fed Manufacturing Index declined sharply in November to reach the lowest level since 2011 (excluding the pandemic). Overall, the reading suggests slowed hiring as well as worsened 6-month forward outlook, with expected declines in overall activity and new orders. On a positive note, however, the US retail sales were higher than expected in October, growing 1.3% m/m vs 1.0% forecast.

**The Euro area real GDP grew by 2.1% y/y in 3Q22, in line with expectations, a sizeable decline from previous quarter's 4.3% figure.** Moreover, inflation pace kept accelerating, with the headline reaching 10.6% y/y and the core – 5.0% y/y. Meanwhile, the economic sentiment index improved significantly more than expected in November, partly attributed to warm weather forecasts that imply less need for gas consumption throughout the winter.

**Meanwhile, the UK faces trouble on both frontlines with inflation and unemployment both higher than expected.** In November, headline inflation in the UK hit a new high of 11.1% while core increased to 6.5%. Number of the net new unemployed was 52,000, twice as large as the expected figure. Meanwhile, the 3Q22 GDP growth has almost halved and retail sales has been contracting for the 7<sup>th</sup> consecutive month.

**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	3,965	-0.7	6.6	-16.8
NASDAQ	11,146	-1.6	3.5	-28.8
Dow Jones	33,746	0.0	10.6	-7.1
Russell 2000	1,850	-1.8	5.3	-17.6
FTSE 250 (£)	19,283	-1.7	10.0	-17.9
STOXX 600 (€)	433	0.2	8.4	-11.2
Nikkei 225 (¥)	27,900	-1.3	2.7	-3.1
MSCI EM	943	0.8	7.3	-23.5

Source: Bloomberg

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

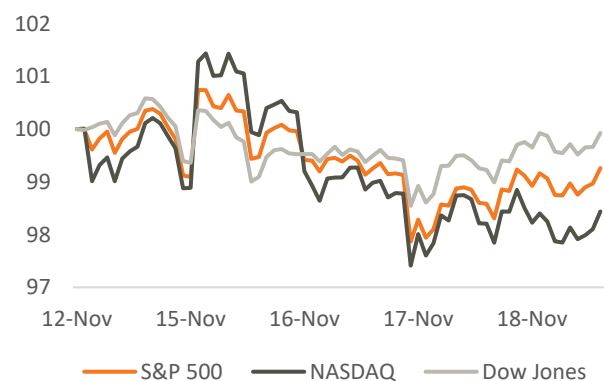
Commodities	Price, \$	W/W, %	M/M, %	YTD, %
WTI Oil (\$/barrel)	80.1	-10.0	-3.3	6.5
Gold (\$/oz)	1750.7	-1.2	6.0	-4.3
Natural Gas (\$/mmBtu)	6.3	7.2	9.7	69.0
Silver (\$/oz)	20.9	-3.5	11.8	-10.2
Wheat (\$/bu)	803.3	-1.3	-5.4	4.2

Source: Bloomberg

Currencies	14-Nov-22	Week ago	1-Jan-22
1EUR/\$	1.0325	1.0347	1.1370
1GBP/\$	1.1890	1.1830	1.3532

Source: Bloomberg

## Weekly performance of major US indices (11 November 2022 = 100)















Source: Bloomberg

## Weekly sector performance highlights

**Defensive sectors outperformed, with Consumer Staples, Utilities, and Healthcare ETFs gaining 1.6%, 1.1%, and 1.1%, respectively.** The gains in Consumer Staples were largely uniform across components. However, some of the largest companies were mostly responsible for the rally: Walmart (WMT), Philip Morris (PM), Fomento Economico Mexicano (FMX), and BAT (BTI) all outperformed the sector's 1.6% gain. Importantly, one of the largest players in Consumer Staples, Target, released worse-than-expected financial results for 3Q22, leading its stock to plummet by 6.0%.

**Out of the seven underperforming sectors, Consumer Discretionary was the weakest performer, with the associated ETF losing 2.8%.** The value lost in the sector was mostly due to the sector giants losing ground. Most notably, it was Amazon (AMZN) and Tesla (TSLA) stocks, which declined by sharp 6.6% and 8.1%, respectively. Meanwhile, rest of the sector companies had a largely stable week.

## S&P 500 sector review: last week performance

Sector	ETF Ticker	Weekly ETF Change %	Close Price, \$	Market Cap, \$bn	P/E	YTD, %
<b>S&amp;P 500</b>	<b>SPY</b>	-0.6 	<b>396.0</b>	<b>374.7</b>	<b>19.7</b>	<b>-16.6</b>
of which:						
Cons. Staples	XLP	 1.6	74.7	17.0	24.1	-3.2
Utilities	XLU	 1.1	68.9	16.0	22.8	-3.8
Health Care	XLV	 1.1	134.6	41.1	23.9	-4.5
Industrials	XLI	-0.1 	99.4	15.6	21.1	-6.0
Technology	XLK	-0.8 	132.1	40.4	26.1	-24.0
Communication	XLC	-1.0 	49.5	8.4	17.9	-36.2
Financials	XLF	-1.4 	35.4	32.9	12.2	-9.4
Materials	XLB	-1.6 	80.0	5.5	9.3	-11.7
Energy	XLE	-1.6 	91.6	43.8	8.3	65.1
Real Estate	XLRE	-1.8 	38.1	5.1	23.2	-26.6
Cons. Discret.	XLY	-2.8 	141.0	14.1	20.5	-31.0

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	<b>ENPH</b>	Enphase Energy	311.9	<b>6.8</b>	70.5	62.0	318.5	<b>2.1</b>
2	<b>CSCO</b>	Cisco Systems	47.8	<b>6.7</b>	-24.6	13.3	54.5	<b>14.0</b>
3	<b>WMT</b>	Walmart	150.2	<b>5.4</b>	3.8	23.4	162.8	<b>8.4</b>
4	<b>V</b>	Visa Inc	210.8	<b>2.8</b>	-2.7	25.4	246.3	<b>16.8</b>
5	<b>AMD</b>	Advanced Micro Devices	73.6	<b>1.7</b>	-48.9	23.0	83.9	<b>14.0</b>
6	<b>UNH</b>	UnitedHealth Group	530.0	<b>1.5</b>	5.5	21.9	593.8	<b>12.0</b>
7	<b>AAPL</b>	Apple	151.3	<b>1.1</b>	-14.8	24.2	179.7	<b>18.8</b>
8	<b>GOOGL</b>	Alphabet	97.4	<b>1.1</b>	-32.7	19.8	129.7	<b>33.1</b>
9	<b>BRK.B</b>	Berkshire Hathaway	310.8	<b>0.3</b>	3.9	0.0	362.0	<b>16.5</b>
10	<b>NFLX</b>	Netflix	288.0	<b>-0.7</b>	-52.2	30.4	291.2	<b>1.1</b>
11	<b>META</b>	Meta Platforms	112.1	<b>-0.9</b>	-66.7	15.5	174.7	<b>55.9</b>
12	<b>JPM</b>	JPMorgan Chase & Co.	133.8	<b>-1.1</b>	-15.5	10.4	140.4	<b>4.9</b>
13	<b>XOM</b>	Exxon Mobil	112.1	<b>-1.6</b>	83.2	9.3	116.5	<b>3.9</b>
14	<b>CVX</b>	Chevron	183.0	<b>-1.9</b>	55.9	10.1	184.0	<b>0.6</b>
15	<b>MSFT</b>	Microsoft	241.2	<b>-2.4</b>	-28.3	24.4	292.6	<b>21.3</b>
16	<b>BAC</b>	Bank of America	37.2	<b>-3.2</b>	-16.4	10.3	40.4	<b>8.6</b>
17	<b>NVDA</b>	NVIDIA	154.1	<b>-5.6</b>	-47.6	39.6	195.8	<b>27.1</b>
18	<b>TGT</b>	Target	162.9	<b>-6.0</b>	-29.6	19.3	175.9	<b>8.0</b>
19	<b>AMZN</b>	Amazon.com	94.1	<b>-6.6</b>	-43.5	65.3	140.1	<b>48.8</b>
20	<b>TSLA</b>	Tesla	180.2	<b>-8.1</b>	-48.8	33.2	308.9	<b>71.4</b>

Source: Bloomberg, Capital IQ, Tipranks

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

## Select company news

### Macy's (M)

Close Price, \$	22.2	<p>The retail giant Macy's released much better 3Q22 results that analysts have expected. The EPS exceeded forecasts by approximately 3x and stood at \$0.52, while revenue came in at strong \$5.23bn. As noted by the company management, the primary reason for Macy's financial success is effective inventory management practice that helps reduce the costs substantially. Importantly, inventory management is especially problematic during the crises, when demand is highly unpredictable and matching it with the supply, therefore, is difficult.</p>
Weekly Change, %	<b>5.8</b>	
YTD Change, %	-18.8	
P/E	4.4	
12M Price Target, \$	35.0	
12M Growth Potential, %	<b>15.3</b>	

### Foot Locker (FL)

Close Price, \$	35.9	<p>Foot Locker released better-than-expected results for 3Q22, leading to the company stock surging 7.8%. The company outperformed forecasts in terms of both top and bottom lines: revenue came in \$80mn above estimates at \$2.17bn, while EPS stood at \$1.27 vs \$1.11 analyst consensus. In addition to strong results, Foot Locker management also upgraded their full-year guidance.</p> <p>Interestingly, stocks of the company rivals and affiliates also benefitted. For example, Dick's Sporting Goods gained 4.0%, as investors interpreted Foot Locker's results as a positive industry-wide news.</p>
Weekly Change, %	<b>7.8</b>	
YTD Change, %	-19.8	
P/E	7.3	
12M Price Target, \$	35.0	
12M Growth Potential, %	<b>-2.5</b>	

### Oatly (OTLY)

Close Price, 1FTT/\$	2.0	<p>Oatly released worse than expected financials for 3Q22. Despite delivering a 7.0% y/y revenue growth to reach \$183mn in sales, the company's profitability is concerning – gross profit has fallen almost 10x from past year, while operating profit remains negative. Another worrying factor in Oatly's financials is the low level of free cash available. This may incentivise the company management to acquire new funds through issuing new debt or equity, which will hurt the financial position of current shareholders.</p>
Weekly Change, %	<b>-20.4</b>	
YTD Change, %	-76.7	
P/E	N/A	
12M Price Target, \$	3.7	
12M Growth Potential, %	<b>85.0</b>	

Source: Bloomberg, Tipranks, Yahoo Finance, CNBC



## Week ahead calendar

### Macroeconomic releases

### Company earnings

	Time (GMT +4)	Country	Event	Company	Ticker	Time	Forecast EPS \$
<b>Monday</b> November 21	17:30	US	National Activity Index (OCT)	Compass Group	CMPGY	Premarket	8.52
				Agilent Technologies	A	After Market	1.38
				Urban Outfitters	URBN	After Market	0.42
<b>Tuesday</b> November 22	11:00	UK	Public Sector Net Borrowing (OCT)	Medtronic	MDT	Premarket	1.28
	19:00	Euro area	Consumer Confidence prel. (NOV)	Best Buy	BBY	Premarket	1.03
	20:00	US	Fed Mester Speech	HP	HPQ	After market	0.85
				Dollar Tree	DLTR	N/A	1.18
				Zoom Video	ZM	N/A	0.83
<b>Wednesday</b> November 23	13:00	Euro area	Manufacturing & Services PMI prel. (NOV)	Naspers	NPSNY	Premarket	N/A
	17:30	US	Durable Goods Orders (OCT)	Dell Tech	DELL	N/A	1.61
	19:00	US	Michigan Consumer Sentiment (NOV)	Deere&Company	DE	N/A	7.12
	23:00	US	FOMC Minutes				
<b>Thursday</b> November 24	11:45	France	Business Confidence (NOV)	Kingfisher	KGFHY	Premarket	N/A
	13:00	Germany	Business Climate (NOV)	Meituan	MPNGF	N/A	0.01
				Pinduoduo	PDD	N/A	4.79
<b>Friday</b> November 25	04:00	UK	Consumer Confidence (NOV)	Orron Energy	LNDNF	Premarket	0.03
	11:00	Germany	GDP (3Q22)				
	11:00	Germany	Consumer Confidence (DEC)				

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