



## Global macroeconomic summary

**Euro area reported better than expected consumer confidence and PMIs for November.** Consumer confidence improved more than expected to reach the June level. The upwards trend since September may be the start of a gradual recovery of European consumer sentiment. Meanwhile, manufacturing PMI improved slightly for the first time in 3 months, while services stayed unchanged. Importantly, both manufacturing and services PMIs remain in contraction territory for the fourth consecutive month. As a last note, German GDP grew slightly more than expected at 1.3% y/y in 3Q22.

**In the US, macro news were mixed, with higher-than-expected growth in durable goods orders and slightly reduced consumer confidence.** It is worth noting, however, that the US consumer confidence had an upwards trend in past 5 months and November figure may be a mere outlier. Durable goods orders, on the other hand, has been growing with increasing pace since July, illustrating steadily improving producer expectations on mid-to-long term demand.

**Global inflation has likely peaked, as suggested by leading indicators.** Shipping costs, commodity prices, and inflation expectations all seem to be declining on a global scale. Moreover, the supply chain disturbances also seem to have eased globally, providing additional downward pressure on producer prices.

Most importantly, however, it is the actual inflation figures that underlie economists' optimism. Inflation is decelerating rapidly in emerging markets as well as in many developed economies, predominantly in continental Europe.

However, the risk of high commodity prices, especially in energy products, remains sizeable and is likely to materialize given the geopolitical tensions do not ease in the near future.

**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        | 4,026  | 1.5    | 4.3    | -15.5  |
| NASDAQ         | 11,226 | 0.7    | 0.2    | -28.2  |
| Dow Jones      | 34,347 | 1.8    | 7.9    | -5.5   |
| Russell 2000   | 1,869  | 1.1    | 4.1    | -16.8  |
| FTSE 250 (£)   | 19,546 | 1.4    | 9.6    | -16.8  |
| STOXX 600 (€)  | 441    | 1.7    | 8.1    | -9.6   |
| Nikkei 225 (¥) | 28,283 | 1.4    | 3.8    | -1.8   |
| MSCI EM        | 941    | -0.2   | 11.4   | -23.6  |

Source: Bloomberg

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

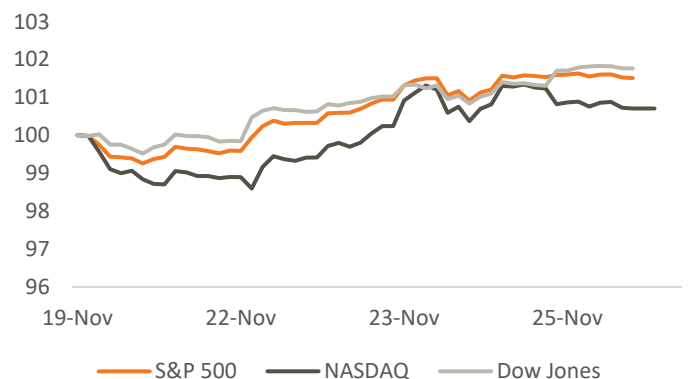
| Commodities            | Price, \$ | W/W, % | M/M, % | YTD, % |
|------------------------|-----------|--------|--------|--------|
| WTI Oil (\$/barrel)    | 76        | -4.7   | -10.6  | 1.4    |
| Gold (\$/oz)           | 1,755     | 0.2    | 6.2    | -4.1   |
| Natural Gas (\$/mmBtu) | 7         | 11.4   | 25.1   | 88.3   |
| Silver (\$/oz)         | 22        | 3.8    | 12.4   | -6.7   |
| Wheat (\$/bu)          | 776       | -3.5   | -7.1   | 0.6    |

Source: Bloomberg

| Currencies | 14-Nov-22 | Week ago | 1-Jan-22 |
|------------|-----------|----------|----------|
| 1EUR/\$    | 1.0395    | 1.0325   | 1.1370   |
| 1GBP/\$    | 1.2092    | 1.1890   | 1.3532   |

Source: Bloomberg

## Weekly performance of major US indices (18 November 2022 = 100)















Source: Bloomberg

## Weekly sector performance highlights

**Utilities and Materials were the strongest performers, with relative ETFs gaining 3.0% each w/w.** In Utilities, Ameren Corp (AEE), American Electric Power (AEP), Atmos Energy (ATO), and Consolidated Edison (ED) were the outperformers, largely driving the sector rally. In contrast, growth in Materials sector was largely uniform across the components, indicating sector-wide optimism due to improved macroeconomic expectations. This is intuitive as Materials is a cyclical sector and, therefore, corresponds closely to the general economic sentiment.

**Energy was the underperformer in a week where cross-sector gains were largely uniform, with the associated ETF rising only 0.3%.** The below-average performance was due to numerous mid-to-large cap stocks losing ground past week. These stocks were Devon Energy (DVN), Schlumberger (SLB), and Diamondback Energy (FANG), losing 1.0%, 2.0%, and 4.6%, respectively.

## 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> |  1.6 | <b>402.3</b>    | <b>381.7</b>     | <b>20.9</b> | <b>-15.3</b> |
| of which:          |            |   |                 |                  |             |              |
| Utilities          | XLU        |  3.0 | 70.9            | 16.6             | 23.3        | -0.9         |
| Materials          | XLB        |  3.0 | 82.4            | 5.6              | 9.4         | -9.1         |
| Cons. Staples      | XLP        |  2.1 | 76.3            | 17.4             | 25.3        | -1.1         |
| Financials         | XLF        |  2.1 | 36.1            | 33.7             | 13.9        | -7.5         |
| Real Estate        | XLRE       |  2.0 | 38.8            | 5.1              | 23.4        | -25.1        |
| Health Care        | XLV        |  1.9 | 137.2           | 42.3             | 24.2        | -2.7         |
| Industrials        | XLI        |  1.9 | 101.3           | 15.9             | 20.6        | -4.3         |
| Communication      | XLC        |  1.4 | 50.2            | 8.4              | 18.1        | -35.4        |
| Cons. Discret.     | XLY        |  1.2 | 142.6           | 14.1             | 21.0        | -30.2        |
| Technology         | XLK        |  1.1 | 133.6           | 40.9             | 26.3        | -23.2        |
| Energy             | XLE        |  0.3 | 91.9            | 43.7             | 7.6         | 65.5         |

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>DIS</b>   | The Walt Disney        | 98.9            | 7.7    | -36.2  | 23.6 | 122.3                | 23.7                 |
| 2  | <b>DE</b>    | Deere & Company        | 441.5           | 6.6    | 28.7   | 15.8 | 464.1                | 5.1                  |
| 3  | <b>NVDA</b>  | NVIDIA                 | 162.7           | 5.6    | -44.7  | 41.8 | 196.2                | 20.6                 |
| 4  | <b>HD</b>    | The Home Depot         | 326.4           | 4.2    | -21.4  | 19.3 | 348.9                | 6.9                  |
| 5  | <b>MSFT</b>  | Microsoft              | 247.5           | 2.6    | -26.4  | 25.1 | 292.6                | 18.2                 |
| 6  | <b>BA</b>    | The Boeing Company     | 178.4           | 2.6    | -11.4  | 84.4 | 192.4                | 7.9                  |
| 7  | <b>BRK.b</b> | Berkshire Hathaway     | 317.4           | 2.1    | 6.2    | 0.0  | 343.5                | 8.2                  |
| 8  | <b>AMD</b>   | Advanced Micro Devices | 75.1            | 2.1    | -47.8  | 23.4 | 84.3                 | 12.2                 |
| 9  | <b>TSLA</b>  | Tesla                  | 182.9           | 1.5    | -48.1  | 33.8 | 307.7                | 68.3                 |
| 10 | <b>UNH</b>   | UnitedHealth Group     | 537.6           | 1.4    | 7.1    | 22.2 | 593.1                | 10.3                 |
| 11 | <b>BAC</b>   | Bank of America        | 37.7            | 1.4    | -15.3  | 10.5 | 40.4                 | 7.2                  |
| 12 | <b>XOM</b>   | Exxon Mobil            | 113.2           | 1.0    | 85.0   | 9.4  | 118.0                | 4.2                  |
| 13 | <b>JNJ</b>   | Johnson & Johnson      | 177.2           | 0.6    | 3.6    | 17.7 | 181.6                | 2.5                  |
| 14 | <b>CVX</b>   | Chevron                | 183.7           | 0.4    | 56.5   | 10.2 | 188.3                | 2.5                  |
| 15 | <b>GOOGL</b> | Alphabet               | 97.5            | 0.0    | -32.7  | 19.8 | 128.7                | 32.1                 |
| 16 | <b>META</b>  | Meta Platforms         | 111.4           | -0.6   | -66.9  | 15.4 | 147.2                | 32.1                 |
| 17 | <b>AMZN</b>  | Amazon.com             | 93.4            | -0.8   | -44.0  | 65.3 | 139.9                | 49.8                 |
| 18 | <b>NFLX</b>  | Netflix                | 285.5           | -0.8   | -52.6  | 30.2 | 293.4                | 2.8                  |
| 19 | <b>ATVI</b>  | Activision Blizzard    | 73.5            | -0.9   | 10.4   | 19.4 | 92.7                 | 26.2                 |
| 20 | <b>AAPL</b>  | Apple                  | 148.1           | -2.1   | -16.6  | 23.7 | 180.5                | 21.9                 |

Source: Bloomberg, Capital IQ, Tipranks

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

## Select company news

### Manchester United (MANU)

|                         |              |
|-------------------------|--------------|
| Close Price, \$         | 21.2         |
| Weekly Change, %        | <b>61.5</b>  |
| YTD Change, %           | 44.5         |
| P/E                     | N/A          |
| 12M Price Target, \$    | 17.0         |
| 12M Growth Potential, % | <b>-19.9</b> |

Manchester United stock had the best week since inception, gaining 61.5% throughout the week. The rally came in response to the Glazer family announcing they plan to explore strategic alternatives and are considering selling the English football club.

Interestingly, Apple is a potential acquirer. The company CEO, Tim Cook, believes there are many opportunities to take advantage of with Manchester United, with Apple+ being the major target. Apple+ has started to televise sports events plentifully, including Major League Soccer and Late Night Baseball.

### Alibaba (BABA)

|                         |             |
|-------------------------|-------------|
| Close Price, \$         | 75.5        |
| Weekly Change, %        | <b>-9.7</b> |
| YTD Change, %           | -37.2       |
| P/E                     | 108.1       |
| 12M Price Target, \$    | 133.7       |
| 12M Growth Potential, % | <b>77.1</b> |

Alibaba reported mixed earnings, outperforming the EPS estimate but falling short of revenue forecast. The 3Q22 EPS came in at \$1.82 vs \$1.70 consensus while sales were \$0.6bn lower at \$29.6bn. While for years the company has been delivering double digit revenue growth, the latest figure showed a mere 3.0% y/y increase.

However, Alibaba stock took a major hit due to the higher-than-expected Covid-19 cases reported in China. This, together with rising protests in numerous major metropolitan areas of China has hurt Chinese equities significantly.

### Activision Blizzard (ATVI)

|                         |             |
|-------------------------|-------------|
| Close Price, \$         | 73.5        |
| Weekly Change, %        | <b>-0.9</b> |
| YTD Change, %           | 9.0         |
| P/E                     | 34.5        |
| 12M Price Target, \$    | 92.7        |
| 12M Growth Potential, % | <b>26.2</b> |

Activision Blizzard lost 4.1% on Friday, as the US Federal Trade Commission announced it will likely file an antitrust lawsuit regarding the Microsoft's \$69bn acquisition deal. FTC's concern is that Microsoft's Xbox business may be granted worryingly strong and unfair competitive edge which will lead to even higher concentration in the already highly oligopolistic market.

Sony, which is the largest player in the gaming industry, is worried that Microsoft will make some of Activision Blizzard's games exclusive to Xbox platform and in doing so harm Sony's clientbase.

Source: Bloomberg, Tipranks, Yahoo Finance, CNBC

## Week ahead calendar

| Macroeconomic releases   |                  |           |                                       | Company earnings       |        |              |                    |
|--------------------------|------------------|-----------|---------------------------------------|------------------------|--------|--------------|--------------------|
|                          | Time<br>(GMT +4) | Country   | Event                                 | Company                | Ticker | Time         | Forecast<br>EPS \$ |
| Monday<br>November 28    | 13:00            | Euro area | Loans to Companies (OCT)              | Pinduoduo              | PDD    | Premarket    | 4.79               |
|                          | 13:00            | Euro area | Loans to Households (OCT)             | Arrowhead Pharma       | ARWR   | After market | -0.42              |
|                          | 19:30            | US        | Dallas Manufacturing Index (NOV)      | Tatneft                | OAOFY  | N/A          | 2.34               |
| Tuesday<br>November 29   | 14:00            | Euro area | Consumer Confidence (NOV)             | Bank of Nova Scotia    | BNS    | Premarket    | 1.99               |
|                          | 14:00            | Euro area | Economic & Industrial Sentiment (NOV) | Intuit                 | INTU   | After Market | 1.19               |
|                          | 17:00            | Germany   | Inflation (NOV)                       | Workday                | WDAY   | Premarket    | 0.84               |
|                          | 19:00            | US        | Consumer Confidence (NOV)             | Hewlett Packard        | HPE    | N/A          | 0.57               |
| Wednesday<br>November 30 | 12:00            | Germany   | Unemployment (NOV)                    | RBC                    | RY     | Premarket    | 2.71               |
|                          | 14:00            | Euro area | Inflation prelim. (NOV)               | Salesforce             | CRM    | After market | 1.22               |
|                          | 17:30            | US        | GDP prelim. (3Q22)                    | Diageo                 | DEO    | N/A          | N/A                |
| Thursday<br>December 1   | 11:00            | Germany   | Retail Sales (OCT)                    | Toronto Dominion Bank  | TD     | Premarket    | 2.04               |
|                          | 13:00            | Euro area | Manufacturing PMI (NOV)               | Bank of Montreal       | BMO    | Premarket    | 3.09               |
|                          | 14:00            | Euro area | Unemployment (OCT)                    | Dollar General         | DG     | Premarket    | 2.54               |
|                          | 17:30            | US        | PCE Price Index (OCT)                 | Canadian Imperial Bank | CM     | Premarket    | 1.74               |
|                          | 19:00            | US        | Manufacturing PMI                     | Kroger                 | KR     | Premarket    | 0.81               |
| Friday<br>December 2     | 17:30            | Canada    | Unemployment (NOV)                    | Marvell                | MRVL   | N/A          | 0.59               |
|                          | 17:30            | US        | Non-Farm Payrolls (NOV)               | DocuSign               | DOCU   | N/A          | 0.42               |
|                          |                  |           |                                       | Smartsheet             | SMAR   | N/A          | -0.15              |

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