



Executive Summary:

Disappointing labor market and activity data cheer the US markets. Despite the non-farm payrolls (i.e., the newly created jobs in the US) coming in slightly higher than expected, the overall declining trend has continued in December. In addition, the hourly earnings have grown by less than expected (4.6% y/y vs 5.0% forecast). These data releases demonstrate a much-anticipated cooling of the US labor market.

Another by-product of Fed's hiking cycle was the non-manufacturing PMI figure. The services PMI came in well below expectations (49.6 vs 56.5 forecast), entering the contractionary zone (i.e., below the 50-point threshold) for the first time since the COVID-19 outbreak in 2020. In addition, the factory orders contracted by higher than expected rate of -1.8% m/m. In response, the US equity markets have rallied.

Euro Area delivers a mixed, but optimistic inflation reading. While headline inflation for December surprised on the downside and fell to 9.2% y/y from November's 10.1%, the core figure came in higher-than-expected at 5.2% y/y, which is an increase from the previous reading of 5.0%. Investors have cheered the news on the headline figure more, as illustrated by positive movements in European equity indices. This is because the lower headline inflation promises reduced core inflation in the near future.

Adding to the positive news, manufacturing and services PMIs in Spain, Italy, France, Germany, and Euro Area have kept improving in December, however, mostly remaining in contractionary zones. The Euro Area manufacturing PMI has climbed to the three-month high of 47.8, while the services PMI rose to the five-month high of 49.8.

On Friday premarket, most of major US banks will report their latest quarterly results. The inferred demand conditions for banking services will have meaningful implications for the general state of the economy. Therefore, the abovementioned earnings reports are likely to have a market-wide impact.

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Performance of major assets

Equities	Level	W/W, %	M/M, %	YTD, %
S&P 500	3,895	1.4	-1.2	1.4
NASDAQ	10,569	1.0	-4.0	1.0
Dow Jones	33,631	1.5	0.1	1.5
Russell 2000	1,793	1.8	-1.1	1.8
FTSE 250 (£)	19,505	3.5	2.1	3.5
STOXX 600 (€)	444	4.6	1.3	4.6
Nikkei 225 (¥)	25,974	-0.5	-6.9	-0.5
MSCI EM	989	3.4	1.6	3.4

Source: Bloomberg

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

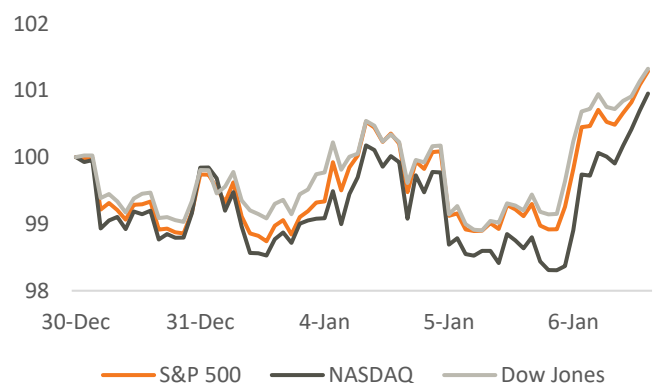
Commodities	Price, \$	W/W, %	M/M, %	YTD, %
WTI Oil (\$/barrel)	73.8	-8.1	-0.6	-8.1
Gold (\$/oz)	1,865.7	2.3	5.3	2.3
Natural Gas (\$/mmBtu)	3.7	-17.1	-32.2	-17.1
Silver (\$/oz)	23.8	-0.5	7.4	-0.5
Wheat (\$/bu)	743.5	-6.1	5.4	-6.1

Source: Bloomberg

Currencies	9-Jan-23	Week ago	1-Jan-22
1EUR/\$	1.0644	1.0705	1.0705
1GBP/\$	1.2093	1.2083	1.2083

Source: Bloomberg

Weekly performance of major US indices (30 December 2022 = 100)















Source: Bloomberg

Weekly sector performance highlights

Communications sector was the strongest performer, with the associated ETF gaining 5.0% w/w. Unsurprisingly, the market-wide rally was generally led by cyclical sectors. The rally was highly symmetric across the sector components, with all largest companies delivering strong gains. The list of last week's top performers includes Meta Platforms (META, +12.2%), Netflix (NFLX, +7.0%), T-Mobile (TMUS, +6.9%), Comcast (CMCSA, +6.5%), Walt Disney (DIS, +5.6%), and Verizon (VZ, +5.2%).

Health Care was the only negative performer last week, with respective ETF losing a slight 0.1%. Unlike communications sector, however, price movements were rather asymmetric across the health care companies. The top performers were IDEXX Laboratories (IDXX, +10.3%), Davita (DVA, +8.3%), Universal Health Services (UHS, +6.6%), and Amgen (AMGN, +5.2%). Meanwhile, the weakest performers were Waters Corporation (WAT, -6.8%), UnitedHealth Group (UNH, -5.5%), Molina Healthcare (MOH, -5.4%), PerkinElmer (-5.4%), and Elevance (ELV, -5.3%).

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	 1.5	388.1	360.8	20.3	1.5
of which:						
Communication	XLC	 5.0	50.4	8.3	17.2	5.0
Materials	XLB	 3.5	80.4	5.4	9.5	3.5
Financials	XLF	 3.5	35.4	32.8	13.7	3.5
Industrials	XLI	 2.7	100.9	13.5	20.3	2.7
Real Estate	XLRE	 2.6	37.9	5.0	22.8	2.6
Cons. Discret.	XLY	 2.3	132.1	13.0	20.8	2.3
Cons. Staples	XLP	 1.6	75.8	17.7	25.3	1.6
Utilities	XLU	 0.7	71.0	16.6	23.7	0.7
Technology	XLK	 0.2	124.7	38.3	24.8	0.2
Energy	XLE	 0.1	87.6	40.5	7.3	0.1
Health Care	XLV	-0.1 	135.7	42.0	24.4	-0.1

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	BA	The Boeing Company	213.0	11.8	11.8	102.2	212.7	-0.1
2	META	Meta Platforms	130.0	8.0	8.0	17.8	148.2	14.0
3	NFLX	Netflix	315.6	7.0	7.0	33.8	303.1	-3.9
4	COST	Costco Wholesale	482.9	5.8	5.8	16.9	554.1	14.8
5	MA	Mastercard	367.7	5.7	5.7	32.0	402.6	9.5
6	AVGO	Broadcom	588.4	5.2	5.2	301.7	654.7	11.3
7	V	Visa	217.8	4.8	4.8	26.3	248.2	14.0
8	BRK.B	Berkshire Hathaway	318.7	3.2	3.2	447.8	343.5	7.8
9	AMZN	Amazon.com	86.1	2.5	2.5	128.5	137.9	60.2
10	NVDA	NVIDIA	148.6	1.7	1.7	38.2	203.9	37.2
11	XOM	Exxon Mobil	110.5	0.2	0.2	28.4	119.7	8.3
12	AAPL	Apple	129.6	-0.2	-0.2	243.0	176.7	36.3
13	PFE	Pfizer	50.9	-0.6	-0.6	10.8	54.1	6.2
14	GOOGL	Alphabet	87.3	-1.0	-1.0	269.5	126.1	44.4
15	AMD	Advanced Micro Devices	64.0	-1.3	-1.3	87.5	84.7	32.4
16	TMO	Thermo Fisher Scientific	535.0	-2.8	-2.8	24.3	614.9	14.9
17	DHR	Danaher	252.5	-4.9	-4.9	9.4	302.2	19.7
18	MSFT	Microsoft	224.9	-6.2	-6.2	22.8	288.0	28.0
19	UNH	UnitedHealth	490.0	-7.6	-7.6	20.4	602.6	23.0
20	TSLA	Tesla	113.1	-8.2	-8.2	23.5	256.7	127.0

Source: Bloomberg, Capital IQ, Tipranks

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

Week ahead calendar

Macroeconomic releases

Company earnings

	Time (GMT +4)	Country	Event	Company	Ticker	Time	Forecast EPS \$
Monday January 9	13:00	Italy	Employment (NOV)	Commercial Metals	CMC	Premarket	1.90
	14:00	Euro Area	Employment (NOV)	Jefferies Financial	JEF	After Market	0.57
	15:00	Spain	Consumer Confidence (DEC)	Cpncentrix	CNXC	After Market	3.33
Tuesday January 10	04:00	UK	Retail Sales (DEC)	Synnex	SNX	Premarket	2.93
	11:45	France	Industrial Production (NOV)	Albertsons	ACI	N/A	0.67
	18:00	US	Fed Chair Powell Speech	Eaton Vance	EXG	N/A	N/A
	19:00	US	Wholesale Inventories (NOV)				
Wednesday January 11	13:00	Italy	Retail Sales (NOV)	Sainsbury	JSAIY	Premarket	N/A
	16:00	US	30-Year Mortgage Rate	KB Home	KBH	After Market	2.87
	16:00	US	Mortgage Applications				
Thursday January 12	05:30	China	Inflation (DEC)	Tesco	TSCDY	Premarket	N/A
	12:00	China	New Yuan Loans (DEC)	Taiwan Semiconductor	TSM	N/A	1.78
	16:00	India	Inflation (DEC)	Infosys	INFY	N/A	0.20
	16:00	India	Industrial Production (NOV)	Fast Retailing	FRCOY	N/A	0.60
	17:30	US	Inflation (DEC)	Seven i	SVNDY	N/A	0.26
Friday January 13	11:00	UK	GDP (NOV)	UnitedHealth	UNH	Premarket	5.18
	11:45	France	Inflation (DEC)	JPMorgan	JPM	Premarket	3.11
	13:00	Germany	GDP (2022)	Bank of America	BAC	Premarket	0.79
	14:00	Euro Area	Industrial Production (NOV)	Wells Fargo	WFC	Premarket	1.27
	19:00	US	Consumer Sentiment prel. (JAN)	BlackRock	BLK	Premarket	7.86
				Citigroup	C	Premarket	1.20

Source: Bloomberg, DailyFX

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