



## Executive Summary

### Last week:

- US August headline inflation came in above expectations at 3.7% y/y vs 3.6% forecast
- ECB hiked the key deposit rate by 25bps to 4.0%, while consensus forecast was no rate change
- US August retail sales growth surprised on the upside at 0.6% m/m vs 0.2% forecast

### Week ahead:

- US Federal Reserve and Bank of England interest rate decisions
- Euro Area and the UK inflation
- Manufacturing & services PMIs from the US, Euro Area, and the UK
- Earnings from FedEx (FDX), General Mills (GIS), and others

### Commentary: ECB signals the hiking cycle is likely over

Contrary to expectations, the European Central Bank hiked by 25bps to bring the key deposit rate to 4.0%. The ECB President Lagarde hinted that this might be the last rate hike, stating that the level is such that if "maintained for sufficiently long duration, will make a substantial contribution to the timely return of inflation to the target". Meanwhile, the growth outlook for Euro Area has deteriorated slightly. As industrial production has weakened gradually, the European Commission (EC) cut the forecast for 2023 GDP growth from 1.1% to 0.8%. The EC has also projected a 0.4% contraction for German economy in 2023 (against the prior forecast of 0.2% growth).

Meanwhile, the US headline inflation showed the largest monthly increase in a year (0.6% m/m). On top of that, the Producer Price Index (PPI) surprised on the upside and came in at 0.7% m/m vs 0.4% forecast. These figures are in line with strong spending from American consumers, as illustrated by a higher-than-expected growth in August retail sales (0.6% m/m vs 0.2% forecast).

On Wednesday, the US Federal Reserve will make an interest rate decision. The market-implied probability of a 25bps hike stands at a mere 2%, while there is a 98% chance of no rate change.

### Performance of major equity indices

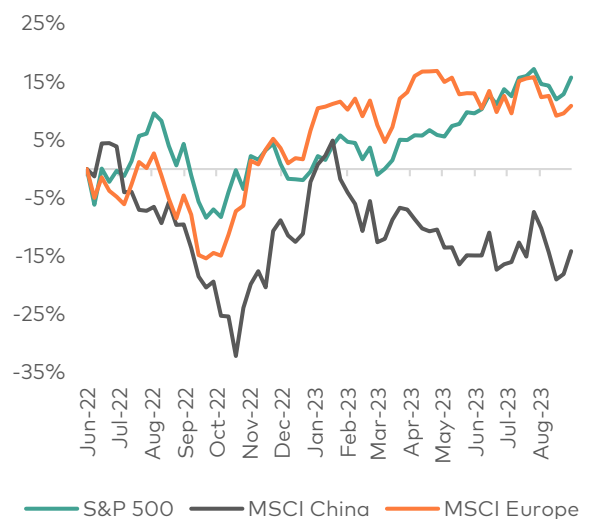
Index	Level	W/W, %	M/M, %	YTD, %
S&P 500	4,450	-0.2	0.3	16.4
Nasdaq 100	13,708	-0.4	0.6	32.0
Dow Jones 30	34,618	0.1	-0.9	4.5
Russell 2000	1,847	-0.2	-2.6	5.5
FTSE 100 (£)	7,711	3.1	4.4	2.1
FTSE 250 (£)	18,789	1.8	0.7	-1.8
STOXX 600 (€)	461.9	1.6	1.4	6.4
MSCI Europe	51.4	1.2	0.8	7.1
Nikkei 225 (¥)	33,533	2.8	4.0	28.5
MSCI China	44.2	0.8	-1.2	-10.0
MSCI EAFE	71.4	1.4	0.6	7.8
MSCI EM	39.1	1.1	0.5	2.4
MSCI World	124.6	0.4	0.8	14.2

Source: Bloomberg

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

### Major global equity indices

#### Weekly indexed price returns (01-Jun-22 = 100)



Source: Bloomberg

#### Eva Bochorishvili - Head of Research

| evabochorishvili@gt.ge | +995 32 2401 111 ext. 8036

#### Gigi Tskitishvili - Senior Equity Markets Analyst












| g.tskitishvili@gt.ge | +995 32 2401 111 ext. 8967

## Sector performance highlights

**Utilities was the best performing sector, with XLU gaining 2.8% w/w.** 87 of 100 largest stocks closed the week in green. From top 20, all companies managed to gain the ground. The best performers from the list were Fortis (FTS, +6.7%), The Southern Company (SO, +4.7%), Duke Energy Corporation (DUK, +4.6%), DTE Energy Company (DTE, +4.0%), and Eversource Energy (ES, +3.4%).

**Technology was the weakest performing sector, as XLK lost 2.3% w/w.** 79 out of 100 largest stocks lost the ground during the week. From top 20, only QUALCOMM (QCOM, +6.6%) managed rise. The worst performers from the list were Oracle Corporation (ORCL, -9.8%), Applied Materials (AMAT, -6.3%), Adobe (ADBE, -5.6%), ASML Holdings (ASML, -5.0%), and Salesforce (CRM, -4.5%).

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

Sector	ETF Ticker	Close Price, \$	W/W ETF Change %	YTD, %	52-week high, \$	52-week low, \$	12M outlook
<b>S&amp;P 500</b>	<b>SPY</b>	<b>443.4</b>	<b>-0.5%</b> 	<b>16.9</b>	<b>457.8</b>	<b>353.6</b>	<b>Positive</b>
Utilities	XLU	64.9	 2.8%	-7.9	74.4	61.0	Positive
Discretionary	XLY	171.8	 1.8%	33.8	177.0	126.3	Positive
Financials	XLF	34.8	 1.5%	1.5	37.0	30.1	Positive
Communications	XLC	67.5	 0.8%	38.9	68.8	45.3	Positive
Staples	XLP	72.1	 0.5%	-3.0	77.5	66.0	Neutral
Real Estate	XLRE	36.8	 0.5%	-0.8	41.8	33.4	Positive
Health Care	XLV	132.2	 0.1%	139.5	-2.4	120.6	Positive
Energy	XLE	92.0	0.0%	9.0	93.4	68.0	Neutral
Materials	XLB	81.7	-0.1% 	5.3	85.7	66.9	Positive
Industrials	XLI	105.0	-0.6% 	-1.2	110.8	82.4	Positive
Technology	XLK	168.9	-2.3% 	37.0	180.3	116.2	Positive

Source: Galt & Taggart Research, Bloomberg, S&P Capital IQ  
 \* Percentage price changes given in parentheses indicate w/w changes

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

#	Ticker	Name	Price, \$	W/W, %	M/M, %	YTD, %	52-week high, \$	52-week low, \$	12M price target, \$	12M upside potential, %
1	<b>TSLA</b>	Tesla	274.4	<b>10.4</b>	17.8	153.8	309.1	108.1	294.1	<b>7.2</b>
2	<b>PYPL</b>	PayPal Holdings	64.2	<b>5.3</b>	8.0	-13.9	96.4	58.6	89.5	<b>39.4</b>
3	<b>DIS</b>	Walt Disney	85.6	<b>4.9</b>	-1.7	-3.8	113.2	80.6	110.5	<b>29.1</b>
4	<b>PDD</b>	PDD Holdings	99.5	<b>4.3</b>	26.2	17.7	104.7	44.5	127.0	<b>27.7</b>
5	<b>TMUS</b>	T-Mobile US	141.9	<b>3.1</b>	2.4	2.1	152.4	126.6	182.8	<b>28.8</b>
6	<b>BAC</b>	Bank of America	28.8	<b>1.7</b>	-3.7	-13.9	38.2	27.0	36.4	<b>26.1</b>
7	<b>AMZN</b>	Amazon.com	140.4	<b>1.6</b>	2.0	63.6	144.9	81.8	175.2	<b>24.8</b>
8	<b>BX</b>	Blackstone	113.8	<b>1.0</b>	16.7	50.8	113.8	71.5	116.6	<b>2.4</b>
9	<b>XOM</b>	Exxon Mobil	116.7	<b>0.9</b>	7.9	10.4	118.5	82.7	123.0	<b>5.4</b>
10	<b>META</b>	Meta Platforms	300.3	<b>0.8</b>	-0.5	140.7	325.5	88.9	380.6	<b>26.7</b>
11	<b>GOOGL</b>	Alphabet	137.4	<b>0.7</b>	5.9	54.2	138.1	83.4	152.1	<b>10.7</b>
12	<b>CMCSA</b>	Comcast	45.3	<b>0.7</b>	-3.6	27.5	47.1	28.5	50.2	<b>10.7</b>
13	<b>INTC</b>	Intel	37.9	<b>-0.3</b>	8.9	43.4	38.9	24.4	36.1	<b>-4.7</b>
14	<b>TSM</b>	Taiwan Semiconductor Manufacturing	89.3	<b>-0.4</b>	-2.7	20.6	107.0	59.9	125.0	<b>40.1</b>
15	<b>CSCO</b>	Cisco Systems	56.0	<b>-1.1</b>	5.0	17.8	57.8	39.0	57.7	<b>2.9</b>
16	<b>MSFT</b>	Microsoft	330.2	<b>-1.2</b>	2.8	38.2	359.5	213.1	394.7	<b>19.5</b>
17	<b>AAPL</b>	Apple	175.0	<b>-1.8</b>	-1.4	40.1	196.4	124.8	208.3	<b>19.0</b>
18	<b>ABNB</b>	Airbnb	142.8	<b>-2.1</b>	9.9	68.1	153.3	82.5	150.3	<b>5.3</b>
19	<b>NVDA</b>	NVIDIA	439.0	<b>-3.7</b>	-0.1	206.7	493.5	112.2	628.3	<b>43.1</b>
20	<b>AMD</b>	Advanced Micro Devices	101.5	<b>-4.3</b>	-8.9	58.5	129.2	55.9	141.0	<b>39.0</b>

Source: Bloomberg, Capital IQ

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



## Week ahead calendar

### Macroeconomic releases

### Company earnings

	Time (GMT +4)	Country	Event	Company	Ticker	Time	Forecast EPS \$
<b>Monday</b> September 18	18:00	US	NAHB housing market index (Sep)	Sprott Physical Gold and Silver Trust	CEF	N/A	N/A
<b>Tuesday</b> September 19	13:00	Euro Area	Inflation (Aug)	AutoZone	AZO	Premarket	45.2
	16:30	US	Building permits prel. (Aug)	Kingfisher	KGFHY	Premarket	N/A
				Endava	DAVA	Premarket	0.45
<b>Wednesday</b> September 20	10:00	UK	Inflation (Aug)	General Mills	GIS	Premarket	1.08
	22:00	US	Fed interest rate decision	Baloise	BLHEY	Premarket	N/A
				FedEx	FDX	After Market	3.70
<b>Thursday</b> September 21	15:00	UK	BoE interest rate decision	Darden Restaurants	DRI	Premarket	1.73
	16:30	US	Jobless claims (Sep/09)	FactSet	FDS	Premarket	3.50
	18:00	Euro Area	Consumer confidence prel. (Sep)	Manchester United	MANU	N/A	-0.04
<b>Friday</b> September 22	03:30	Japan	BoJ interest rate decision	Tritium Dcfc	DCFC	N/A	-0.25
	12:00	Euro Area	Manufacturing and services PMIs prel. (Sep)				
	12:30	UK	Manufacturing and services PMIs prel. (Sep)				
	17:45	US	Manufacturing and services PMIs prel. (Sep)				

Source: Bloomberg, NASDAQ

"Prel." refers to preliminary data

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### **Galt & Taggart**

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

**Tel:** + (995) 32 2401 111

**Email:** [research@gt.ge](mailto:research@gt.ge)