



Weekly Markets Overview

Last week

- US non-farm payrolls came in higher than expected at 216,000 (vs 170,000 forecast)
- Germany unemployment rate increased from 5.8% to 5.9%
- US manufacturing PMI came in slightly above forecasts at 47.4, while services PMI fell from 52.7 to 50.6
- Eurozone core inflation fell from 3.6% to 3.4%, while headline increased from 2.4% to 2.9%

Week ahead

- US inflation and Producer Price Index
- Eurozone and UK retail sales
- China inflation and new Yuan loans
- Earnings from JPMorgan (JPM), Bank of America (BAC), UnitedHealth Group (UNH), Wells Fargo&Co (WFC), BlackRock (BLK), CitiGroup (C), and others

*For exact dates please check page 4 of this document

Commentary

Equity markets started 2024 with losses, with small-caps being the weakest performing class, followed by tech-focused companies (Russell 2000 and Nasdaq 100 lost 3.7% w/w and 3.1% w/w, respectively). Meanwhile, yields increased in fixed income markets after declining gradually for the past 3 months (the 10-year US treasury and German bund are offering 4.05% and 2.14%, respectively).

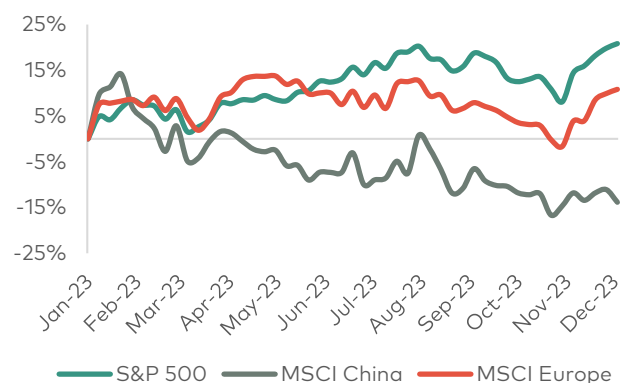
Last week's market dynamics can be in large part explained by the US labor market news. As non-farm payrolls exceeded expectation by notable margin, markets started pricing in a more hawkish monetary policy for 2024, which reduces stock prices and increases fixed income yields. As of now, the market-implied probability that the Fed rate will fall to 4.00-4.25% or below stands at roughly 83%.

EQUITIES	Level	1W % change	1M % change	YTD % change
United States				
S&P 500	4,697	-1.5	2.8	-1.5
Nasdaq 100	16,306	-3.1	2.7	-3.1
Dow Jones 30	37,466	-0.6	3.7	-0.6
Russell 2000	1,951	-3.7	5.1	-3.7
Global				
S&P Europe	1,936	-0.4	1.9	-0.4
S&P China	326	-2.6	-1.1	-2.6
S&P Japan	2,180	1.2	2.9	1.2
S&P Global	3,457	-1.4	2.6	-1.4

FIXED INCOME	Yield (%)	1-week ago	1-month ago	1-Jan-2023
United States				
2y US Treasury	4.39	4.25	4.73	4.25
10y US Treasury	4.05	3.87	4.25	3.87
US IG Credit	5.36	5.22	5.57	5.22
US HY Credit	8.16	7.80	8.41	7.80
Europe				
2y German Bund	2.57	2.40	2.70	2.40
10y German Bund	2.14	2.03	2.26	2.03
Europe IG Credit	3.82	3.67	3.91	3.67
Europe HY Credit	6.25	6.06	6.68	6.06

*For detailed information on listed indices and securities please check page 5 of this document

Major regional equity indices



Source: Bloomberg, Galt & Taggart

*For detailed information of given portfolios please check page 5 of this document

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












S&P 500 Sector Highlights

Healthcare was the best performing sector last week, with the associated ETF (XLV) gaining 2.0% w/w. 47 out of 100 largest sector companies closed the week in green. From top 20, 16 companies finished the week with gains. The best performers from the list were Merck & Co (MRK, +7.8%), Eli Lilly (LLY, +6.5%), Amgen (AMGN, +5.0%) and Abbvie (ABBV, +4.8%), Meanwhile, Intuitive Surgical (INTU, -4.7%) was the worst performer.

Technology was the weakest performing sector, with respective ETF (XLK) delivering -4.3% w/w. 96 out of 100 largest sector companies closed the week in red. From top 20, all stocks declined. The worst performers from the list were Applied Materials (AMAT, - 8.7%), ASML Holding (ASML, -7.2%), Intel (INTC, -7.0%), Broadcom (AVGO, -4.9%), and Apple (AAPL, -6.4%).

*For detailed information on sectors please check page 6 of this document

S&P 500 sector review: last week performance

Sector	ETF Ticker	Price, \$	W/W return	YTD, %	52-week low, \$	52-week high, \$	12 month outlook
S&P 500	SPY	467.9	-1.6 	-1.6	377.9	476.7	Positive
Health Care	XLV	139.1	 2.0	2.0	123.1	139.2	Neutral
Utilities	XLU	64.5	 1.9	1.9	56.2	72.1	Negative
Energy	XLE	84.7	 1.0	1.0	76.6	93.4	Positive
Financials	XLF	37.8	 0.4	0.4	31.0	37.8	Negative
Staples	XLP	72.0	0.0	0.0	66.2	77.5	Neutral
Communications	XLC	72.0	-0.9 	-0.9	49.6	73.1	Positive
Materials	XLB	84.3	-1.4 	-1.4	74.5	86.2	Neutral
Real Estate	XLRE	39.3	-1.9 	-1.9	32.2	41.8	Negative
Industrials	XLI	111.4	-2.2 	-2.2	96.4	114.1	Negative
Discretionary	XLY	172.6	-3.5 	-3.5	129.0	181.4	Positive
Technology	XLK	184.1	-4.3 	-4.3	121.2	193.1	Positive

Source: Galt & Taggart Research, Bloomberg, Tipranks

*Percentage price changes given in parentheses indicate w/w changes

Performance of last week's most traded stocks

#	Ticker	Name	Price, \$	W/W, %	M/M, %	YTD, %	52-week high, \$	52-week low, \$	12M price target, \$*	12M upside potential, %
1	VZ	Verizon	40.2	6.6	4.6	6.6	30.7	42.0	41.9	4.2
2	C	CitiGroup	54.3	5.6	16.3	5.6	37.7	54.3	56.8	4.5
3	XOM	Exxon Mobil	102.6	2.7	2.2	2.7	98.1	120.2	128.9	25.6
4	PFE	Pfizer	29.5	2.4	1.3	2.4	26.1	50.5	31.9	8.2
5	BAC	Bank of America	34.4	2.3	12.6	2.3	25.2	36.8	35.7	3.7
6	JPM	JPMorgan	172.3	1.9	9.1	1.9	124.9	172.3	180.7	4.9
7	META	Meta Platforms	352.0	-0.6	10.6	-0.6	126.9	358.3	393.3	11.7
8	NVDA	NVIDIA	491.0	-0.9	5.4	-0.9	142.6	504.1	656.6	33.7
9	PYPL	PayPal	60.1	-2.1	3.8	-2.1	50.4	87.0	73.9	22.9
10	MSFT	Microsoft	367.8	-2.2	-1.3	-2.2	221.8	382.7	423.9	15.3
11	MU	Micron	83.4	-2.2	13.2	-2.2	53.9	86.9	94.4	13.1
12	GOOGL	Alphabet	135.7	-2.8	3.6	-2.8	86.2	141.5	155.2	14.3
13	AMZN	Amazon	145.2	-4.4	-1.1	-4.4	83.1	154.1	184.8	27.2
14	TSLA	Tesla	237.5	-4.4	-0.5	-4.4	110.3	293.3	270.2	13.8
15	QCOM	Qualcomm	136.7	-5.5	4.6	-5.5	103.0	145.9	141.8	3.7
16	BABA	Alibaba	73.0	-5.8	0.9	-5.8	70.4	120.6	128.3	75.7
17	AAPL	Apple	181.2	-5.9	-6.3	-5.9	124.8	198.1	202.1	11.5
18	AMD	AMD	138.6	-6.0	17.1	-6.0	62.3	148.8	140.8	1.6
19	UBER	Uber	57.6	-6.5	-0.7	-6.5	25.5	63.3	64.4	11.8
20	INTC	Intel	46.9	-6.7	11.9	-6.7	24.9	50.8	44.2	-5.7

*Price targets represent the average price forecasts made during past three months by the highest ranked analysts (primarily from Wall Street). A positive 12 month return target implies an overall "Buy" recommendation by analysts
 Source: Bloomberg, Tipranks (top 20 by value)



Week ahead calendar

Macroeconomic releases

Company earnings

	Time (GMT +4)	Country	Event	Company	Ticker	Time
Monday 8 January	14:00	Eurozone	Consumer confidence (Dec)	Jefferies Financial	JEF	After market
	14:00	Eurozone	Economic & industrial sentiment (Dec)			
	14:00	Eurozone	Retail sales (Nov)			
Tuesday 9 January	04:00	UK	Retail sales (Dec)	Albertsons	ACI	Premarket
	14:00	Eurozone	Unemployment (Nov)	Synnex	SNX	Premarket
Wednesday 10 January				Acuity Brands	AYI	Premarket
	12:00	China	New Yuan loans (Dec)	J Sainsbury	JSAIY	Premarket
Thursday 11 January	17:30	US	Inflation (Dec)	Infosys	INFY	Premarket
	17:30	US	Jobless claims (Dec/30)	Fast Retailing	FRCOY	N/A
Friday 12 January				Tesco	TSCDY	Premarket
	05:30	China	Inflation (Dec)	JPMorgan	JPM	Premarket
	11:00	UK	GDP (Nov)	UnitedHealth Group	UNH	Premarket
	17:30	US	PPI (Dec)	Bank of America	BAC	Premarket
				Wells Fargo&Co	WFC	Premarket
			BlackRock	BLK	Premarket	
			Citigroup	C	Premarket	
			Delta Air Lines	DAL	Premarket	

Source: DailyFX, S&P Capital IQ

Definitions: Sectors

Communications	Includes companies that produce communication technologies and services. Major industries are internet content & information, telecom services, entertainment, electronic gaming & multimedia, advertising agencies, broadcasting, and publishing. Examples of leading companies in this sector are Alphabet, Meta Platforms, Netflix, T-Mobile, and Walt Disney.
Technology	Includes companies that produce technological goods or services. Major industries are software, semiconductors, consumer electronics, IT services, computer hardware, electronic components, and scientific & technical instruments. Examples of leading companies in this sector are Apple, Microsoft, NVIDIA, Cisco, and IBM.
Discretionary	Includes companies that produce non-essential or luxury goods and services (aka Consumer Discretionary or Consumer Cyclical). Major industries are general and internet retail, auto manufacturing & dealership, apparel, restaurants, travel services & resorts, and gambling. Examples of leading companies in this sector are Amazon, Tesla, Nike, Alibaba, and McDonald's.
Staples	Includes companies that produce goods essential to life (aka Consumer Staples or Consumer Defensive). Major industries are discount stores, household & personal products, beverages, tobacco, packaged foods, confectioneries, farm products, and grocery stores. Examples of leading companies in this sector are Walmart, Procter & Gamble, Coca-Cola, Philip Morris, and Costco.
Health Care	Includes companies that produce health-related products and services. Major industries are drug manufacturing, biotechnology, healthcare plans, medical devices, instruments & supplies, diagnostics & research, and medical care facilities. Examples of leading companies in this sector are Eli Lilly, UnitedHealth Group, Johnson & Johnson, AstraZeneca, and Pfizer.
Financials	Includes companies related to finance and investing. Major industries are banks, insurance, credit services, asset management, capital markets, and financial data & stock exchanges. Examples of leading companies in this sector are Berkshire Hathaway, Visa, JPMorgan, Bank of America, and Goldman Sachs.
Industrials	Includes companies that mainly produce capital goods for manufacturing and construction. Major industries are aerospace & defense, industrial machinery, railroads, farm & heavy construction machinery, freight & logistics, and building products & equipment. Examples of leading companies in this sector are Union Pacific, United Parcel Services, FedEx, General Electric, and Boeing.
Materials	Includes companies that produce raw materials mostly for manufacturing purposes. Major industries are chemicals, industrial metals & mining, precious metals & mining, building materials, agricultural inputs, paper & paper products, and lumber & wood products. Examples of leading companies in this sector are Linde, BHP Group, Rio Tinto, and Dow.
Energy	Includes companies relating to oil, gas, and consumable fuels. Major industries of the sector are oil & gas: exploration & production, midstream, equipment & services, refining & marketing, drilling, uranium, and thermal coal. Examples of leading companies in this sector are Exxon Mobil, Chevron, Shell, Occidental Petroleum, and BP.
Utilities	Includes companies that provide basic utilities, such as gas, water, and electricity. Major industries include regulated electric, renewables, regulated gas, regulated water, and independent power producers. Examples of leading companies in this sector are NextEra Energy, Southern Company, and Duke Energy.
Real Estate	Mainly includes Real Estate Investment Trusts (REITs). Major industries are REIT: specialty, industrial, residential, retail, healthcare facilities, diversified, office, mortgage, hotel & motel, and real estate services. Examples of leading companies in this sector are Prologis, American Tower, and Equinix.

Source: S&P Capital IQ, Corporate Finance Institute

Disclaimer

This document is the property of and has been prepared by JSC Galt & Taggart ("Galt & Taggart"), a member of Bank of Georgia group PLC ("Group") solely for informational purposes and independently of the respective companies mentioned herein. This document does not constitute or form part of, and should not be construed as, an offer or solicitation or invitation of an offer to buy, sell or subscribe for any securities or assets and nothing contained herein shall form the basis of any contract or commitment whatsoever or shall be considered as a recommendation to take any such actions.

Galt & Taggart is authorized to perform professional activities on the Georgian market. The distribution of this document in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by Galt & Taggart to inform themselves about and to observe any and all restrictions applicable to them. This document is not directed to, or intended for distribution, directly or indirectly, to, or use by, any person or entity that is a citizen or resident located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.

Investments (or any short-term transactions) in emerging markets involve significant risk and volatility and may not be suitable for everyone. The recipients of this document must make their own investment decisions as they believe appropriate based on their specific objectives and financial situation. When doing so, such recipients should be sure to make their own assessment of the risks inherent in emerging market investments, including potential political and economic instability, other political risks including without limitation changes to laws and tariffs, and nationalization of assets, and currency exchange risk.

No representation, warranty or undertaking, express or implied, is or will be made by Galt & Taggart or any other member of the Group or their respective directors, employees, affiliates, advisers or agents or any other person as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of this document and the information contained herein (and whether any information has been omitted from this document) and no reliance should be placed on it. This document should not be considered as a complete description of the markets, industries and/or companies referred to herein. Nothing contained in this document is, is to be construed as, or shall be relied on as legal, investment, business or tax advice, whether relating to the past or the future, by Galt & Taggart any other member of the Group or any of their respective directors, employees, affiliates, advisers or agents in any respect. Recipients are required to make their own independent investigation and appraisal of the matters discussed herein. Any investment decision should be made at the investor's sole discretion. To the extent permitted by law, Galt & Taggart, any other member of the Group and their respective directors, employees, affiliates, advisers and agents disclaim all liability whatsoever (in negligence or otherwise) for any loss or damages however arising, directly or indirectly, from any use of this document or its contents or otherwise arising in connection with this document, or for any act, or failure to act, by any party, on the basis of this document.

The information in this document is subject to verification, completion and change without notice and Galt & Taggart is not under any obligation to update or keep current the information contained herein. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the information since the date hereof or the date upon which this document has been most recently updated, or that the information contained in this document is correct as at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. No representation or warranty, expressed or implied, is made by Galt & Taggart or any other member of the Group, or any of their respective directors, employees, affiliates, advisers or agents with respect to the accuracy or completeness of such information.

The information provided and opinions expressed in this document are based on the information available as of the issue date and are solely those of Galt & Taggart as part of its internal research coverage. Opinions, forecasts and estimates contained herein are based on information obtained from third party sources believed to be reliable and in good faith, and may change without notice. Third party publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. Accordingly, undue reliance should not be placed on any such data contained in this document. Neither Galt & Taggart, any other member of the Group, nor their respective directors, employees, affiliates, advisers or agents make any representation or warranty, express or implied, of this document's usefulness in predicting the future performance, or in estimating the current or future value, of any security or asset.

Galt & Taggart does, and seeks to do, and any other member of the Group may or seek to do business with companies covered in its research. As a result, investors should be aware of a potential conflict of interest that may affect the objectivity of the information contained in this document.

Unauthorized copying, distribution, publication or retransmission of all or any part of this document by any medium or in any form for any purpose is strictly prohibited.

The recipients of this document are responsible for protecting against viruses and other destructive items. Receipt of the electronic transmission is at risk of the recipient and it is his/her responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Galt & Taggart

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

Tel: +995 32 2401 111

Research: research@gt.ge

Tel: +995 32 2401 111 (4298)

Brokerage: sales@gt.ge

Tel: +995 32 2444 132

Investment Banking: ib@gt.ge

Tel: +995 32 2401 111 (7457)