



Weekly market overview

Week ahead

- Analysts consider AMD (AMD), Micron (MU), and Moderna (MRNA) undervalued
- NVIDIA (NVDA), Salesforce (CRM), and Trip.com (TCOM) will release earnings this week
- US and Germany will report GDP. Meanwhile, Eurozone CPI inflation and US PCE inflation will also be released

*For exact dates please check page 5 of the document

Commentary

US investors rejoiced at the news of impending rate cuts, leading S&P 500 to make record highs. In the index, smaller stocks delivered better results, with S&P 500 equal weighted index outperforming its traditional, market cap-weighted counterpart. The primary catalyst for the positive sentiment was Fed Chair Powell's speech at Jackson Hole Symposium. Powell noted that the time seems appropriate to adjust the policy, therefore, making rate cuts in the near term more likely. As of now, markets are pricing in roughly 30% chance of a 25bps cut on September meeting.

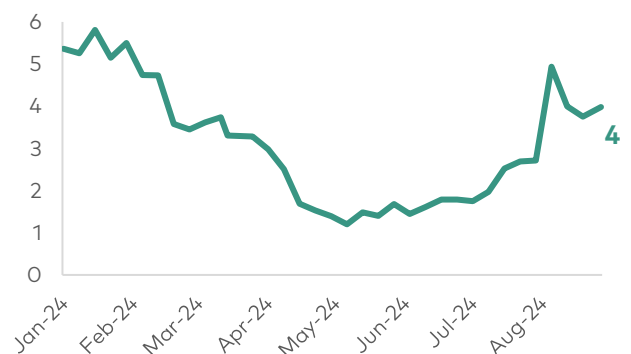
In Europe, stocks gained the ground as well, fueled by growing hopes that both the Federal Reserve and European Central Bank could cut rates next month. Macroeconomic data also helped European stocks. Eurozone business activity picked up in August after stalling in July, according Purchasing Managers' Index (PMI). Importantly, the increase in PMI was largely driven by services sector, with manufacturing sector activity continuing its prolonged decline.

EQUITIES	Level	W/W % change	M/M % change	YTD % change
United States				
S&P 500	5,635	1.4	1.4	18.1
Nasdaq 100	19,721	1.1	-0.2	17.2
Dow Jones 30	41,175	1.3	2.0	9.2
Russell 2000	2,219	3.6	-1.1	9.5
Global				
S&P Europe	2,105	1.3	0.6	8.3
S&P China	2,452	0.4	-0.2	0.6
S&P Japan	2,240	2.5	1.7	11.9
S&P Global	4,018	1.7	1.9	16.2

FIXED INCOME	Yield, %	1-week ago	1-month ago	1-Jan-2024
United States				
2y US Treasury	3.91	4.07	4.39	4.25
10y US Treasury	3.81	3.89	4.18	3.88
US IG Credit	4.97	5.05	5.36	5.22
US HY Credit	7.46	7.60	7.72	7.80
Europe				
2y German Bund	2.37	2.45	2.65	2.41
10y German Bund	2.22	2.26	2.36	2.02
Europe IG Credit	3.54	3.60	3.74	3.67
Europe HY Credit	5.81	5.87	5.88	6.06

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

Number of 25bps Fed rate cuts expected by the end of 2024 (upper bound)



Source: Bloomberg

Note: figure illustrates market-implied forecasts

Eva Bochorishvili – Head of Research

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

Gigi Tskitishvili – Capital Markets Research Associate

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

S&P 500 sector highlights













Analysts expect Energy, Materials, and Financial sectors to outperform market in the following twelve months. Meanwhile, Real Estate and Consumer Discretionary are expected to underperform the broader market.

In Energy, analysts forecast the best performance from Schlumberger (SLB), Ovintiv (OVV), and Permian Resources (PR). In Materials, Albemarle (ALB), Sociedad Quimica Y Minera (SQM), and Vale (VALE) are expected to deliver the best results. Lastly, in Financials, LPL Financial (LPLA), PayPal (PYPL), and Interactive Brokers (IBKR) are considered potential outperformers.

In Real Estate, Essex Property (ESS) and Iron Mountain (IRM) have the weakest performance forecasts. In Consumer Discretionary, the worst performance is expected from GameStop (GME) and Tesla (TSLA).

*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, %	YTD, %	52-week low, \$	52-week high, \$	12 months outlook
S&P 500	SPY	562.1	 1.4	18.7	410.7	564.9	Positive
Real Estate	XLRE	43.4	 3.6	7.2	32.2	43.4	Neutral
Discretionary	XLY	187.9	 2.6	5.2	148.0	194.7	Negative
Materials	XLB	92.7	 2.4	9.1	74.5	93.1	Positive
Industrials	XLI	129.3	 1.8	14.5	96.4	129.3	Neutral
Health Care	XLV	155.4	 1.7	12.0	123.1	155.4	Neutral
Staples	XLP	81.8	 1.7	13.2	66.2	81.8	Neutral
Financials	XLF	44.4	 1.5	18.0	31.5	44.4	Positive
Communications	XLC	87.5	 1.4	21.4	63.1	87.8	Neutral
Utilities	XLU	75.4	 1.3	18.2	56.2	75.4	Neutral
Technology	XLK	224.0	 1.2	18.0	160.2	237.7	Neutral
Energy	XLE	90.4	 -0.1	7.6	79.9	98.1	Positive

Source: Galt & Taggart Research, Bloomberg, Tipranks, Charles Schwab
 *Percentage price changes given in parentheses indicate w/w changes

Global equities

Last week's strongest performers in S&P 500

#	Ticker	Name	Price, \$	W/W, %	M/M, %	YTD, %	52-week low, \$	52-week high, \$	12M price target, \$*	12M upside potential, %
1	KEYS	Keysight Technologies	155.0	14.6	11.4	2.9	119.3	161.5	169.3	9.2
2	ALB	Albemarle	90.5	14.0	-1.1	-35.4	72.8	200.8	119.1	31.6
3	TGT	Target	158.5	10.9	5.5	14.3	105.0	177.8	173.7	9.6
4	NCLH	Norwegian Cruise Line	17.5	8.8	-13.9	1.0	12.8	21.3	21.3	21.7
5	WBD	Warner Brothers	8.1	8.6	-6.6	-28.8	6.7	13.1	11.4	41.6

Last week's weakest performers in S&P 500

#	Ticker	Name	Price, \$	W/W, %	M/M, %	YTD, %	52-week low, \$	52-week high, \$	12M price target, \$*	12M upside potential, %*
1	BEN	Franklin Resources	20.9	-8.0	-9.8	-25.9	19.8	29.9	23.1	10.3
2	MRNA	Moderna	82.4	-6.0	-33.2	-27.4	62.6	170.5	125.6	52.4
3	MU	Micron	102.8	-4.8	-10.0	25.0	63.7	153.4	166.5	61.9
4	INTU	Intuit	619.8	-5.2	-2.7	4.9	479.5	670.5	726.9	17.3
5	LRCX	Lam Research	847.4	-2.7	-11.7	15.0	583.3	1127.3	1087.6	28.4

Last week's 10 most traded stocks globally

#	Ticker	Name	Price, \$	W/W, %	M/M, %	YTD, %	52-week low, \$	52-week high, \$	12M price target, \$*	12M upside potential, %
1	AMD	AMD	155.0	4.3	0.6	14.5	93.7	211.4	190.3	22.8
2	NVDA	NVIDIA	129.4	3.8	5.5	162.5	98.9	1148.3	149.9	15.9
3	LLY	Eli Lilly	952.7	3.3	8.5	54.2	525.2	954.2	1040.0	9.2
4	TSLA	Tesla	220.3	1.9	-10.6	-7.6	142.1	276.0	212.4	-3.6
5	GOOGL	Alphabet	165.6	1.6	-8.9	19.2	122.2	191.2	204.3	23.4
6	AVGO	Broadcom	166.4	0.4	1.6	47.1	136.3	1828.9	196.4	18.1
7	AAPL	Apple	226.8	0.3	0.8	23.1	165.0	234.8	249.7	10.1
8	META	Meta Platforms	528.0	0.1	8.0	53.3	285.5	539.9	582.6	10.3
9	AMZN	Amazon.com	177.0	0.0	-5.0	19.2	119.6	200.0	224.5	26.8
10	MSFT	Microsoft	416.8	-0.4	-6.3	12.5	312.1	467.6	504.7	21.1

*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

*Upside potentials for stocks with negative short-term performance may be biased. This is because analysts may take time to reflect in their forecasts any unfavorable information regarding the stock.

Source: Bloomberg, Tipranks

Georgian corporate bonds

#	Issuer	Currency	Amount, mn	Coupon	Issue Date	Maturity Date	Ratings (Fitch/S&P/Moody's /Scope)	Mid-Price	Mid-Yield
1	Bakhvi Hydro Power	USD	1.2	9.40%	Nov-17	Nov-27	-/-/-	n/a	n/a
2	Lisi Lake Development	USD	12	6.50%	Dec-21	Dec-24	-/-/-B+	n/a	n/a
3	IG Development	USD	15	8.50%	Jul-22	Jul-24	-/-/-	99.87	8.75
4	Georgia Real Estate	USD	35	8.50%	Oct-22	Oct-24	-/-/-	99.98	8.50
5	Geo. Renewable Power	USD	80	7.00%	Oct-22	Oct-27	-/-/-	99.99	7.00
6	Lisi Lake Development	USD	10	8.50%	Dec-22	Dec-24	-/-/-B+	100.00	8.50
7	Geosteel	USD	15	9.00%	Apr-23	Apr-25	-/-/-	99.98	9.00
8	Silk Real Estate	USD	20	9.00%	Apr-23	Apr-26	-/-/-	99.99	9.00
9	Tegeta Motors	USD	20	8.50%	Apr-23	Apr-25	-/-/-BB-	99.66	8.75
10	Energy Development GEO	USD	10	8.50%	Jun-23	Jun-25	-/-/-	n/a	n/a
11	Georgia Capital	USD	150	8.50%	Aug-23	Aug-28	-/BB-/-	101.17	8.19
12	Silk Real Estate	USD	20	9.25%	Sep-23	Sep-26	-/-/-	101.14	8.63
13	Prime Concrete	USD	7.5	10.50%	Sep-23	Sep-27	-/-/-	n/a	n/a
14	Austrian-Georgian Development	USD	15	9.00%	Oct-23	Oct-25	-/-/-	n/a	n/a
15	MFO EuroCredit	USD	10	9.50%	Dec-23	Dec-27	-/-/-	n/a	n/a
16	Geosteel	USD	5	8.50%	Dec-23	Dec-25	-/-/-	99.57	8.75
17	IG Development	USD	20	8.50%	Dec-23	Dec-25	-/-/-	99.56	8.75
18	Tegeta Motors	EUR	5	7.00%	Apr-23	Apr-25	-/-/-BB-	99.67	7.25
19	Tegeta Motors	EUR	4	7.00%	Dec-23	Dec-25	-/-/-BB-	99.57	7.25
20	Tegeta Motors	EUR	7	6.75%	Dec-23	Dec-25	-/-/-BB-	100.43	6.50
21	IG Development	EUR	5	7.00%	Jan-24	Jan-26	-/-/-	99.55	7.25
22	Vian (Evex)	GEL	50	RR + 3.10%	Nov-19	Nov-24	-/-/-BB	n/a	n/a
23	Nikora Trade	GEL	35	TIBR3M + 3.50%	Nov-21	Nov-24	-/-/-BB-	n/a	n/a
24	Nikora	GEL	35	TIBR3M + 3.50%	Nov-22	Nov-25	-/-/-BB-	n/a	n/a
25	MFO MBC	GEL	15	TIBR3M + 4.50%	Dec-22	Dec-24	-/-/-B	n/a	n/a
26	Tegeta Motors	GEL	150	TIBR3M + 3.50%	Dec-22	Dec-25	-/-/-BB-	n/a	n/a
27	MFO Crystal	GEL	25	TIBR6M + 4.75%	Dec-22	Feb-25	B-/-/-	n/a	n/a
28	MFO Rico Express	GEL	130	TIBR1D + 2.00%	Mar-23	Mar-26	-/-/-B+	n/a	n/a
29	TBC Leasing	GEL	100	TIBR3M + 3.00%	Mar-23	Mar-26	BB-/-/-	n/a	n/a
30	TBC Leasing	GEL	15	TIBR3M + 2.75%	Jun-23	Jun-26	BB-/-/-	n/a	n/a
31	Tegeta Motors	GEL	20	TIBR6M + 3.50%	Jun-23	Dec-25	-/-/-BB-	n/a	n/a
32	Tegeta Motors	GEL	20	14.5%	Dec-23	Dec-25	-/-/-BB-	n/a	n/a
33	Cellfie	GEL	65	TIBR6M + 3.50%	Dec-23	Dec-25	-/-/-BB-	n/a	n/a

Source: Bloomberg, Galt & Taggart



Week ahead calendar

Macroeconomic releases

Company earnings

	Time (GMT +4)	Country	Event	Company	Ticker	Time
Monday 27 August	16:30	US	Durable goods orders (Jul)	BHP Group	BHP	Premarket
Tuesday 28 August	10:00	Germany	GDP (2Q24)	PDD Holdings	PDD	Premarket
	18:00	US	Consumer confidence (Aug)	Trip.com	TCOM	After market
Wednesday 29 August	16:00	Germany	Inflation (Aug)	Bank of Montreal	BMO	Premarket
	16:30	US	GDP (2Q24)	Bank of Nova Scotia	BNS	Premarket
Thursday 30 August	13:00	Eurozone	Inflation prel. (Aug)	RBC	RY	Premarket
	16:30	US	PEC inflation (Jul)	NVIDIA	NVDA	After market
	18:00	US	Consumer sentiment (Aug)	Salesforce	CRM	After market
Friday 31 August	05:30	China	Manufacturing PMI (Aug)	Dell Tech	DELL	After market
				Marvell	MRVL	After market
				Autodesk	ADSK	After market

1. Central bank interest rates have significant impact on equity valuations. Higher rates result in lower discounted values of future earnings, which naturally bring down the stock prices.
2. Inflation is currently a very closely watched macroeconomic statistic, as central banks respond to high inflation by raising interest rates. Generally, developed economies target a 2% annual inflation rate, which is less than current inflation levels in both the US and Eurozone.

Descriptions of key 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

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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)