



## Weekly market overview

### Week ahead

- Analysts consider Dell Technologies (DELL), Amazon.com (AMZN), and Microsoft (MSFT) undervalued
- Nio (NIO), Dollar Tree (DLTR), Broadcom (AVGO), and DocuSign (DOCU) will release earnings this week
- US will report non-farm payrolls and unemployment, while Eurozone will report 2Q24 GDP growth

\*For exact dates please check page 5 of the document

### Commentary

**Last week European inflation moved closer to the European Central Bank's (ECB) target, while U.S. stocks ended the week mixed.** In Europe, eurozone inflation dropped to 2.2% in August, nearing the ECB's 2% target, driven by lower energy costs. Despite this moderation, core inflation remained high at 2.8%, and services inflation rose to 4.2%, prompting some ECB policymakers to caution against premature rate cuts, even as market optimism grew for potential easing.

In the US, stock market performance was uneven, with the Nasdaq Composite falling due to a nearly 10% drop in NVIDIA's stock. Value stocks outperformed growth stocks, marking the largest margin since late July. Economic data showed core personal consumption expenditures (PCE) prices rising by 0.2% in July, with a 2.6% y/y increase, indicating inflation remains near the Fed's target. Additionally, personal incomes and spending rose, and GDP growth for the second quarter was revised up to 3.0%.

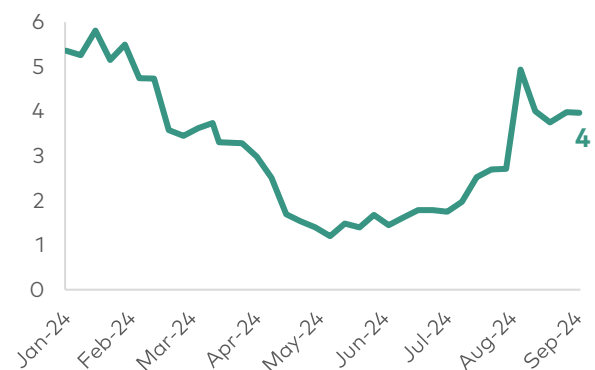
However, the U.S. housing market struggled, with pending home sales dropping by 5.5% in July, the lowest level since 2001. Treasury yields rose, reflecting reduced expectations for a large Fed rate cut in September. As both regions approach key monetary policy decisions, economic data will play a crucial role in shaping market expectations.

EQUITIES	Level	W/W % change	M/M % change	YTD % change
<b>United States</b>				
S&P 500	5,648	0.2	3.9	18.4
Nasdaq 100	19,575	-0.7	4.1	16.3
Dow Jones 30	41,563	0.9	2.0	10.3
Russell 2000	2,218	0.0	-1.1	9.4
<b>Global</b>				
S&P Europe	2,133	1.3	2.2	9.7
S&P China	2,450	-0.1	2.0	0.5
S&P Japan	2,275	1.6	5.2	13.7
S&P Global	4,025	0.2	4.0	16.4

FIXED INCOME	Yield, %	1-week ago	1-month ago	1-Jan-2024
<b>United States</b>				
2y US Treasury	3.93	3.91	4.17	4.25
10y US Treasury	3.91	3.81	3.98	3.88
US IG Credit	5.03	4.97	5.16	5.22
US HY Credit	7.45	7.46	7.69	7.80
<b>Europe</b>				
2y German Bund	2.39	2.37	2.47	2.41
10y German Bund	2.29	2.22	2.25	2.02
Europe IG Credit	3.56	3.54	3.56	3.67
Europe HY Credit	5.74	5.81	5.9	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



Source: Bloomberg

Note: figure illustrates market-implied forecasts

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## S&P 500 sector highlights













Analysts expect Financials, Materials, and Energy sectors to outperform market in the following twelve months. Meanwhile, Consumer Discretionary is expected to underperform the broader market.

In Financials analysts forecast the best performance from Coinbase (COIN), LPL Financial (LPLA), and ING Group (ING). Meanwhile, in Materials sector Vale (VALE), ArcelorMittal (MT), and Freeport-McMoran (FCX) stocks are expected to gain. Lastly, from Energy sector Schlumberger (SLB), Orintiv (OVV), and Halliburton (HAL) are expected to be best performers.

In Consumer Discretionary, the worst performance is expected from Penske Automotive Group (PAG) and Floor & Décor Holdings (FND).

\*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
<b>S&amp;P 500</b>	<b>SPY</b>	<b>563.7</b>	 <b>0.3</b>	<b>4.0</b>	<b>410.7</b>	<b>564.9</b>	<b>Positive</b>
Financials	XLF	45.7	 2.9	4.3	31.5	45.7	Positive
Industrials	XLI	131.5	 1.7	4.0	96.4	131.5	Neutral
Materials	XLB	94.3	 1.7	3.4	74.5	94.3	Positive
Utilities	XLU	76.3	 1.2	6.2	56.2	76.3	Neutral
Health Care	XLV	157.2	 1.1	4.7	123.1	157.2	Neutral
Energy	XLE	91.3	 1.0	-1.7	79.9	98.1	Positive
Staples	XLP	82.5	 0.8	5.8	66.2	82.6	Neutral
Real Estate	XLRE	43.5	 0.4	5.5	32.2	43.5	Neutral
Communications	XLC	87.3	-0.2 	3.0	63.1	87.8	Neutral
Discretionary	XLY	187.1	-0.4 	1.3	148.0	194.7	Negative
Technology	XLK	220.3	-1.6 	5.0	160.2	237.7	Neutral

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	BBY	Best Buy	100.4	13.9	17.6	33.1	62.9	100.4	105.3	4.9
2	COO	Cooper	105.7	11.7	14.1	-70.9	75.9	107.0	120.0	13.5
3	RMD	Rasmed	245.0	8.1	17.8	47.8	134.6	245.0	222.5	-9.2
4	INTC	Intel	22.0	7.3	-26.9	-53.2	19.0	50.8	27.3	23.9
5	BIO	Bio-Rad Laboratories	337.3	7.1	-0.9	5.8	264.0	400.2	359.0	6.4

### 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	DG	Dollar General	83.0	-32.9	-30.9	-36.8	83.0	161.2	107.0	29.0
2	SMCI	Super Micro Computer	437.7	-28.6	-29.9	53.3	226.6	1229.0	966.1	120.7
3	BBWI	Bath & Body Works	30.8	-13.6	-16.0	-29.4	28.1	51.7	40.0	30.0
4	DLTR	Dollar Tree	84.5	-12.9	-19.8	-38.2	84.5	150.0	134.9	59.7
5	WBA	Walgreens Boots Alliance	9.3	-10.2	-23.9	-63.8	9.3	26.6	14.1	52.4

### 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	DELL	Dell Technologies	115.5	3.2	6.4	50.8	55.7	179.2	148.5	28.5
2	BAC	Bank of America	40.8	2.5	-1.3	21.5	25.2	44.1	45.6	11.9
3	WMT	Walmart	77.2	2.0	11.6	-51.5	49.9	77.5	74.4	-3.7
4	AAPL	Apple	229.0	1.0	4.7	24.3	165.0	234.8	251.2	9.7
5	AMZN	Amazon.com	178.5	0.8	-1.8	20.2	119.6	200.0	223.9	25.4
6	MSFT	Microsoft	417.1	0.1	-1.4	12.6	312.1	467.6	504.2	20.9
7	AVGO	Broadcom	162.8	-2.1	13.4	50.0	79.5	185.2	196.9	20.9
8	TSLA	Tesla	214.1	-2.8	-3.8	-10.2	142.1	276.0	212.4	-0.8
9	AMD	AMD	148.6	-4.1	7.3	9.8	93.7	211.4	189.7	27.7
10	NVDA	NVIDIA	119.4	-7.7	15.1	147.8	39.2	140.8	150.7	26.2

\*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
<b>Monday</b> 2 September	12:00	Eurozone	Manufacturing PMI (Aug)			
<b>Tuesday</b> 3 September	17:45	US	Manufacturing PMI (Aug)	Zscaler	ZS	After market
				Gitlab	GTLB	After market
<b>Wednesday</b> 4 September	12:00	Eurozone	Services PMI (Aug)	Copart	CPRT	After market
				Hewlett Packard	HPE	After market
				Dollar Tree	DLTR	N/A
<b>Thursday</b> 5 September	12:00	Eurozone	Retail sales (Jul)	Nio	NIO	Premarket
	18:00	US	Services PMI (Aug)	Broadcom	AVGO	After market
				Samsara	IOT	After market
				DocuSign	DOCU	After market
<b>Friday</b> 6 September	13:00	Eurozone	GDP (2Q24)	Kroger	KR	N/A
	16:30	US	Non-farm payrolls (Aug)			
	16:30	US	Unemployment rate (Aug)			

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

<b>Communications</b>	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.
<b>Technology</b>	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.
<b>Discretionary</b>	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.
<b>Staples</b>	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.
<b>Health Care</b>	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.
<b>Financials</b>	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.
<b>Industrials</b>	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.
<b>Materials</b>	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.
<b>Energy</b>	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.
<b>Utilities</b>	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.
<b>Real Estate</b>	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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