



**TBC CAPITAL**

# **WEEKLY EQUITY MARKET OUTLOOK**

**TBC Capital Brokerage**

**16 October 2023**

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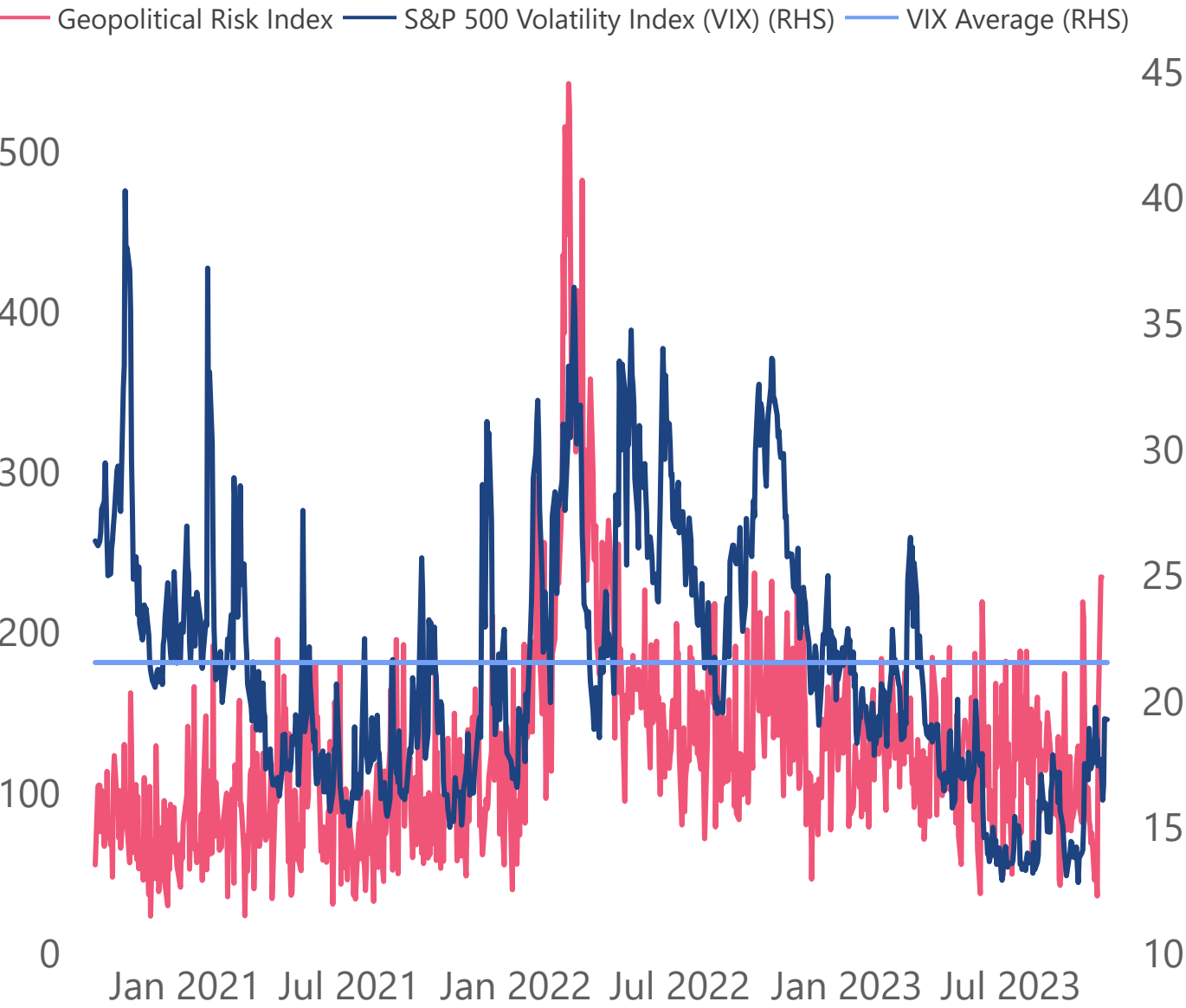
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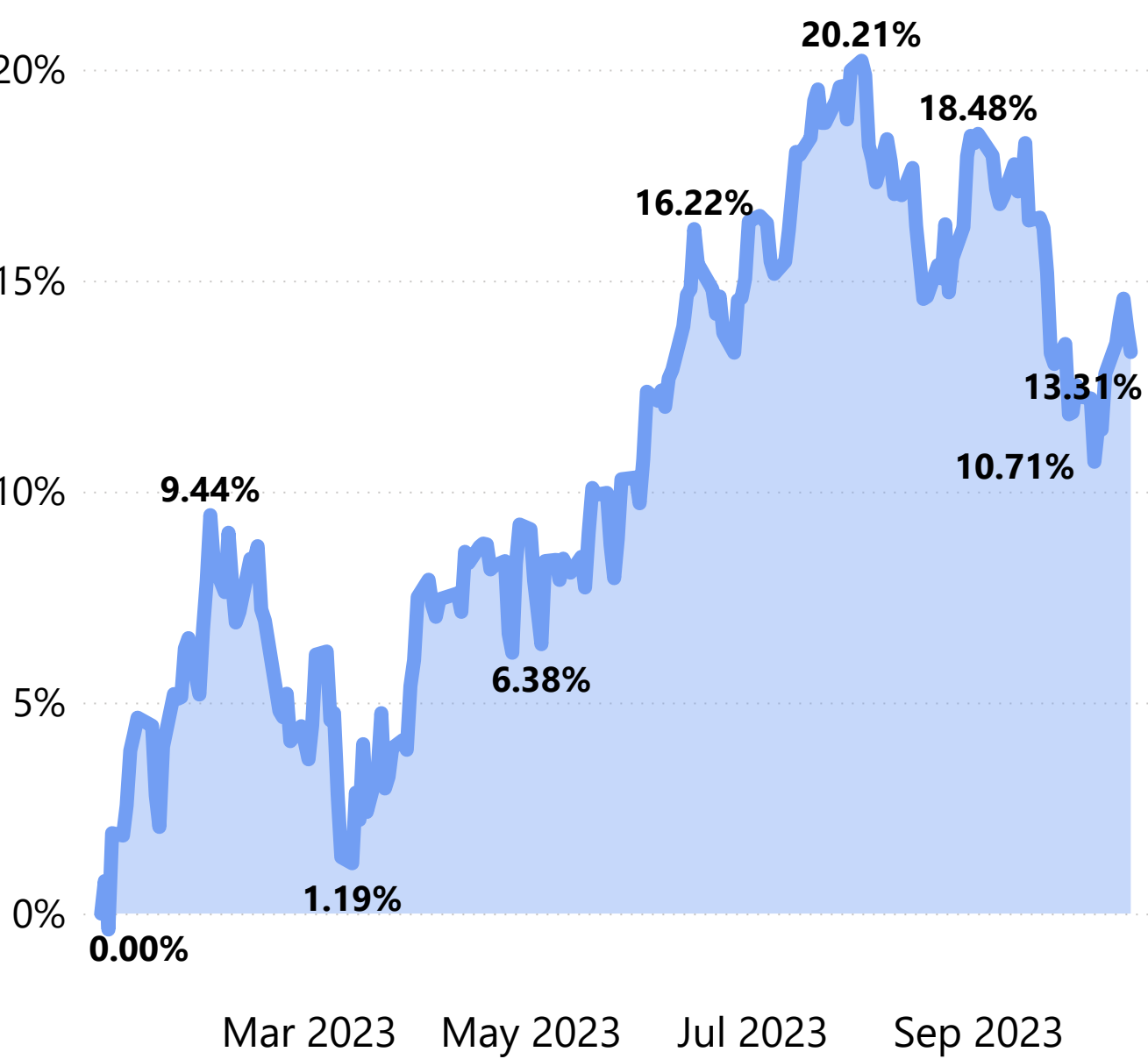
# EXECUTIVE SUMMARY

## Chart Of The Week

Volatility and Geopolitical Risk



## S&P 500 YTD Performance



## Commodities

106.65

USD Index

▲ 0.54%

Weekly change

90.89

Crude Oil

▲ 3.11%

Weekly change

26.86K

Bitcoin

▼ -2.60%

Weekly change

1.93K

Gold

▲ 3.81%

Weekly change

## Investment Themes

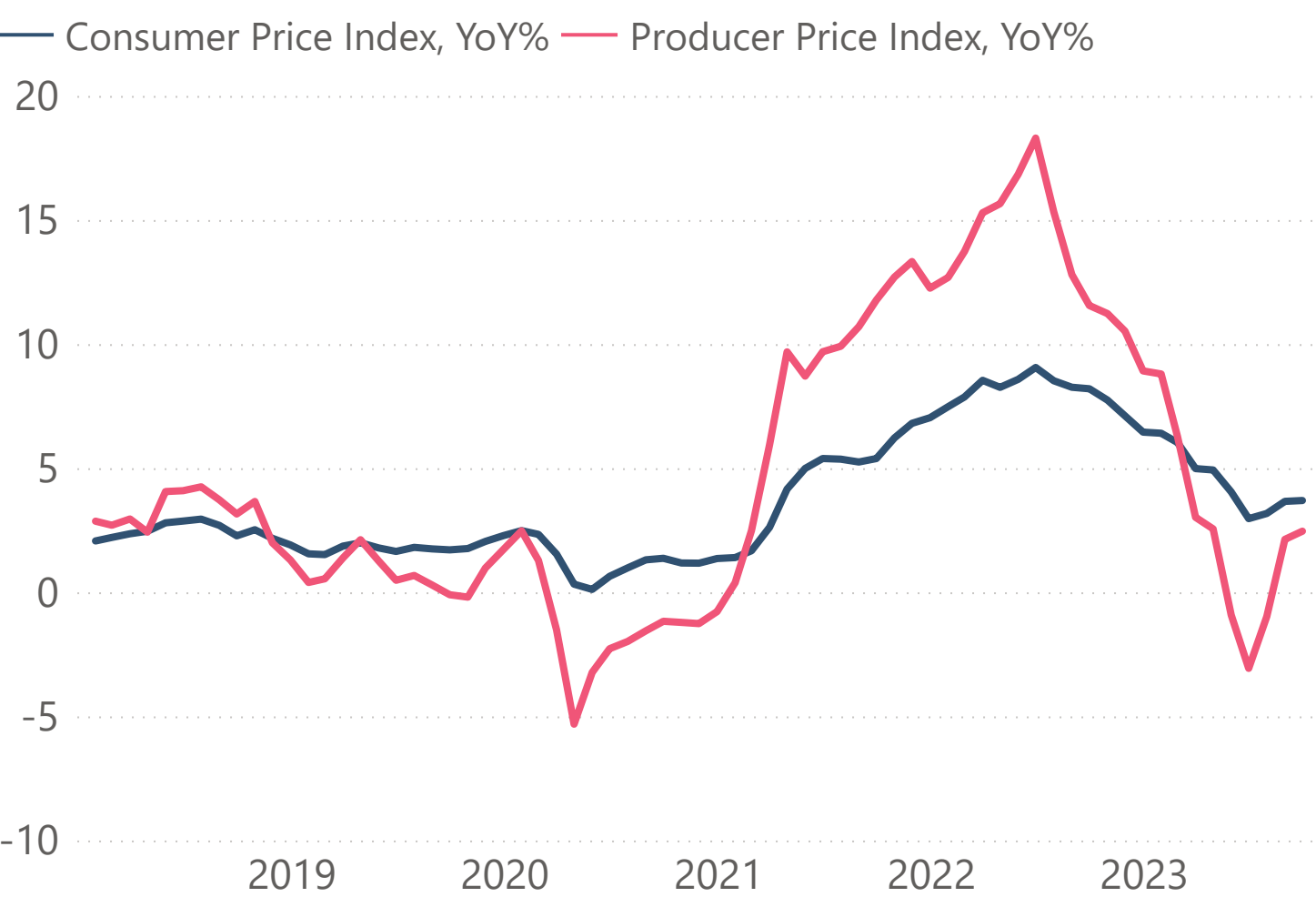
- BlackRock Inc. and Aviva Investors, among other fund managers, are positioning for potential gains from a UK inflation slowdown.
- The latest MLIV survey highlights a shifting global trade landscape, characterized by the implementation of protective measures like sanctions, export controls, and subsidies.
- The dollar reached near 2023 highs last week due to US core consumer-price inflation, but there's less pressure on the euro.
- Oil traded within a narrow range as Israel delayed its expected ground offensive in Gaza, and the United States intensified efforts to prevent the crisis from escalating further.

## Weekly Sector Performance

Sector	Change
Energy	▲ 4.50%
Utilities	▲ 3.58%
Real Estate	▲ 2.32%
Industrials	▲ 0.96%
Financials	▲ 0.51%
Information Technology	▲ 0.24%
Communication Services	▲ 0.24%
Consumer Staples	▲ 0.19%
Health Care	▲ 0.14%
Materials	▼ -0.45%
Consumer Discretionary	▼ -1.02%

## Macro Update

US CPI hotter-than-expected while fed remains dovish

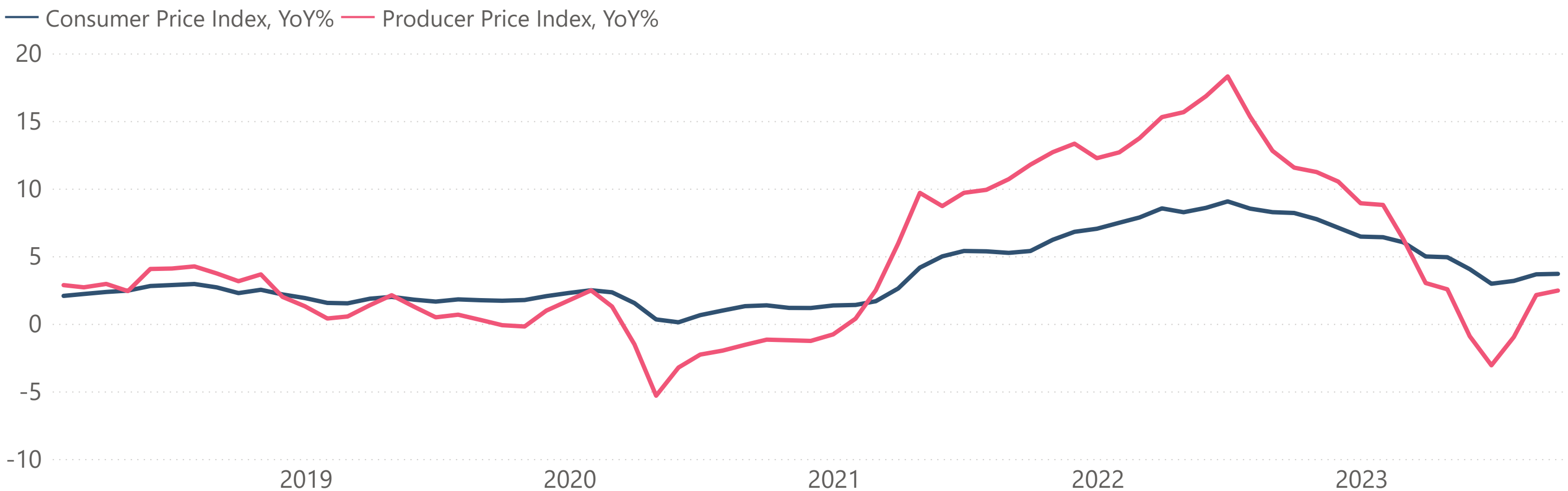




# MACROECONOMIC UPDATE

## Dovish FED boosts US Sentiment Amid Higher-than-expected Inflation

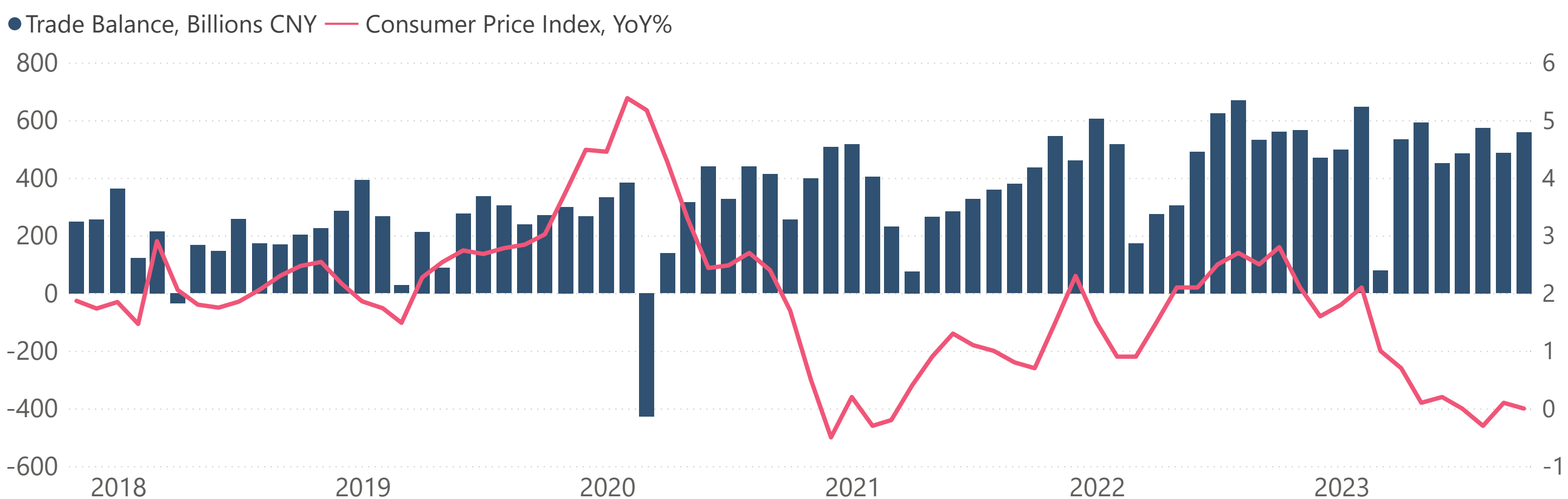
US CPI hotter-than-expected while fed remains dovish



- The major stock indexes had mixed results as investors balanced inflation data with Federal Reserve officials' dovish signals. Large-cap value stocks performed well, boosted by strong earnings from Citigroup, Wells Fargo, and JPMorgan Chase.
- Fed Vice Chair Philip Jefferson's comments on rising long-term bond yields affecting future rate hikes and the need to strike a balance between tightening and being too restrictive supported a bullish sentiment. Dallas Fed President Lorie Logan, usually seen as hawkish, surprisingly suggested there might be less needed to raise the fed funds rate due to higher yields, though she reiterated the need for elevated rates. Overall, the Fed appears to have adopted a dovish tone for the time being.
- CPI growth slowed to 0.4% MoM in September, slightly above the expected 0.3%, with a Y-o-Y inflation rate remaining at 3.7%. Core CPI, rose 0.3% MoM and stood at 4.1% YoY. September PPI increased 0.5% MoM and rose 2.4% YoY, exceeding expectations. Core PPI increased 0.3% MoM.

## IMF Upgrades Growth Forecast For Japan While Deflation Woes Return in China

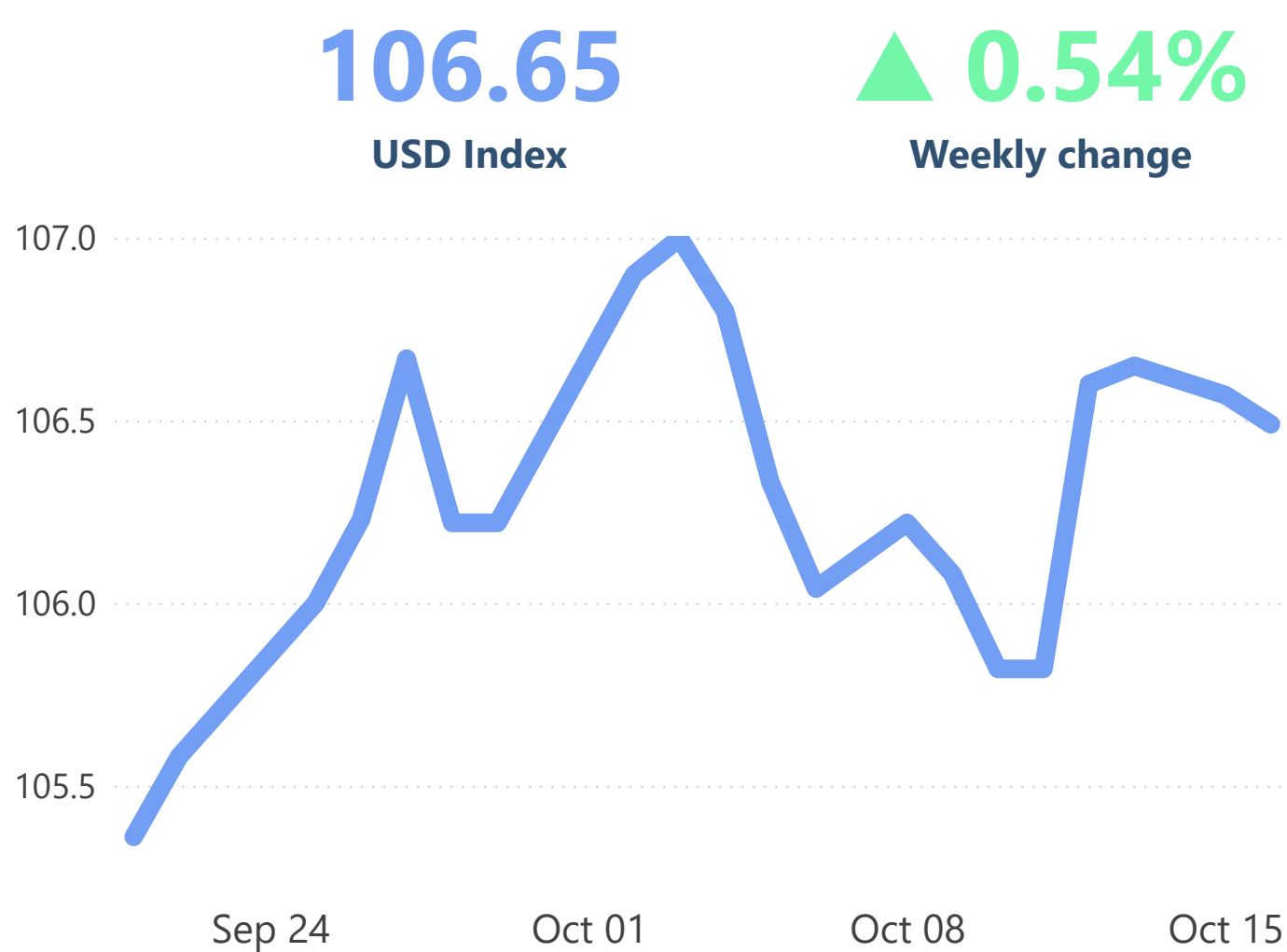
Chinese trade rebounds amidst deflationary pressures



- Japan's stocks had a positive week, with the Nikkei 225 Index rising by 4.3%, and the broader TOPIX Index increasing by 2.0%. These gains added to their strong year-to-date performance, aided by the yen's historic weakness, trading around JPY 149.6 against the U.S. dollar. Investor demand for safe-haven currencies due to Middle East developments raised questions about the Bank of Japan's potential monetary policy normalization.
- The IMF upgraded its 2023 growth forecast for Japan to 2.0% from 1.4%, citing factors like pent-up demand, rebounding tourism, accommodative monetary policy, and eased supply chain constraints. Consumer inflation is now expected to rise by 3.2% this year, up from the previous estimate of 2.7%.
- In China, financial markets faced declines in the first full week after the Golden Week holiday due to softer inflation and trade data, raising concerns about potential deflation. In Hong Kong, the Hang Seng Index gained 1.87%. China's CPI remained unchanged in September, with PPI falling by 2.5%.

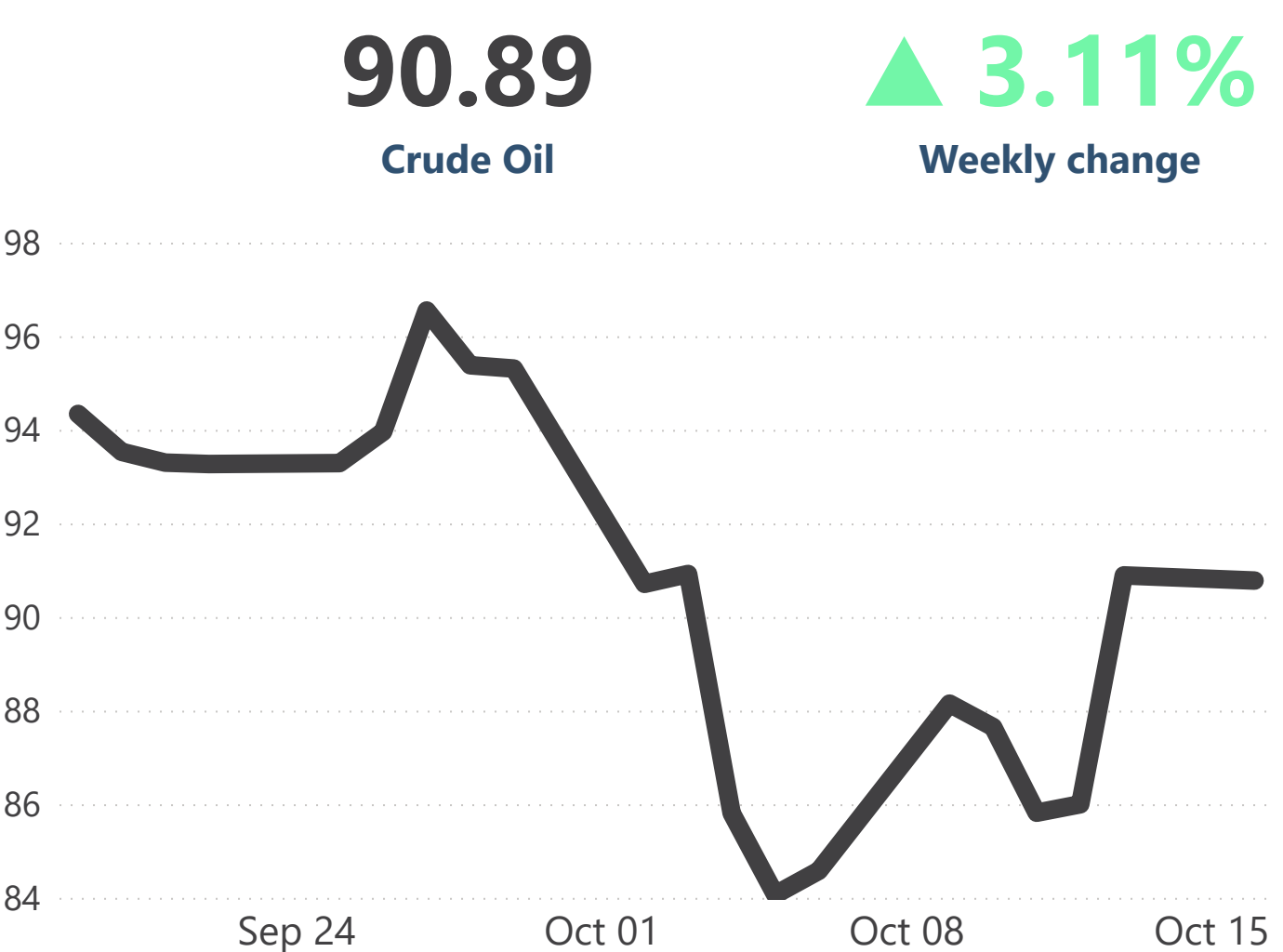
# COMMODITIES AND CURRENCIES

## USD Index



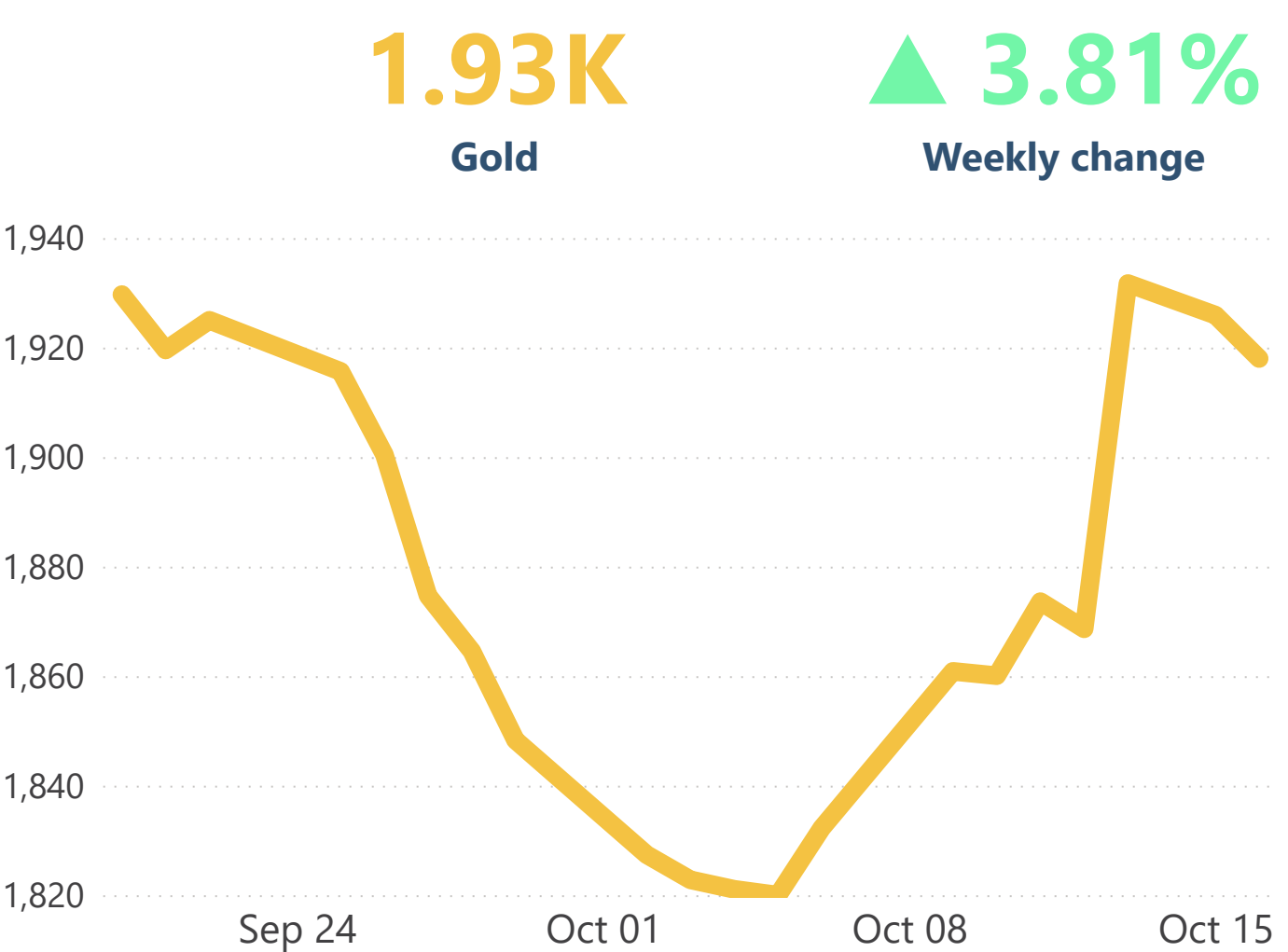
- The EUR/USD is maintaining its position above 1.0550, benefitting from a generally weaker US Dollar early on Monday. Nonetheless, the potential for further gains in this pair is limited due to escalating geopolitical tensions between Hamas and Israel. Attention is now turning to statements from the ECB and the FED for fresh momentum.
- At present, the Dollar Index is trading at 106.49, only 0.37% higher than its 5-day average.

## Crude Oil WTI



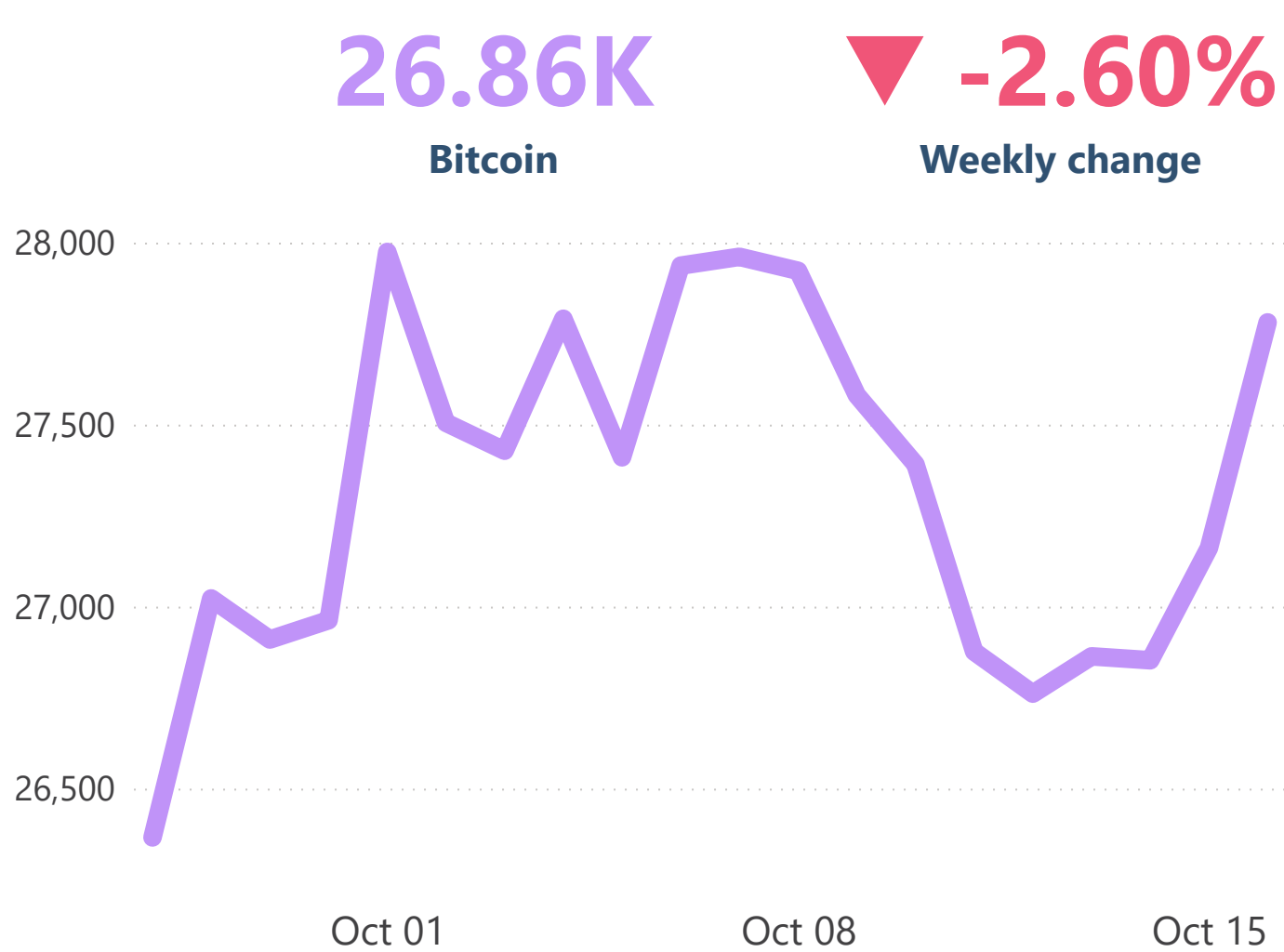
- Oil prices surged in the previous week due to the US imposing additional sanctions on vessels transporting oil from Russia. However, many analysts promptly cautioned that any further price spikes and overheating could be mitigated by simply easing or lifting the recent supply restrictions implemented by Saudi Arabia and Russia.
- The WTI is trading at approximately \$87.70 per barrel. Brent contract is at around \$90.90.

## Gold



- Gold prices (XAU/USD) reached a three-week high, approximately in the \$1,932-1,933 range on Friday due to the escalating Israel-Hamas conflict, prompting investors to seek refuge in traditional safe-haven assets.
- However, bulls faced challenges in extending the upward momentum beyond a crucial technical indicator, the 200-day Simple Moving Average (SMA). As of Monday, XAU/USD is trading around \$1,915.

## Bitcoin



- Bitcoin (BTC) surged by approximately 4.5% during Asian morning hours on Monday, driven by optimism surrounding the potential approval of a bitcoin exchange-traded fund (ETF) in the coming months, fueling positive expectations.
- Bitcoin's price reversed all the losses incurred in the previous week. This increase appeared to be an extension of the positive response witnessed on Friday, following the U.S. SEC decision not to contest a recent Grayscale ruling.

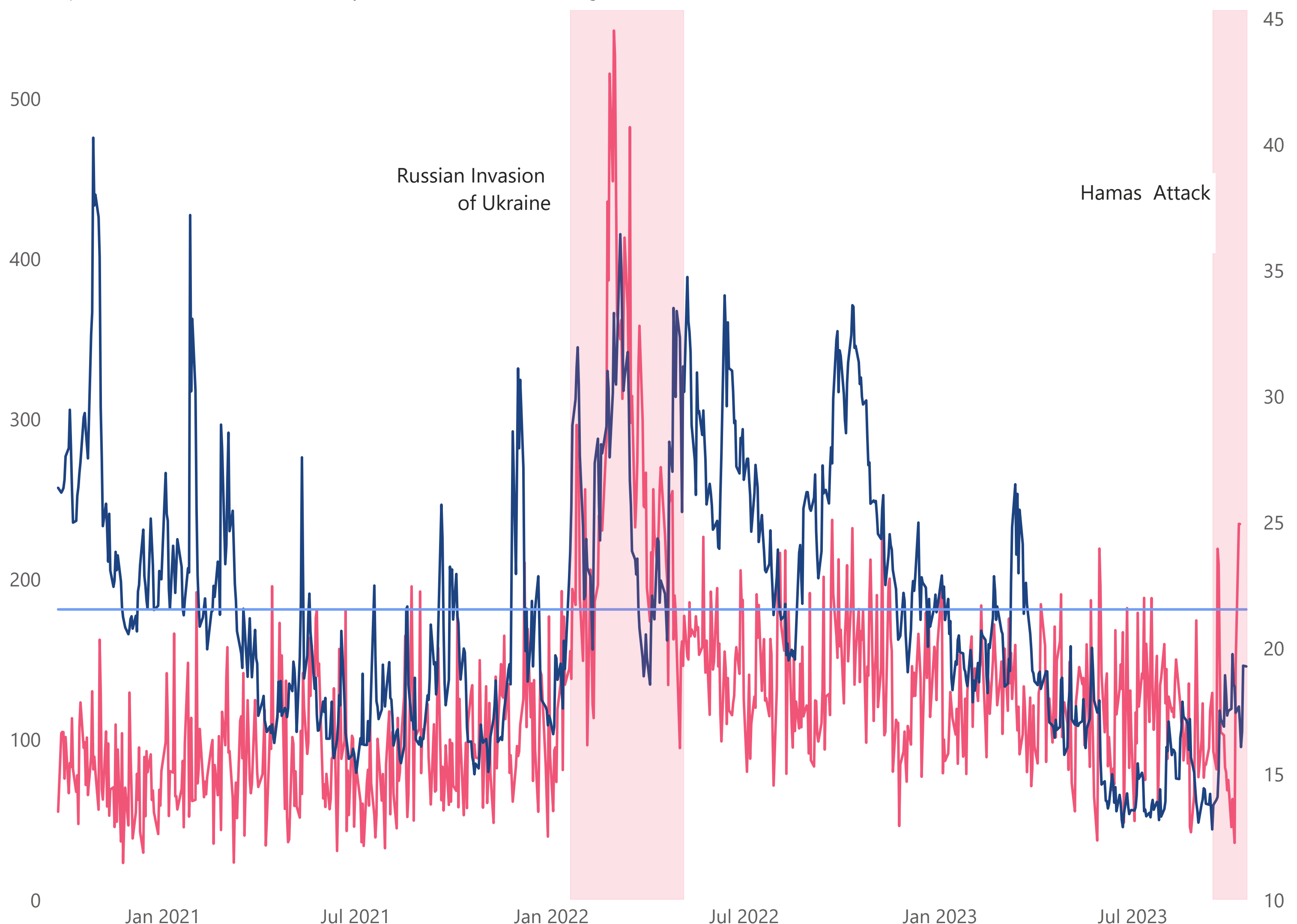


# CHART OF THE WEEK

## Geopolitical Turbulence is Back

Volatility and Geopolitical Risk

— Geopolitical Risk Index — S&P 500 Volatility Index (VIX) (RHS) — VIX Average (RHS)



The Covid-19 pandemic and Russia's invasion of Ukraine have disrupted monetary policy, energy markets, and supply chains. This has led to economic nationalism, increased US-China tensions, and greater government involvement in economic management due to the climate transition. The return of conflict in the Middle East highlights rising geopolitical risks. Market indicators reflect these changes. The Vix index, measuring expected volatility, has consistently been higher since 2020 compared to the past decade. The World Uncertainty Index, tracking the use of the word "uncertain" in analysts' reports, has trended upward for years, particularly since 2021. This growing uncertainty is altering market participants' strategies, impacting investors and central bankers. Geopolitical risk remains challenging to quantify, affecting balance sheets and ratios. Markets struggle to accurately price such risks and assess low-probability, high-impact events. Research shows that economic activity and financial markets are often more influenced by geopolitical threats than actual events. Complex and ambiguous threats can paralyze markets, as seen with oil prices responding less dramatically than expected to Hamas' attacks in Israel.

The difficulty in measuring geopolitical premiums increases the value of professionals who can integrate political and macroeconomic knowledge with financial fundamentals. Macro hedge funds have seen a surge in returns between 2019 and 2022. Greater volatility encourages traders to adopt more active, short-term strategies. The popularity of zero-day options has increased since the start of the pandemic. Institutions with passive, long-term strategies, like pension funds, are also affected. The diminishing certainty in decade-long economic and political trends makes diversification, including alternative assets, more attractive. However, it's essential to recognize that misjudging events can be costly, as market volatility widens the range of returns for active funds.

# INVESTMENT THEMES

## UK Inflation Data to Reward Gilts Bet

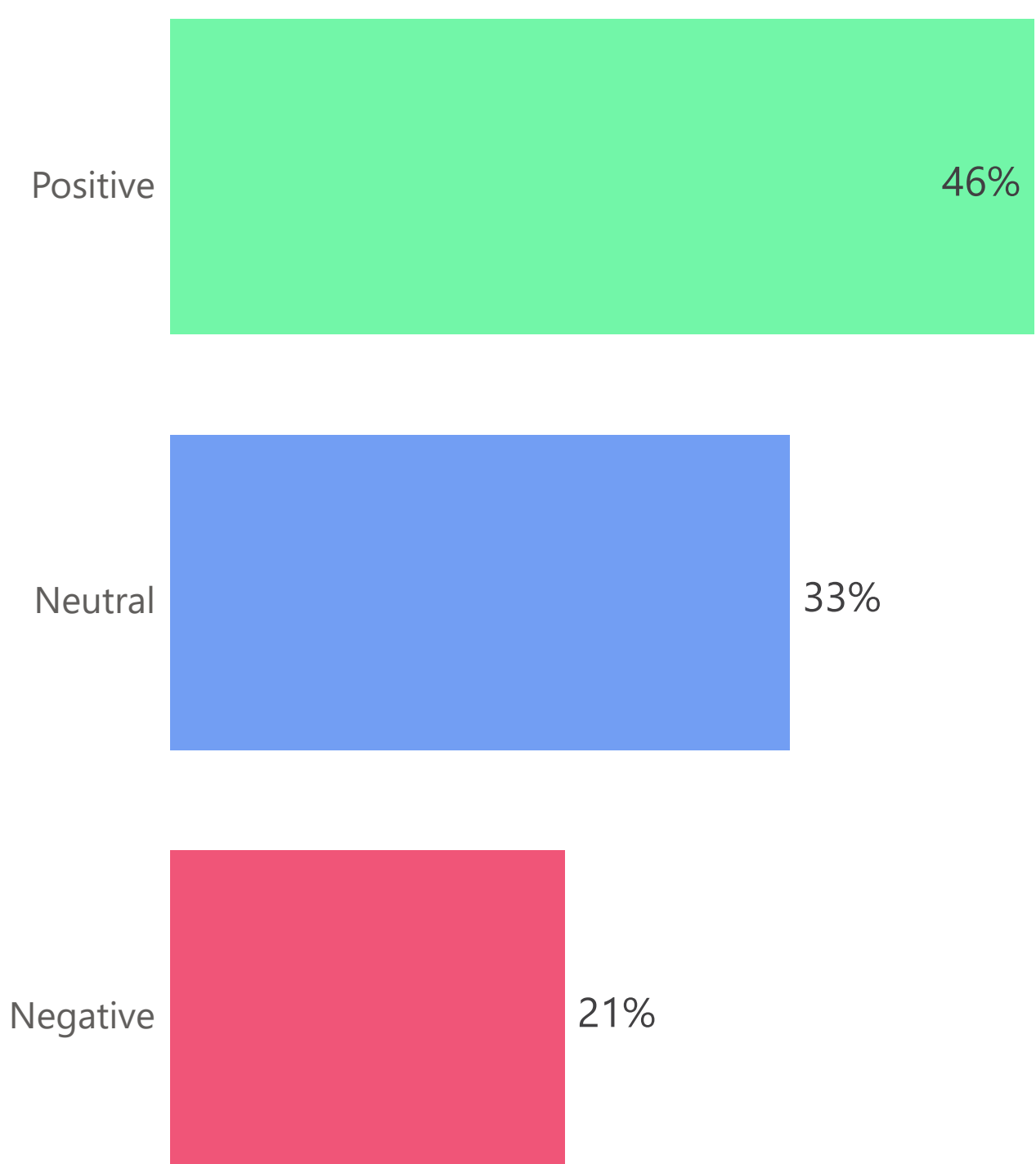
UK 30-year yield, %



- BlackRock Inc. and Aviva Investors, among other fund managers, are positioning for potential gains from a UK inflation slowdown by heavily investing in government bonds, particularly gilts with the highest yields in over 15 years.
- They are betting on the Bank of England cutting interest rates. Two key data releases this week, a jobs report and inflation figures, will determine if this strategy pays off.
- Despite challenges and losses in 2023, some investors, like Aviva, are buying UK debt, expecting rate cuts of over 100 basis points next year, double what money markets anticipate.
- Foreign buyers are also drawn to UK debt, having purchased over £57 billion from May to August, aided by the weak pound. While positive economic data could spark a bond rally, past false starts are a concern. Nonetheless, UK yields have fallen recently, with geopolitical concerns supporting the gilt market in the short term, especially for long-maturity gilts.

## Not That Bad Apparently

Corresponding sentiment towards the effects of re-globalization on investment portfolios

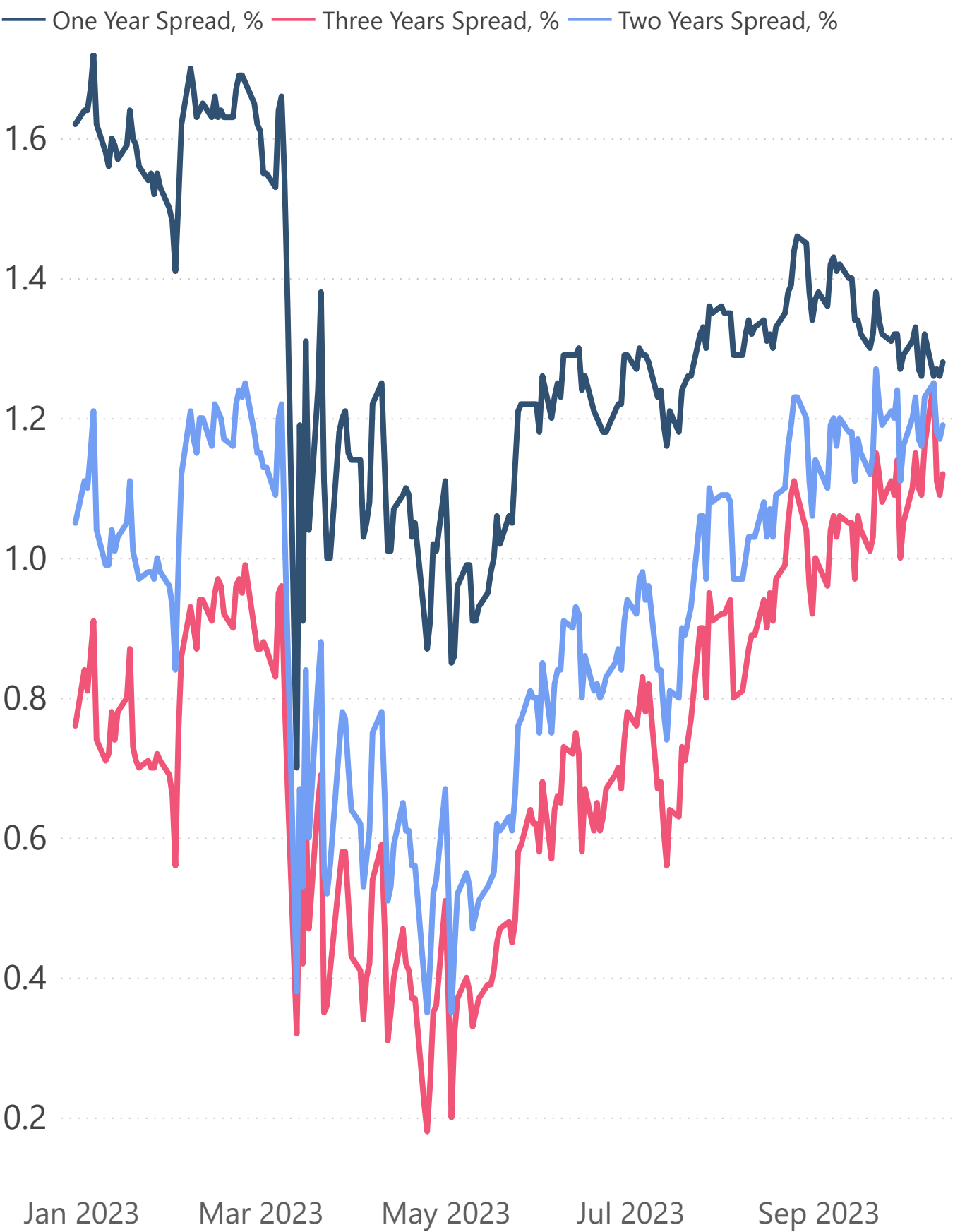


- The latest survey from Bloomberg Markets Live Pulse highlights a shifting global trade landscape, characterized by the implementation of protective measures like sanctions, export controls, and subsidies. This transformation had its origins in US-China tensions, gained momentum during the pandemic, and received impetus from Russia's actions in Ukraine. Concerns linger about the potential division of the global economy into rival trading blocs, with the potential to reduce world GDP by an estimated \$5 trillion, according WTO.
- Remarkably, investors hold an optimistic outlook on this transformation. Nearly half of the survey's participants view the evolution of global trade beneficial for their investment portfolios, while only 21% express reservations.
- Such economic volatility presents opportunities, and conventional doctrines supporting free trade are being revised, not entirely discarded. Investors are discovering that the traditional approach of diligent research and identifying companies capable of navigating challenges and capitalizing on changes is still effective.



## Time Is Right For Euro To Regain Ground Against USD

Spreads between interest-rate swaps in USD and Euro are closing



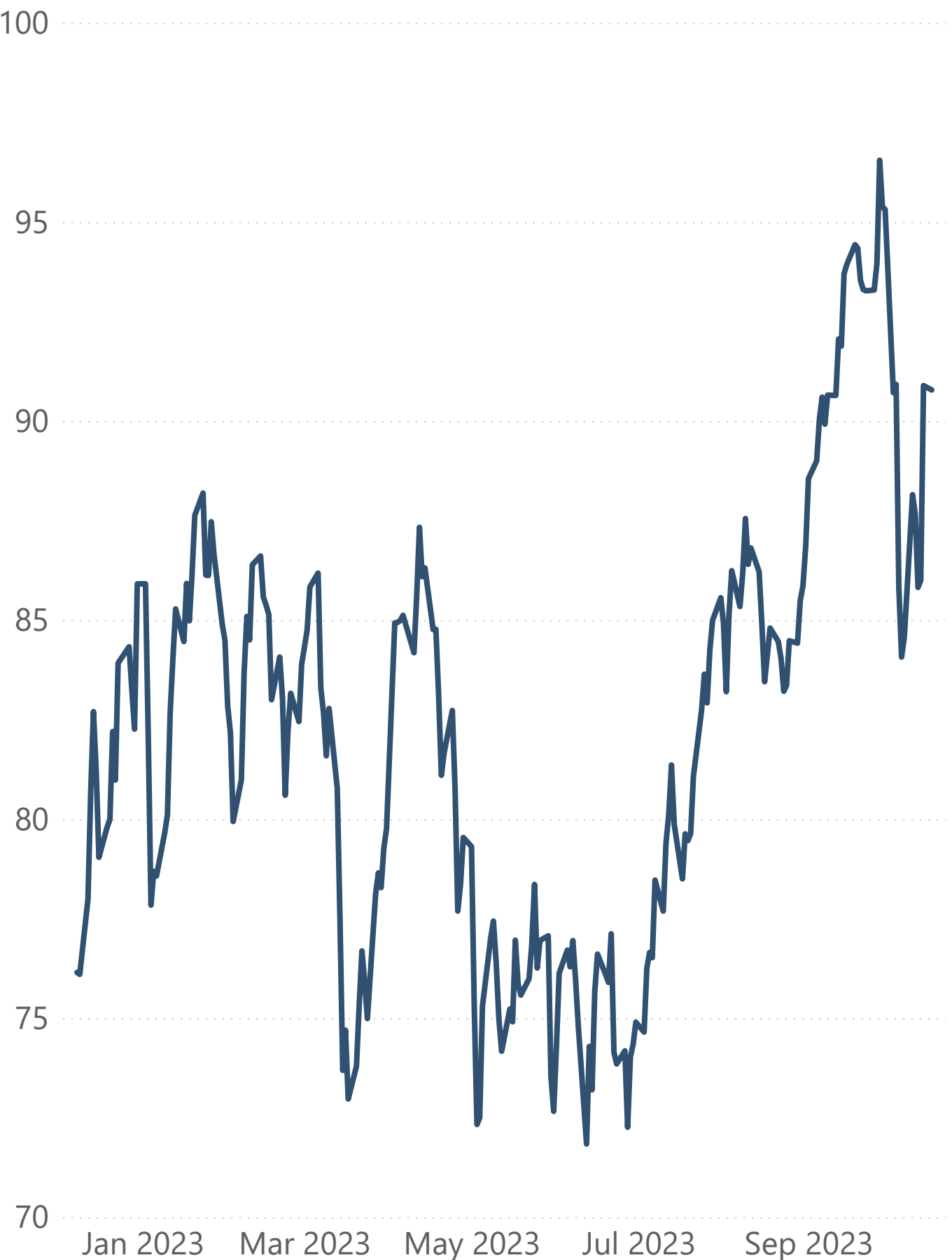
- The dollar reached near 2023 highs last week due to US core consumer-price inflation, but there's less pressure on the euro. The euro has dropped about 6% since July 17, when it hit its highest point this year. This isn't a record decline for the euro, which has faced challenges due to slow growth and low rates for years. The market may need a catalyst to keep selling. While long-term US yields have been rising, short-term rates haven't moved as much. Short-term rates have a bigger impact on currency values.

- The chart shows the gap between interest-rate swaps in dollars and euros. While the gaps for two- and three-year rates have widened recently, the one-year spread is decreasing. This matters because the one-year gap has been a reliable indicator of euro strength against the dollar in recent years, particularly as central banks address inflation.

- Moreover, the widening gap is due to rising euro inflation expectations, which can limit the real return of holding euros, favoring the dollar. However, real rates, although theoretically more critical, do not always get as much attention.

## Oil Trades In Limited Range Amid The Crisis In Middle East

Oil goes sideways while fears mount over middle east conflict



- Oil traded within a narrow range as Israel delayed its expected ground offensive in Gaza, and the United States intensified efforts to prevent the crisis from escalating further.

- Brent hovered around \$91 per barrel after a nearly 6% surge on Friday, marking a significant weekly increase. US officials engaged in discussions with Middle Eastern nations, including indirect talks with Iran, to contain the conflict. Secretary of State Antony Blinken returns to Israel on Monday, and President Biden is considering a visit soon.

- Any instability or escalation in the Middle East could disrupt crude oil supplies from a region that contributes to about one-third of global production, further tightening the market.

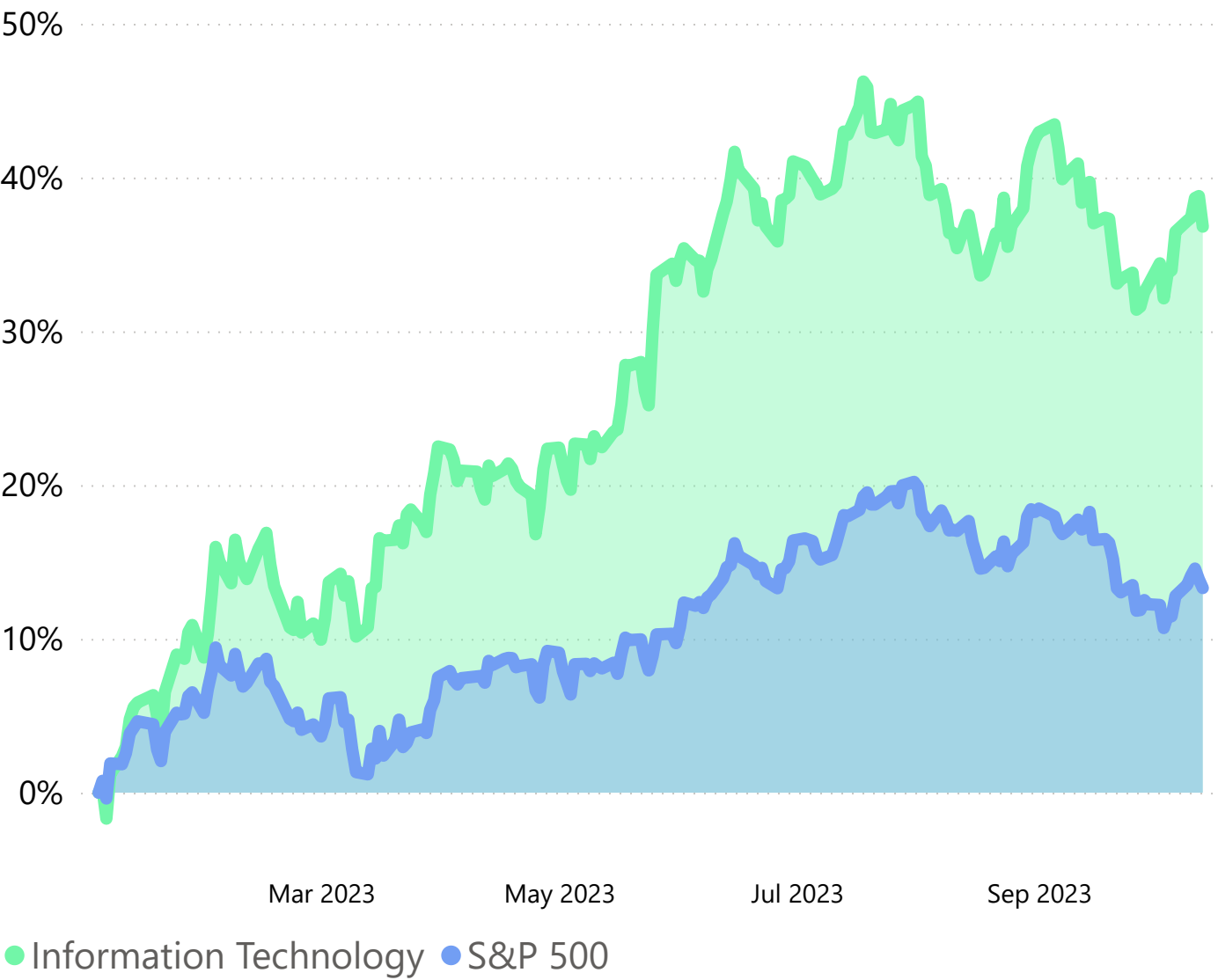
- Crude oil's timespreads continue to signal short-term strength, with the gap between Brent's two nearest contracts at \$1.51 per barrel in backwardation, compared to 89 cents about a month ago, as OPEC+ leaders Saudi Arabia and Russia maintain output cuts, tightening the market.

# SECTOR SNAPSHOT

## Information Technology

**16.11** **0.24%** **33.60** **25.20**  
Market Cap (Trillio... Weekly Change P/E EV/EBITDA

Sector Comparison to S&P 500 Performance



STOCKS	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
AAPL	2,788.05bn	178.85	0.77%	27.03	20.40
MSFT	2,476.19bn	327.73	0.14%	26.41	18.22
NVDA	1,131.70bn	454.61	-0.66%	26.75	23.08
SAP	159.24bn	128.79	-1.63%	19.80	14.86
INTC	152.53bn	35.97	-0.61%	21.21	9.82

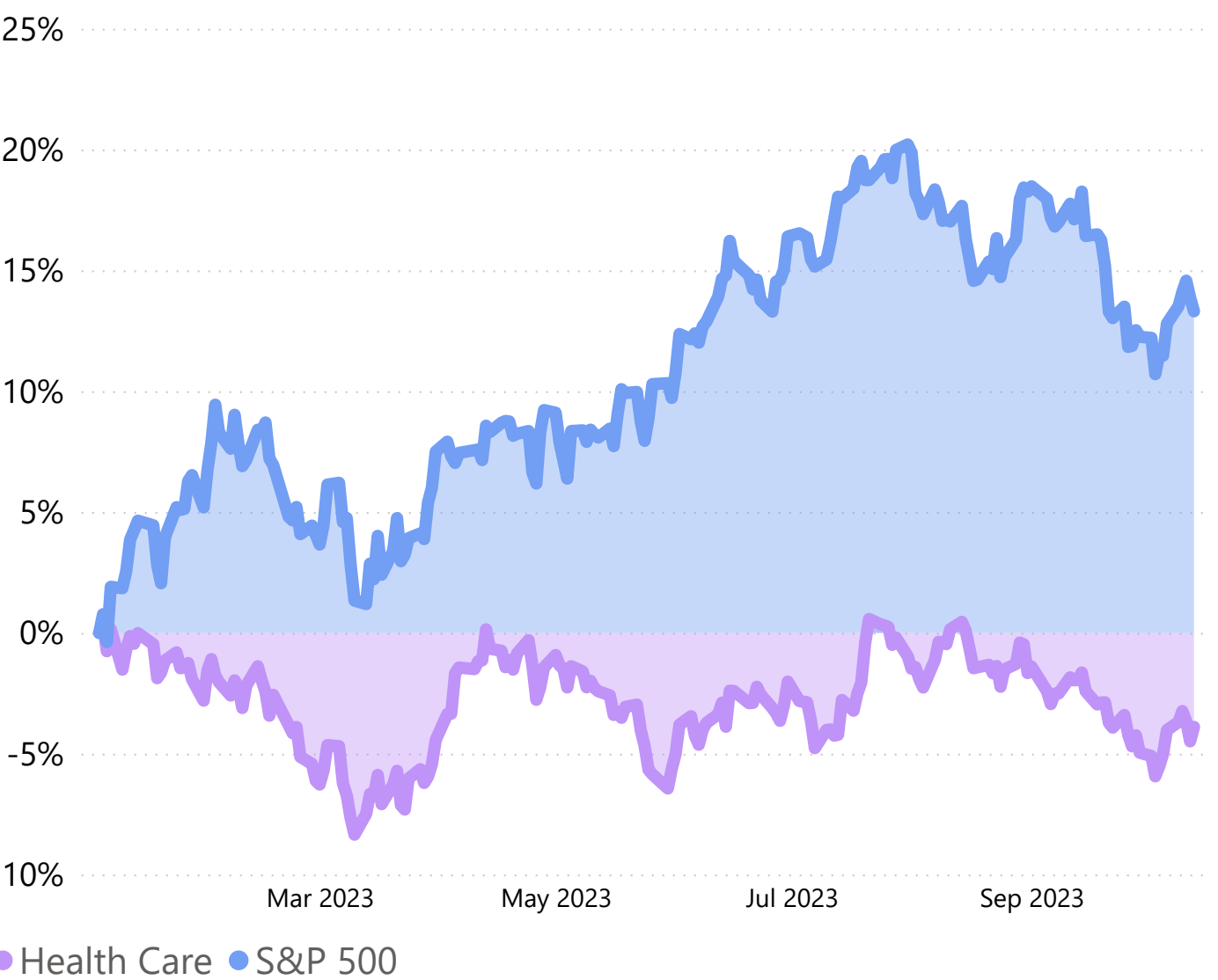
- The latest iPhone 15 from Apple is experiencing weaker sales in China compared to its predecessor, indicating persistent low consumer demand and the growing competition from companies like Huawei. Sales of Apple's flagship device have dropped by 4.5% during the initial 17 days following its release, compared to the iPhone 14.
- Apple's CEO, Tim Cook, sold 511,000 shares of APPL stock valued at \$87.8 million before taxes. Records submitted to government securities regulators show that Cook received \$41.5 million in post-tax proceeds from the stock sale.
- Microsoft has successfully completed its \$69 billion acquisition of Activision Blizzard, the maker of Call of Duty, marking the largest deal in the gaming industry's history.

ETFs	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
XLK	1,759.41bn	138.58	-0.11%	54.49%	0.12%
QQQ	820.21bn	314.69	-0.23%	152.28%	0.20%
VGT	168.26bn	141.67	1.90%	1.89%	0.10%
FTEC	154.61bn	84.35	1.70%	-5.19%	0.08%
XSD	35.82bn	131.29	6.77%	6.91%	0.35%

## Healthcare

**8.07** **0.14%** **30.70** **22.60**  
Market Cap (Trillio... Weekly Change P/E EV/EBITDA

Sector Comparison to S&P 500 Performance



STOCKS	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
PFE	186.91bn	32.11	-3.08%	10.16	8.62
BMJ	118.66bn	56.47	-0.34%	7.29	7.13
HLN	37.70bn	8.11	-4.14%	17.21	13.37
MRNA	36.03bn	98.30	-5.37%		
BNTX	23.39bn	103.58	-6.86%	36.28	12.03

- A European Medicines Agency committee has recommended conditional approval for Pfizer's (PFE) Elrexfio to treat multiple myeloma, a type of blood cancer. The recommendation by the Committee for Medicinal Products for Human Use is for Elrexfio to be used as a standalone treatment for adult patients with relapsed and refractory multiple myeloma who have undergone previous therapies.
- Cellares, a cell therapy manufacturer, is teaming up with Bristol Myers Squibb (BMY) to add a second CAR-T program to their existing partnership. Cellares will offer proof-of-concept manufacturing for this program. Bristol Myers Squibb had previously joined Cellares' Technology Adoption Partnership (TAP) program.

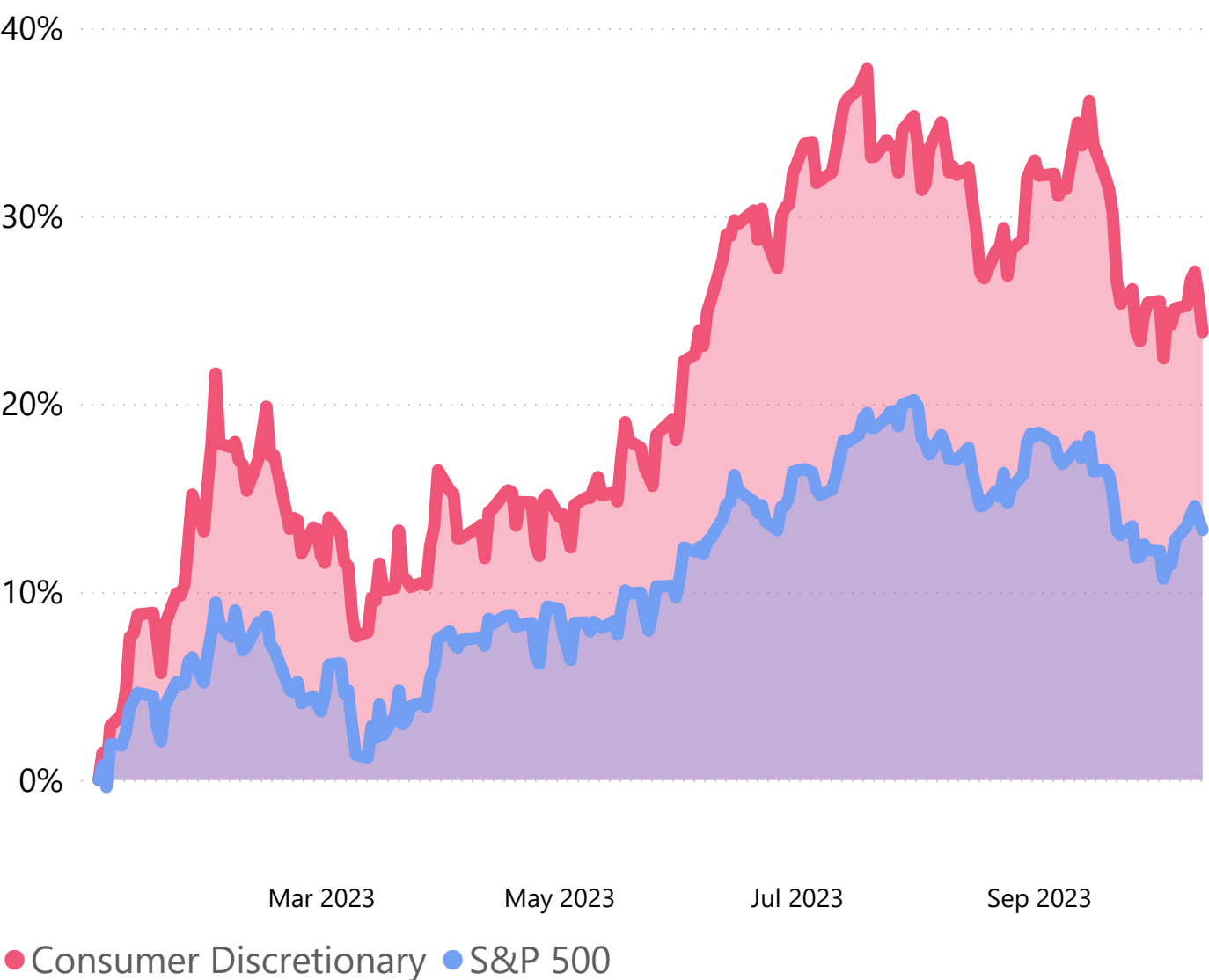
ETFs	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
XBI	106.48bn	62.38	0.61%	-12.22%	0.35%
XLV	34.99bn	75.39	0.12%	9.48%	0.12%
ARKG	31.22bn	39.43	4.31%	-20.47%	0.75%
VHT	30.60bn	128.46	-3.51%	1.28%	0.10%
IBB	28.13bn	209.29	-1.46%	18.85%	0.47%



## Consumer Discretionary

**9.17** **-1.02%** **22.30** **14.40**  
Market Cap (Trillio... Weekly Change P/E EV/EBITDA

Sector Comparison to S&P 500 Performance



STOCKS	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
AMZN	1,354.57bn	129.79	1.43%	31.70	12.61
TSLA	806.39bn	251.12	-3.61%	55.48	35.57
TM	291.05bn	177.68	2.60%	8.86	9.68
BKNG	106.54bn	2,950.08	-3.26%	17.46	13.01
MBLY	28.74bn	34.56	-16.70%	42.57	31.92

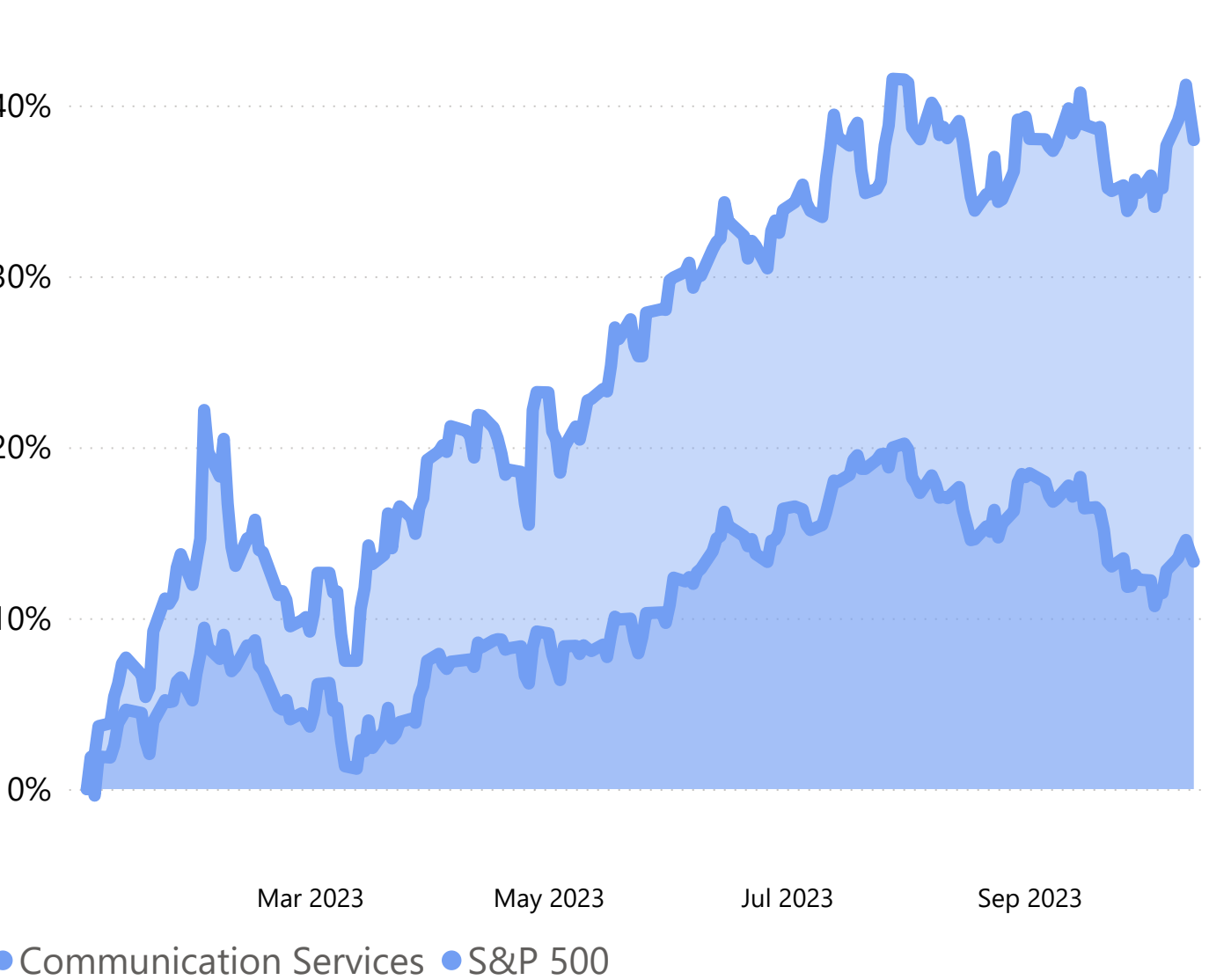
- iRobot Corporation shareholders voted in favor of the company's merger with Amazon (AMZN) during a special meeting on October 12. The merger's completion is contingent on receiving all necessary regulatory approvals and meeting other customary closing conditions.
- Toyota (TM) is partnering with Idemitsu Kosan to develop solid-state batteries for future electric vehicles. In Phase 1, they will work on sulfide solid electrolytes, aiming for mass production with an Idemitsu pilot facility. Phase 2 includes building a large pilot facility for sulfide solid electrolyte production. Toyota will develop all-solid-state batteries for BEVs, with plans to launch such vehicles in 2027-28.

ETFs	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
VCR	151.57bn	40.96	3.20%	-1.99%	0.10%
XLY	51.54bn	60.25	-2.87%	29.07%	0.12%
FXD	48.31bn	8.01	0.12%	29.82%	0.63%
FDIS	40.88bn	510.56	-0.54%	10.71%	0.08%
XRT	36.89bn	7.76	5.15%	117.98%	0.35%

## Communication Services

**6.21** **0.24%** **28.20** **17.60**  
Market Cap (Trillio... Weekly Change P/E EV/EBITDA

Sector Comparison to S&P 500 Performance



STOCKS	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
GOOG	1,759.41bn	138.58	-0.11%	19.98	12.52
META	820.21bn	314.69	-0.23%	18.35	10.00
TMUS	168.26bn	141.67	1.90%	14.41	8.75
DIS	154.61bn	84.35	1.70%	17.68	11.20
EA	35.82bn	131.29	6.77%	17.46	12.68

- Waymo, a company backed by Google (GOOGL), is expanding its robotaxi service to Southern California, beginning in Santa Monica and Venice, with multiple stops in L.A. neighborhoods. On October 11, Waymo One service commenced, after testing in the LA area since 2019.
- Meta and Ray-Ban's new smart glasses, powered by Qualcomm's Snapdragon augmented reality platform, introduce unique features to the world of smart glasses, including improved cameras and audio, over 150 custom frame and lens options, and the ability to livestream to Facebook and Instagram.

ETFs	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
FCOM	47.98bn	272.12	3.09%	-0.75%	0.08%
IXP	44.33bn	85.15	4.50%	27.18%	0.46%
XLC	29.41bn	28.94	1.15%	-8.85%	0.12%
NXTG	19.90bn	32.54	1.78%	11.21%	0.70%
VOX	10.66bn	17.09	3.45%	-19.54%	0.10%

Financials

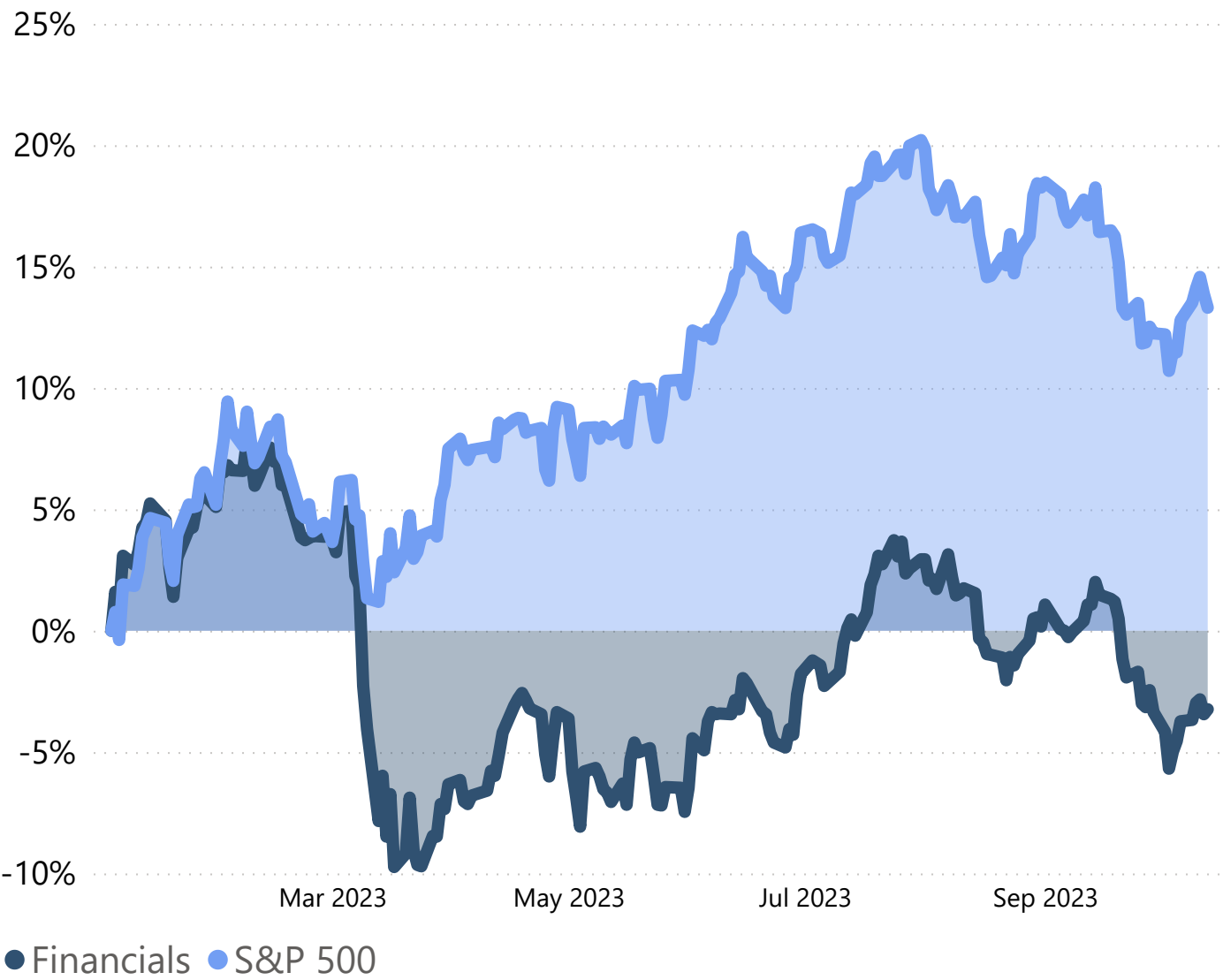
9.26  
Market Cap (Trillio...

0.51%  
Weekly Change

14.40  
P/E

15.00  
EV/EBITDA

Sector Comparison to S&P 500 Performance



STOCKS	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
JPM	431.61bn	148.00	2.00%	9.79	
WFC	151.57bn	40.96	3.20%	8.50	
BLK	95.31bn	627.66	-3.18%	16.75	12.84
BTO	80.05bn	41.43	2.12%	7.02	21.31
PNC	46.99bn	118.14	-1.81%	9.41	

• BlackRock (BLK) reported a Q3 Non-GAAP EPS of \$10.91, exceeding expectations by \$2.57, driven by a lower effective tax rate and decreased nonoperating income. Revenue for the quarter was \$4.52 billion, up 4.9% year-over-year. AUM totaled \$9.1 trillion, down from \$9.425 trillion at the end of Q2. Quarterly net inflows were \$3 billion, while net outflows of \$49 billion came from lower-fee institutional index equity strategies.

• In Q3, PNC exceeded expectations with a GAAP EPS of \$3.60, beating estimates by \$0.49. However, their revenue of \$5.23 billion fell short by \$90 million, down 5.8% year-over-year. The decrease in net interest income by 3% to \$3.4 billion was due to higher yields on interest-earning assets being outweighed by increased funding costs.

ETFs	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
IXG	85.63bn	208.60	-0.76%	32.23%	0.46%
KBE	30.28bn	433.05	-0.06%	21.40%	0.35%
KIE	61.69bn	242.84	-5.84%	36.99%	0.35%
XLF	120.16bn	109.38	-1.87%	64.94%	0.12%
VFH	110.27bn	441.06	10.06%	-7.64%	0.10%

Industrials

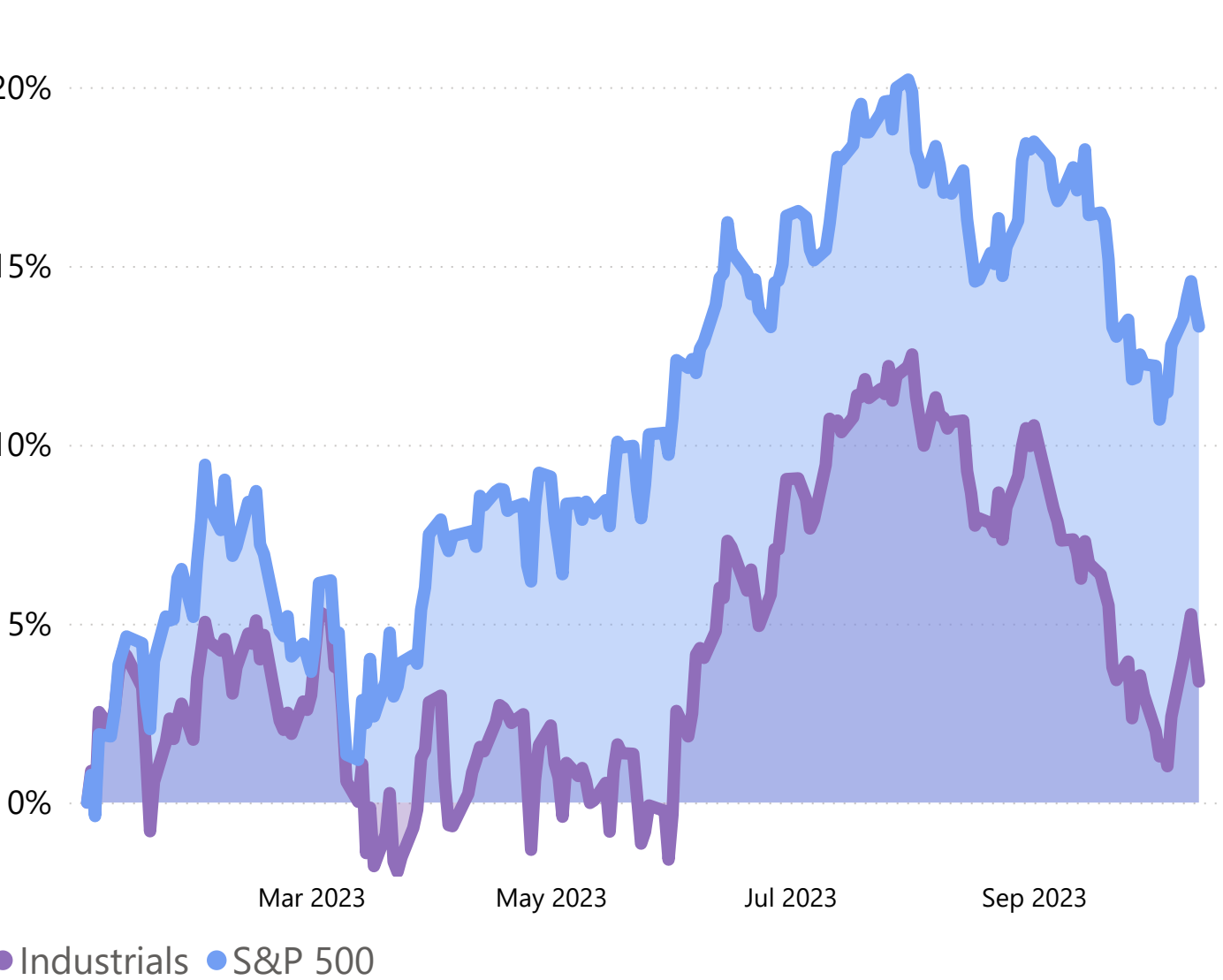
5.95  
Market Cap (Trillio...

0.96%  
Weekly Change

20.60  
P/E

12.80  
EV/EBITDA

Sector Comparison to S&P 500 Performance



STOCKS	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
HON	123.12bn	183.56	-0.60%	18.45	13.52
LMT	110.27bn	441.06	10.06%	15.78	12.39
ETN	85.63bn	208.60	-0.76%	21.97	17.48
NOC	73.68bn	490.15	15.81%	19.52	14.73
ODFL	45.60bn	405.08	-2.02%	31.05	19.80

• UBS analysts rated Northrop Grumman (NOC) a 'Buy'. Analyst Gavin Parsons noted that global national security priorities are driving increased defense spending, with bipartisan support in the face of U.S. fiscal challenges, though political gridlock could lead to stock volatility.

• Honeywell (HON) secured an order for 41 T55-GA-714A engines to support South Korea's CH-47F aircraft procurement, replacing their older CH-47D helicopters. The U.S. Army Foreign Military Sales office manages the order. These engines provide nearly 5,000 shaft horsepower, boosting Chinook aircraft speeds to 170 knots, even in tough conditions.

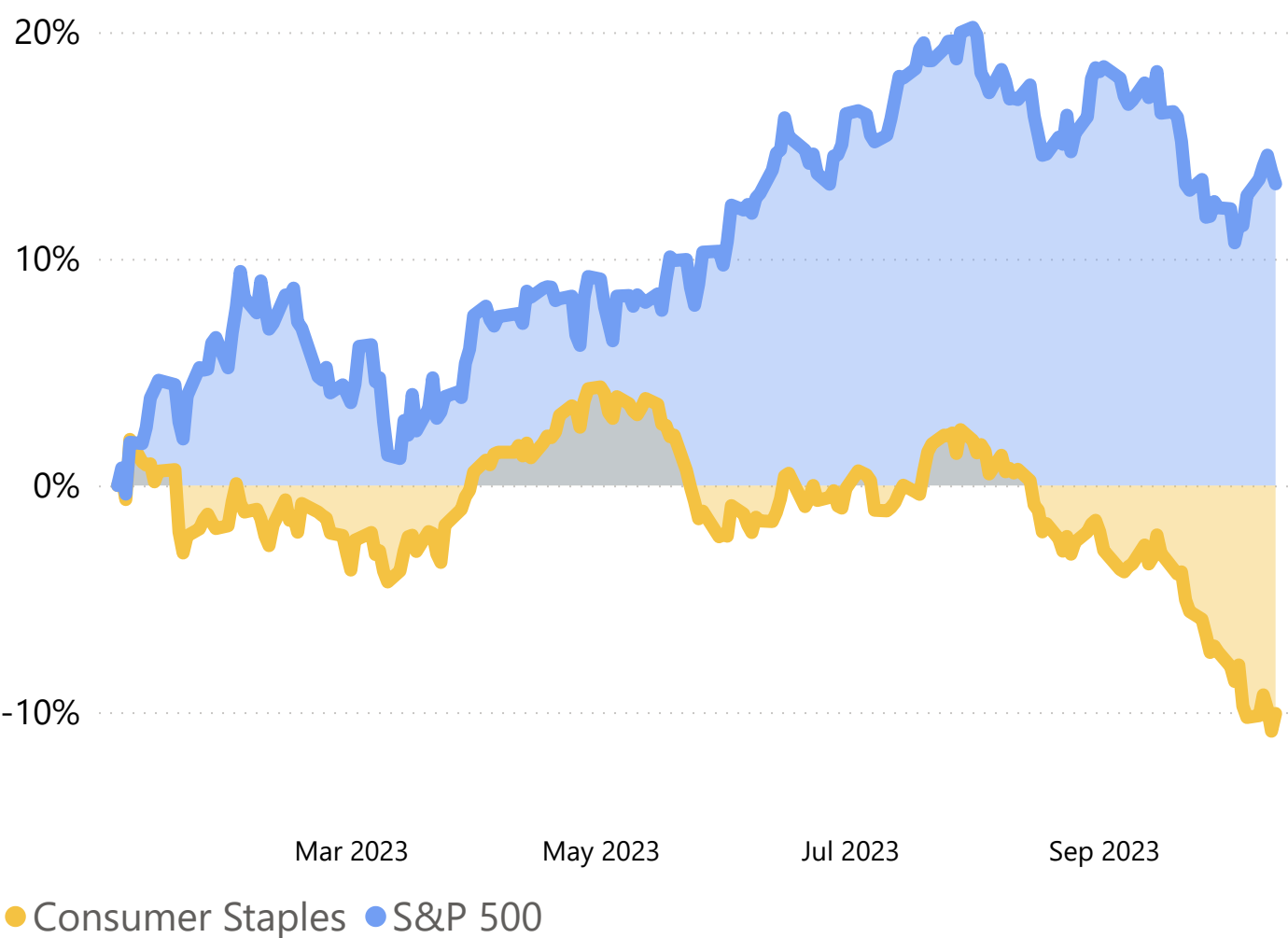
ETFs	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
IYT	2,788.05bn	178.85	0.77%	43.00%	0.42%
FIDU	2,476.19bn	327.73	0.14%	36.79%	0.08%
VIS	1,131.70bn	454.61	-0.66%	217.58%	0.10%
XLI	159.24bn	128.79	-1.63%	23.86%	0.12%
JETS	152.53bn	35.97	-0.61%	34.57%	0.60%



## Consumer Staples

**4.42** **0.19%** **23.40** **16.50**  
Market Cap (Trillio... Weekly Change P/E EV/EBITDA

Sector Comparison to S&P 500 Performance



STOCKS	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
WMT	433.02bn	159.83	2.19%	22.58	11.89
BTI	67.30bn	29.78	-2.36%	6.31	6.78
CL	58.93bn	70.95	2.19%	20.74	13.75
TGT	51.22bn	111.98	6.64%	12.46	8.03
EL	49.57bn	137.68	-5.22%	25.04	15.30

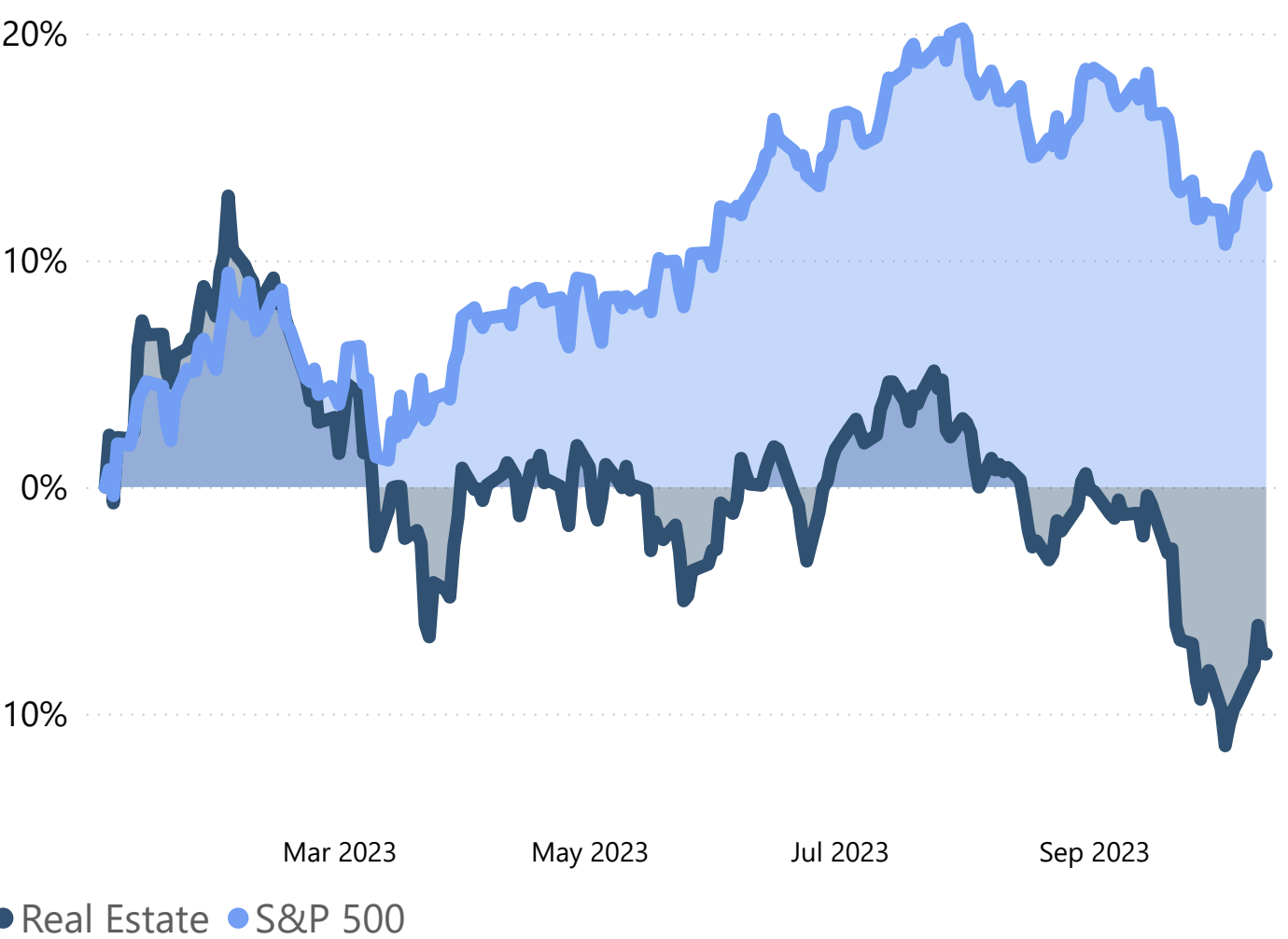
- Walmart's (WMT) Mexican subsidiary is facing an investigation for alleged monopolistic practices, particularly price-fixing. Following Walmart de Mexico's confirmation of the probe, shares of the subsidiary dropped 3.33% on Monday. Walmart has stated it complies with applicable laws to offer the best prices and quality to customers.
- Target (TGT) has been upgraded from "Neutral" to "Buy" by BofA Global Research, with a raised price target of \$135, indicating a potential 29% upside. The upgrade is based on expectations of increased foot traffic, with a projected 5% rise in the latter half of the year, following a 5.4% decline in Q2.

ETFs	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
XLP	582.05bn	609.20	7.78%	66.91%	0.12%
VDC	207.30bn	67.33	-0.13%	-2.88%	0.10%
FXG	186.91bn	32.11	-3.08%	-37.36%	0.63%
KXI	20.22bn	23.25	6.60%	-37.48%	0.46%
FSTA	17.56bn	18.82	2.90%	25.71%	0.08%

## Real Estate

**1.82** **2.32%** **47.20** **20.80**  
Market Cap (Trillio... Weekly Change P/E EV/EBITDA

Sector Comparison to S&P 500 Performance



STOCKS	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
AMT	77.02bn	166.96	4.63%	34.08	18.14
WELL	44.33bn	85.15	4.50%	76.09	22.09
EXR	25.08bn	118.07	-0.38%	19.58	15.08
BEKE	19.41bn	15.87	0.25%	15.82	9.33
SUI	13.01bn	104.85	-10.64%	42.46	15.36

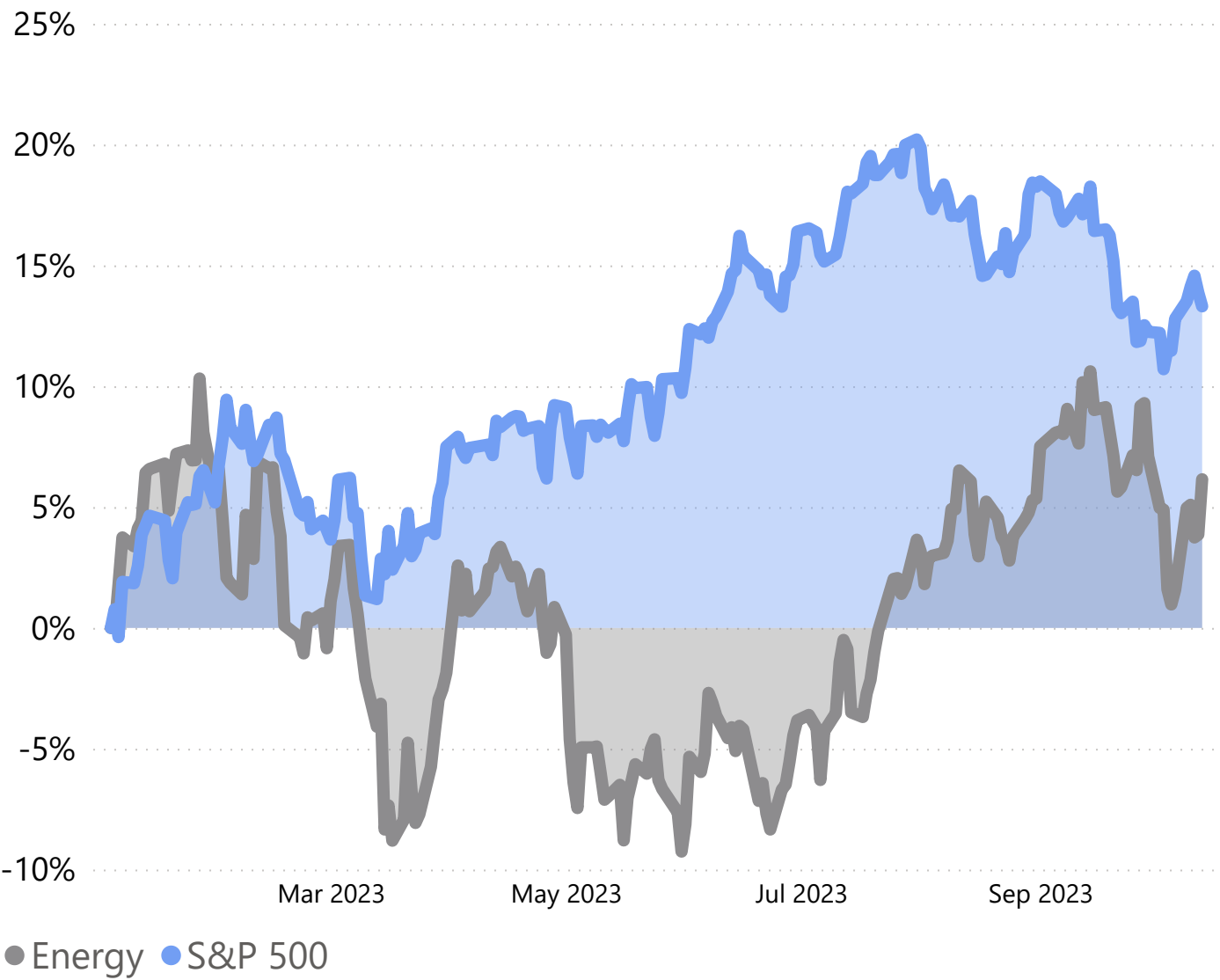
- J.P. Morgan analyst Michael Mueller downgraded Welltower (WELL) to "Neutral" from "Overweight" on Thursday, citing the stock's considerable valuation premiums. He highlighted that WELL is currently trading at 21.6 times his 2024 FFO estimate, compared to health care REITs at 15.5x and the broader REIT group at 15.7x.
- Real estate investment trust Sun Communities (SUI) is selling approximately 41.8 million shares, representing roughly a 10.25% stake in Ingenia Communities Group. This divestment is expected to yield \$100 million in proceeds. In August 2023, they agreed to extend their joint venture partnership with Ingenia for an additional seven years.

ETFs	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
VNQ	1,354.57bn	129.79	1.43%	51.24%	0.12%
IYR	131.72bn	106.10	0.44%	25.52%	0.42%
REZ	49.37bn	1,781.48	-2.24%	29.93%	0.48%
SCHH	41.19bn	29.66	-4.01%	-12.30%	0.07%
XLRE	32.98bn	116.88	-2.16%	-7.94%	0.12%

## Energy

**3.04** **4.50%** **15.20** **8.40**  
Market Cap (Trillio... Weekly Change P/E EV/EBITDA

### Sector Comparison to S&P 500 Performance



STOCKS	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
CVX	307.05bn	164.06	1.13%	11.17	5.97
SHEL	224.80bn	67.38	4.42%	8.18	4.03
BP	113.96bn	40.01	7.35%	7.14	3.72
PSX	49.63bn	110.60	1.29%	8.42	6.41
HES	49.50bn	160.98	10.53%	18.31	8.23

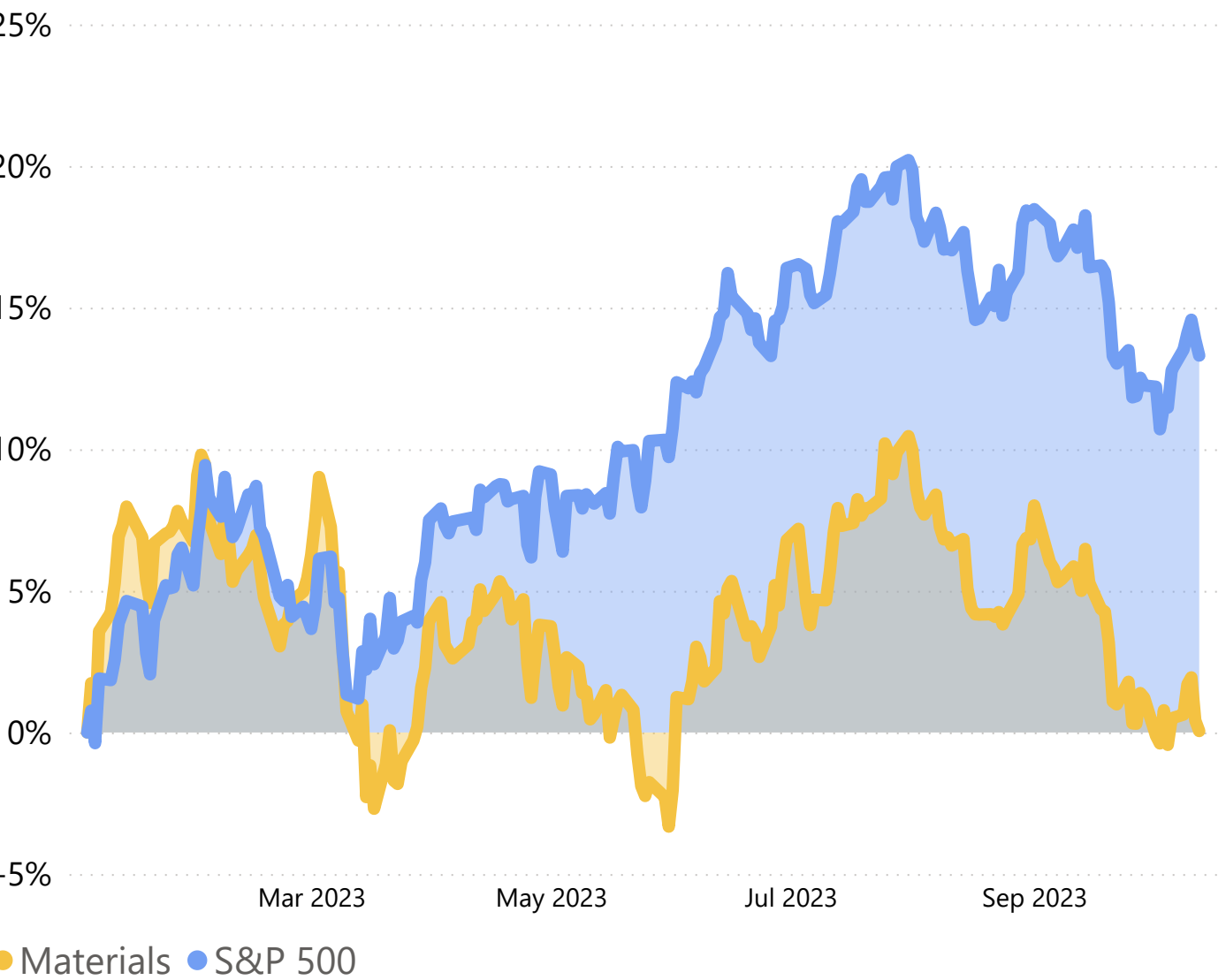
• The U.S. Department of Energy has revealed the first recipients of \$7 billion in federal grants to establish regional hydrogen hubs in accordance with the 2021 infrastructure law. These seven hubs will be located in various regions, and they aim to accelerate hydrogen production. Notably, the Mid-Atlantic hub in Pennsylvania, which is set to receive up to \$750 million in funding, plans to produce hydrogen using existing oil infrastructure with the help of partners like PBF Energy and Air Liquide. The Gulf Coast hub, named HyVelocity, will receive \$1.2 billion and involve major companies like Exxon Mobil (XON) , Chevron (CVX), Air Liquide, Mitsubishi Power, Orsted, AES Corp., Sempra, and Amazon.

ETFs	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
IXC	433.02bn	159.83	2.19%	11.30%	0.46%
IYE	119.00bn	47.80	-0.87%	-5.29%	0.42%
XLE	108.46bn	53.71	1.72%	-9.88%	0.12%
VDE	84.44bn	61.53	-2.89%	-7.12%	0.10%
XOP	49.57bn	137.68	-5.22%	-45.78%	0.35%

## Materials

**2.63** **-0.45%** **17.30** **9.40**  
Market Cap (Trillio... Weekly Change P/E EV/EBITDA

### Sector Comparison to S&P 500 Performance



STOCKS	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
RIO	106.48bn	62.38	0.61%	8.98	4.66
DD	34.99bn	75.39	0.12%	18.34	11.74
NEM	31.22bn	39.43	4.31%	14.44	5.85
PPG	30.60bn	128.46	-3.51%	15.63	11.73
VMC	28.13bn	209.29	-1.46%	25.70	14.63

• BHP reached a preliminary agreement with the Escondida mine supervisors' union in Chile, averting a strike. Government mediation followed the union's rejection of the company's proposal, ensuring uninterrupted copper production at the world's largest deposit in FY 2022.

• Newmont announced the resolution of the four-month strike at Peñasquito mine in Mexico, as approved by the Mexican Labor Court. The agreement includes no additional incremental profit sharing for 2022 and compensates employees for 60% of lost wages since the strike's onset, along with an 8% wage increase for 2023, unrelated to the strike's grounds.

ETFs	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
VAW	307.05bn	164.06	1.13%	-5.71%	0.10%
SIL	224.80bn	67.38	4.42%	20.36%	0.65%
XME	113.96bn	40.01	7.35%	16.58%	0.35%
GDV	49.63bn	110.60	1.29%	9.47%	0.52%
XLB	49.50bn	160.98	10.53%	19.67%	0.12%



Utilities

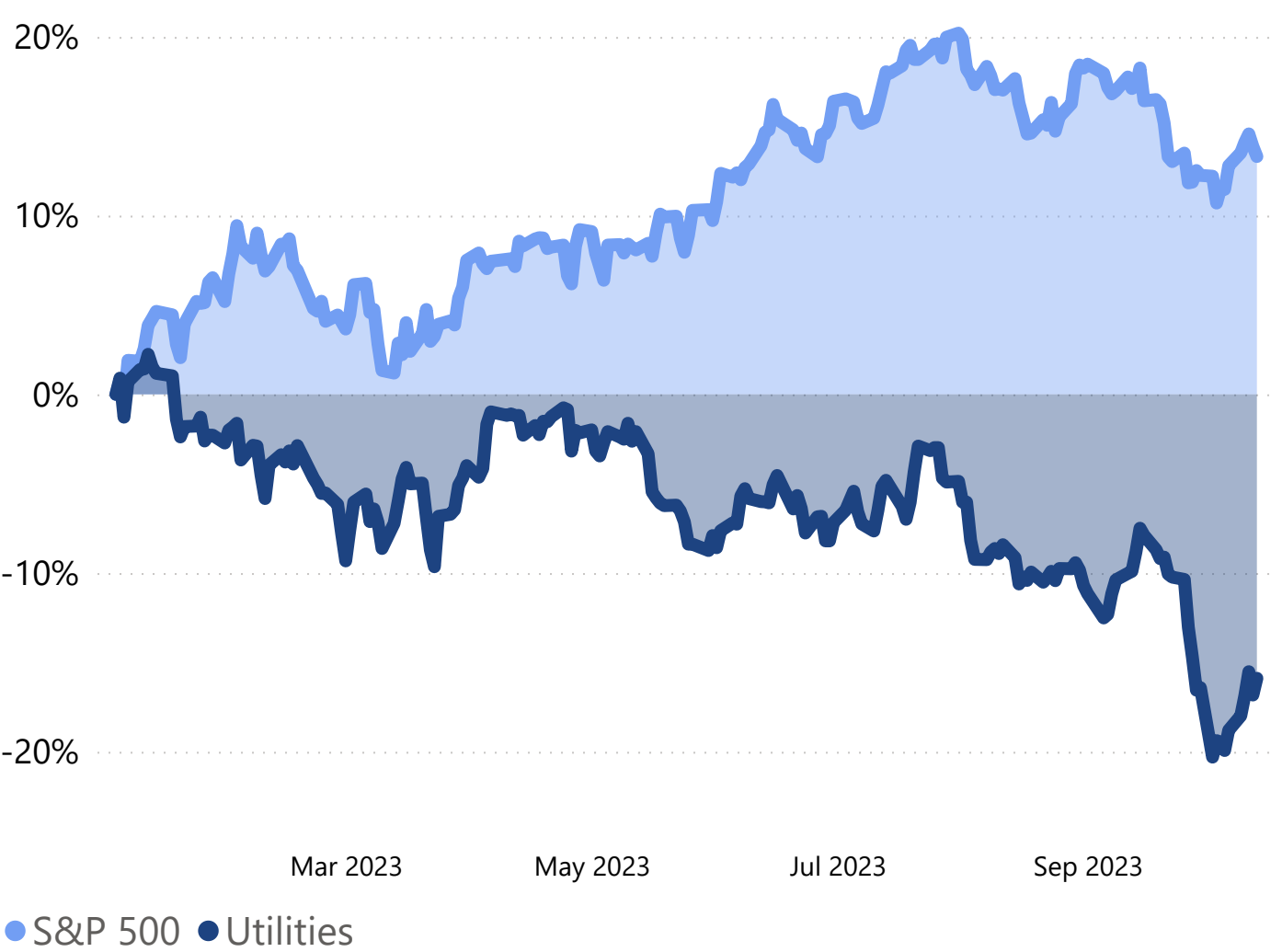
1.69  
Market Cap (Trillio...

3.58%  
Weekly Change

23.20  
P/E

13.00  
EV/EBITDA

Sector Comparison to S&P 500 Performance



STOCKS	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
NEE	108.85bn	54.49	8.46%	15.86	12.42
CEG	37.17bn	113.69	3.20%	19.27	11.15
PCG	34.00bn	16.28	4.96%	12.08	8.99
BIP	15.60bn	25.98	-7.31%	28.20	18.05
AGR	11.97bn	30.98	5.02%	13.32	9.86

- PG&E (PCG) faces potential fines of \$45 million for violating state laws in connection with the 2021 Dixie Fire. The California Public Utility Commission's proposal includes a \$40 million allocation for digitizing records, \$2.5 million for California's general fund, and an additional \$2.5 million for tribal governments affected by the fire.
- Avangrid (AGR) received approval for significant three-year rate increases for its New York State Electric and Gas and Rochester Gas and Electric subsidiaries, along with \$6 billion in investments for grid improvements. These changes, which include enhanced customer services and protections, will result in an average monthly bill increase of around \$10, starting November 1.

ETFs	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
VPU	68.29bn	88.68	2.02%	-14.48%	0.10%
PAVE	44.29bn	60.31	2.76%	-0.30%	0.47%
IDU	37.17bn	113.69	3.20%	38.80%	0.10%
XLU	11.97bn	30.98	5.02%	-28.19%	0.12%
IGF	2.03bn	22.27	-1.24%	-68.55%	0.46%

# WEEK AHEAD

## Monday

October 16, 2023	Monday
1:00pm - 1:30pm	<ul style="list-style-type: none"><li>Trade Balance (Aug)</li></ul>
2:00pm - 2:30pm	<ul style="list-style-type: none"><li>Eurogroup Meetings</li></ul>
4:30pm - 5:00pm	<ul style="list-style-type: none"><li>NY Empire State Manufacturing Index (Oct)</li></ul>
6:30pm - 7:00pm	<ul style="list-style-type: none"><li>FOMC Member Harker Speaks</li></ul>

## Tuesday

October 17, 2023	Tuesday
12:30am - 1:00am	<ul style="list-style-type: none"><li>FOMC Member Harker Speaks</li></ul>
10:00am - 10:30am	<ul style="list-style-type: none"><li>Average Earnings Index +Bonus (Aug)</li></ul>
10:00am - 10:30am	<ul style="list-style-type: none"><li>Unemployment Rate (Aug)</li></ul>
4:00pm - 4:30pm	<ul style="list-style-type: none"><li>FOMC Member Williams Speaks</li></ul>
4:30pm - 5:00pm	<ul style="list-style-type: none"><li>Core Retail Sales (MoM) (Sep)</li></ul>
4:30pm - 5:00pm	<ul style="list-style-type: none"><li>Retail Sales (MoM) (Sep)</li></ul>
5:20pm - 5:50pm	<ul style="list-style-type: none"><li>FOMC Member Bowman Speaks</li></ul>

## Wednesday

October 18, 2023	Wednesday
10:00am - 10:30am	<ul style="list-style-type: none"><li>CPI (YoY) (Sep)</li></ul>
1:00pm - 1:30pm	<ul style="list-style-type: none"><li>Core CPI (YoY) (Sep)</li></ul>
1:00pm - 1:30pm	<ul style="list-style-type: none"><li>CPI (YoY) (Sep)</li></ul>
1:00pm - 1:30pm	<ul style="list-style-type: none"><li>ECB President Lagarde Speaks</li></ul>
4:30pm - 5:00pm	<ul style="list-style-type: none"><li>Housing Starts (Sep)</li></ul>
6:30pm - 7:00pm	<ul style="list-style-type: none"><li>Crude Oil Inventories</li></ul>

## Thursday

October 19, 2023	Thursday
4:30pm - 5:00pm	<ul style="list-style-type: none"><li>Initial Jobless Claims</li></ul>
4:30pm - 5:00pm	<ul style="list-style-type: none"><li>Philadelphia Fed Manufacturing Index (Oct)</li></ul>
8:00pm - 8:30pm	<ul style="list-style-type: none"><li>Fed Chair Powell Speaks</li></ul>

## Friday

October 20, 2023	Friday
12:00am - 12:30am	<ul style="list-style-type: none"><li>FOMC Member Bostic Speaks</li></ul>
12:30am - 1:00am	<ul style="list-style-type: none"><li>Fed's Balance Sheet</li></ul>
1:30am - 2:00am	<ul style="list-style-type: none"><li>FOMC Member Harker Speaks</li></ul>
10:00am - 10:30am	<ul style="list-style-type: none"><li>Core Retail Sales (MoM) (Sep)</li></ul>
10:00am - 10:30am	<ul style="list-style-type: none"><li>Core Retail Sales (YoY) (Sep)</li></ul>
10:00am - 10:30am	<ul style="list-style-type: none"><li>Retail Sales (MoM) (Sep)</li></ul>
10:00am - 10:30am	<ul style="list-style-type: none"><li>Retail Sales (YoY) (Sep)</li></ul>

Ticker	Type	Time	Maket Cap
HDB	Earnings	Not Supplied	108.69bn
SCHW	Earnings	Pre Market	93.81bn
ELS	Earnings	After Hours	11.98bn
SFBS	Earnings	After Hours	2.87bn
EPAC	Earnings	After Hours	1.51bn
FBK	Earnings	After Hours	1.33bn
CFB	Earnings	After Hours	0.50bn
FNGR	Earnings	Not Supplied	0.35bn

Ticker	Type	Time	Maket Cap
JNJ	Earnings	Pre Market	406.30bn
BAC	Earnings	Pre Market	213.76bn
LMT	Earnings	Pre Market	109.33bn
GS	Earnings	Pre Market	102.15bn
PLD	Earnings	Pre Market	101.30bn
AMX	Earnings	Not Supplied	53.26bn
BK	Earnings	Pre Market	32.12bn
JBHT	Earnings	After Hours	19.93bn

Ticker	Type	Time	Maket Cap
TSLA	Earnings	After Hours	821.65bn
PG	Earnings	Pre Market	337.85bn
ASML	Earnings	Pre Market	243.37bn
SAP	Earnings	After Hours	161.74bn
NFLX	Earnings	After Hours	160.06bn
ABT	Earnings	Pre Market	156.51bn
MS	Earnings	Pre Market	128.93bn
ELV	Earnings	Pre Market	106.87bn

Ticker	Type	Time	Maket Cap
TSM	Earnings	After Hours	479.30bn
PM	Earnings	Pre Market	142.61bn
UNP	Earnings	Pre Market	126.76bn
T	Earnings	Pre Market	103.30bn
MMC	Earnings	Pre Market	94.31bn
ISRG	Earnings	After Hours	93.50bn
BX	Earnings	Pre Market	74.42bn
CSX	Earnings	After Hours	62.52bn

Ticker	Type	Time	Maket Cap
AXP	Earnings	Pre Market	111.41bn
SLB	Earnings	Pre Market	82.95bn
RF	Earnings	Pre Market	15.29bn
HBAN	Earnings	Pre Market	14.52bn
IPG	Earnings	Pre Market	11.24bn
ALV	Earnings	Pre Market	8.18bn
PAC	Earnings	Not Supplied	6.88bn
CMA	Earnings	Pre Market	5.50bn



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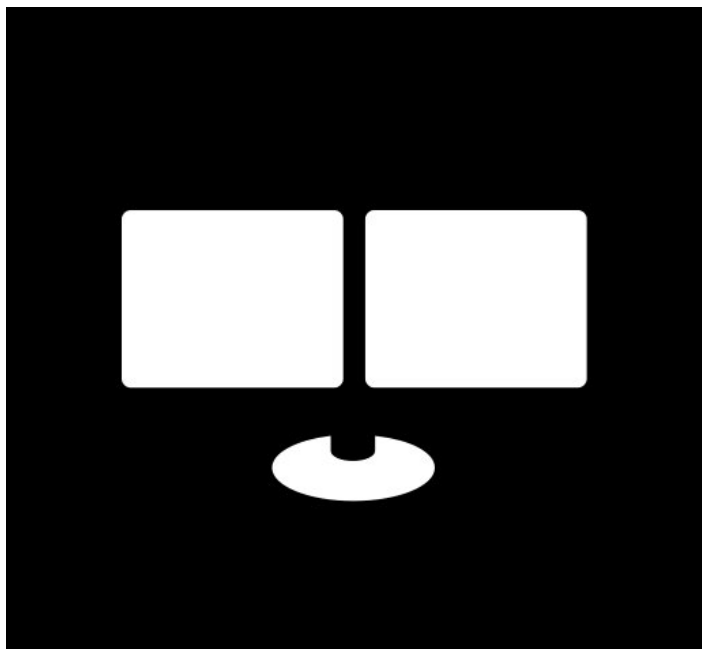
# SOURCES

Source Name	Web Address
Bloomberg, Bloomberg Terminal	<a href="https://www.bloomberg.com/">https://www.bloomberg.com/</a>
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