

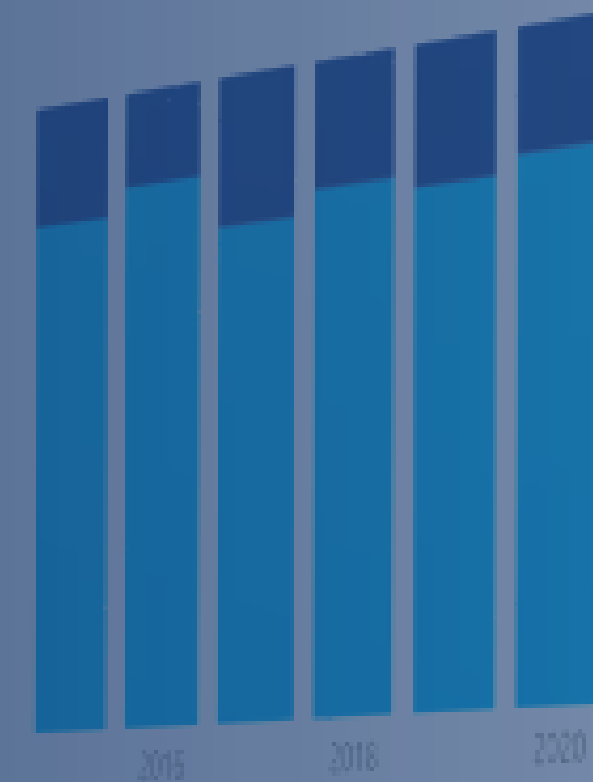


**TBC CAPITAL**

# Weekly Equity Market Outlook

October 4 - 8

TBC Capital Brokerage



Residents Non-Residents



< 1 month 12 > month 1-3 month 3-6 month

Portfolio  
6,028,587.94

Stocks  
3,544,233.33

Bonds  
2,484,354.60

MSFT  
1,649,704.13

AAPL  
1,199,916.83

GOOG  
431,177.46

TSLA  
262,796.19

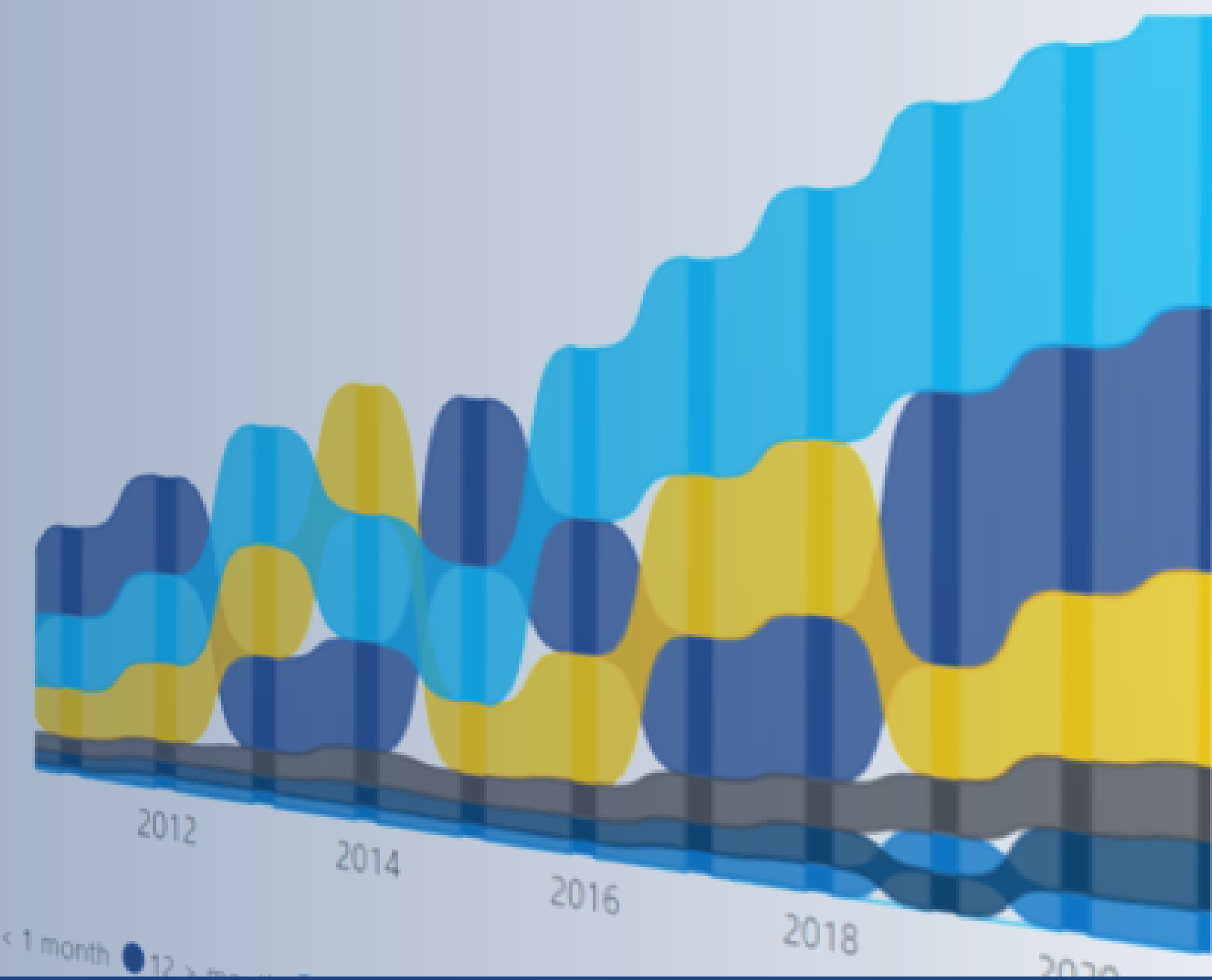
NIO  
638.73



Currency in FX FX As % of GDP



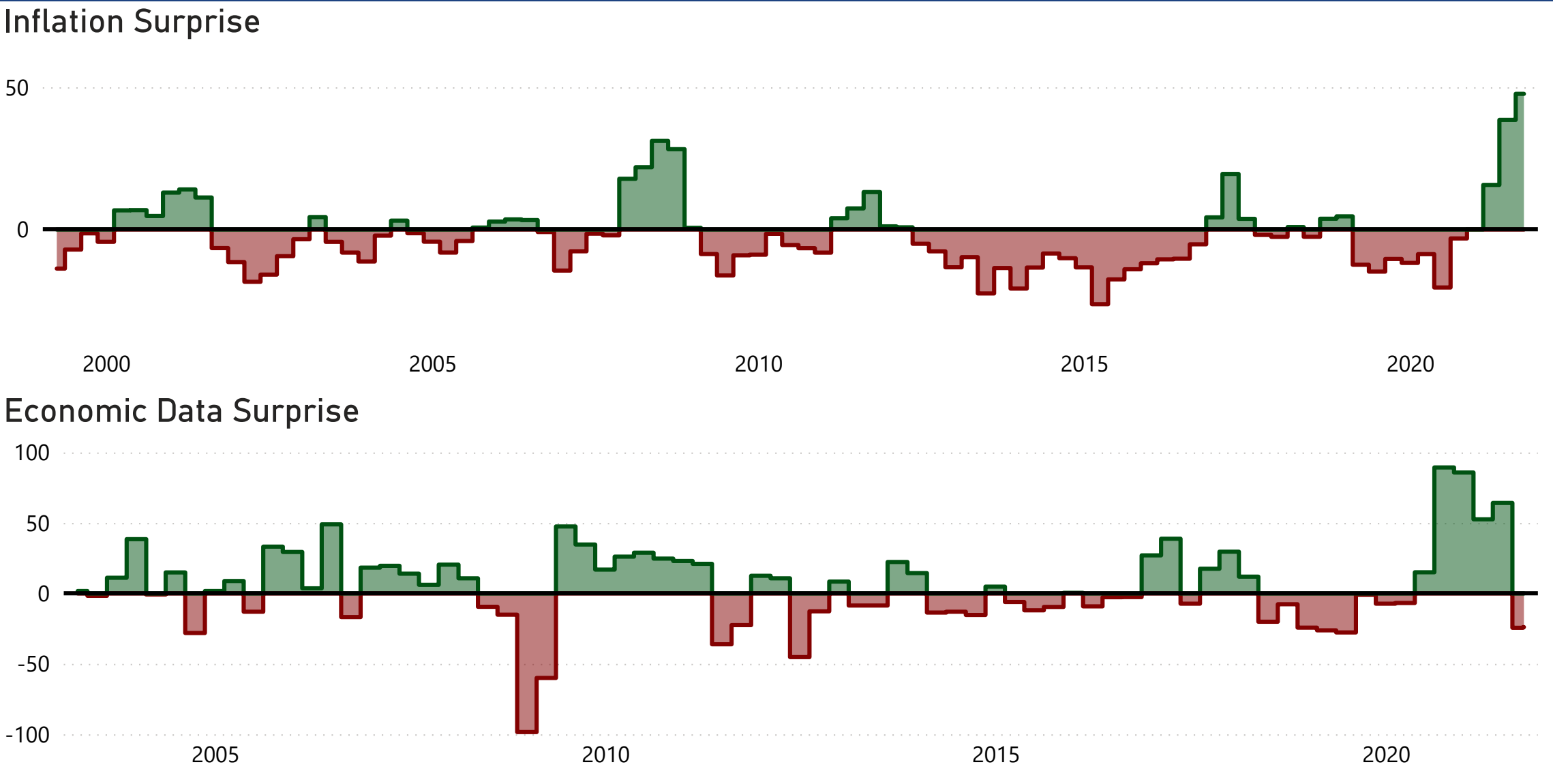
< 1 month 12 > month 1-3 month 3-6 month



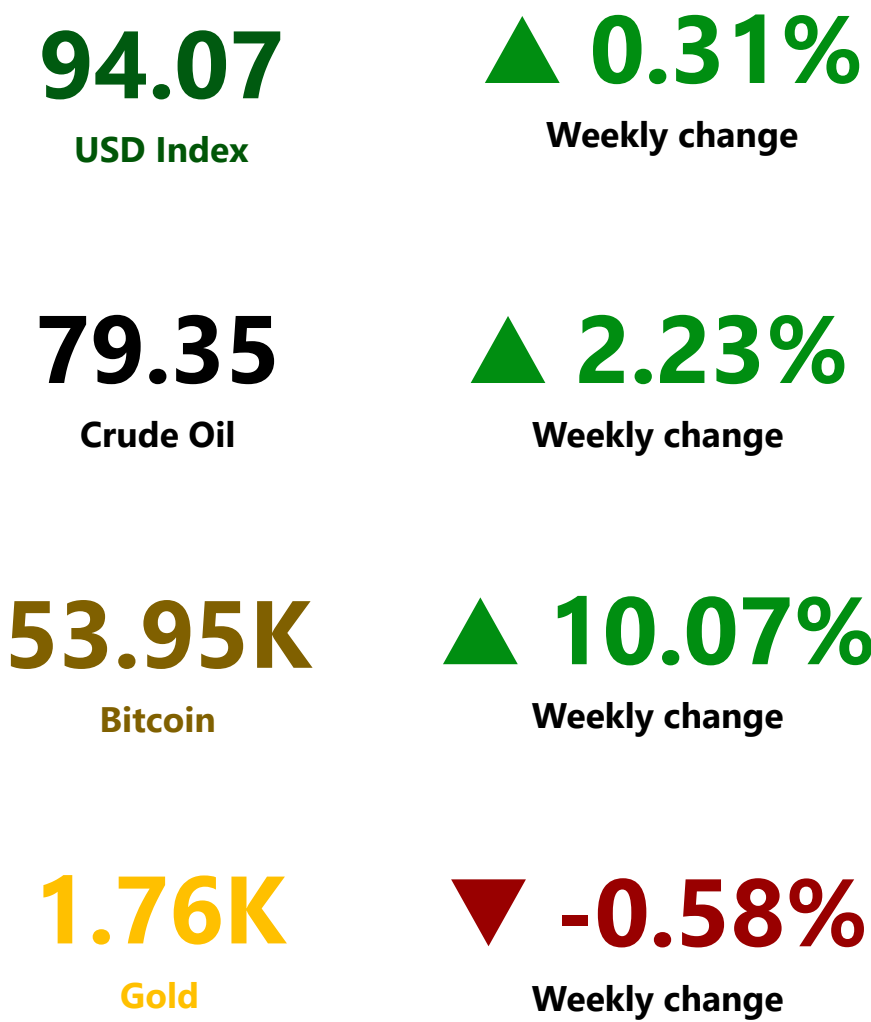
< 1 month 12 > month 1-3 month 3-6 month

# Executive Summary

## Wall Street is Worried About Stagflation



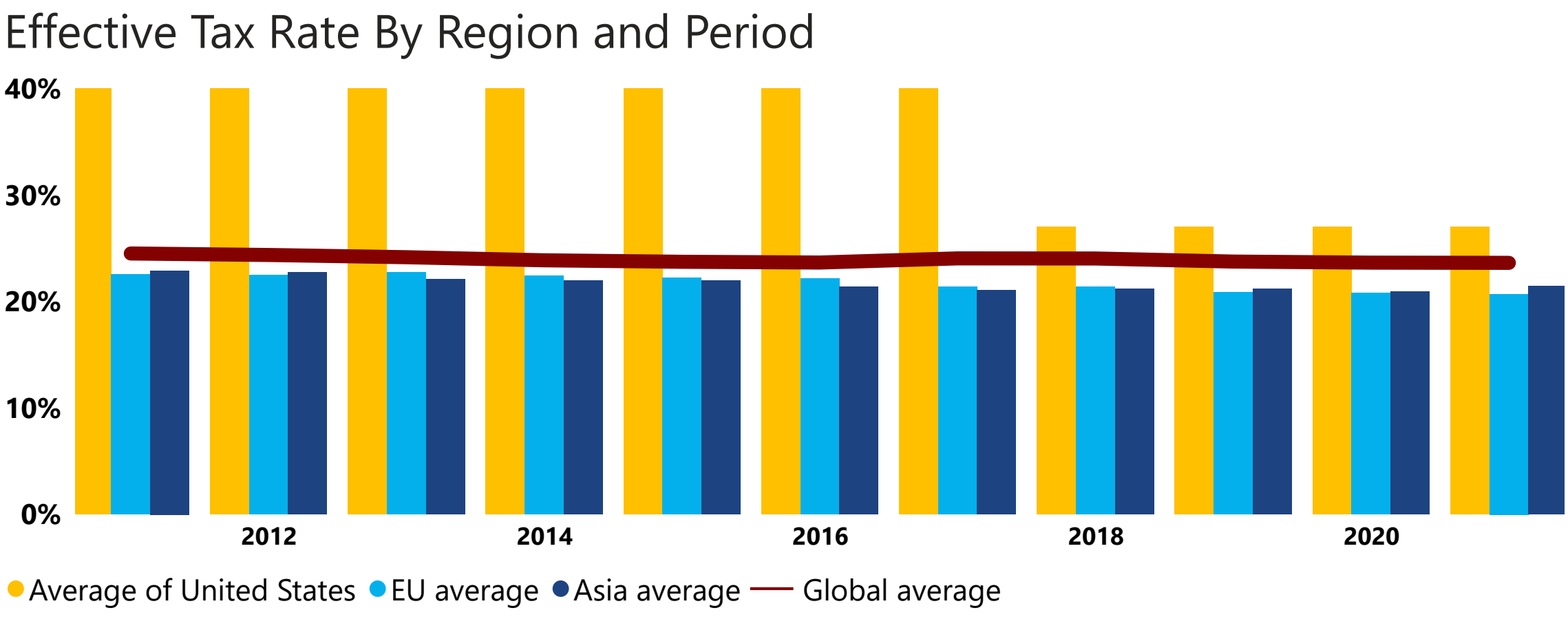
## Commodities



## Investment Themes

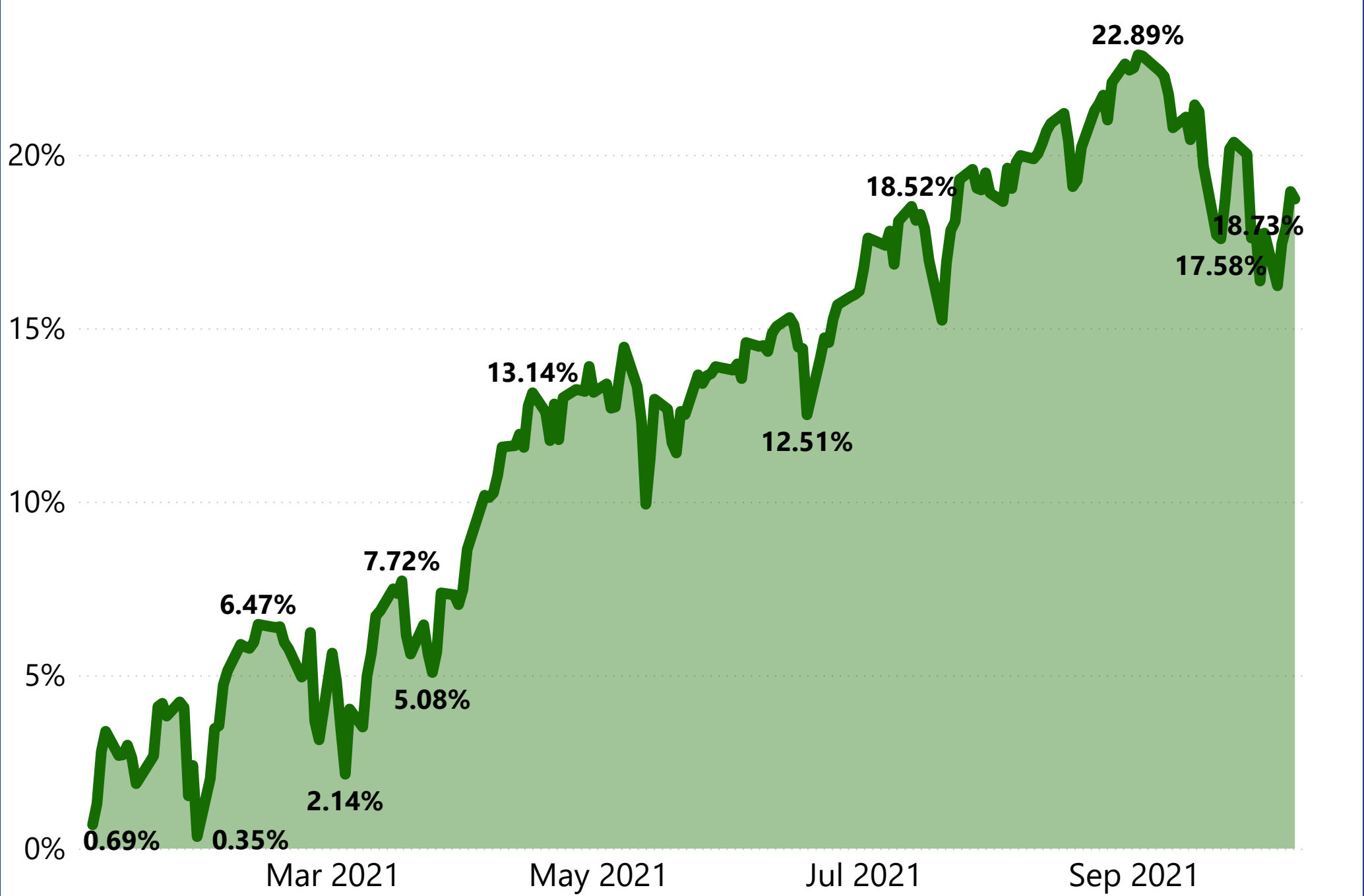
- Markets are down around 5% since its highs in September, but move is not daunting enough to affect volatility.
- The quarterly earnings season starts this week. Latest earnings are crucially important for the markets.
- High oil prices, unemployment, supply shortages and bottlenecks, inflation, and recession could cause stagflation like one in 1970.
- Post pandemic, governing bodies have paid particular importance to the dynamics in the labor sector.

## OECD Reaches a Crucial Agreement



OECD, consisting of 136 countries, has posted significant progress on its attempt to incorporate a global tax rate which will impose taxes on multinationals both in the countries where they operate and where their headquarters are located.

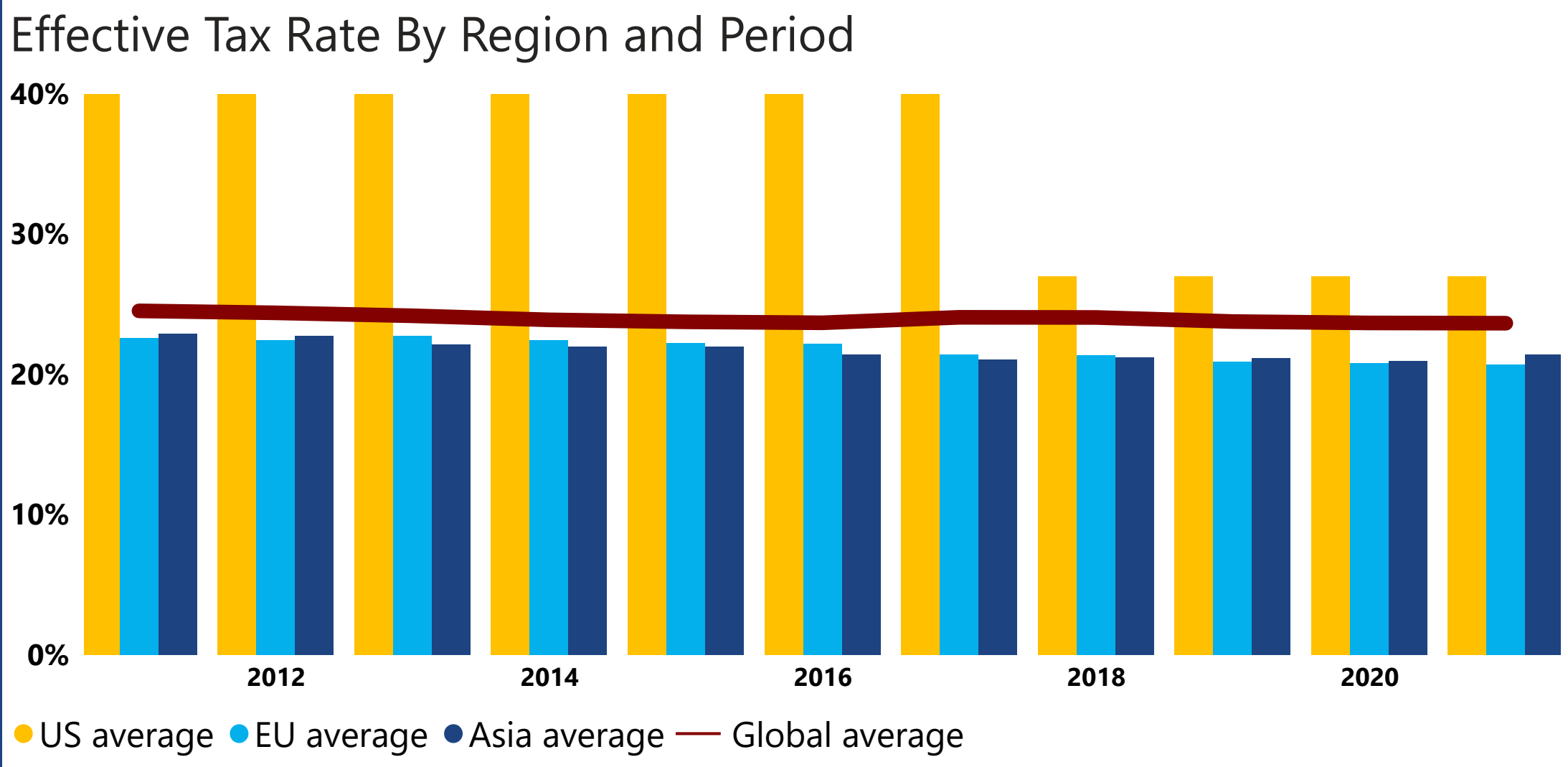
## S&P 500 Performance YTD



## Weekly Sector Performance

Sector	○	Change
Energy	▲	5.07%
Financials	▲	2.28%
Industrials	▲	1.78%
Consumer Staples	▲	1.49%
Utilities	▲	1.39%
Consumer Discretionary	▲	1.01%
Materials	▲	1.01%
Information Technology	▲	0.26%
Health Care	▼	-0.31%
Real Estate	▼	-0.69%
Communication Services	▼	-1.26%

OECD Reaches a Crucial Agreement

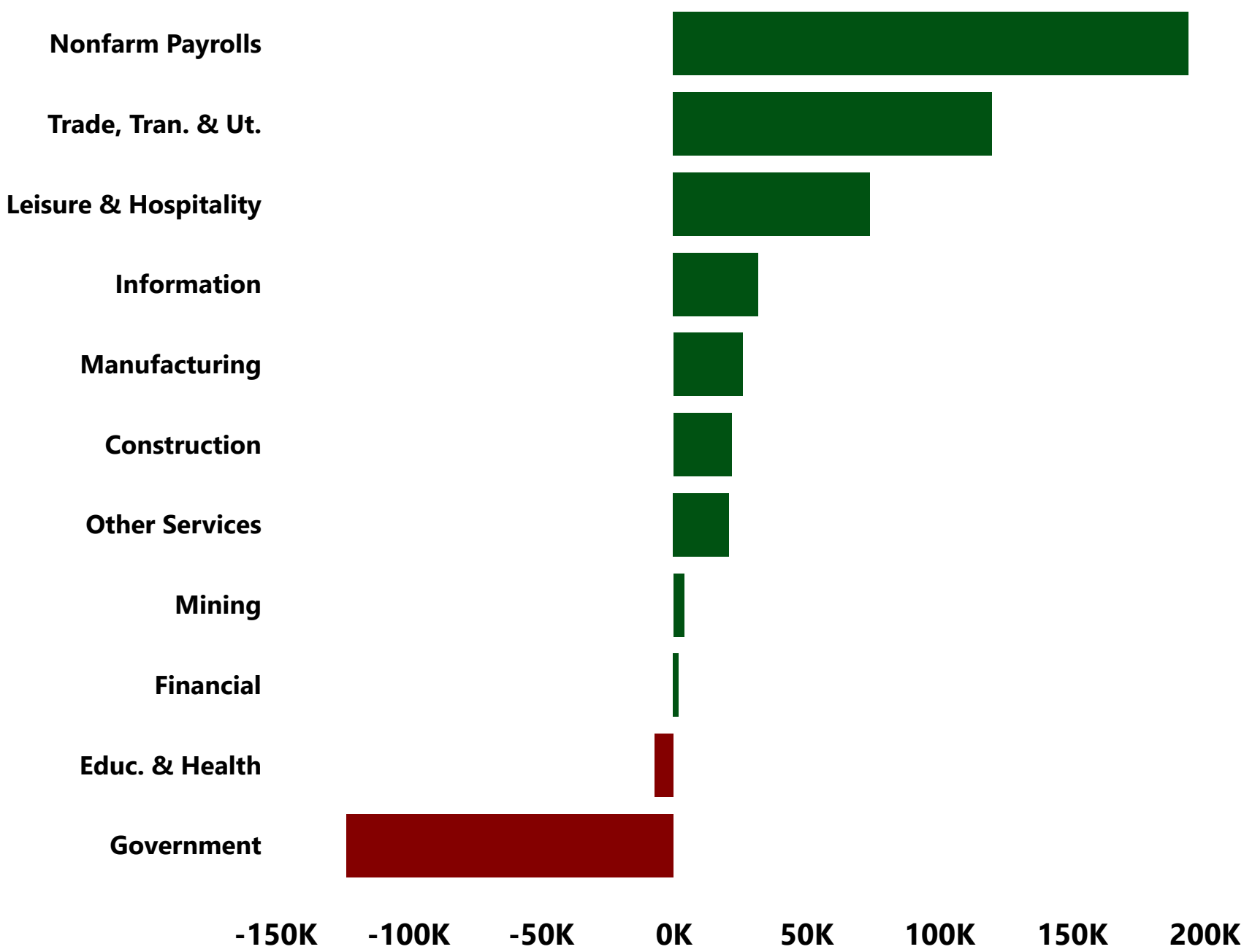


- OECD, consisting of 136 countries, has posted significant progress on its attempt to incorporate a global tax rate which will impose taxes on multinationals both in the countries where they operate and where their headquarters are located. The new tax rate comprises 15%, cannot be modified, will only be paid by large companies, and is expected to help countries gather more funding.
- This decision comes in contrast with the developments in the United States, where (despite Biden’s pre-election claims) only the progressives are trying to move forth the agenda of taxing large corporations. Since corporations are more integrated into the inner workings of Washington, the possibility of making a decision of similar scope is still less likely.
- According to the chart, most averages around the globe have not changed much, while the net effective corporate tax rate decreased significantly in 2018 due to Trump’s agenda to aid corporations.

Payrolls Persist with a Declining Trend

- Nonfarm payrolls data released on Friday proved to be disappointing for the second week in a row, with the count falling short of expectations: 194,000 instead of the forecasted 500,000. Among industries, Government payrolls dropped the most with 161,000 jobs lost.
- The low number is usually taken as bearish for the financial markets and USD, as it indicates lagging labor market. However, many economists believe that such a result will not deter Fed from announcing its plans on tapering as the inflation is not receding and many monetarists have even said that the term “transitory” is not applicable to the current situation.
- Similar to last year, the negative trajectory of nonfarm payrolls limited the gains posted in most of equity industries, with only commodities prospering due to the weakened dollar.
- Therefore, supply shortages are even visible in the labor sector as employers are having difficulties filling positions. On the bright side, the results from previous months were revised up and unemployment rate dropped to 4.8%.
- The drop was not aided by the termination of emergency unemployment insurance which some predicted would boost job-seeking activities. The switch from online classes to in-person activities also decreased the number of jobs that students held.

Change in Nonfarm Employment by Industry





## USD Index

▲ **0.31%**  
USD Index Weekly change

**94.07**  
Last Price

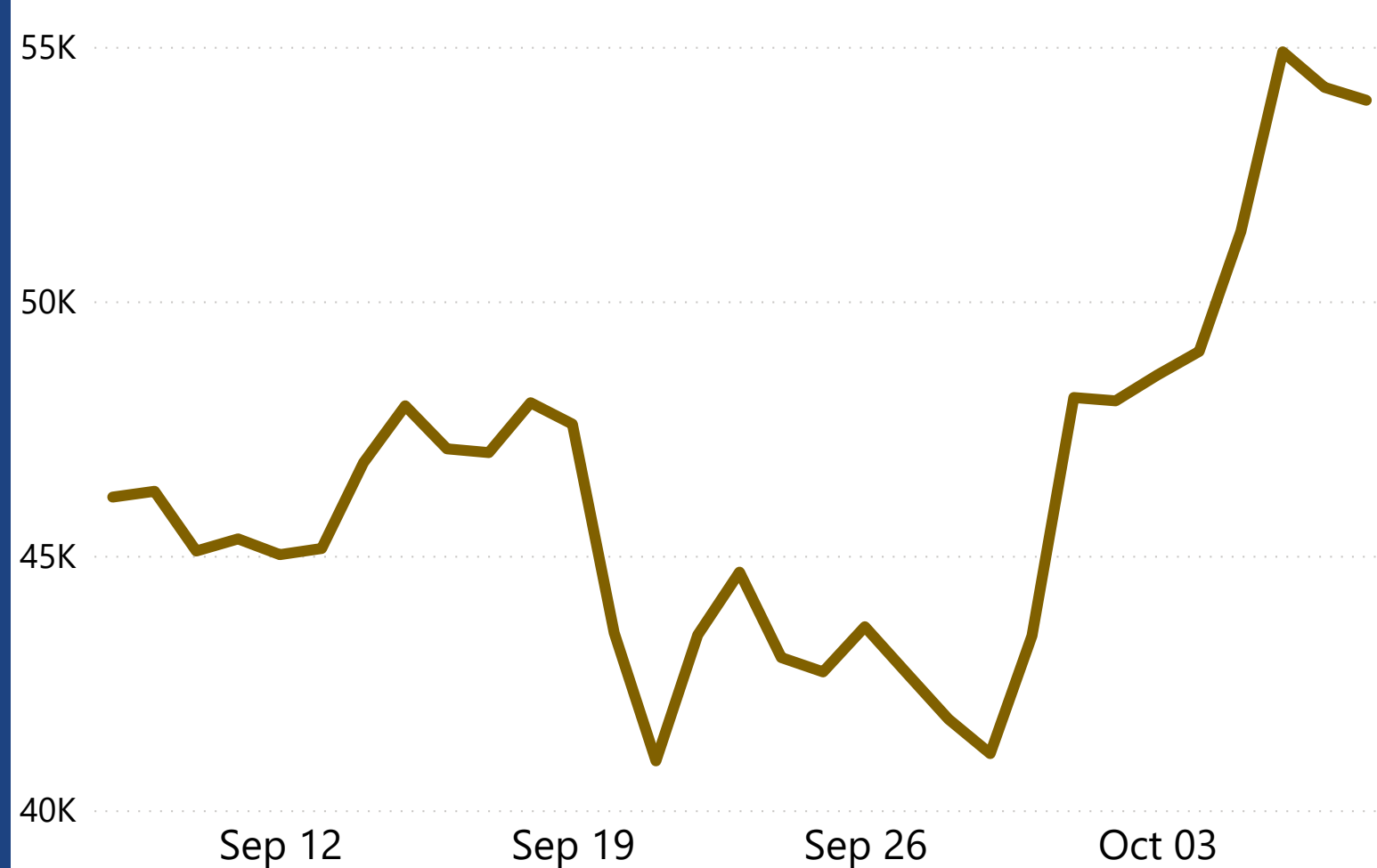


- The index was mostly hovering around the 94 level and posted weekly gains as the macroeconomic conditions unfolded, and the U.S. Senate voted to extend the debt ceiling till December.
- The index saw a slight drop on Friday following the underwhelming nonfarm payrolls data which casted slight uncertainty over Fed's plans to taper.
- Nevertheless, the USD index is still expected to increase unless the earnings season posts disappointing returns and increases the fears of stagflation.

## Bitcoin (BTC)

▲ **10.07%**  
Bitcoing Weekly change

**53.95K**  
Last Price

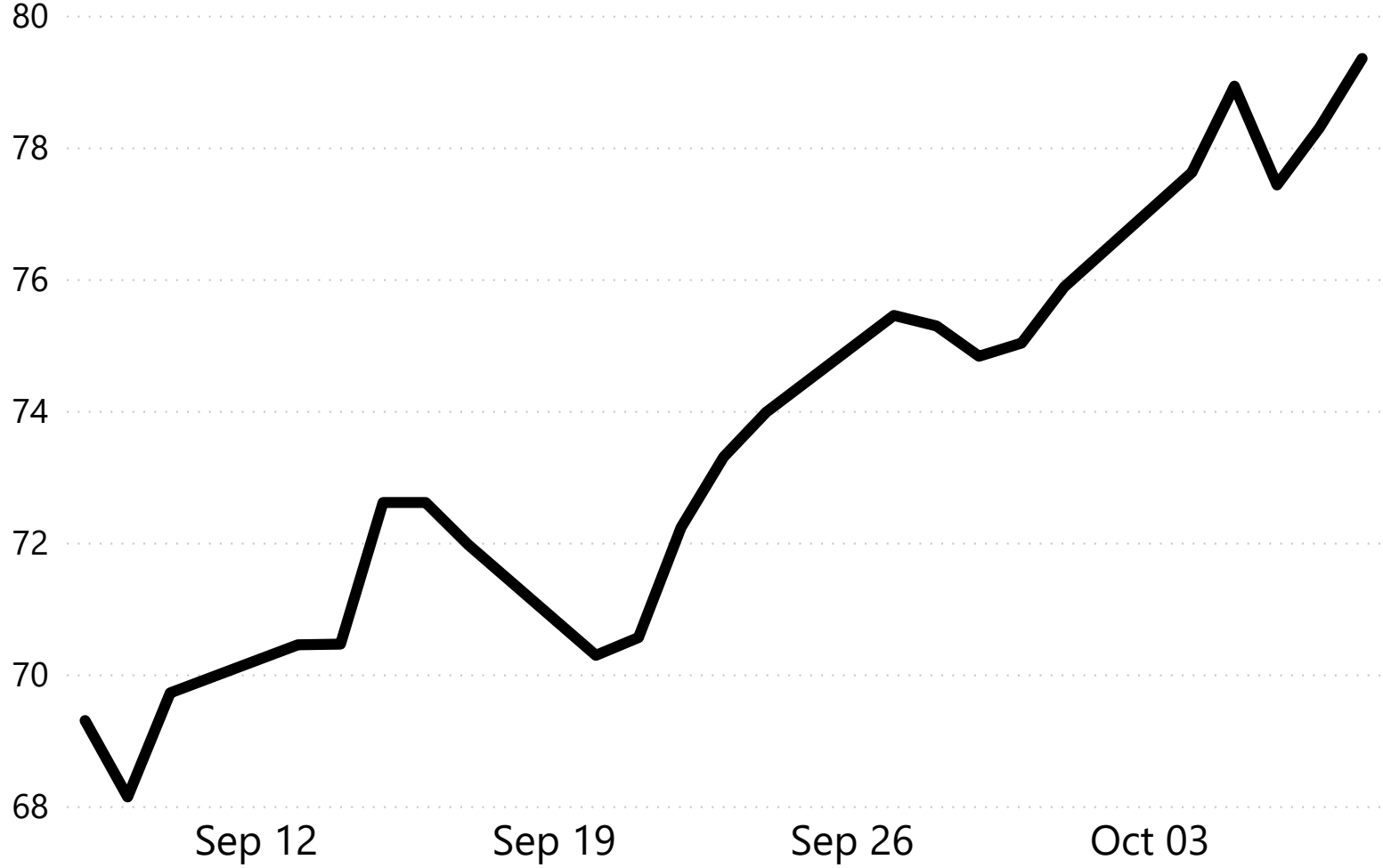


- Bitcoin's price increased to the \$56,000 levels mostly due to outside news regarding the cryptocurrency's acceptance and implementation.
- The news about Switzerland's financial regulator, Finma's announcement about the creation of its first cryptocurrency investment fund caused the price of Bitcoin to increase.
- Another reason was a hefty transaction on Wednesday when 1.6 billion dollars-worth of bitcoin was bough, which increased the price of the cryptocurrency by 5%.

## Crude Oil WTI

▲ **2.23%**  
Crude Oil Weekly change

**79.35**  
Last Price

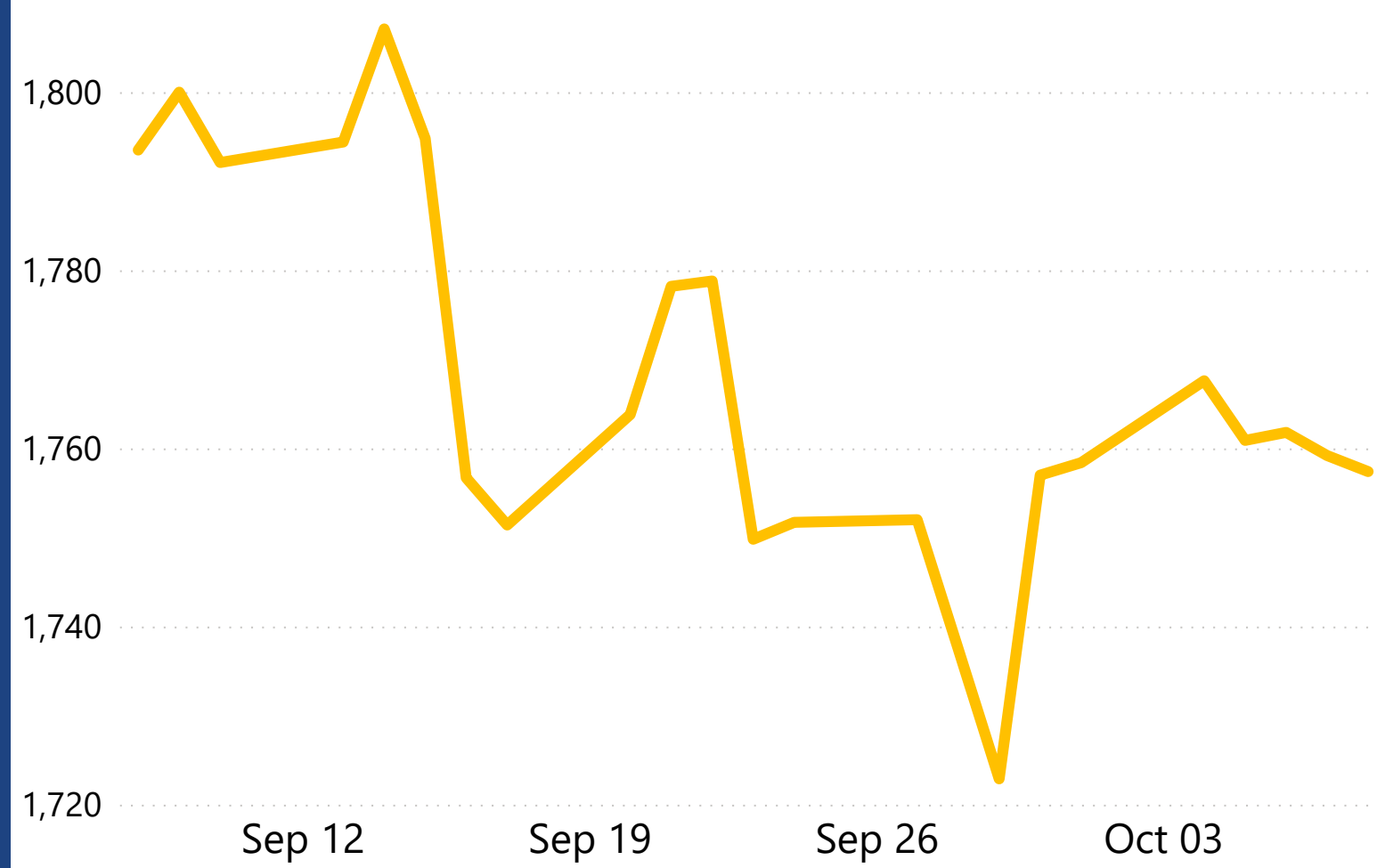


- Despite a small dip on Wednesday, oil posted positive returns last week, with the price of a barrel increasing from \$77.62 to \$79.35 - briefly surpassing \$80 and reaching the highest level since 2014.
- As in previous weeks, the rise in price was due to high demand, supply shortages, and the energy crunch in Europe. OPEC's decision to leave the rate of production increase unchanged, further aided the rise in price as the supply will still be limited.

## Gold

▼ **-0.58%**  
Gold Weekly change

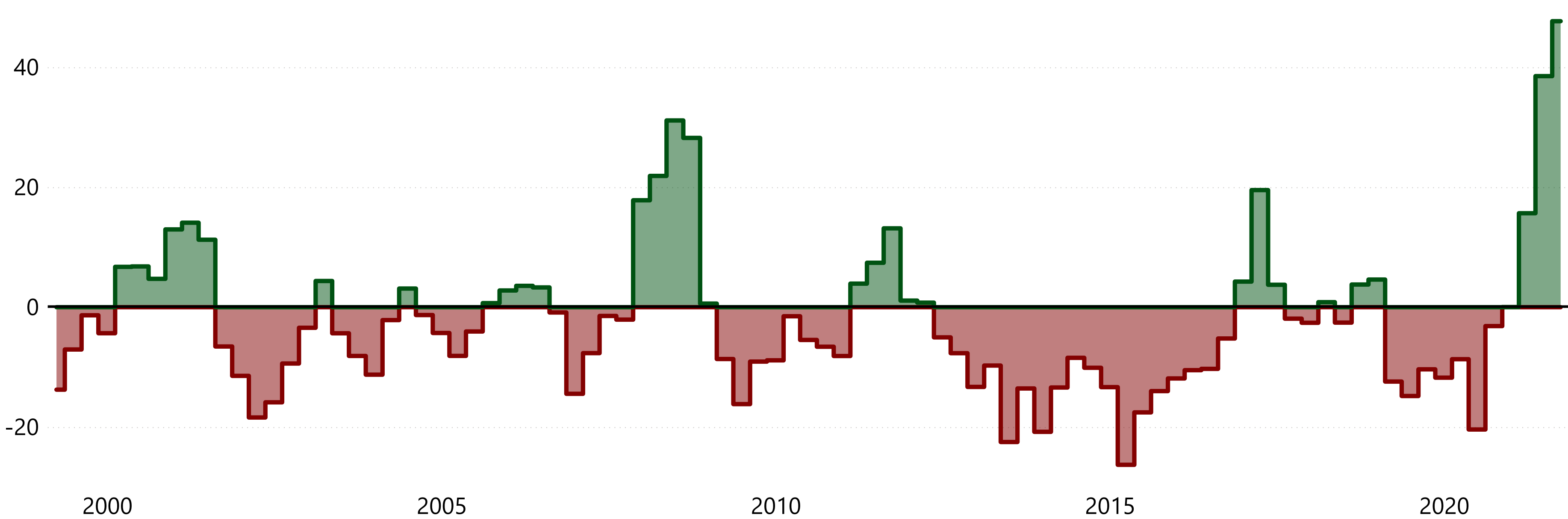
**1.76K**  
Last Price



- Gold posted a slight decline last week from \$1757.60 to \$1757.40 per ounce, despite the commodities rising starkly (due to the fears of stagflation) as compared to other industries.
- As the Fed nears its decision to taper, the price of gold is expected to decline; however, the precious metal prospers in times of high inflation, which could help it maintain or even increase its valuation if the conditions are right.
- Nevertheless, as November approaches and dollar strengthens, the Gold will experience a downwards trend.

Wall Street is Worried About Stagflation

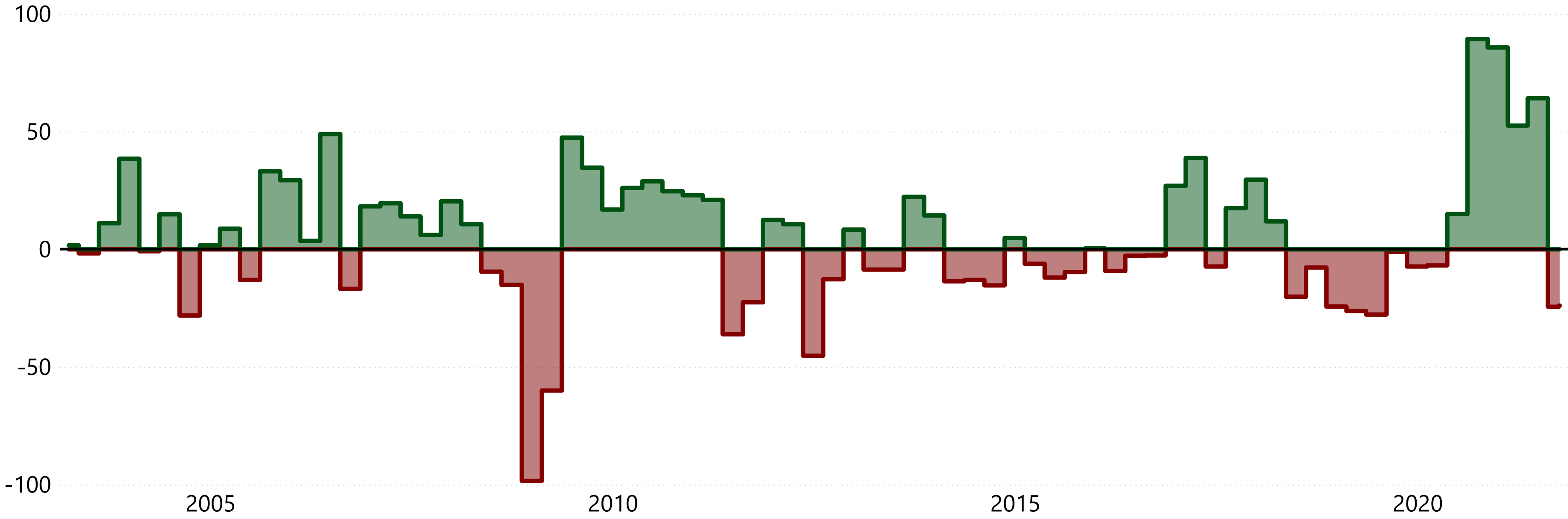
Inflation Surprise



As shown on upper chart, Citi global inflation index is on its highest level since 1999 and continues to grow, as discussed in previous sections of report - inflation, high oil prices, supply chain issues and slowing GDP growth as well as weak outlook creates fear and risk of stagflation. On the lower chart it is clearly visible that economic surprise index had a massive drop compared to previous periods, that is another indication of arising stagflation fear.

Historically speaking most weaknesses on equity market during stagflationary moments are caused by declining profit margins. The reason for that is that during stagflation real revenues stay stable while production costs rise and corporations struggle to rise prices quickly enough because purchasing power experiences weakness resulting inability to offset rising costs and maintain stable profit margins.

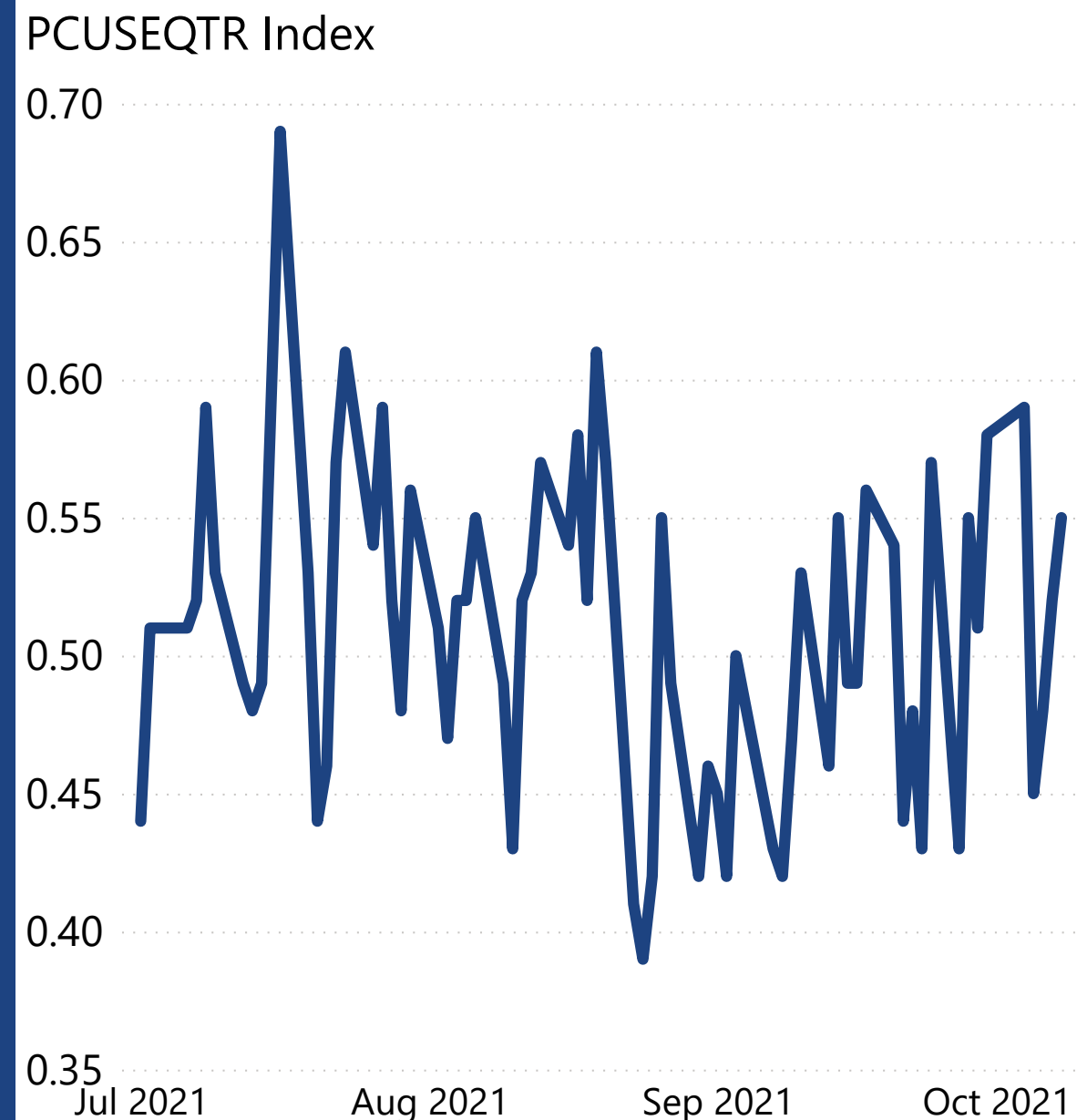
Economic Data Surprise



Leading investment bank Goldman Sachs (GS) notes that historically P/E multiples decrease during stagflationary moments alongside with rising interest rates. GS says that Energy and Healthcare sectors are the most resilient during such environments with average quarterly returns of 1.6pp and 1.5pp respectively while IT and industrials are the most vulnerable ones with 1.0pp and 0.6pp average quarterly loss respectively.

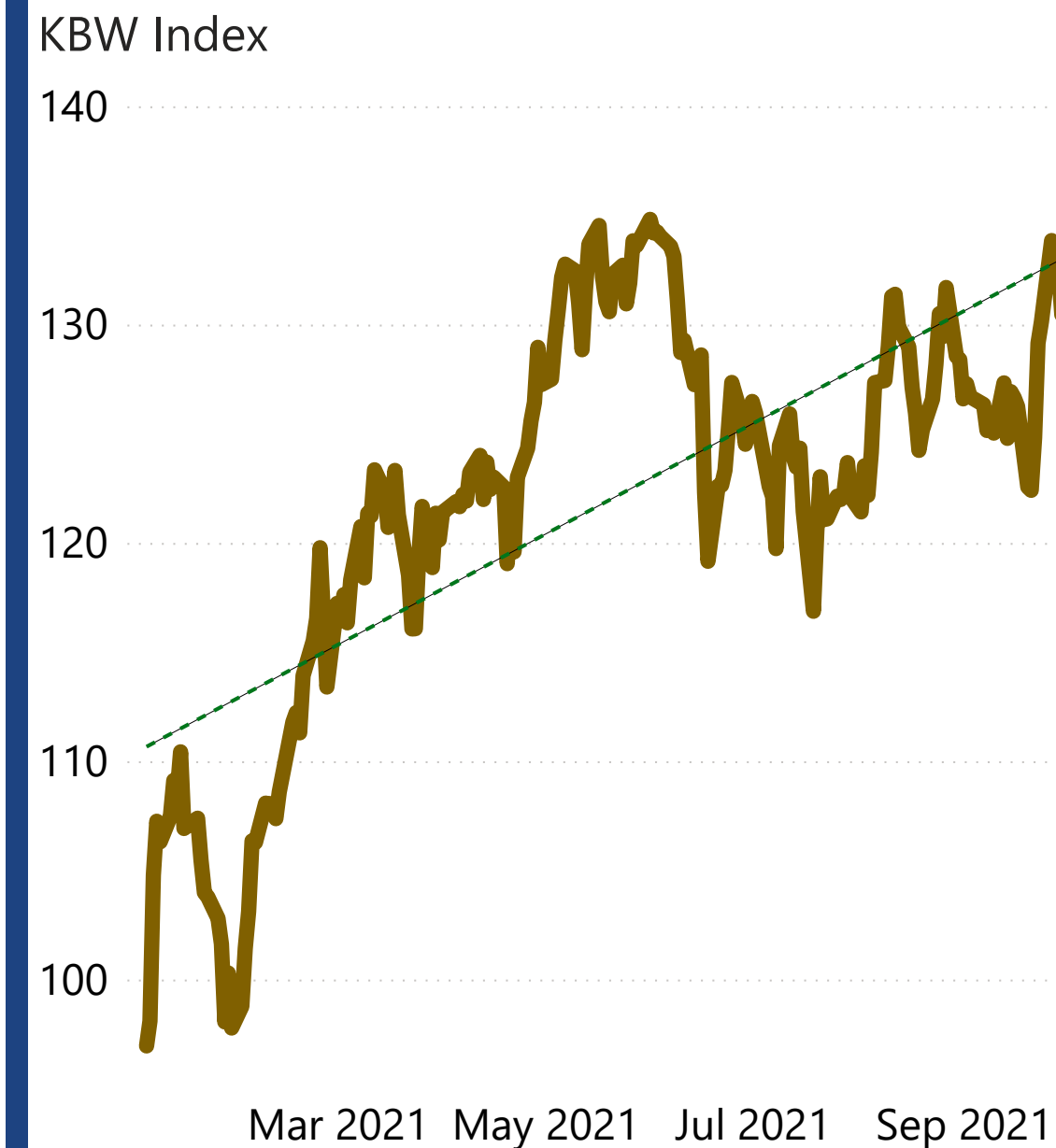


## Volatility – Not Elevated Enough to be Concerned



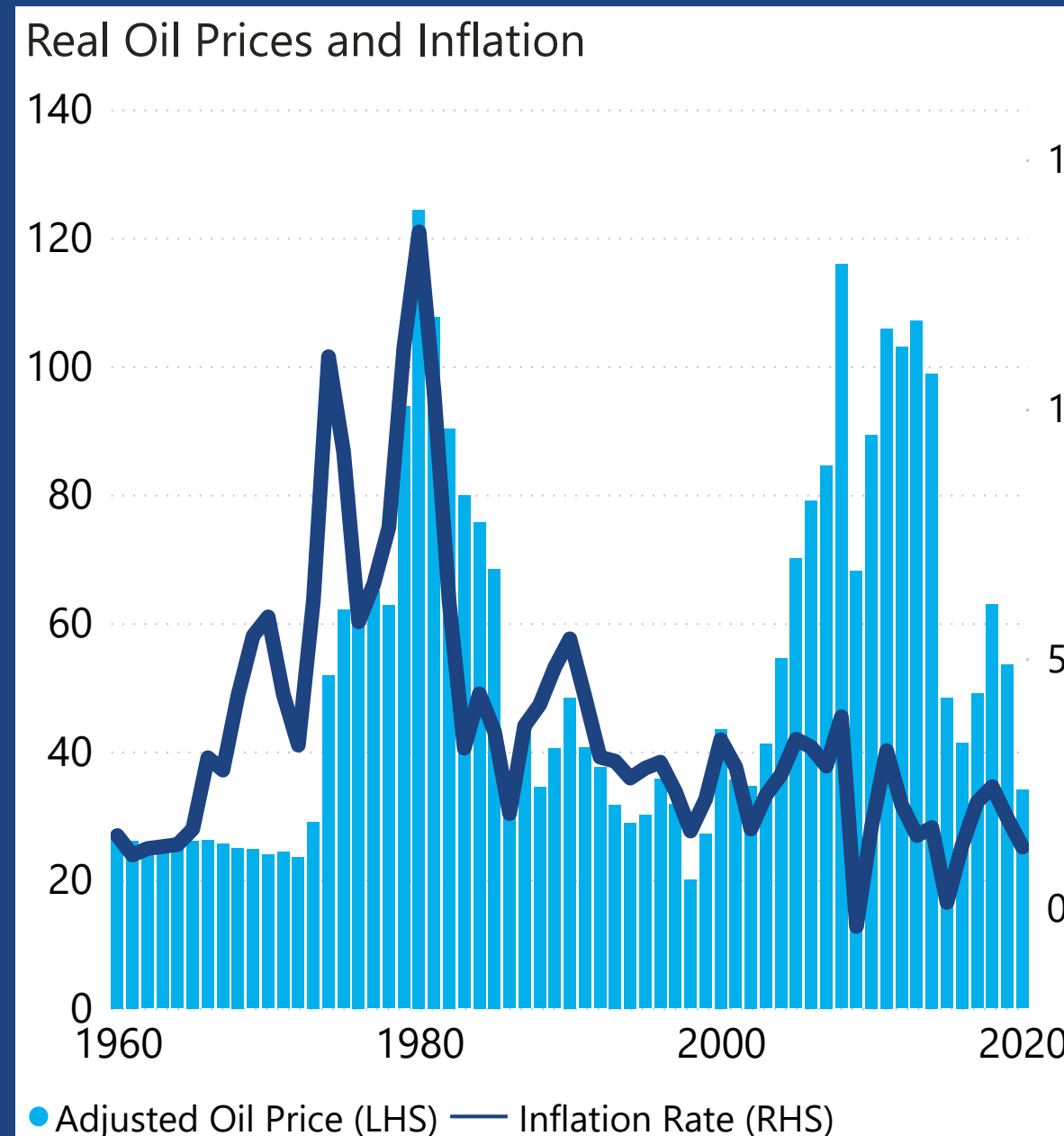
- American equities and major indices, such as S&P 500, have been on roller coaster ride since the beginning of September as daily changes in prices are above 1% a day. Nevertheless based on historical data above 1% daily change for markets is nothing new; we have been observing such kind of changes throughout the year.
- Volatility index – VIX - has been in uptrend since July 2021 might be the indicator of investor stress and turmoil on the market. Nevertheless, another investor stress indicator put/call ratio does not show the increased level of fear on the market. As it is visible from the chart Put/Call ratio has been increasing but it is not elevated enough to make investors concerned. Ratio is well below than it was in previous cases when overall market declined more than 5%.
- Even though markets are down around 5% since its highs in September, move is not daunting enough to cause increase in volatility.

## Earnings Season Kick Off



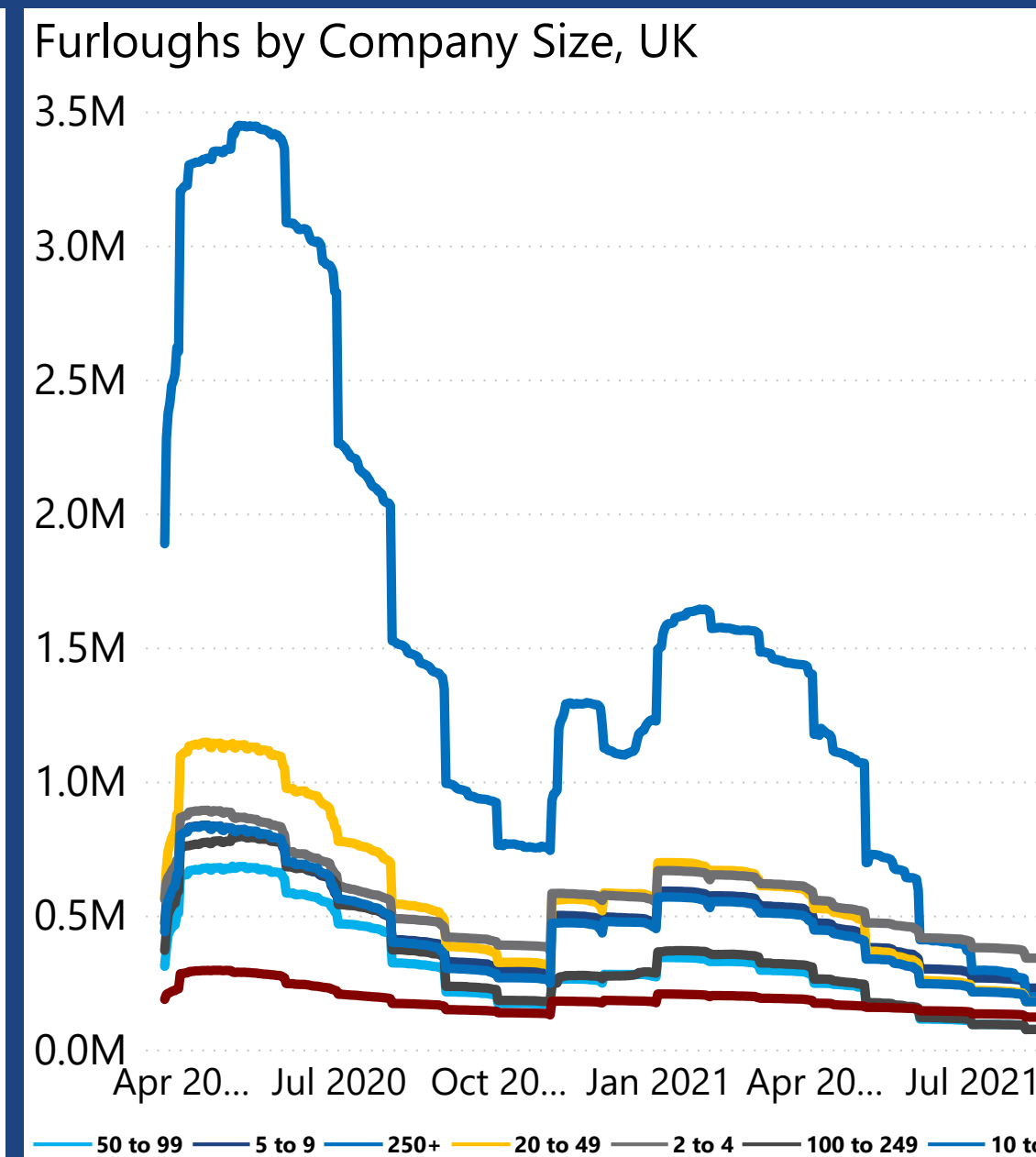
- The quarterly earnings season starts this week. Latest earnings are crucially important for the market as investors have been awaiting results for understanding where we are in terms of corporate profit growth and global economic recovery. Equity investors are mostly looking at supply-side problems and rising cost pressure from wage increases and energy prices.
- Banks substantially outperformed year to date overall market. The KBW bank index price rose by 40%, while S&P 500 index had a 17% gain. FED's tapering, rising interest rates and growing expectations for the U.S economy created favorable Buy conditions for the sector.
- JPMorgan Chase (JPM), Bank of America (BAC), Goldman Sachs (GS) and Morgan Stanley (MS) the major U.S. banks are reporting quarterly results this week. "We expect 3Q21 EPS results to be stronger on a YoY basis as loan loss reserves continue to be released and the group posts positive revenue growth," RBC Capital Markets analyst.

## Renewed Fears of Stagflation/Setup for Stagflation is Pronounced



- Stagflation demonstrates a case in which high inflation is accompanied by high unemployment and a slow (or even decreasing) rate of GDP growth. The most famous example of stagflation was observed in 1970s in the United States when the cost-push inflation modified up long-term inflation expectations.
- The situation in 1970s was quite similar to current conditions: high oil prices, unemployment, supply shortages and bottlenecks, inflation, and recession. Then, in hopes of "taming" inflation, the Federal Reserve hiked interest rates and sent the economy on a recession spiral, with the 10-year bonds nearly reaching 16% and oil extending to \$125.
- The current inflation situation is exacerbated by the unprecedented, exponentially increased liquidity that the central banks injected into the markets. Jerome Powell is expected to announce tapering in November, and interest rate hikes in 2022; the Fed has to approach the situation with extreme caution as a repeated cycle of stagflation could be imminent.

## Labor Sector in the Center of Attention



- Post pandemic, governing bodies and monetary officials, to judge economic conditions, have paid particular importance to the dynamics in the labor sector.
- Since COVID caused many businesses to lay off or even fire their employees, the furlough schemes aimed to improve the financial conditions of dozens of millions of workers by providing minimum weekly allowance.
- However, now that many countries have recovered relatively from the pandemic, the furlough schemes have begun to expire with the U.S.'s Federal Pandemic Unemployment Compensation Program (FPUC) ending on September 4th, and U.K.'s Furlough Scheme ending on September 30th.
- Approximately 1 million workers were on furlough in Britain when it ended, but the early data from BBC indicates no significant job loss. The exact effects will be known in the coming months when the employers will have a better gauge of the situation.



# Sector Snapshot

## Information Technology

### Sector Comparison to S&P 500 Performance



13.34

Market Cap (Trillions)

0.26%

Weekly Change

35.80

P/E

27.20

EV/EBITDA

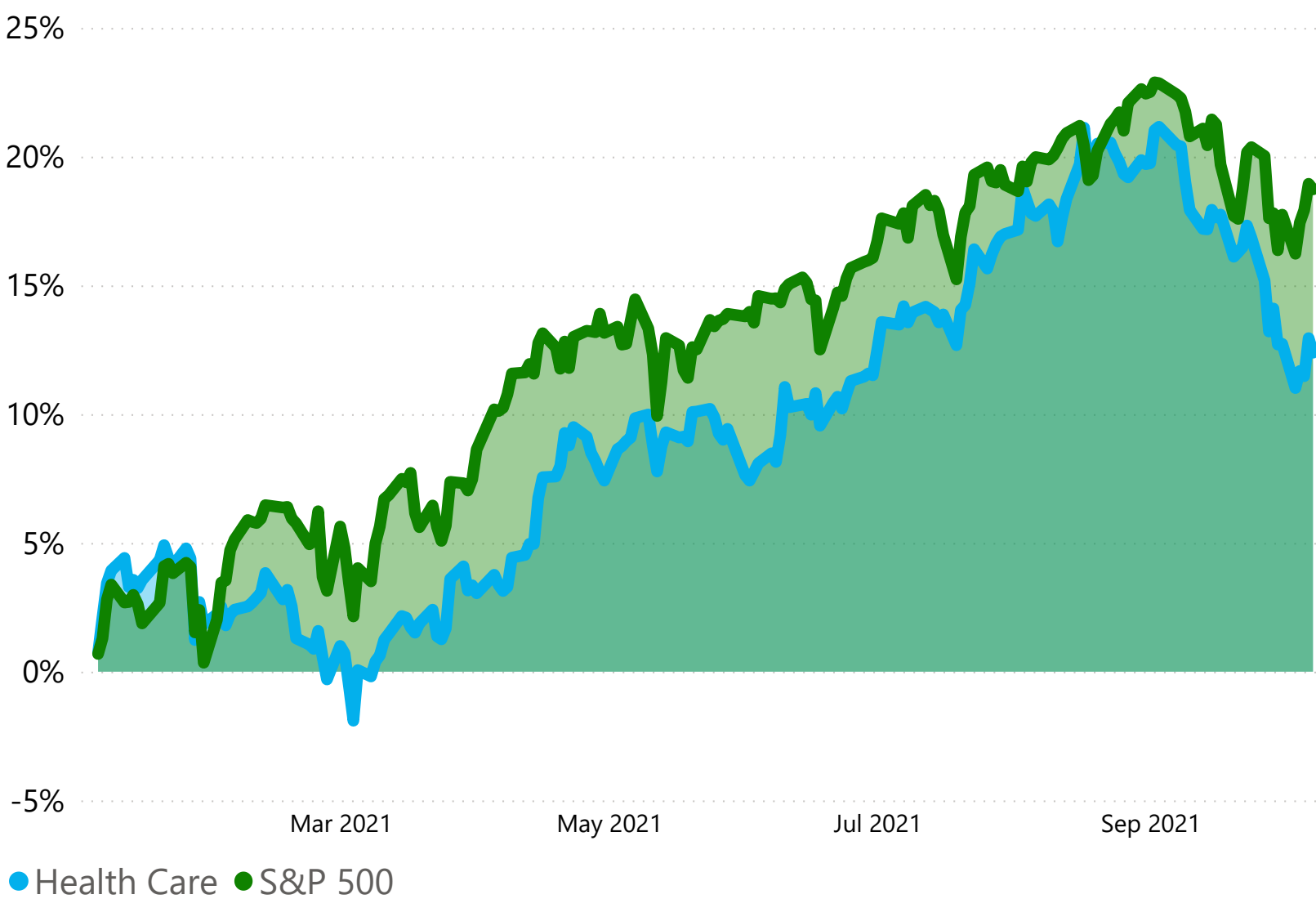
- Management at Samsung Electronics Co Ltd (SSNLF) expects Q3 operating profit margin to be 28%, the highest number in three years, caused by high memory chip prices and rapid sales of its new foldable smartphones.
- Chinese stocks ADRs are rising due to fears of the two biggest economies trade relations and Evergrande's debt crisis getting faded. Fidelity is putting money back into Chinese stocks such as Alibaba Group (BABA), Baidu (BIDU), JD.com (JD), NetEase (NTES) as they think the recent "indiscriminate" selling caused by the debt crisis at property giant Evergrande is presenting opportunities in the country's beaten up bond markets.
- Nvidia (NVDA) continues to fight for its deal in the UK. The company has a deadline for concessions offered by the EU antitrust organization for its \$54 billion acquisition of British chip designer Arm Holdings. Details of the concessions are not provided
- Citigroup (C) downgraded Citrix Systems (CTXS) to Neutral as the departure of CEO of the company David Henshall announced. Weeks ahead of Q3 quarterly report, suggests that the company is unlikely to achieve long-term targets

STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
Apple	AAPL	2,362bn	142.90	0.18%	25.43	19.24
Microsoft	MSFT	2,216bn	294.85	1.99%	29.26	19.99
Taiwan Semiconductor	TSM	571bn	110.04	-1.36%	14.89	11.69
Nvidia	NVDA	521bn	208.31	0.43%	45.08	37.76
Alibaba Group	BABA	439bn	161.52	12.01%	15.32	10.27
Asml Holding	ASML	302bn	730.27	-1.56%	37.99	30.95
Intel	INTC	218bn	53.81	-0.09%	12.24	6.60
Jd.Com	JD	123bn	78.61	12.27%	38.20	25.27
Netease	NTES	65bn	96.32	14.94%	20.23	15.55
Baidu	BIDU	56bn	162.09	6.93%	15.12	9.19
Citrix Systems	CTXS	12bn	98.32	-9.32%	17.14	12.68

ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
Invesco QQQ Trust	QQQ	185bn	361.16	0.27%	16.76%	0.20%
Vanguard IT ETF	VGT	50bn	407.93	0.26%	17.25%	0.10%
Technology Select SPDR	XLK	44bn	151.96	0.26%	18.81%	0.12%
Fidelity IT	FTEC	6bn	120.54	0.21%	17.21%	0.08%
SPDR Semiconductor	XSD	1bn	197.55	-0.83%	16.36%	0.35%

## Health Care

### Sector Comparison to S&P 500 Performance



6.46

Market Cap (Trillions)

-0.31%

Weekly Change

25.40

P/E

20.10

EV/EBITDA

- Allogene Therapeutics (ALLO) nosedived by more than 46% after the U.S. Food and Drug Administration (FDA) ordered to hold its clinical trials for AlloCAR T™ over safety concerns.
- ChemoCentryx (CCXI) surged amid FDA approval of Tavneos (Avacopan) as an adjunctive treatment for patients with ANCA-associated vasculitis. The company expects to make Tavneos available to clinicians and patients in the next few weeks.
- Quidel Corporation (QDEL) rallied after guiding Q3 revenues to range between \$505M to \$510M versus estimated \$186.3M. Covid-19 revenues for Q3 of 2021 are expected to be \$406M, compared with \$375.7M Y-o-Y.
- Xenon Pharmaceuticals (XENE) shares surged after announcing positive data from mid-stage trial of XEN110 - its therapy to treat focal epilepsy.
- Moderna (MRNA) slipped after Finland, Sweden and Denmark suspended its Covid-19 vaccine for males under age 30 due to potential side effects.
- Abiomed (ABMD) climbed after Jeffries analysts released a report highlighting the long-term growth prospects for its Impella heart pump.

STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
Pfizer	PFE	238bn	42.45	-1.12%	11.24	9.70
Abbvie	ABBV	196bn	111.18	1.92%	8.04	8.54
Moderna	MRNA	123bn	304.91	-10.61%	11.38	7.82
Biontech	BNTX	60bn	245.95	-3.47%	5.78	3.97
Biogen	BIIB	43bn	285.83	0.67%	14.00	10.85
Perkinelmer	PKI	21bn	169.97	-2.09%	26.97	22.21
Abiomed	ABMD	15bn	337.13	4.27%	63.23	41.37
Quidel	QDEL	6bn	138.04	2.76%	20.48	13.79
Chemocentryx	CCXI	3bn	38.41	108.98%		
Allogene Therapeutics	ALLO	2bn	13.13	-46.45%		
Xenon Pharmaceuticals	XENE	2bn	32.85	110.58%		

ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
Health Care Select SPDR	XLV	30bn	126.94	-0.31%	12.39%	0.12%
Vanguard Healthcare	VHT	16bn	246.13	-0.63%	10.58%	0.10%
iShares Biotechnology	IBB	10bn	155.05	-2.44%	3.03%	0.47%
ARK Genomic Revolution	ARKG	7bn	71.88	-3.98%	-22.83%	0.75%
SPDR S&P Biotech	XBI	7bn	123.44	-2.16%	-12.42%	0.35%

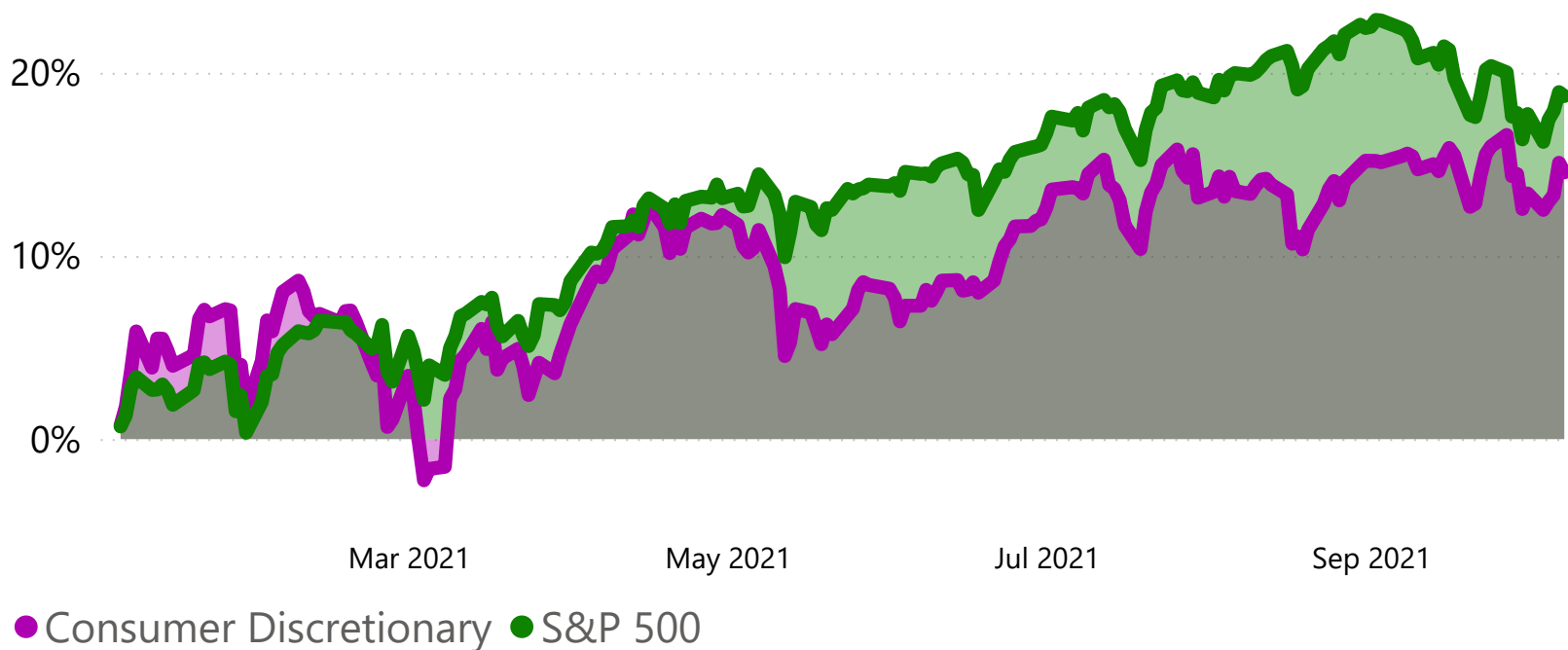


# Sector Snapshot



## Consumer Discretionary

Sector Comparison to S&P 500 Performance

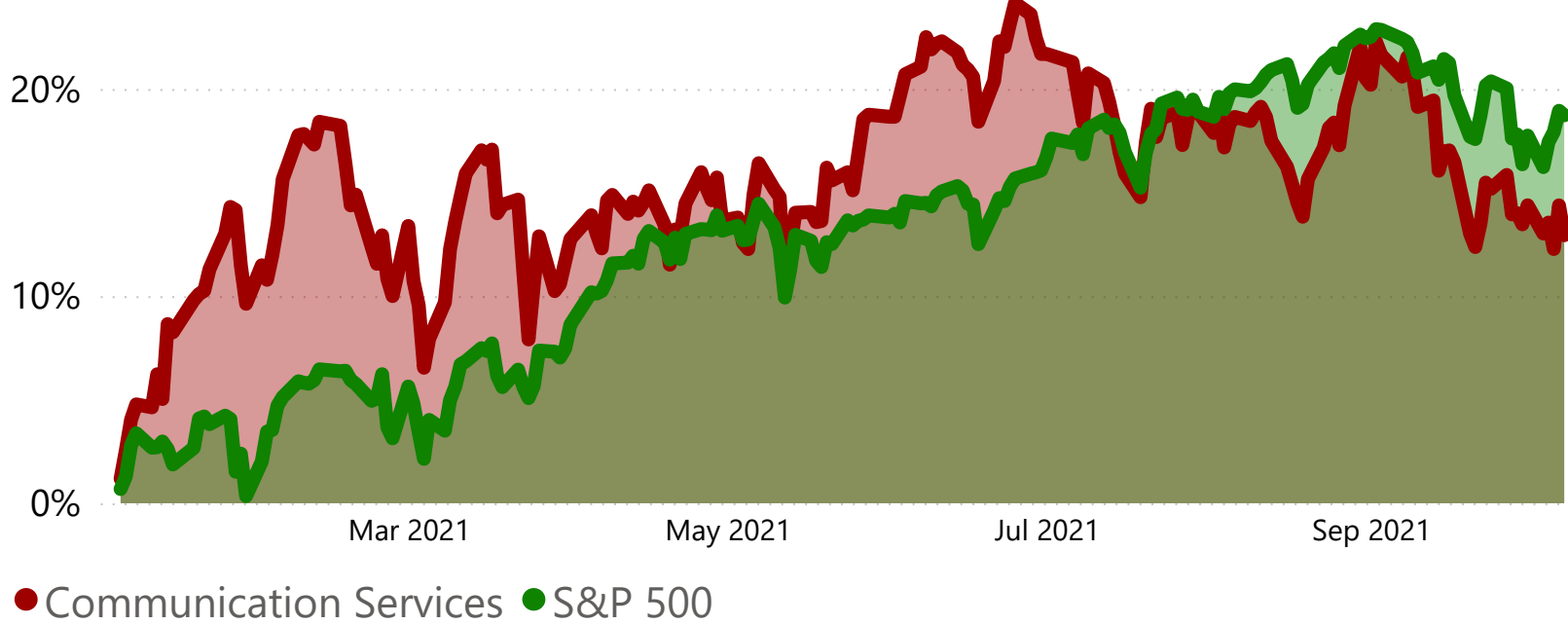


**6.34** **1.01%** **42.00** **24.60**  
Market Cap (Trillions) Weekly Change P/E EV/EBITDA

- Amazon's (AMZN) own streaming service Twitch had a massive data breach. reportedly 125 GB of Twitch's source code and user data was uploaded to torrent downloadable links.
- Tesla's subsidiary and pioneer of private space industry SpaceX surpassed valuation of \$100 Billion. SpaceX's value has grown by 33% since february, yet there is loads of uncertainty for SpaceX regarding to going public.
- CEO of General Motors (GM) Mary Barra said that that GM has ambition to double revenue at the en of the decade and expand its operations beyond classic auto manufacturing. She said that substantial portion of revenue growth will come from GM's startups and innovative approaches in EV industry like Cruise.

## Communication Services

Sector Comparison to S&P 500 Performance

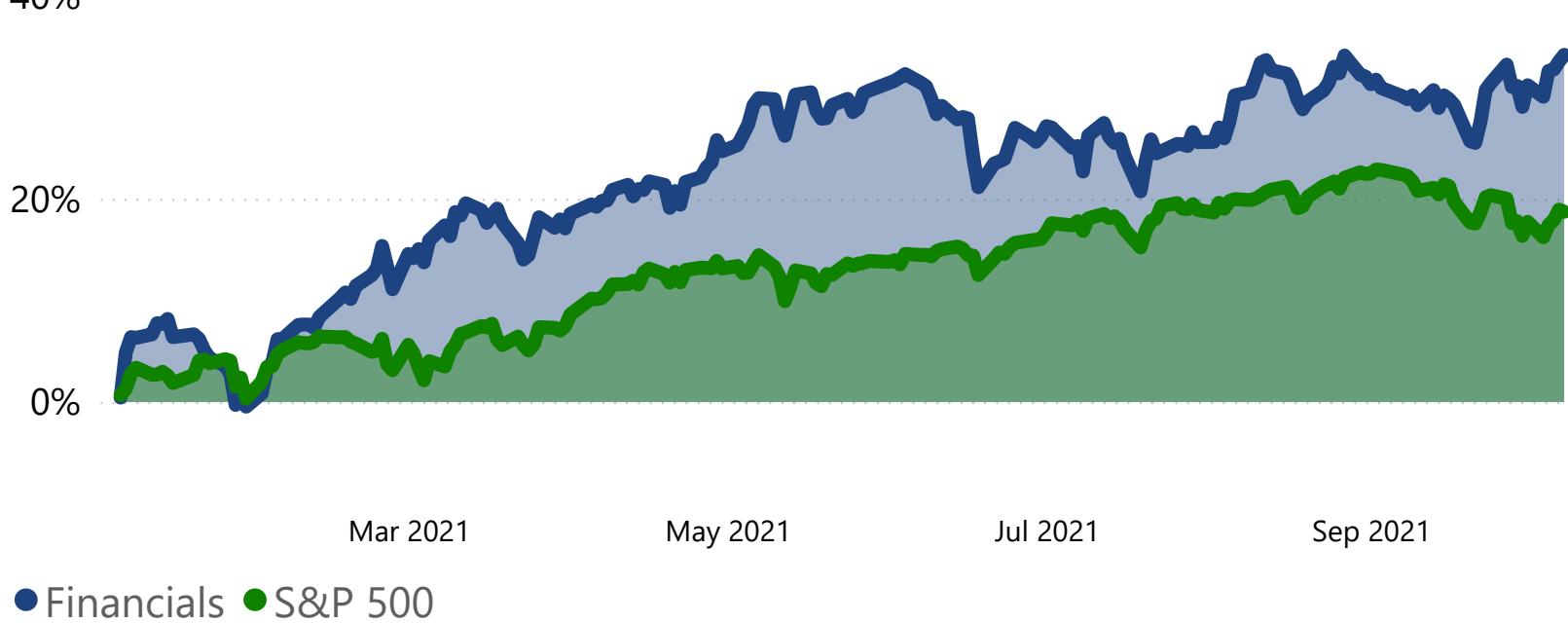


**5.71** **-1.26%** **27.80** **20.40**  
Market Cap (Trillions) Weekly Change P/E EV/EBITDA

- Wells Fargo (WFC) downgraded cable companies Charter Communications (CHTR) and Cable One (CABO) as analysts expect the Cable industry is riskier with the biggest names set to see tougher times ahead.
- Mark Zuckerberg's business had a hard week as Facebook (FB) and its Instagram, Messenger and WhatsApp had a nearly six-hour outage that prevented the company's 3.5 billion users from accessing its social media and messaging services. Furthermore, whistleblower testimony helped share price to drop by -14% from 52-week highs.
- JPMorgan upgraded Gogo Inflight Internet (GOGO) to Neutral with a price target of \$16. Analvsts have confidence in the companv after improved outlook.

## Financials

Sector Comparison to S&P 500 Performance



**5.73** **2.28%** **17.10** **6.20**  
Market Cap (Trillions) Weekly Change P/E EV/EBITDA

- Nuvei (NVEI) collaborates with Visa Inc. (V) to offer its US clients access to fast payouts via the implementation of Visa Direct, Visa's real-time push payments platform.
- JPMorgan Chase (JPM) joins 40 of it's peers in the Net-Zero Banking Alliance to align its lending and investment portfolios to net-zero emissions by 2050 according to Bloomberg.
- Morgan Stanley (MS) is still calling for 10-20 % market correction that could be referred as crash and proposes Bank of America (BAC) as good stock to protect your portfolio.

STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
Amazon.Com	TSLA	1,665bn	3,288.62	324.22%	39.98	18.85
Tesla	AMZN	787bn	785.49	-76.08%	107.41	54.41
Alibaba Group	TM	439bn	161.52	-9.06%	15.32	10.27
General Motors	F	85bn	58.57	313.63%	8.67	4.90
Ford Motor	GM	60bn	15.12	-71.54%	8.01	4.81

ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
Consumer Disc. Select SPDR	XLY	20bn	182.63	1.01%	14.56%	0.12%
Vanguard Consumer Disc.	VCR	7bn	313.59	0.40%	15.43%	0.10%
First Trust Consumer Disc.	FXD	2bn	59.80	0.23%	19.70%	0.63%
Fidelity Consumer Disc.	FDIS	2bn	81.27	0.44%	15.03%	0.08%
SDPR S&P Retail	XRT	1bn	90.84	-0.37%	42.97%	0.35%

STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
Alphabet	GOOG	1,866bn	2,801.12	2.63%	21.68	15.14
Facebook	FB	931bn	330.05	-3.78%	18.42	11.59
Netflix	NFLX	280bn	632.66	3.18%	49.01	34.84
Charter Communications	CHTR	147bn	706.13	-4.33%	23.78	10.75
Cable One	CABO	11bn	1,784.19	-3.30%	30.24	14.94

ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
Com.Services Select SPDR	XLC	15bn	80.98	-0.59%	21.81%	0.12%
Vanguard Com.Services	VOX	5bn	142.60	-0.44%	20.48%	0.10%
First Trust Indxx ETF	NXTG	1bn	75.98	-0.68%	9.76%	0.70%
Fidelity Com.Services	FCOM	1bn	54.06	-0.46%	20.54%	0.08%
Ishares Global Com.Services	IXP	0bn	85.44	0.11%	16.06%	0.46%

STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
Jpmorgan Chase	JPM	509bn	170.22	1.85%	14.38	
Visa	V	506bn	230.27	-0.08%	31.84	24.82
Bank Of America	BAC	373bn	44.34	2.92%	14.55	
Morgan Stanley	MS	183bn	100.04	1.00%	13.73	
Goldman Sachs	GS	138bn	392.81	3.37%	10.39	12.84

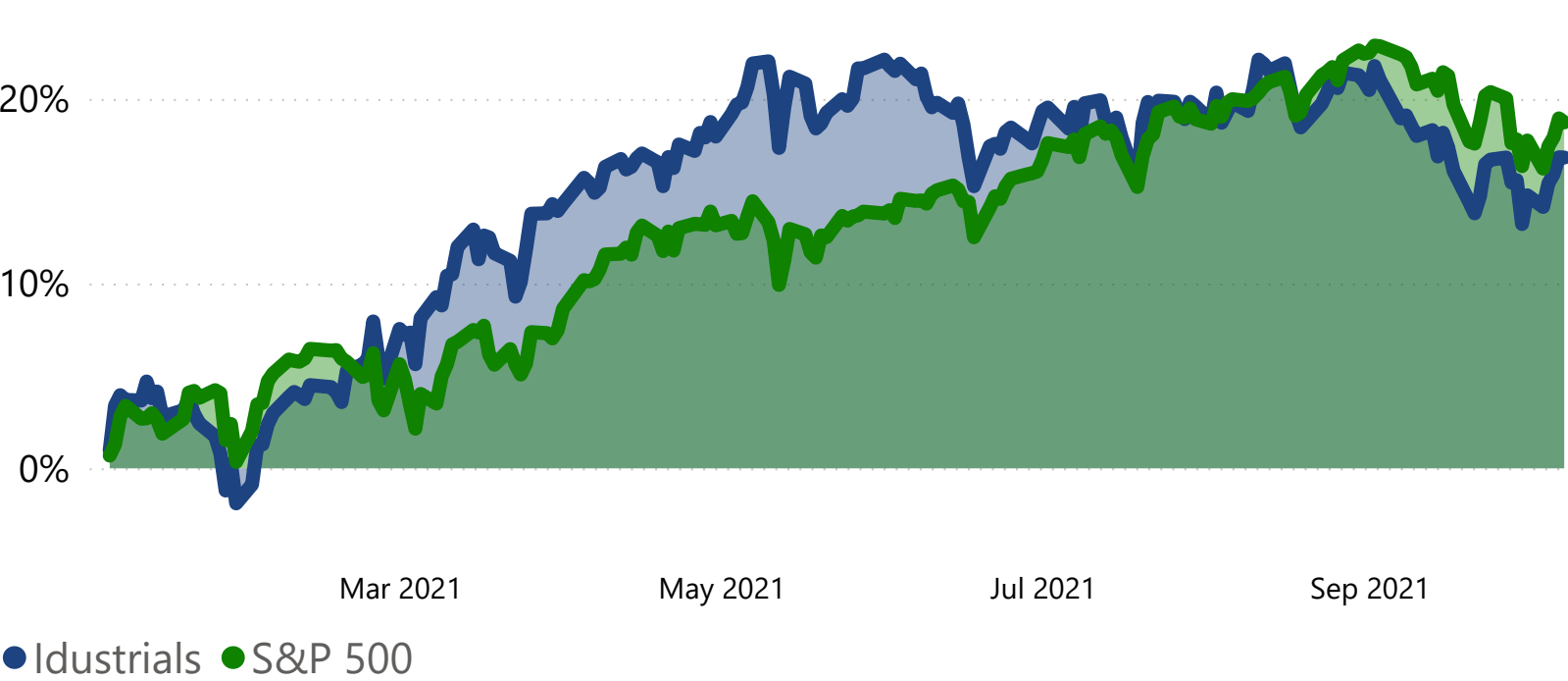
ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
Financial Select SPDR	XLF	43bn	39.02	2.28%	34.18%	0.12%
Vanguard Financials	VFH	11bn	96.40	2.43%	34.24%	0.10%
SPDR S&P Bank	KBE	3bn	55.11	1.81%	33.08%	0.35%
iShares Global Financials	IXG	3bn	81.11	2.26%	25.73%	0.46%
SPDR S&P Insurance	KIE	0bn	39.82	3.86%	21.77%	0.35%



# Sector Snapshot

## Industrials

Sector Comparison to S&P 500 Performance



7.56

Market Cap (Trillions)

1.78%

Weekly Change

26.10

P/E

15.80

EV/EBITDA

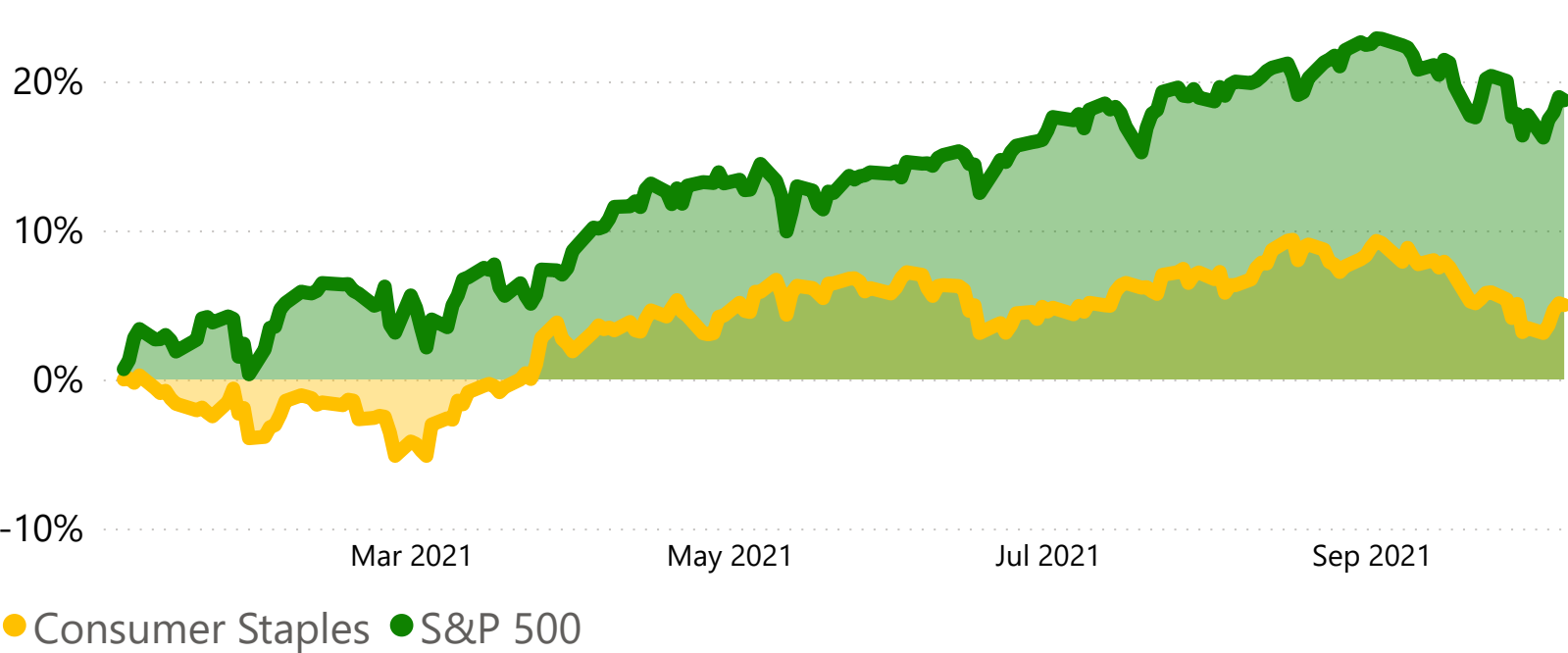
- Acuity Brands (AYI) jumped after reporting its Q4 results with revenue and EPS beating analyst consensus. Its Q4 adjusted EPS was \$3.27 versus estimated \$2.85 and revenues amounted to \$992.7M versus estimated \$963.96M
- Avis Budget Group (CAR) peaked after Jeffries said their web traffic and pricing scrapes show strong growth over 2019. Its pricing was up consecutively on a YoY basis after CAR reported Q2 RPD in the Americas up 67.5% YoY
- Deutsche Bank named Norfolk Southern (NSC) a catalyst call buy, saying NSC will achieve bigger inflection in yield on the back of accelerated pricing opportunity

STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
Union Pacific	UNP	141bn	216.48		19.38	13.66
Norfolk Southern	NSC	65bn	264.88	8.76%	19.90	13.00
Avis Budget Group	CAR	9bn	138.20	13.38%	18.30	26.12
Acuity Brands	AYI	7bn	202.83	16.71%	16.73	11.19
Rocket Lab Usa	RKLB	7bn	14.71			

ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
The Industrial Select SPDR	XLI	17bn	100.95	1.78%	16.83%	0.12%
Vanguard Industrials	VIS	5bn	193.75	1.55%	16.62%	0.10%
U.S. Global Jets	JETS	4bn	23.98	-3.66%	11.07%	0.60%
ishares Transportation	IYT	2bn	253.71	2.11%	17.44%	0.42%
Fidelity Industrials	FIDU	1bn	53.49	1.60%	16.61%	0.08%

## Consumer Staples

Sector Comparison to S&P 500 Performance



2.86

Market Cap (Trillions)

1.49%

Weekly Change

23.70

P/E

16.50

EV/EBITDA

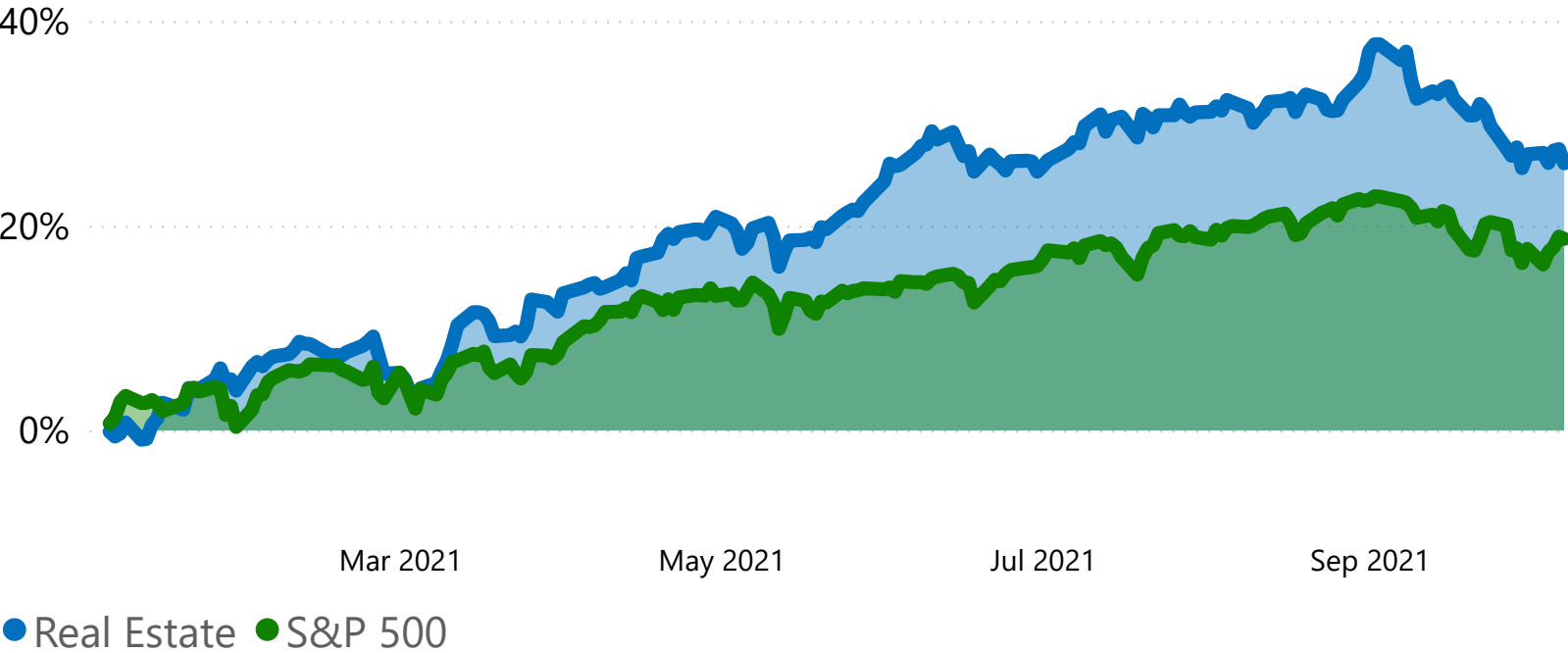
- Bank of America (BAC) upgrades Procter & Gamble's (PG) rating to Buy. BAC sets target price of \$160. it is 13.5% upside from PG's last close.
- PepsiCo (PEP) reported its third quarter earnings. and there are some good news for non-alcoholic beverage manufactures like PEP and Coca-Cola (KO): 1. People are willing to pay more in high price environment. 2. While economy is reopening away-from-home purchases rise that is good news for both PEP and KO.
- Affirm Holdings (AFRM) stock soars 16% after Target (TGT) said it's partnering with the "Buy Now, Pay Later" company to allow customers to pay for purchases in installments in time for the holiday shopping season.

STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
Walmart	WMT	389bn	139.66	1.90%	21.08	11.34
Procter & Gamble	PG	344bn	141.73	1.54%	22.34	16.06
Coca-Cola	KO	234bn	54.12	2.07%	22.23	19.37
Pepsico	PEP	216bn	156.03	3.37%	23.21	16.18
Target	TGT	112bn	228.90	0.21%	17.90	10.86

ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
Consumer Staples SPDR	XLP	12bn	70.05	1.49%	4.99%	0.12%
Vanguard Consumer Stap.	VDC	6bn	182.12	1.35%	5.77%	0.10%
Fidelity Consumer Stap.	FSTA	1bn	42.53	1.31%	5.69%	0.08%
Ishares Consumer Stap.	KXI	1bn	60.34	0.56%	3.90%	0.46%
First Trust Consumer Stap.	FXG	0bn	56.71	0.48%	10.24%	0.63%

## Real Estate

Sector Comparison to S&P 500 Performance



1.66

Market Cap (Trillions)

-0.69%

Weekly Change

10.90

P/E

24.20

EV/EBITDA

- Indebted Evergrande (EGRNY) set to raise more cash from partial sale of its property services unit. Chinese state media Global Times reported, that Evergrande will sell about 51% of its property services arm to Hopson for more than \$5 billion.
- Wedbush said they view Century Communities (CCS), D.R. Horton (DHI), KB Home (KBH), Lennar Corporation (LEN), M/I Homes (MHO), Tri Pointe Homes (TPH), and Taylor Morrison (TMHC) as undervalued at current levels in the homebuilder sector and are Ahead of consensus for FY22 gross margin growth.

STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
Lowe'S Cos	LOW	143bn	206.16	1.21%	17.00	12.21
Dr Horton	DHI	30bn	83.41	-0.41%	6.40	5.24
Lennar	LEN	28bn	93.85	0.16%	6.45	5.00
Kb Home	KBH	3bn	38.90	0.15%	5.04	4.49
Century Communities	CCS	2bn	62.55	0.24%	4.23	3.38

ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
Vanguard Real Estate	VNQ	42bn	102.81	-0.40%	25.12%	0.12%
iShares U.S. Real Estate	IYR	7bn	103.33	-0.48%	24.89%	0.42%
Schwab US REIT	SCHH	6bn	46.16	-0.22%	25.74%	0.07%
Real Estate Select SPDR	XLRE	4bn	44.62	-0.69%	26.12%	0.12%
iShares REIT ETF	REZ	1bn	86.67	0.14%	32.64%	0.48%

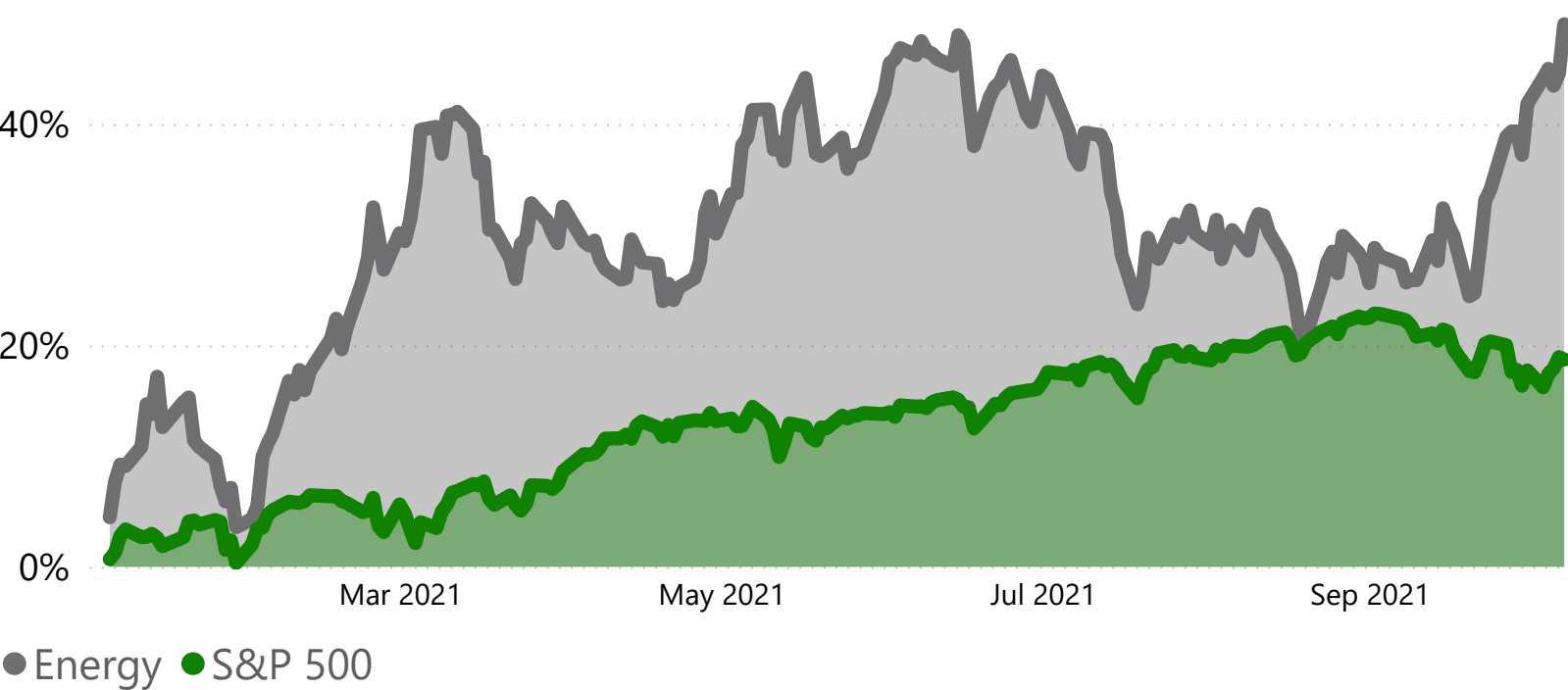


# Sector Snapshot



## Energy

Sector Comparison to S&P 500 Performance



**1.43** **5.07%** **14.70** **7.60**  
Market Cap (Trillions) Weekly Change P/E EV/EBITDA

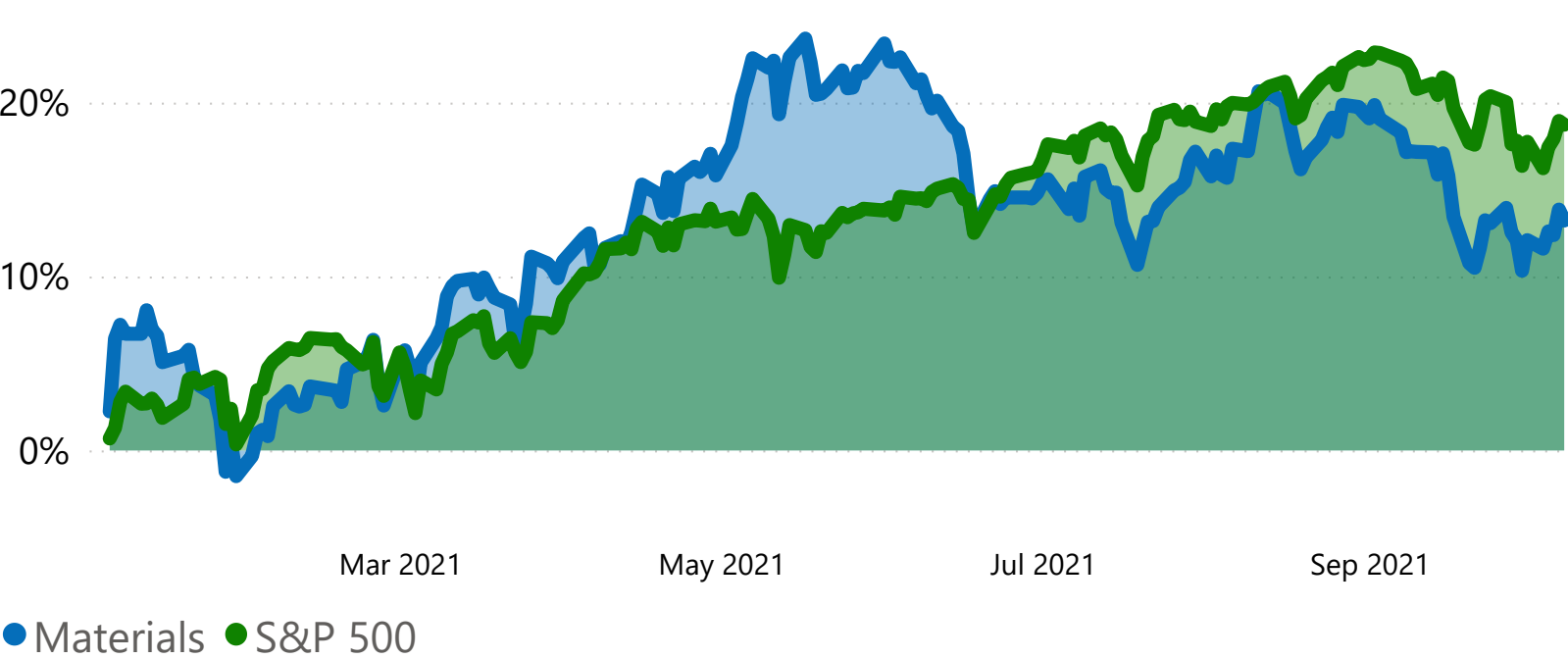
- Energy sector was best performer in S&P500 increasing by 4.69% w-o-w due to increase in Oil and Gas price and price target upgrades by major research houses.
- JP Morgan, Capital One Securities and Mizuho Securities upgraded price targets of Enterprise Products Partners (EPD) to average 28, which represents 19% upside from today's price.
- JP Morgan upgraded price of Schlumberger (SLB) from 28 to 37 because of SLB's margin expansion and strong earnings growth. Upgraded price is 15% higher than today's price.

STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
Enterprise Products	EPD	51bn	23.51	7.84%	10.68	9.71
Schlumberger	SLB	44bn	31.66	4.28%	17.77	9.83
Phillips 66	PSX	36bn	82.13	13.17%	14.07	9.01
Occidental Petroleum	OXY	31bn	33.63	7.96%	23.15	5.81
Devon Energy	DVN	27bn	39.86	8.29%	9.77	5.10

ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
Energy Select SPDR	XLE	27bn	56.57	5.07%	49.03%	0.12%
Vanguard Energy	VDE	6bn	79.96	4.96%	53.39%	0.10%
SPDR Oil & Gas Exploration	XOP	4bn	105.37	6.18%	78.50%	0.35%
iShares U.S. Energy	IYE	2bn	30.54	4.84%	50.52%	0.42%
iShares Global Energy	IXC	2bn	28.66	4.26%	40.56%	0.46%

## Materials

Sector Comparison to S&P 500 Performance



**1.14** **1.01%** **19.70** **12.20**  
Market Cap (Trillions) Weekly Change P/E EV/EBITDA

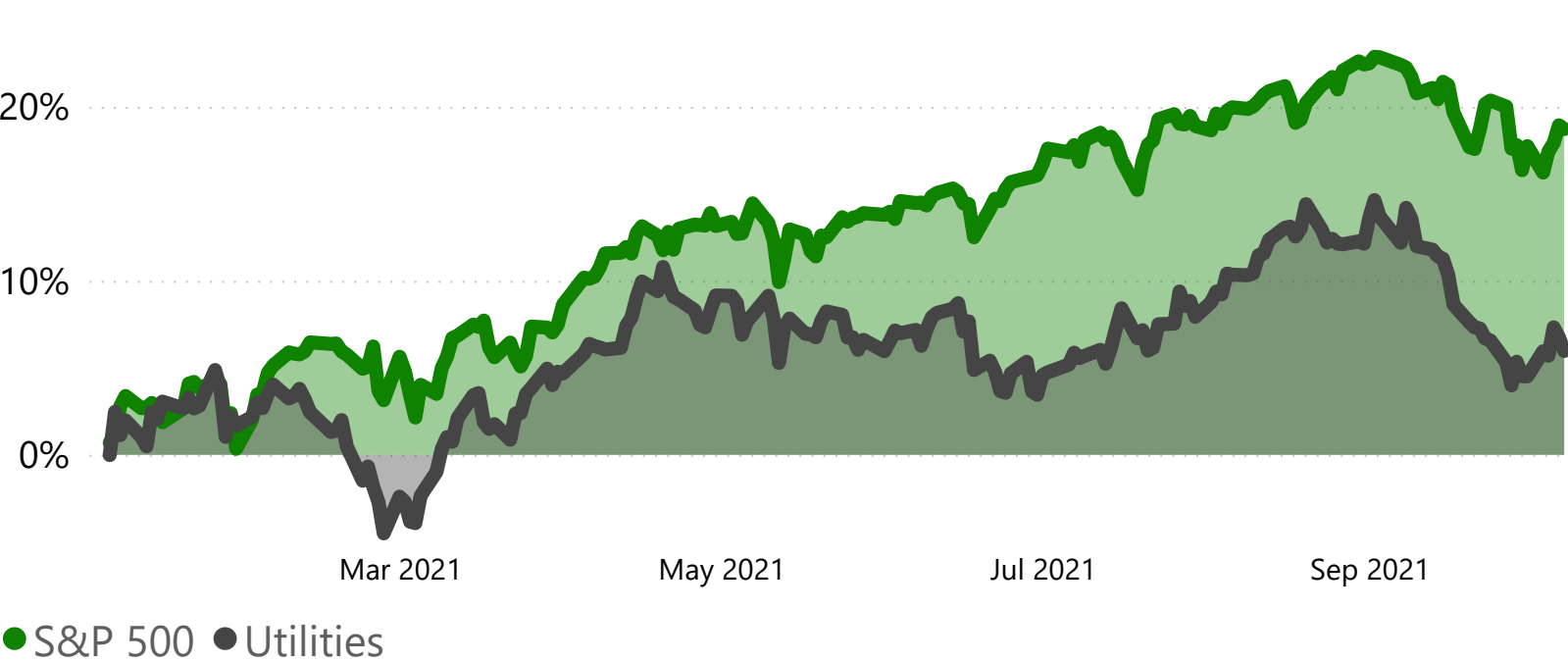
- JP Morgan upgraded price target of Dupont de Nemour (DD) to 85, whereas Morgan Stanley issued Equal-Weight recommendation with PT to 98. Average price target is 30% higher than current price.
- Citigroup slashed Q3 estimates and FY guidance for companies in Paper & Packaging industries by 2% because of higher cost and supply chain issues.
- JP Morgan (JPM) and Goldman Sachs (GS) downgraded price target of US Steel Corporation (X) and issued sell recommendation due to concerns regarding the cash flow momentum.

STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
Dupont De Nemours	DD	37bn	70.42	1.87%	14.29	9.79
International Paper Co	IP	21bn	54.39	2.12%	9.96	7.04
Packaging Corp Of America	PKG	13bn	139.13	-0.01%	14.80	8.71
Rpm International	RPM	10bn	79.02	0.68%	17.41	12.50
United States Steel Corp	X	6bn	20.70	-4.70%	2.77	2.40

ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
VanEck Vectors Gold Miners	GDX	13bn	30.67	4.57%	-20.36%	0.52%
Materials Select Sector	XLB	7bn	81.18	1.01%	13.22%	0.12%
Vanguard Materials	VAW	4bn	177.32	0.73%	13.82%	0.10%
SPDR S&P Metals & Mining	XME	2bn	42.45	0.07%	26.15%	0.35%
Global X Silver Miners	SIL	1bn	36.13	3.35%	-26.57%	0.65%

## Utilities

Sector Comparison to S&P 500 Performance



**1.13** **1.39%** **20.70** **13.10**  
Market Cap (Trillions) Weekly Change P/E EV/EBITDA

- Wells Fargo upgraded price of South Jersey Industries (SJI) because of growth in valuation discount according to analysis by the bank.
- Bernstein, Evercore, Cowen and Wolfe research all upgraded share price of Plug Power (PLUG) o average price 42, which represents 54% upside from today's price.
- Plug Power along with SKC Group plans to build Gigafactory in South Korea to start production of hydrogen fuel cells by 2024.

STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
Duke Energy	DUK	77bn	100.53	2.10%	18.40	12.10
Dominion Energy	D	59bn	72.70	0.57%	17.46	12.25
Plug Power	PLUG	16bn	27.19	6.34%		334.61
Southwest Gas Holdings	SWX	4bn	64.34	-5.02%	14.68	7.69
South Jersey Industries	SJI	3bn	22.55	6.12%	13.81	10.21

ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
Utilities Select Sector	XLU	12bn	64.77	1.39%	5.97%	0.12%
Vanguard Utilities	VPU	5bn	141.52	1.66%	5.65%	0.10%
Global X US Infrastructure Dev	PAVE	4bn	26.10	1.05%	24.82%	0.47%
iShares Global Infrastructure	IGF	3bn	46.80	1.30%	7.86%	0.46%



Week Ahead



Monday

Tuesday

Wednesday

Thursday

Friday

Economic Calendar

October 11, 2021	Monday	October 12, 2021	Tuesday	October 13, 2021	Wednesday	October 14, 2021	Thursday	October 15, 2021	Friday
12:00pm - 1:00pm	IT:Industrial Production	5:00am - 6:00am	KR:Bank of Korea Announcement	3:50am - 4:50am	JP:Machinery Orders	4:30am - 5:30am	AU:Labour Force Survey	12:30am - 1:30am	US:Fed Balance Sheet
		10:00am - 11:00am	UK:Labour Market Report	10:00am - 11:00am	DE:CPI	10:30am - 11:30am	CH:Producer and Import Price Index	5:30am - 6:30am	CN:CPI
		1:00pm - 2:00pm	DE:ZEW Survey	10:00am - 11:00am	UK:Industrial Production	10:30am - 11:30am	IN:Wholesale Price Index	5:30am - 6:30am	CN:PPI
		2:00pm - 3:00pm	US:NFIB Small Business Optimism Index	10:00am - 11:00am	UK:Merchandise Trade	4:30pm - 5:30pm	CA:Manufacturing Sales	10:45am - 11:45am	FR:CPI
		4:00pm - 5:00pm	IN:CPI	10:00am - 11:00am	UK:Monthly GDP	4:30pm - 5:30pm	US:Jobless Claims	12:00pm - 1:00pm	IT:CPI
		4:00pm - 5:00pm	IN:Industrial Production	1:00pm - 2:00pm	EZ:Industrial Production	4:30pm - 5:30pm	US:PPI-Final Demand	1:00pm - 2:00pm	EZ:Merchandise Trade
		4:55pm - 5:55pm	US:Redbook	3:00pm - 4:00pm	US:MBA Mortgage Applications	6:30pm - 7:30pm	US:EIA Natural Gas Report	1:00pm - 2:00pm	IT:Merchandise Trade
		6:00pm - 7:00pm	US:JOLTS	4:30pm - 5:30pm	US:CPI	7:00pm - 8:00pm	US:20-Yr Bond Announcement	4:30pm - 5:30pm	US:Empire State Manufacturing Index
		7:00pm - 8:00pm	US:4-Week Bill Announcement	6:00pm - 7:00pm	US:Atlanta Fed Business Inflation Expectations	7:00pm - 8:00pm	US:3-Month Bill Announcement	4:30pm - 5:30pm	US:Import and Export Prices
		7:00pm - 8:00pm	US:8-Week Bill Announcement	9:00pm - 10:00pm	US:30-Yr Bond Auction	7:00pm - 8:00pm	US:5-Yr TIPS Announcement	4:30pm - 5:30pm	US:Retail Sales
		7:30pm - 8:30pm	US:3-Yr Note Auction	10:00pm - 11:00pm	US:FOMC Minutes	7:00pm - 8:00pm	US:6-Month Bill Announcement	6:00pm - 7:00pm	US:Business Inventories
		7:30pm - 8:30pm	US:6-Month Bill Auction	10:00pm - 11:00pm	US:Treasury Statement	7:00pm - 8:00pm	US:EIA Petroleum Status Report	6:00pm - 7:00pm	US:Consumer Sentiment
		9:00pm - 10:00pm	US:10-Yr Note Auction			7:30pm - 8:30pm	US:4-Week Bill Auction	9:00pm - 10:00pm	US:Baker Hughes Rig Count
		9:00pm - 10:00pm	US:3-Month Bill Auction			7:30pm - 8:30pm	US:8-Week Bill Auction		

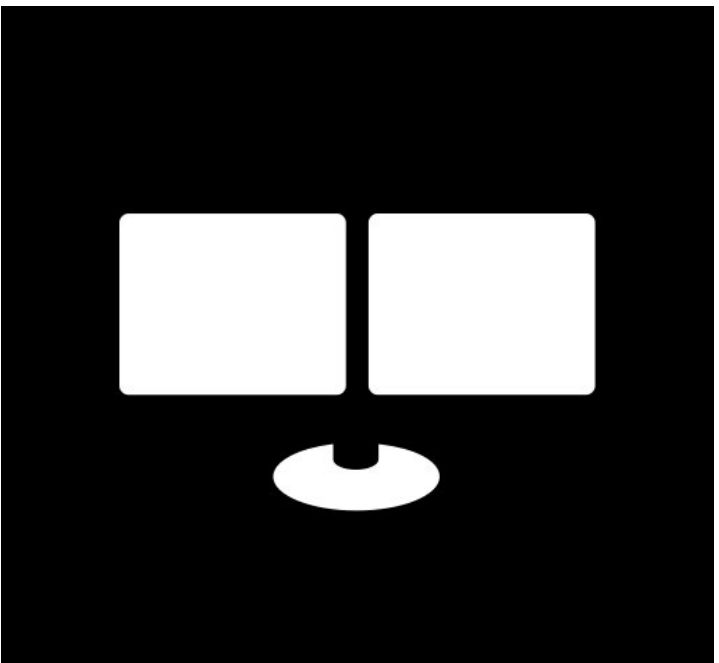
Corporate Actions Calendar

Ticker	Type	Time	Maket Cap	Ticker	Type	Time	Maket Cap	Ticker	Type	Time	Maket Cap	Ticker	Type	Time	Maket Cap
ONVO	Earnings	Not-Supplied	0bn	FAST	Earnings	Pre-Market	30bn	HCTI	IPO	NASDAQ	0bn	UNH	Earnings	Pre-Market	385bn
				PNFP	Earnings	After-Hours	7bn	CLST	IPO	NASDAQ	0bn	BAC	Earnings	Pre-Market	383bn
				EDU	Earnings	Not-Supplied	4bn	AVDX	IPO	NASDAQ	1bn	WFC	Earnings	Pre-Market	197bn
				ROSEU	IPO	NASDAQ	0bn	DAL	Earnings	Pre-Market	28bn	MS	Earnings	Pre-Market	183bn
								FRC	Earnings	Pre-Market	36bn	C	Earnings	Pre-Market	147bn
								WIT	Earnings	Pre-Market	49bn	USB	Earnings	Pre-Market	92bn
								PGR	Earnings	Not-Supplied	53bn	WBA	Earnings	Pre-Market	41bn
								INFY	Earnings	Not-Supplied	95bn	DPZ	Earnings	Pre-Market	18bn
								BLK	Earnings	Pre-Market	128bn	AA	Earnings	After-Hours	9bn
								GS	Earnings	Not-Supplied	132bn	DCT	Earnings	After-Hours	6bn
								JPM	Earnings	Pre-Market	508bn	CMC	Earnings	Pre-Market	4bn
												GTLB	IPO	NASDAQ	1bn
												IHS	IPO	NYSE	1bn
												AEON	IPO	NASDAQ	0bn

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# TBC CAPITAL

## Brokerage Team

Mary Chachanidze, CFA

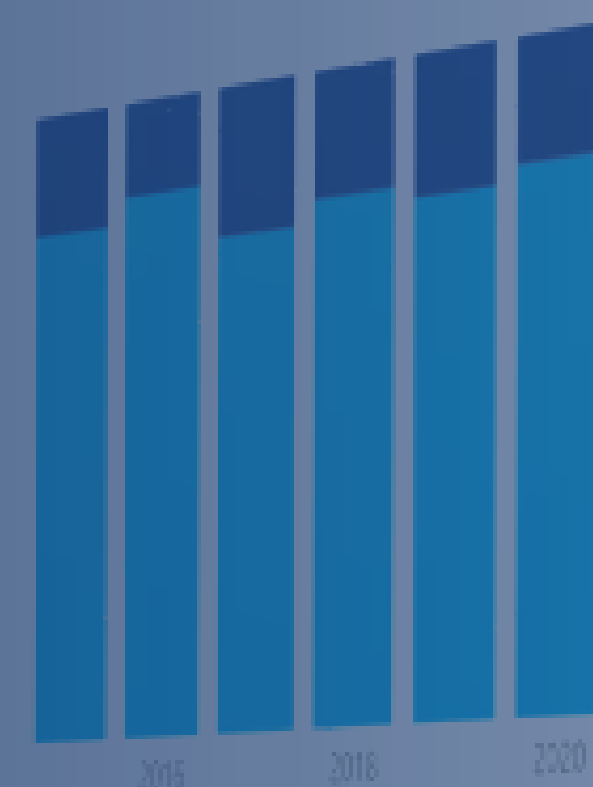
Tornike Mchedlishvili, CFA

Nina Sandler

Tatia Dzaptashvili

Rati Kalandarishvili

Sandro Tchanturidze



Residents Non-Residents



< 1 month 12 > month 1-3 month 3-6 month

Portfolio  
6,028,587.94

Stocks  
3,544,233.33

Bonds  
2,484,354.60

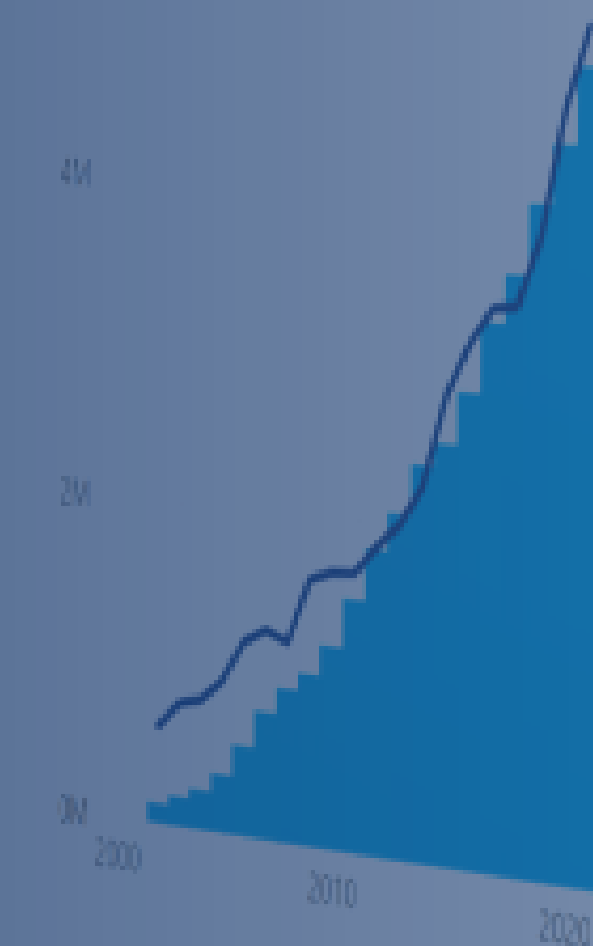
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AAPL  
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GOOG  
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TSLA  
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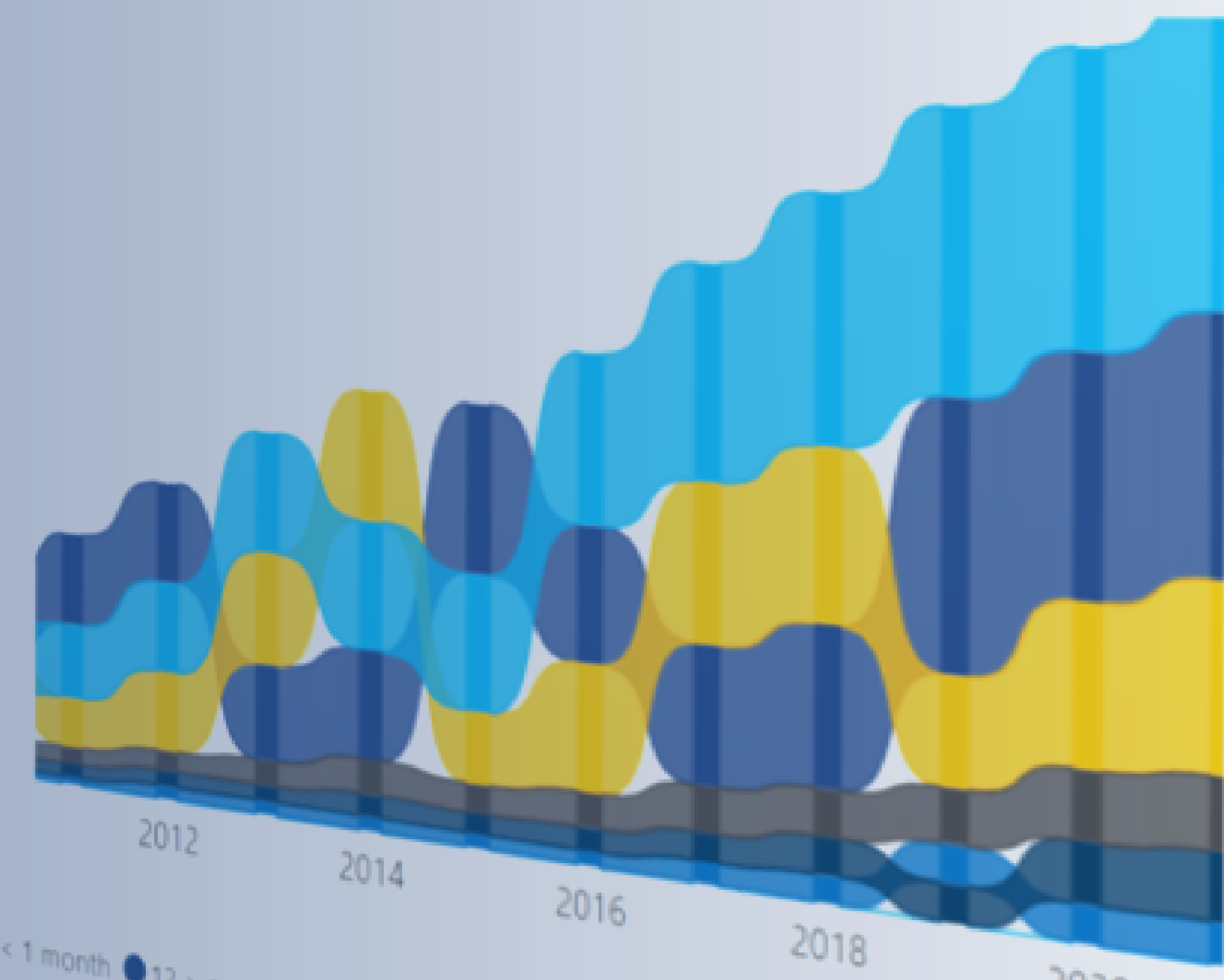
NIO  
638.73



Certain in FX in FX As % of GDP



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