



TBC CAPITAL

Weekly Equity Market Outlook

January 10 - 14

TBC Capital Brokerage

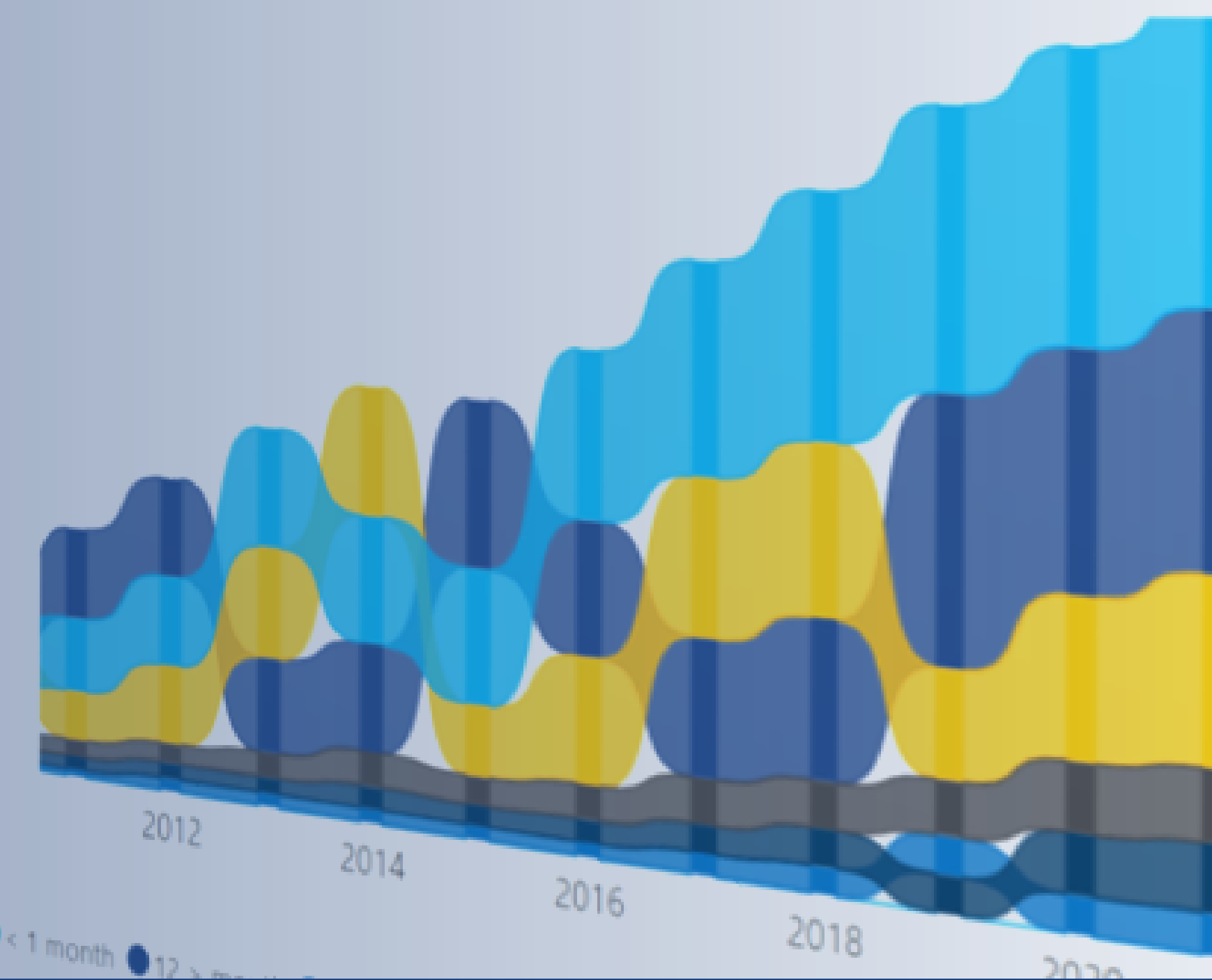
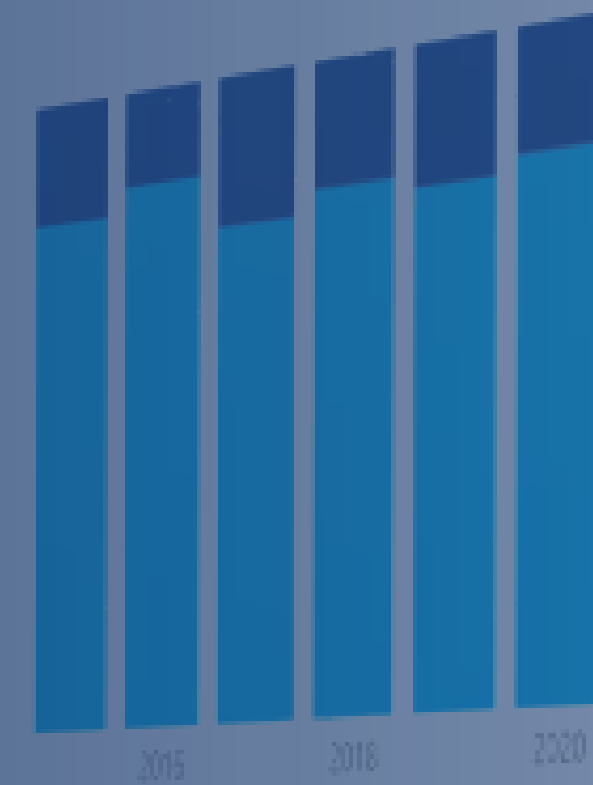
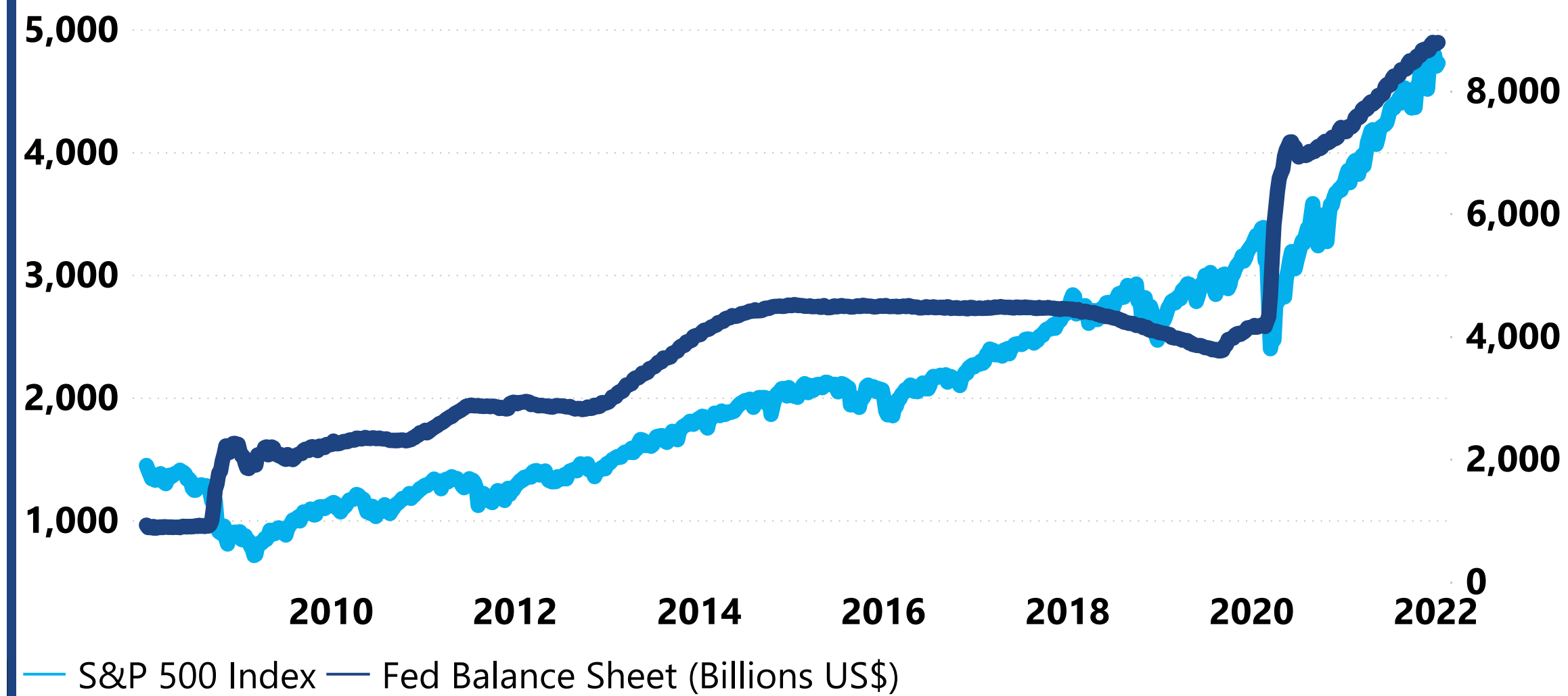
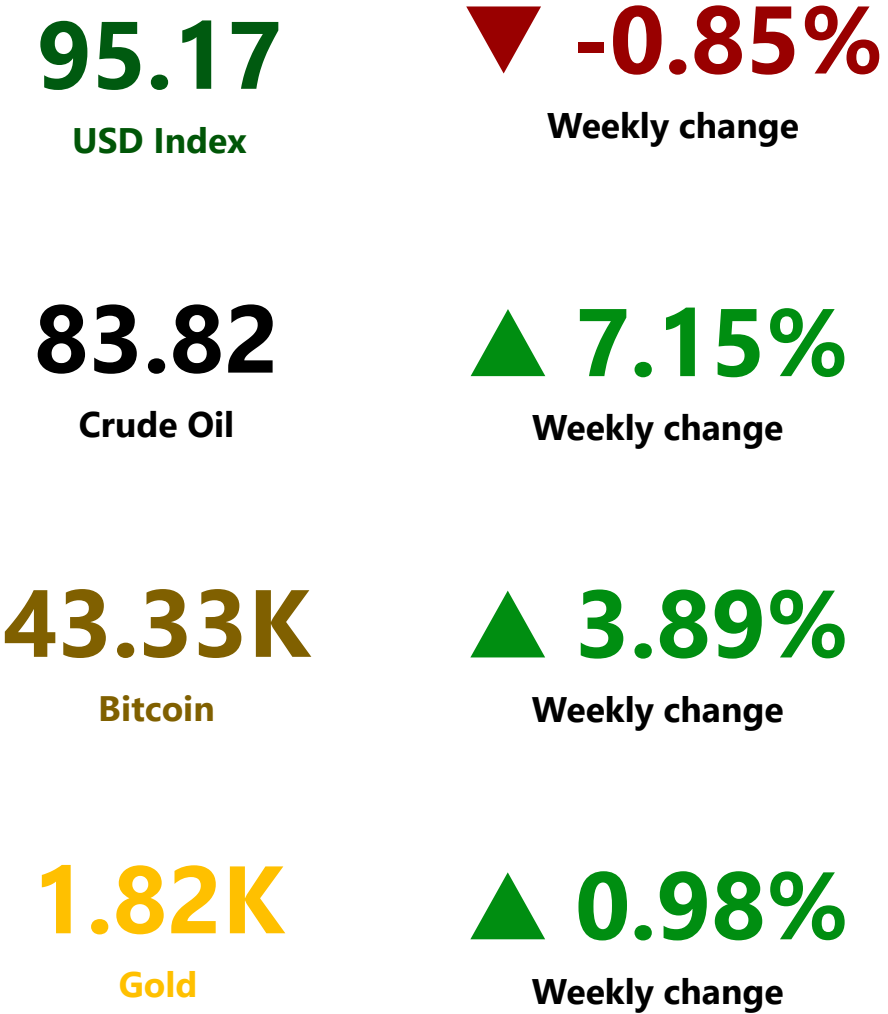


Chart of the Week

S&P 500 vs Fed Balance Sheet



Commodities

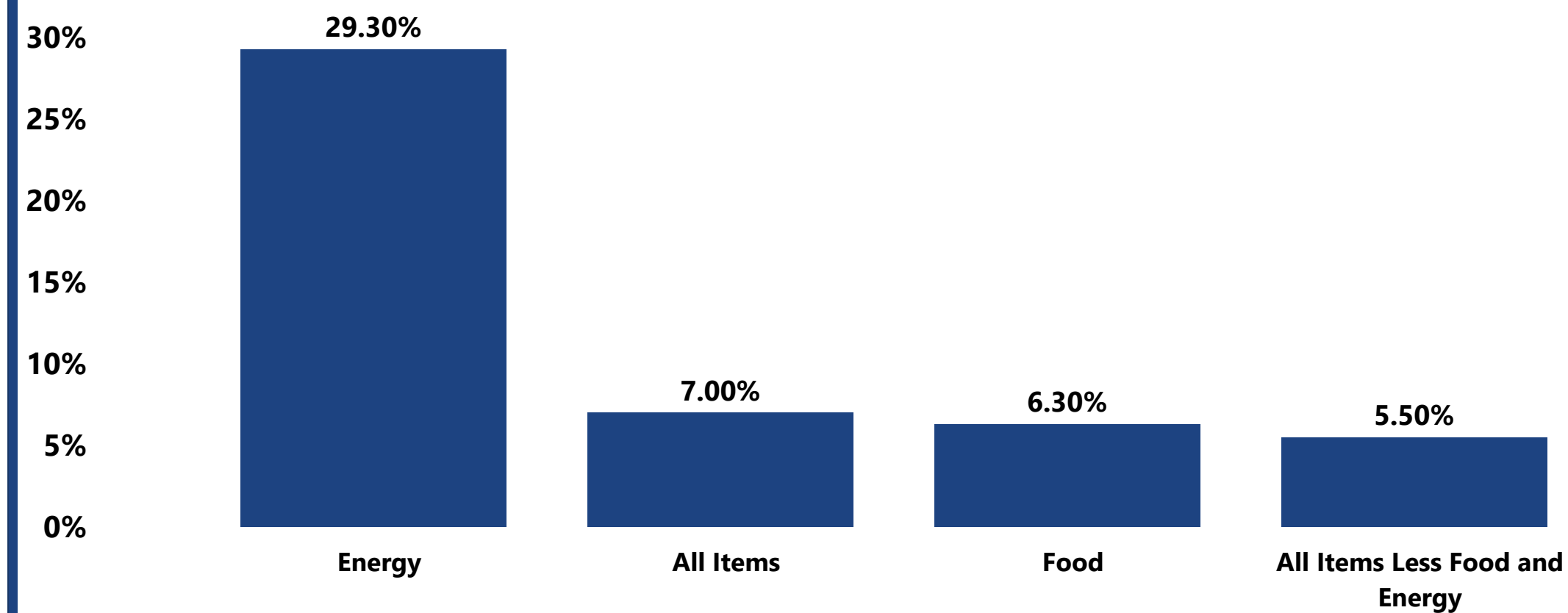


Investment Themes

- The Retail Sales release was especially disappointing as the indicator dropped 1.9% M-o-M in December while the forecasts indicated a mere 0.1% drop
- Since summer 2021, the labor sector has had a peculiar issue: even during a pandemic, the number of open job positions exceeds the number of monthly added payrolls and interested potential employees.
- On Friday, U.S. financial corporations kicked off earnings season. Wells Fargo released the most promising financial results.
- As probability of 4th rate hike in 2022 increased from 0% to 81% in last 10 days and yields on US government bonds increased by almost 4%, growth stocks, mostly consisting technology companies, got hammered.

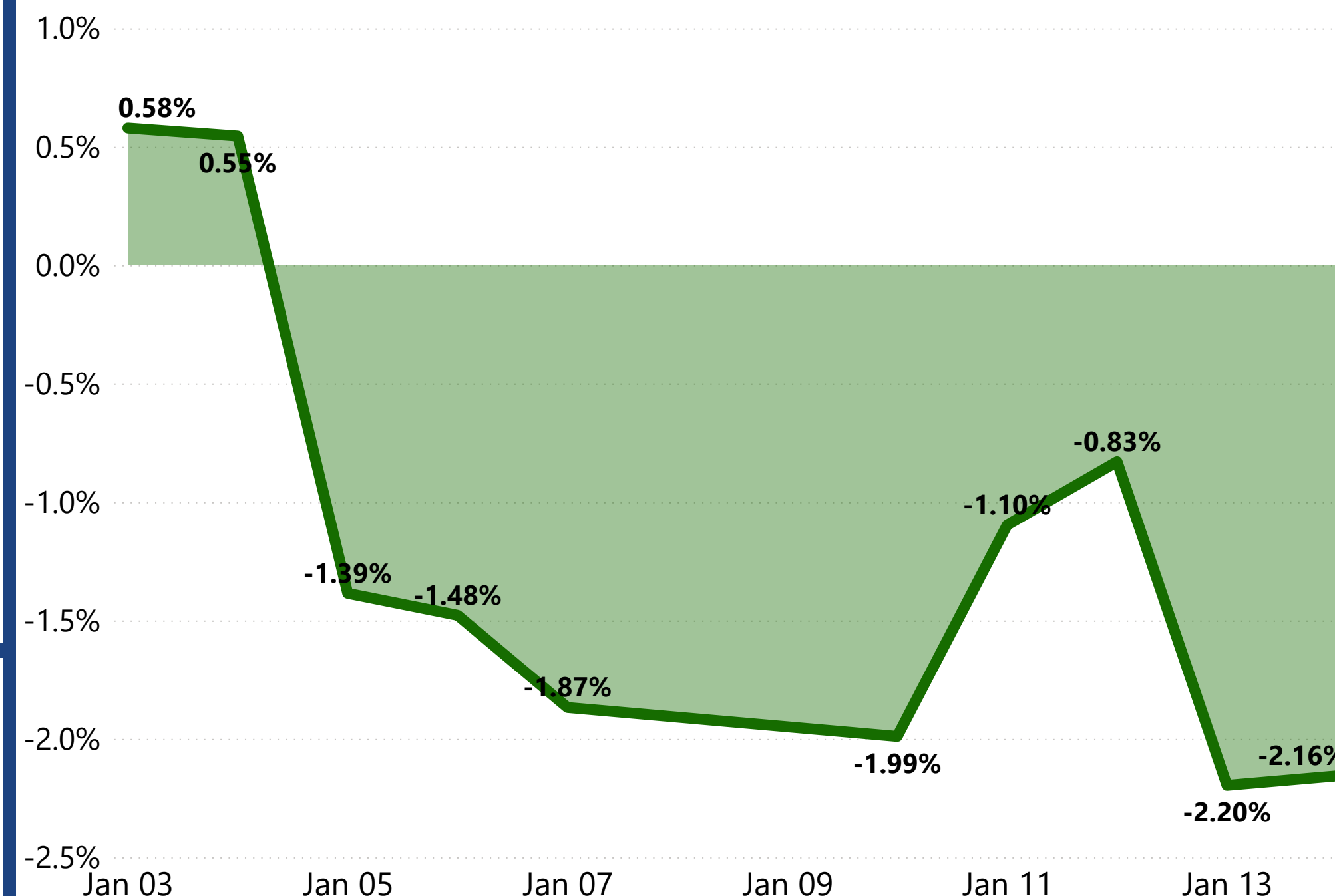
Macro Update

CPI Breakdown



Inflation continues to increase, with economists hoping that it will peak in the coming month and relatively level off by the end of 2022 (but still remain elevated in the medium term). The Consumer Price Index posted the largest annual increase since 1982: 7.0%. Though this measure is not the primary indicator for the Federal Reserve's policy decision it still creates a meaningful understanding of current inflation levels.

S&P 500 Performance YTD



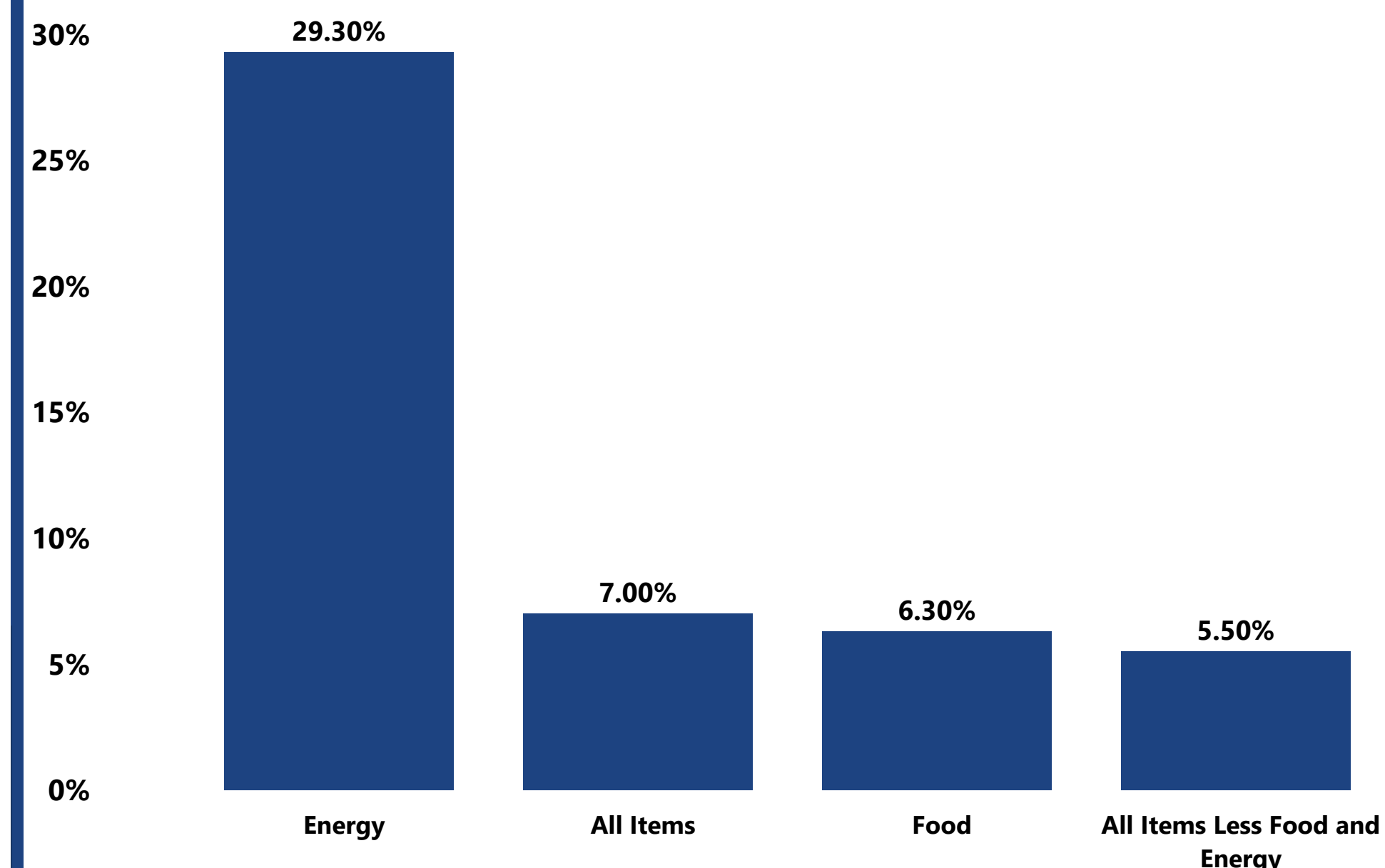
Weekly Sector Performance

Sector	Change
Energy	▲ 5.17%
Information Technology	▼ -0.10%
Health Care	▼ -0.21%
Consumer Staples	▼ -0.50%
Materials	▼ -0.56%
Industrials	▼ -0.60%
Financials	▼ -0.83%
Utilities	▼ -1.43%
Consumer Discretionary	▼ -1.48%
Communication Services	▼ -1.81%
Real Estate	▼ -1.99%

Inflation at a 40-year High in USA

- Inflation continues to increase, with economists hoping that it will peak in the coming month and relatively level off by the end of 2022 (but still remain elevated in the medium term). The Consumer Price Index posted the largest annual increase since 1982: 7.0%. Though this measure is not the primary indicator for the Federal Reserve's policy decision it still creates a meaningful understanding of current inflation levels.
- One of the reasons for economists' optimistic outlook is the slower-than-expected increase in Producer Price Index (PPI): 0.2% vs 0.4%. Additionally, the NFIB Small Business Optimism Index indicated that a smaller number of businesses is expecting to raise prices on their goods and services, thereby, feeding less into the rising inflation.
- Nevertheless, rates are expected to climb due to the increasing mortgage and rents along with higher commodity prices that have become the largest constituents of the annual inflation. The supply chain constraints are still present and the expected wage increase will further fuel inflation into 2022.
- Inflation could be a constituent of the decline in retail sales as the total number for December dropped by 1.9%. The most significant cause for the drop is the omicron variant which has been sweeping through the USA.

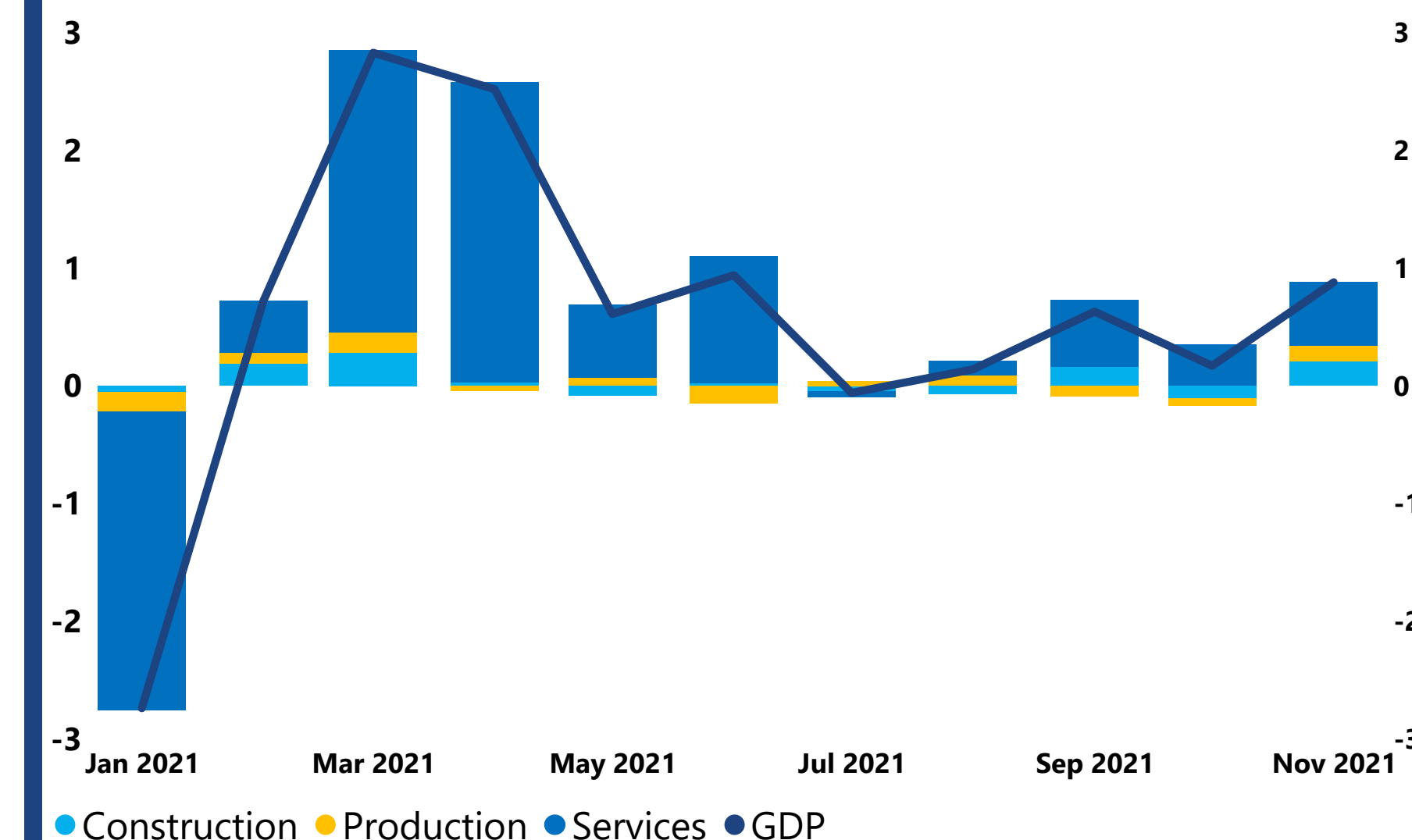
CPI Breakdown



UK GDP Increased While Brazil is Struggling with Inflation

- The monthly GDP growth rate has increased its pace since October, as it gained 0.9% in November, thereby returning the indicator to pre-pandemic levels. The omicron variant still manages to dampen the economic output as the government has imposed certain restrictions.
- As a result, retail sales increased by 1.4% while a drop in unemployment rate has slowed. The indicators released next month will further involve the changes introduced by omicron and possibly indicate a lower growth rate of the economy. The economic releases for the upcoming months are expected to be uneven and largely reliant on the COVID-related measures.
- Brazil, one of the countries which has significantly increased the interest rates (currently sitting at 9.25%) during the past year, still struggles with the inflation which is primarily caused by high transportation, housing and energy costs which have caused inflation to top 10%. Brazil, like many other Latin American countries has had issues with inflation even prior to the offset of the pandemic.
- The Central Bank of Brazil is expected to further increase interest rates in hopes of taming the inflation. Wells Fargo analysts have stated an expected increase of 150 bps during the next BCB meeting in February.

Component Contributions in Monthly GDP Growth



USD Index

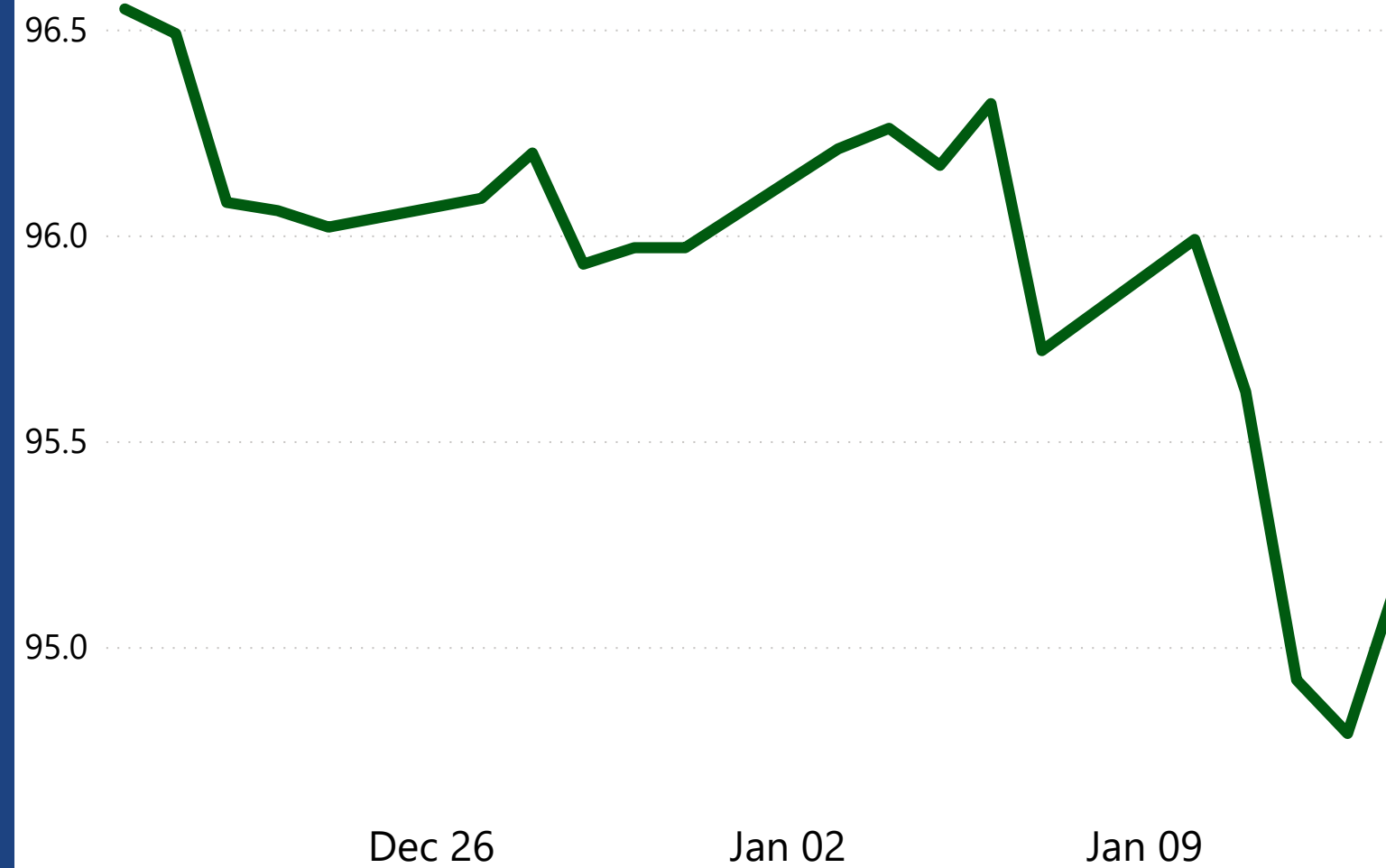
▼ **-0.85%**

USD Index Weekly change

95.17

Last Price

- Dollar had a net negative week as the index decreased from 95.99 on Monday to 95.17 on Friday. The drop comes in contrast to the index's performance over the last several weeks that was boosted by Fed's hawkish sentiments.
- The main cause for the drop was the unfavorable CPI report which has shown that inflation remains persistent.
- The performance of the USD index will be largely reliant on the Fed's upcoming meeting scheduled in late January.



Bitcoin (BTC)

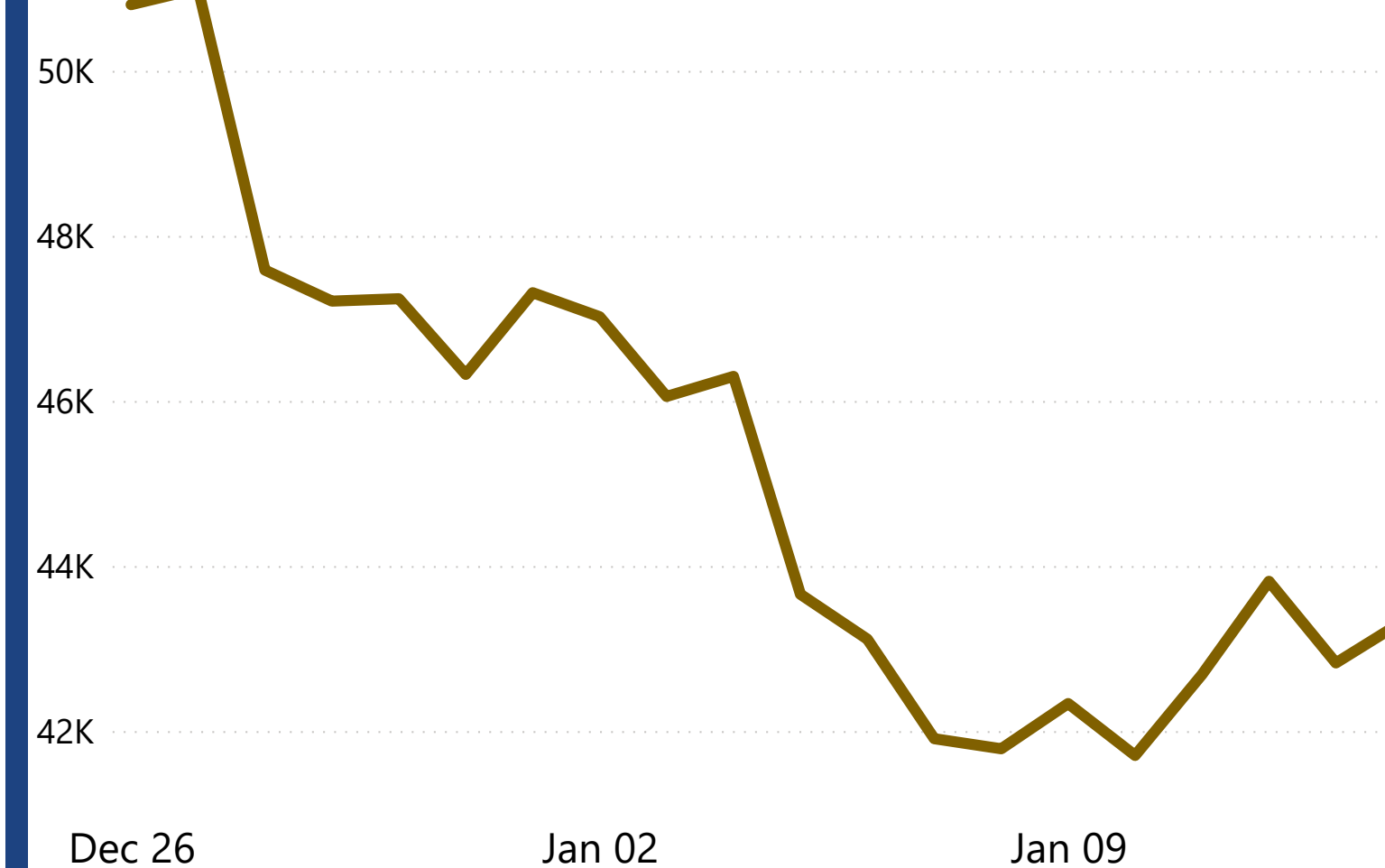
▲ **3.89%**

Bitcoin Weekly change

43.33K

Last Price

- The price of Bitcoin increased slightly last week, rising from \$41,705 on Monday to \$43,329 on Friday.
- Nevertheless, crypto enthusiasts still believe that Bitcoin may top \$75,000 in 2022 and reach record highs.
- The reason for the increase in price was mostly related to the high inflation indicator. Since Bitcoin is considered by some as an inflation hedge, its prospects became more favorable for investors seeking safe-haven assets (though it may be hard to categorize Bitcoin as such).



Crude Oil WTI

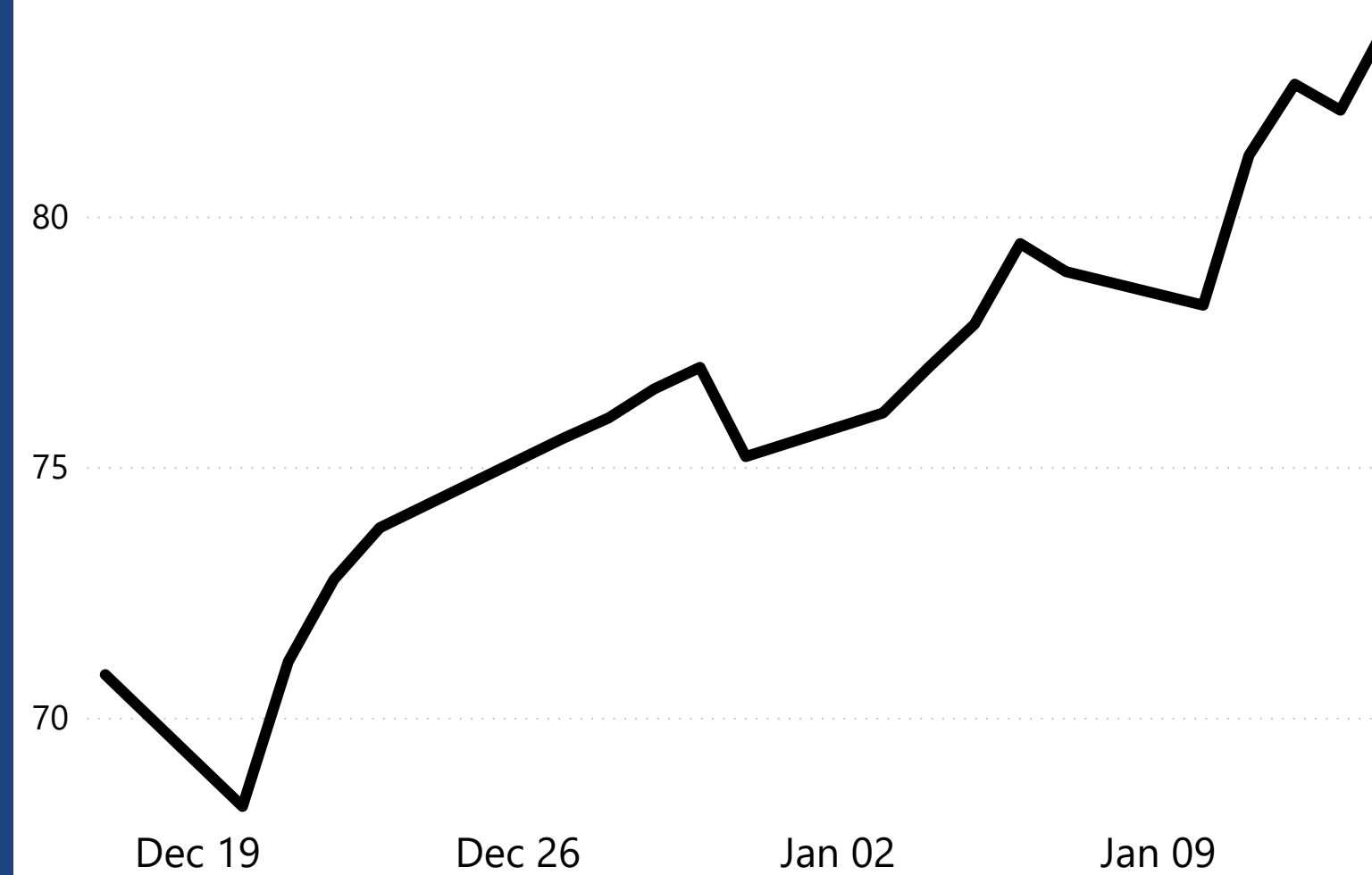
▲ **7.15%**

Crude Oil Weekly change

83.82

Last Price

- Oil continues its remarkable comeback since hitting low \$60s per barrel in December. The price per barrel increased from \$78.23 to \$83.82 weekly
- The hikes are caused by fears of tight supply amid increasing demand that was not significantly hindered by the omicron variant and decreased mobility.
- Oil still remains as volatile as ever, mostly due to the chances of China and U.S. opening up their reserves. Though OPEC+ countries are gradually increasing production, the rise proves to be insufficient to regulate prices.



Gold

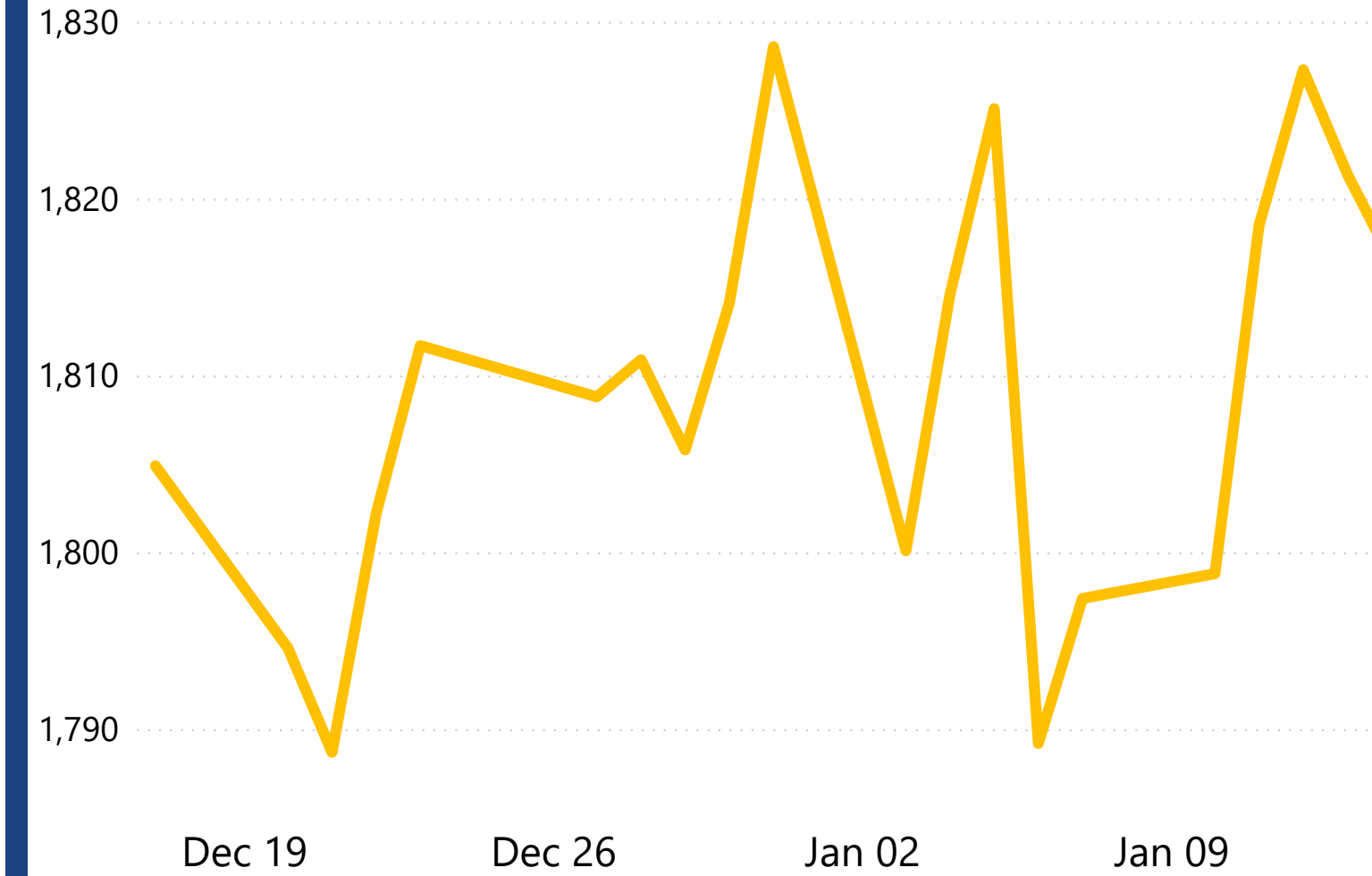
▲ **0.98%**

Gold Weekly change

1.82K

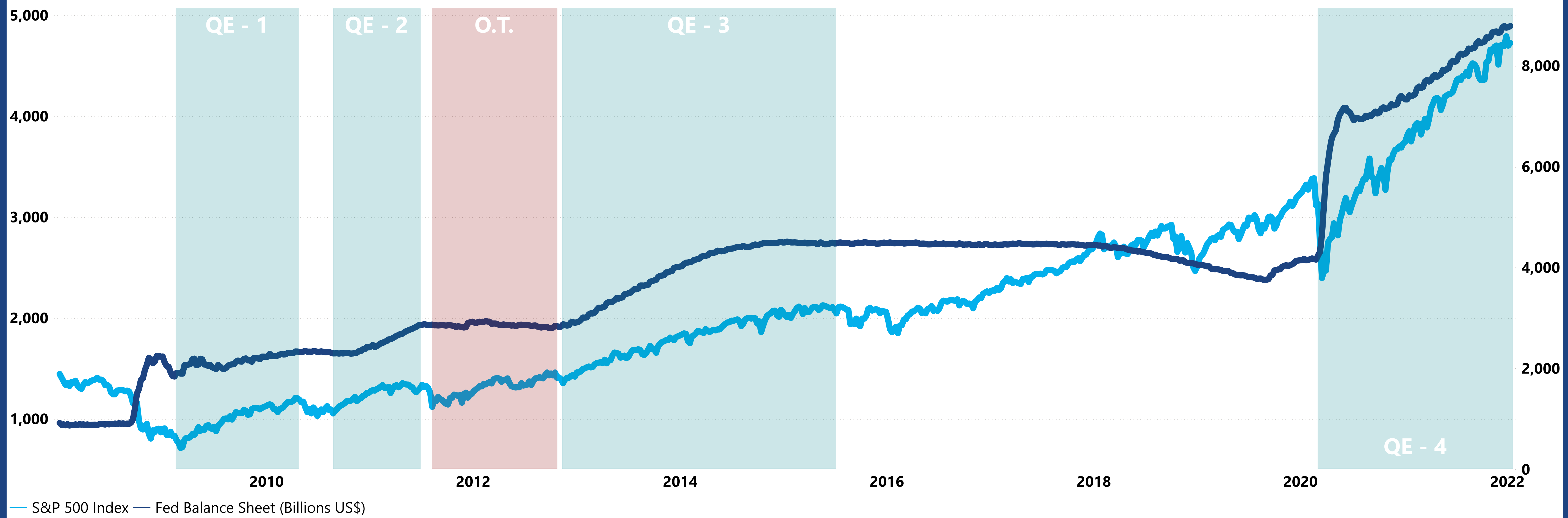
Last Price

- The price of gold increased from \$1,798 per ounce on Monday to \$1,816.15 on Friday. The precious metal even reached \$1,827 on Wednesday.
- The rise in the price of gold was mostly caused by an increase in the CPI which has reached a nearly 40-year high. Gold, as a famous inflation hedge, therefore, became more appealing to the investors.
- Nevertheless, significant volatility is ahead, as the FOMC members are expected to meet on January 25-26, and announce accelerated plans of tapering.



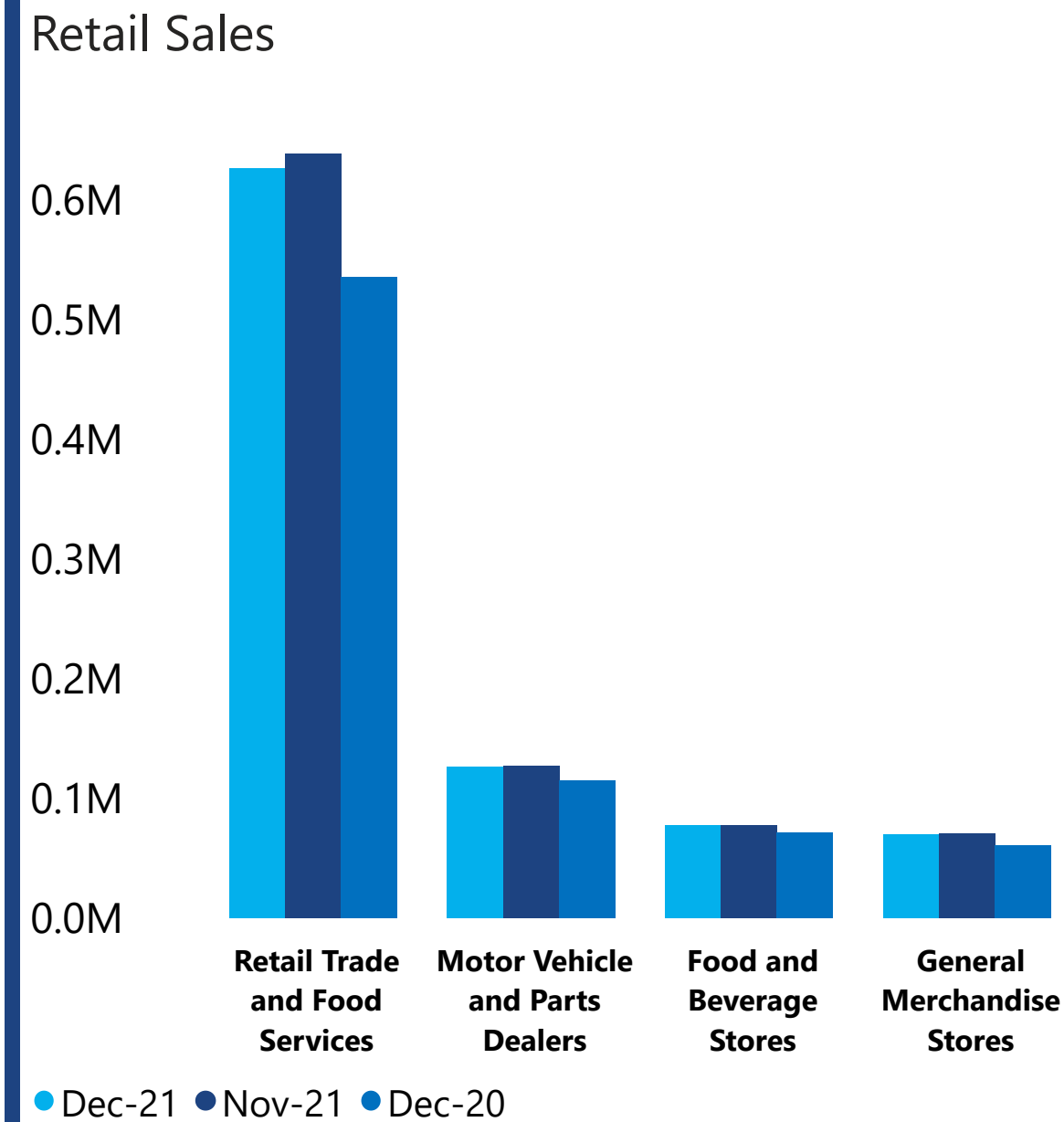
Federal Reserve Assets/GDP Ratio Might Decline to Pre-COVID Level in 2025

S&P 500 vs Fed Balance Sheet



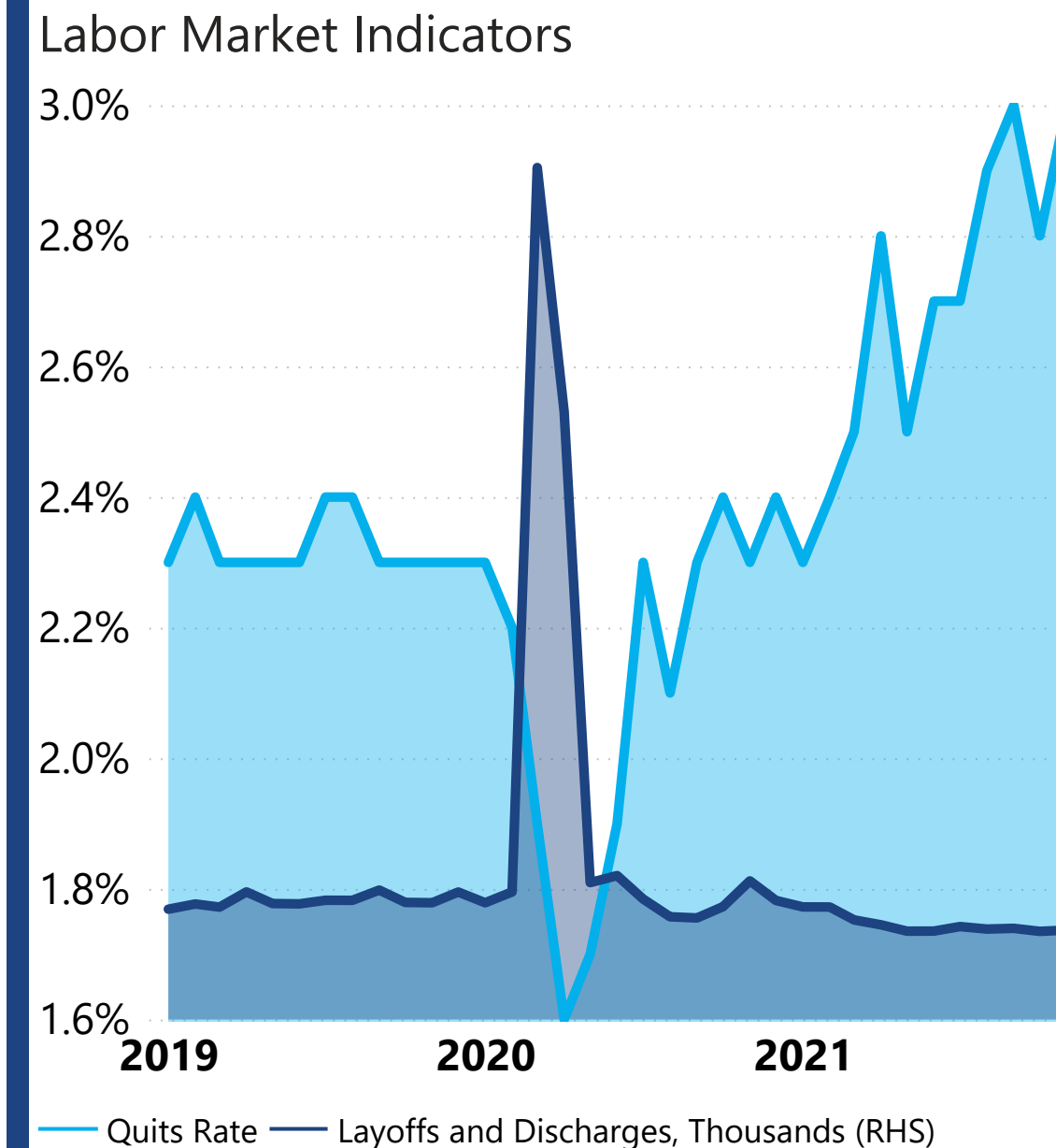
Market is expecting that Federal Reserve will hike rates 4 times in 2022 as US CPI hit its highest level, 7%, in more than 40 year. Some of the market participants, including JP Morgan, expect that FED might use 6 or 7 rate hike. In addition to rate hikes, FED will start Quantitative Tapering and will start reducing size of its balance sheet. FED increased its balance sheet aggressively, bulking it up to 9 Trillion USD. FED Assets to GDP ratio increased almost twice and reached 35%. As tapering starts, Deutsche Bank expects that FED targets to reach pre-COVID level of Assets/GDP ratio at the end of 2025. According to Deutsche, FED's balance sheet will shrink by 3 trillion, reducing by 560 Billion in 2022, 1 trillion in 2023 and rest in last two years. Since, recently FED's Balance sheet size coincides with price increase in SP500, market will closely monitor what will be the potential effect of shrinking Fed's Balance sheet.

U.S. Retail Sales Disappoint



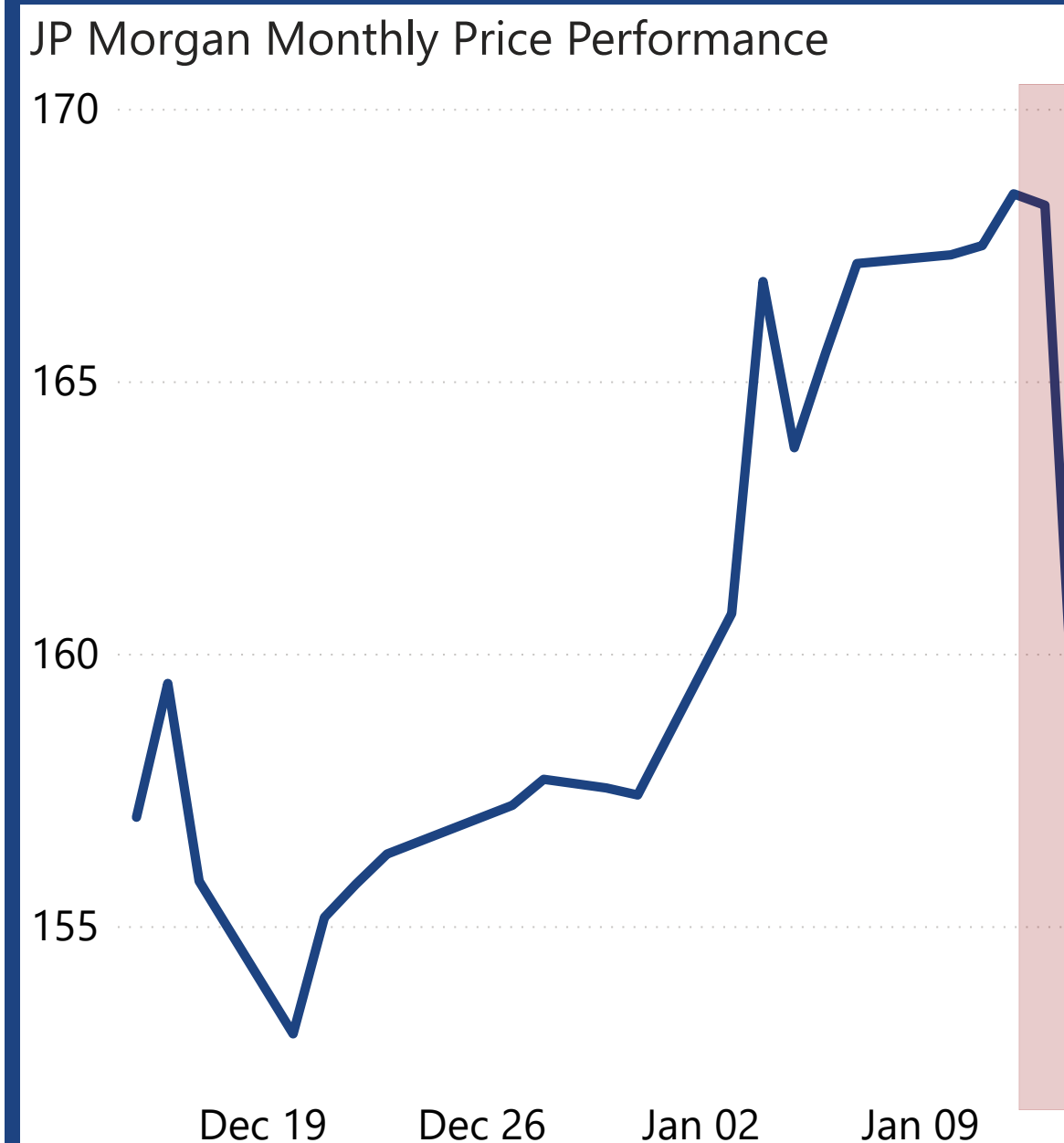
- The Retail Sales release was especially disappointing as the indicator dropped 1.9% M-o-M in December while the forecasts indicated a mere 0.1% drop and the November data was revised lower. Compared to the data released for December 2020, the current retail sale levels are up by 16.9%.
- Out of the major components of the retail sales, the "Retail Trade and Food Services, excluding Auto" decreased the most last month by over 2.3%, though a mere 0.3% rise was expected.
- The main causes for such a drop were the high prices that have exceeded the rise in the consumers' purchasing power since the wages have not increased by as much as the price of goods and services.
- According to the economists, the increase in retail businesses is expected to be lower, since the growth in 2021 mostly came after the drastically slowed down demand during the first year of the pandemic.

Labor Shortages Were Exacerbated by Omicron



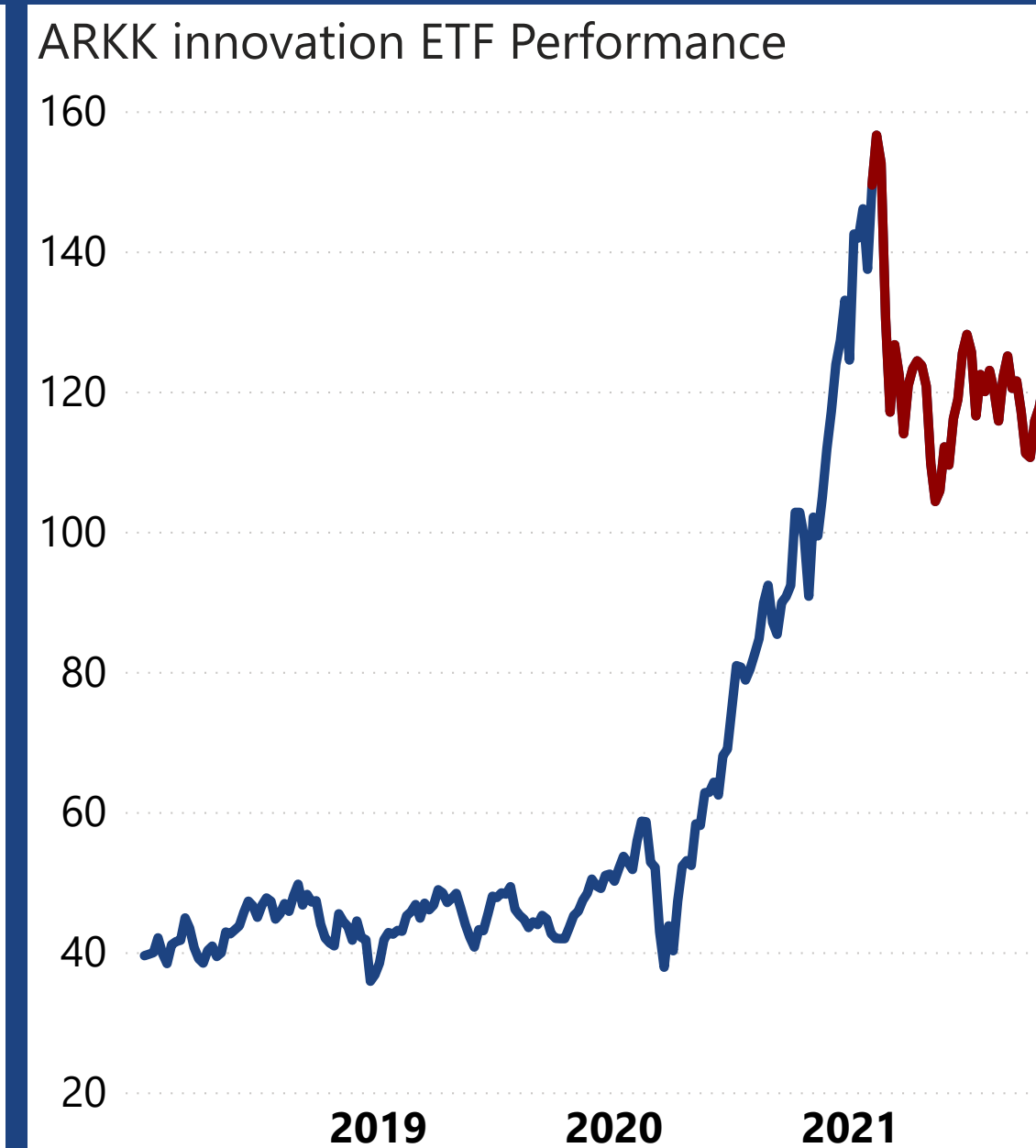
- Since summer 2021, the labor sector has had a peculiar issue: even during a pandemic, the number of open job positions exceeds the number of monthly added payrolls and interested potential employees.
- The issue has been worsened by the omicron variant which continues to spread at an exponential rate and has caused a significant portion of the labor sector to take medical leaves. One of the businesses most hit by the absences were pharmacies such as CVS and Walgreens which were forced to modify work hours.
- The drop in staffing is also connected to the notion of "burnout" which has become exceptionally prominent during the pandemic as employee preferences have shifted. Instead of taking extra shifts, the workers now prioritize their health.
- Business leaders continuously state that their main challenge currently is to hire and retain workers amid the Great Resignation. Many have been notably increasing offered salaries in hopes of attracting talent, which will further elevate inflation.

Earnings Update: U.S. Banks



- On Friday, U.S. financial corporations kicked off earnings season. Wells Fargo released the most promising financial results. The company topped Wall Street's expectations and the stock price rose by 3.68%. The world's biggest asset manager BlackRock exceeded \$10 trillion AUM in the fourth quarter, up 15% from \$8.68 trillion AUM a year earlier, as the company reported record net inflows of cash.
- JPMorgan Chase, Citigroup and Jefferies Financial were struggling after earnings reports. Beside the fact that JPMorgan and Citigroup beat the bottom line estimates, expense guidance get analysts' attention. After JPMorgan issued guidance for higher-than-expected expenses this year, leading Wells Fargo analyst Mike Mayo downgraded JPMorgan to Equal Weight from Overweight and cut price target from \$210 to \$180. JPMorgan had one of the worst performance on Friday trading session, as stock price dropped by 6.15%.

Bloodbath in Tech Stocks Continues

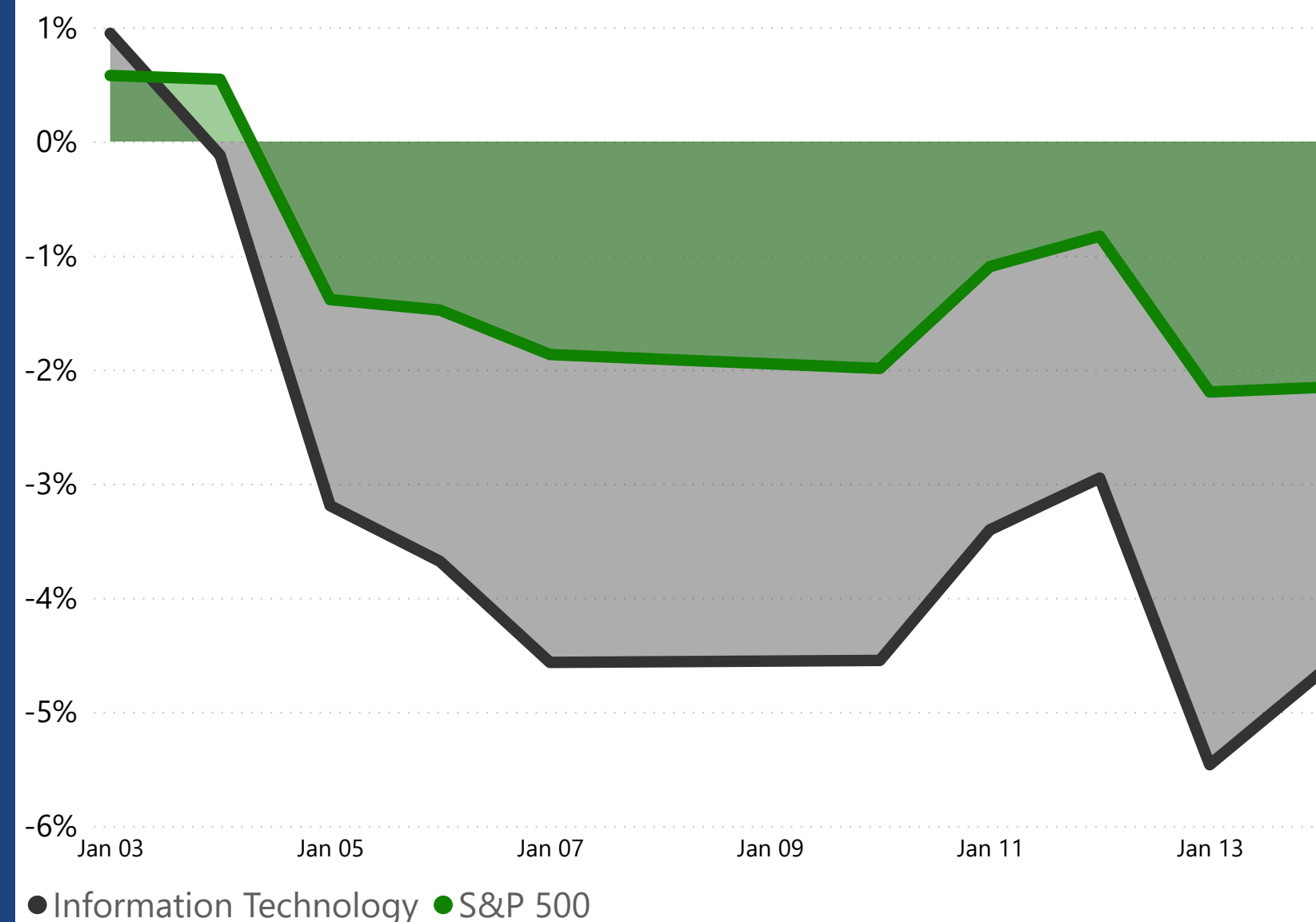


- As probability of 4th rate hike in 2022 increased from 0% to 81% in last 10 days and yields on US government bonds increased by almost 4%, growth stocks, mostly consisting technology companies, got hammered. ARKK innovation ETF, which consists longer duration, non-profitable and hyper growth-oriented technology stocks, lost almost 49% since its peak in February 2021
- Major technology Index, NASDAQ100, had its second worst start of the year in 30 years after 2009. In addition to that 40% of NASDAQ constituents are down more than 50% from their highs. All the gains which were made in NASDAQ 100 in 2021, were coming from 5 stocks – AAPL, MSFT, NVDA, TSLA and GOOGL.
- Such kind of start for NASDAQ is reminiscent of 1999-2000, when large technology stocks were doing well, whereas majority of index constituents lost 50%.

Sector Snapshot

Information Technology

Sector Comparison to S&P 500 Performance



16.11 Market Cap (Trillions) **-0.10%** Weekly Change **33.60** P/E **25.20** EV/EBITDA

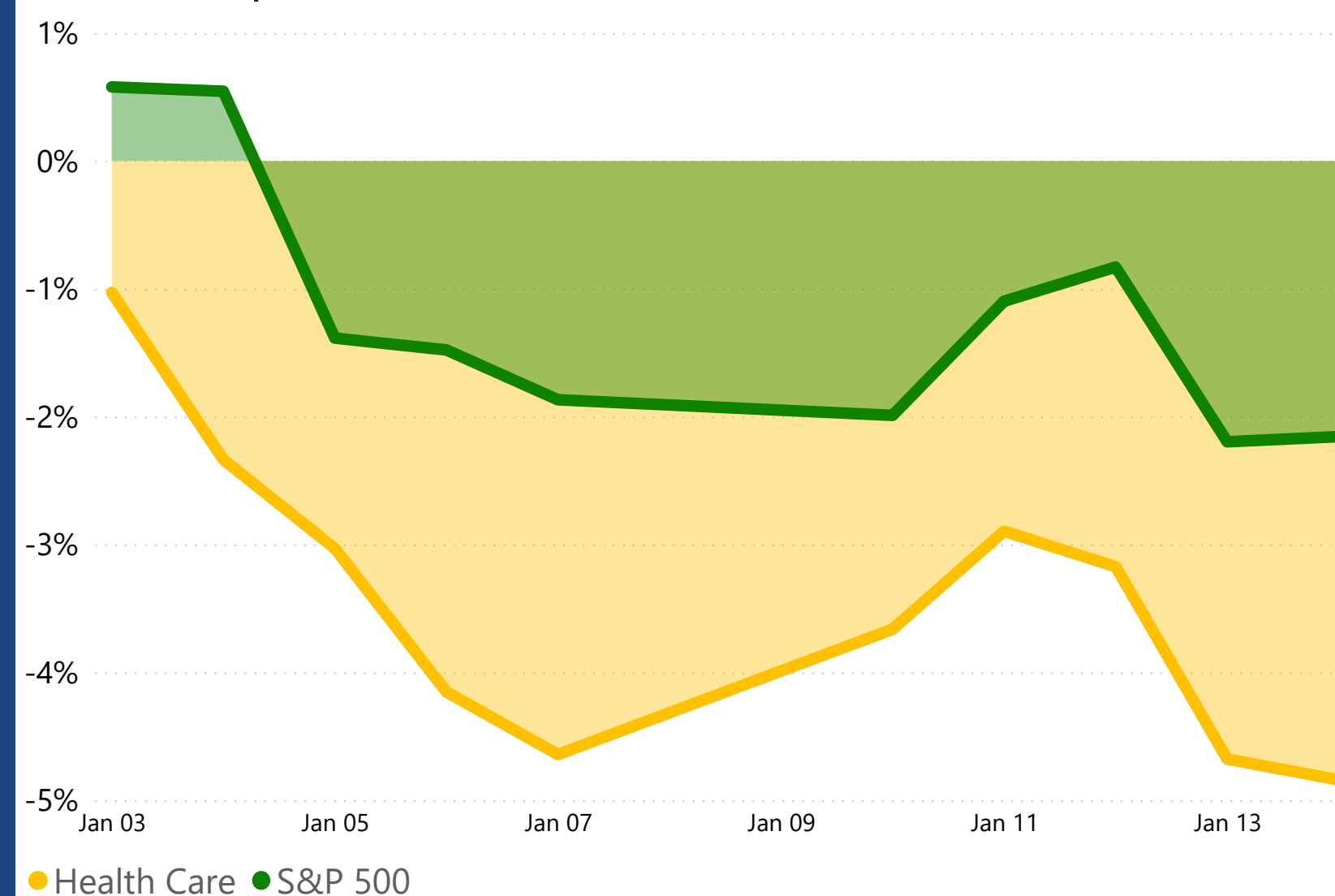
- Snap Inc. (SNAP) announced EUR 1B share repurchase program. The company was downgraded to Market Perform at Cowen as iOS 14.5 changes impacting Snap's measurement, targeting and attribution for direct response ad units.
- Shopify (SHOP) upgraded from Market Perform to Outperform at William Blair saying with the recent sell-off made valuation more reasonable.
- Intel Corporation (INTC) lost momentum on a report that Microsoft (MSFT) hires key apple engineer to design own server chips.
- BMO upgraded Take-Two Interactive Software (TTWO) with unchanged price target of \$180 due to pending Zynga (ZNGA) acquisition.
- Apple (AAPL) shipped an estimated 7.8 million Macs in the fourth-quarter, up 9% over the prior quarter. The company had 8.5% of the total PC market, up from 7.9% in the fourth-quarter of 2020. For the full year, Apple shipped an estimated 29 million units, up from 28.3 million.

STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
APPLE INC	AAPL	2,827bn	173.07	-0.52%	28.04	21.66
MICROSOFT CORP	MSFT	2,329bn	310.20	1.24%	29.51	20.26
INTEL CORP	INTC	227bn	55.70	-4.06%	15.24	7.30
QUALCOMM INC	QCOM	211bn	188.69	-4.39%	16.52	12.31
SHOPIFY INC	SHOP	139bn	1,102.91	3.77%	173.88	167.51
KLA CORP	KLAC	67bn	445.00	-6.31%	20.70	16.84
SNAP INC - A	SNAP	61bn	38.04	8.73%	66.50	65.59
CLOUDFLARE INC	NET	32bn	100.29	6.69%		355.90
AKAMAI TECHNOLOGIES INC	AKAM	18bn	112.62	-1.85%	18.93	11.30
TAKE-TWO INTERACTIVE	TTWO	18bn	152.58	7.88%	22.88	15.14
ZYNGA INC - CL A	ZNGA	10bn	8.96	-33.04%	21.75	13.83

ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
Invesco QQQ Trust	QQQ	204bn	380.01	0.04%	-4.48%	0.20%
Vanguard IT ETF	VGT	54bn	433.47	-0.32%	-5.39%	0.10%
Technology Select SPDR	XLK	50bn	165.76	-0.10%	-4.66%	0.12%
Fidelity IT	FTEC	7bn	128.05	-0.34%	-5.43%	0.08%
SPDR Semiconductor	XSD	2bn	226.56	0.27%	-6.82%	0.35%

Health Care

Sector Comparison to S&P 500 Performance



8.07 Market Cap (Trillions) **-0.21%** Weekly Change **30.70** P/E **22.60** EV/EBITDA

- SPDR Series Trust - SPDR S&P Biotech ETF (XBI) fell to its lowest level since June of last year, weighed down by weakness in vaccine makers Moderna (MRNA), NovaVax (NVAX), BioNTech SE (BNTX) as Omicron fears wane and top health officials question the need for Omicron-specific shots
- CVS (CVS) reached a new 52-week high after raising its 2021 earnings guidance ahead of expectations with GAAP diluted earnings per share guidance range to \$5.87 - \$5.92 from \$5.50 - \$5.61 and Adjusted EPS guidance range to \$8.33 - \$ 8.38 from \$8.00 - \$ 8.04 consensus
- iRhythm (IRTC) gained more than 38% on newly released rates published by Novitas Solutions, a Medicare Administrative Contractor (MAC). The updated reimbursement rates at \$222 and \$232 are higher than those issued previously. In January 2021, iRhythm (IRTC) shares plunged when Novitas first slashed its rates for long-term cardiac monitoring - its primary revenue source

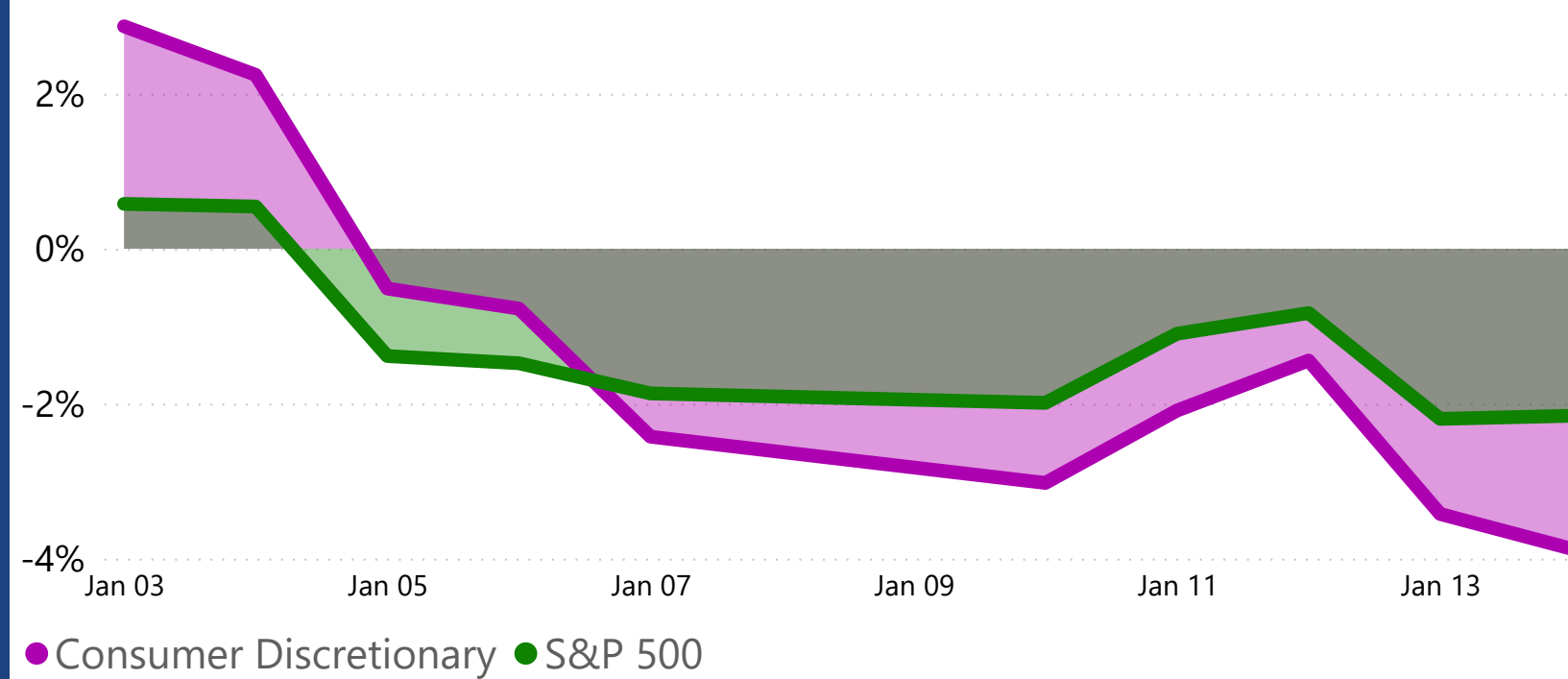
STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
PFIZER INC	PFE	308bn	54.95	1.40%	9.13	7.14
ELI LILLY & CO	LLY	234bn	244.12	6.30%	28.98	24.86
ABBOTT LABORATORIES	ABT	227bn	128.16	5.77%	26.97	20.16
CVS HEALTH CORP	CVS	140bn	106.22	-1.91%	12.85	10.65
MODERNA INC	MRNA	83bn	204.73	4.46%	7.44	5.15
BIONTECH SE-ADR	BNTX	48bn	196.00	8.08%	5.18	3.04
BIOGEN INC	BIIB	35bn	239.30	-2.80%	12.94	9.97
QUEST DIAGNOSTICS	DGX	17bn	142.30	9.54%	16.20	10.90
NOVAVAX INC	NVAX	8bn	110.82	14.33%	4.17	5.62
IRHYTHM TECHNOLOGIES	IRTC	4bn	141.10	-27.75%		
OCUGEN INC	OCGN	1bn	4.25	-4.47%	15.57	

ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
Health Care Select SPDR	XLV	35bn	134.07	-0.21%	-4.84%	0.12%
Vanguard Healthcare	VHT	17bn	251.22	-0.50%	-5.71%	0.10%
iShares Biotechnology	IBB	9bn	138.95	-1.14%	-8.96%	0.47%
SPDR S&P Biotech	XBI	6bn	100.49	-2.43%	-10.24%	0.35%
ARK Genomic Revolution	ARKG	4bn	51.58	-4.92%	-15.77%	0.75%

Sector Snapshot

Consumer Discretionary

Sector Comparison to S&P 500 Performance



9.17 Market Cap (Trillions) **-1.48%** Weekly Change **22.30** P/E **14.40** EV/EBITDA

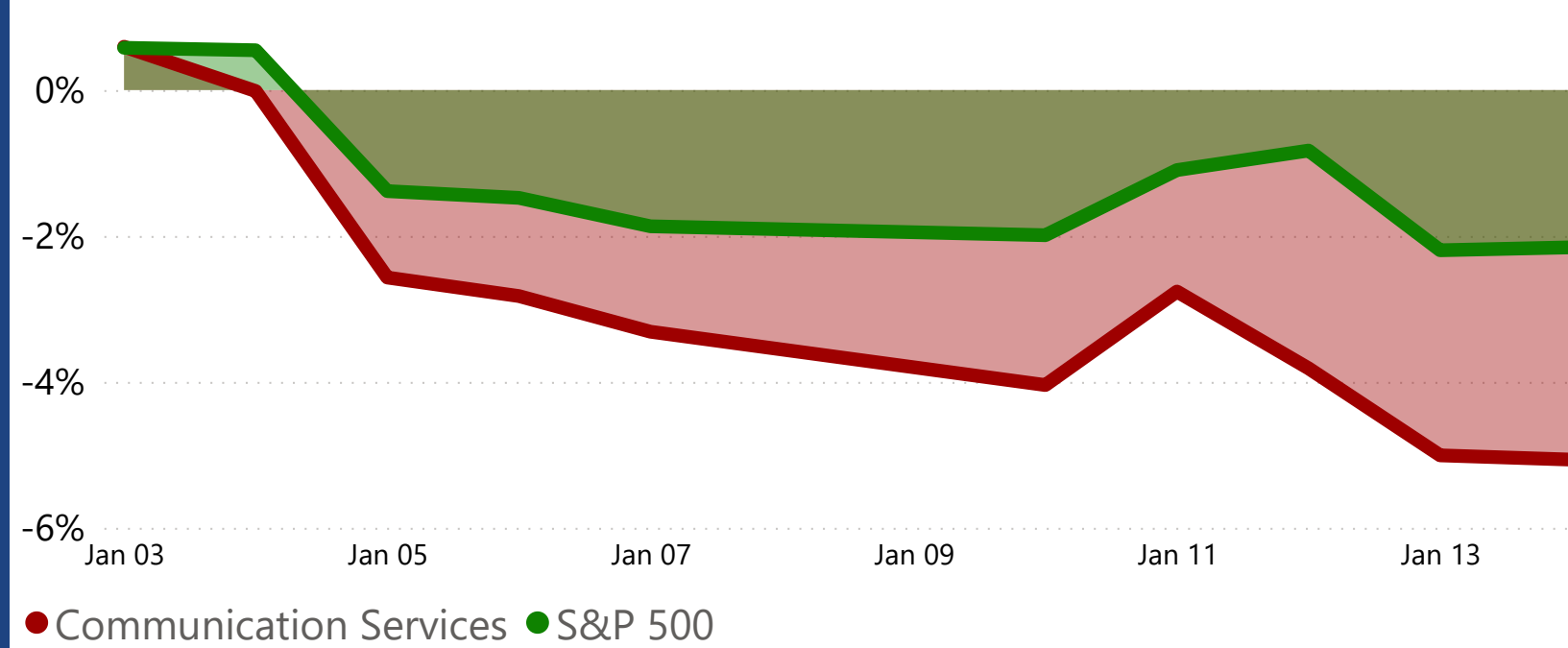
- As unionization is getting trendy, one important battle is getting a do-over. A second high-stakes election has been set for Amazon's (AMZN) warehouse in Bessemer, Alabama, aka BHM1, after 70% of employees voted against joining the Retail, Wholesale and Department Store Union (RWDSU) April 2021.
- DIDI known as Uber of china is getting closer to listing in Hong Kong after this news Chinese e-commerce giants Alibaba Group (BABA) and JD.com (JD) gained 3% on average.
- Ford Motor Company (F) reached \$ 100 Billion market capitalization this week. this is first time US vehicle manufacturing giant reached this mark. some speculate General Motors (GM) is next one to reach 100 Billion in market value.

STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
AMAZON.COM INC	AMZN	1,645bn	3,242.76	0.26%	49.63	20.54
ALIBABA GROUP HOLDING	BABA	357bn	131.57	-1.34%	14.78	9.70
JD.COM INC-ADR	JD	115bn	73.72	-7.43%	37.80	26.67
FORD MOTOR CO	F	101bn	25.19	-2.98%	12.40	6.96
GENERAL MOTORS CO	GM	89bn	61.10	1.91%	8.92	5.26

ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
Consumer Disc. Select SPDR	XLY	23bn	196.52	-1.48%	-3.87%	0.12%
Vanguard Consumer Disc.	VCR	7bn	324.98	-1.70%	-4.60%	0.10%
First Trust Consumer Disc.	FXD	2bn	59.65	-1.63%	-3.85%	0.63%
Fidelity Consumer Disc.	FDIS	2bn	84.28	-1.68%	-4.53%	0.08%
SDPR S&P Retail	XRT	0bn	83.63	-4.07%	-7.38%	0.35%

Communication Services

Sector Comparison to S&P 500 Performance



6.21 Market Cap (Trillions) **-1.81%** Weekly Change **28.20** P/E **17.60** EV/EBITDA

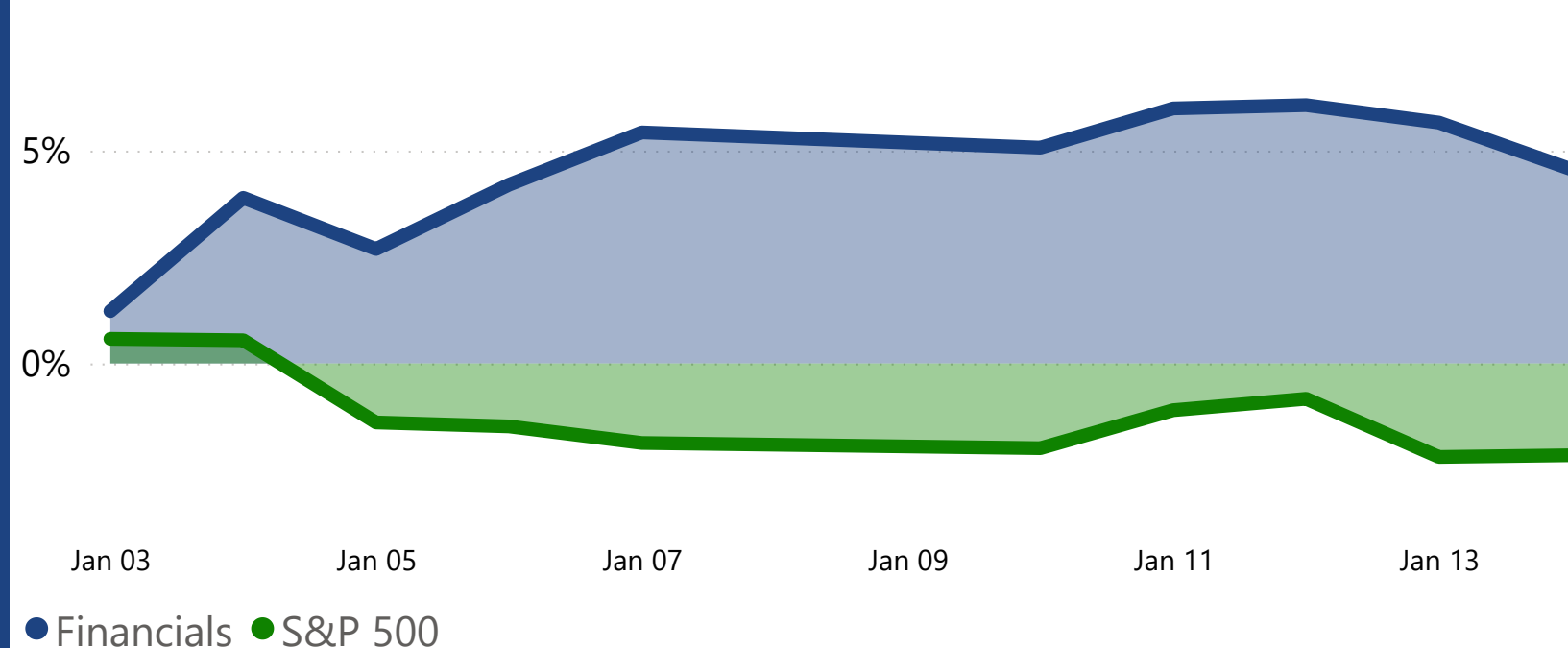
- Netflix (NFLX) raised its monthly subscription prices in U.S. and Canada, the first increases for those regions since October 2020. The company's price target was trimmed at keybank to \$620.
- Guggenheim downgraded The Walt Disney Company (DIS) from Buy to Neutral and lowered price target to \$165 as updated view of the pace of profit growth at the company's direct-to-consumer and parks businesses is now below consensus through fiscal 2024.
- Citigroup reiterates a Buy rating on AT&T (T) with target price of \$29. The company was also added to positive catalyst watch list.

STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
ALPHABET INC-CL A	GOOGL	1,854bn	2,789.61	-1.77%	22.27	14.52
META PLATFORMS	FB	923bn	331.90	-0.03%	21.42	13.23
WALT DISNEY CO/THE	DIS	276bn	151.94	3.88%	27.60	18.23
NETFLIX INC	NFLX	233bn	525.69	2.92%	40.27	29.08
AT&T INC	T	194bn	27.18	-3.27%	8.63	7.76

ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
Com.Services Select SPDR	XLC	13bn	76.56	0.16%	-1.44%	0.12%
Vanguard Com.Services	VOX	4bn	132.95	0.26%	-1.93%	0.10%
First Trust Indxx ETF	NXTG	1bn	81.57	0.47%	-1.26%	0.70%
Fidelity Com.Services	FCOM	1bn	50.37	0.20%	-1.93%	0.08%
Ishares Global Com.Services	IXP	0bn	81.78	0.87%	-0.55%	0.46%

Financials

Sector Comparison to S&P 500 Performance



9.26 Market Cap (Trillions) **-0.83%** Weekly Change **14.40** P/E **15.00** EV/EBITDA

- Some retailers fear that the Omicron variant will hurt sales but Mastercard (MA) CEO says: "We're coming with a momentum of the holiday season into the New Year, and trends continue to look relatively positive."
- JP Morgan (JPM) tanks 6.5% after earnings and downgrade from Wells Fargo (WFC). Price target was lowered to 180 from 210.
- While JPM had its selloff WFC was going up, stock gained 3.7% on fridays session after positive earnings release.

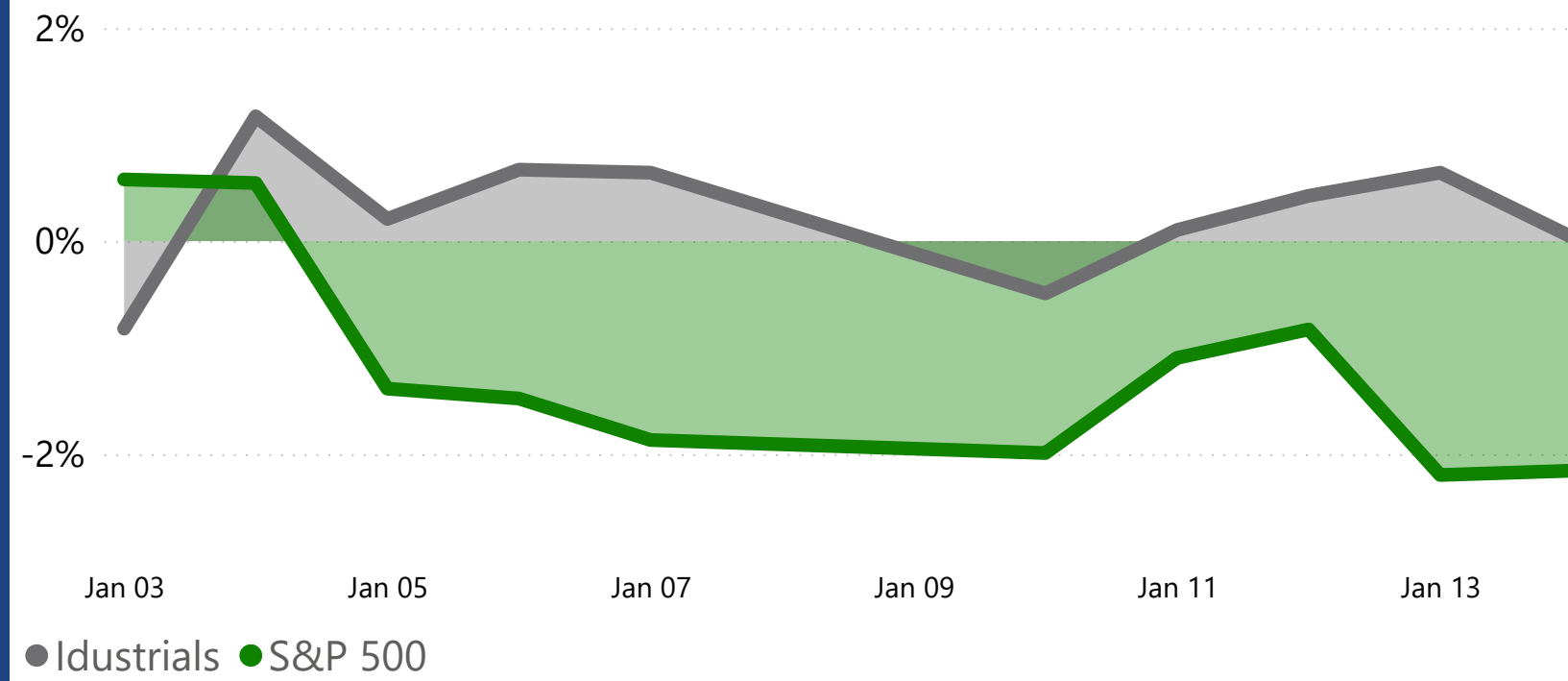
STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
VISA INC-CLASS A SHARES	V	468bn	214.67	1.07%	25.51	20.65
JPMORGAN CHASE & CO	JPM	467bn	157.89	5.87%	12.20	
MASTERCARD INC - A	MA	366bn	372.14	-0.67%	35.45	27.37
WELLS FARGO & CO	WFC	231bn	58.06	-5.67%	12.47	
CITIGROUP INC	C	133bn	66.93	-1.72%	8.07	11.67

ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
Financial Select SPDR	XLF	49bn	40.83	-0.83%	4.56%	0.12%
Vanguard Financials	VFH	13bn	100.46	-0.59%	4.03%	0.10%
SPDR S&P Bank	KBE	4bn	60.41	1.91%	10.72%	0.35%
iShares Global Financials	IXG	3bn	84.82	0.98%	5.95%	0.46%
SPDR S&P Insurance	KIE	0bn	41.33	0.46%	2.38%	0.35%

Sector Snapshot

Industrials

Sector Comparison to S&P 500 Performance



5.95 Market Cap (Trillions) **-0.60%** Weekly Change **20.60** P/E **12.80** EV/EBITDA

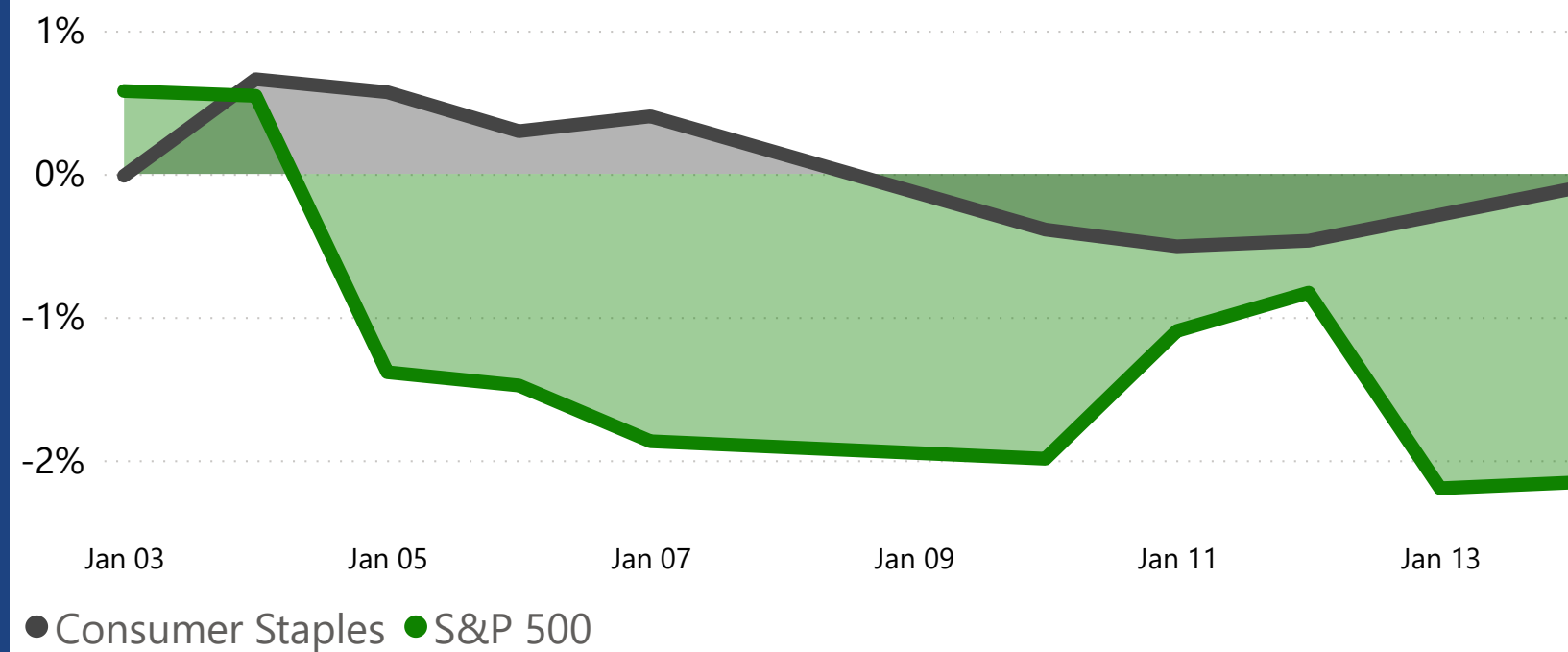
- Peloton Interactive (PTON) will drop out of the Nasdaq 100 (NDX) Index, while Old Dominion Freight Line (ODFL) takes its place. ODFL is up almost 60% over past year, while PTON lost more than 80%
- Boeing (BA) shares jumped following the reports that its grounded 737 max could resume service in China as soon as this month, as per Bloomberg. Furthermore, Boeing reported that it received 79 new plane orders capping its best year of sales since 2018
- UBS upgraded Generac Holdings (GNRC) from Neutral to Buy with a PT of \$480 saying its current 19x 2022E EV/EBITDA multiple presents a buying opportunity as it is well-positioned to take share in the behind-the-meter battery storage market

STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
BOEING CO/THE	BA	133bn	225.96	-4.63%	44.17	19.31
CANADIAN NATL RAILWAY	CNI	87bn	123.50	-0.06%	22.39	14.67
OLD DOMINION	ODFL	36bn	316.12	5.21%	30.71	19.09
DELTA AIR LINES INC	DAL	26bn	40.31	2.98%	7.01	6.28
GENERAC HOLDINGS	GNRC	19bn	306.28	3.35%	26.67	18.04

ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
The Industrial Select SPDR	XLI	19bn	105.85	-0.60%	0.04%	0.12%
Vanguard Industrials	VIS	5bn	201.03	-0.62%	-0.95%	0.10%
U.S. Global Jets	JETS	4bn	22.24	0.14%	5.45%	0.60%
iShares Transportation	IYT	2bn	268.95	-2.77%	-2.72%	0.42%
Fidelity Industrials	FIDU	1bn	55.59	-0.68%	-1.09%	0.08%

Consumer Staples

Sector Comparison to S&P 500 Performance



4.42 Market Cap (Trillions) **-0.50%** Weekly Change **23.40** P/E **16.50** EV/EBITDA

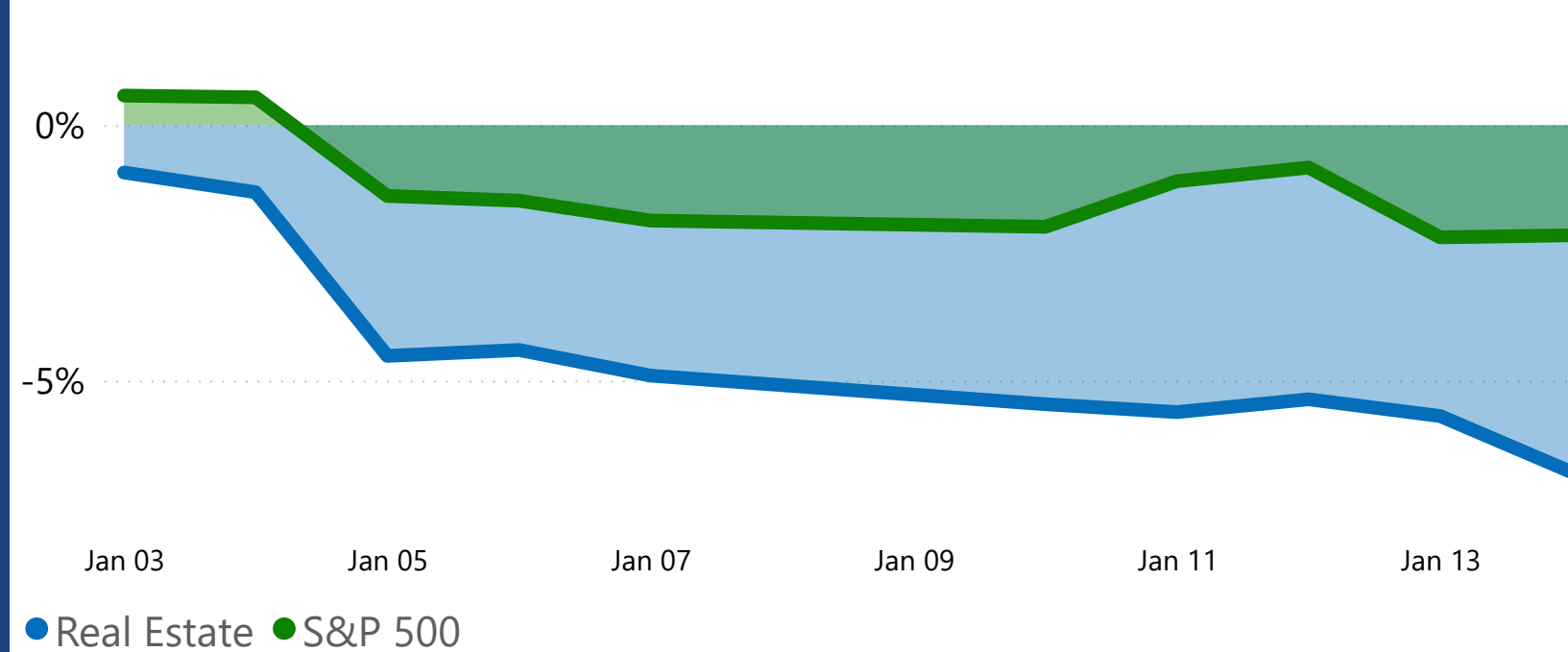
- Walmart (WMT) appears to be interested in entering the metaverse world after filing several trademarks to create and sell virtual goods. The retailer also filed applications to create its own cryptocurrency and non-fungible tokens (NFT's). CNBC report says.
- Procter & Gamble (PG) declares \$0.8698/share quarterly dividend, in line with previous. Forward yield 2.19%.
- GlaxoSmithKline (GSK) said it rejected three non-binding offers from Unilever Plc (UL) for its consumer healthcare business, including its latest bid of 50B GBP ("£68B") in cash and stock. The December 20 bid was comprised of 41.7B pounds in cash and 8.3B pounds in UL shares.

STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
WALMART INC	WMT	402bn	145.06	-0.12%	21.53	11.79
PROCTER & GAMBLE	PG	387bn	159.81	1.83%	25.16	17.99
COSTCO WHOLESALE	COST	223bn	502.99	6.60%	35.96	20.66
UNILEVER PLC-SPONSORED	UL	139bn	54.29	-0.90%	18.06	12.38
TARGET CORP	TGT	106bn	221.40	4.24%	16.58	10.23

ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
Consumer Staples SPDR	XLP	14bn	77.03	-0.50%	-0.10%	0.12%
Vanguard Consumer Stap.	VDC	7bn	199.76	-0.41%	-0.06%	0.10%
iShares Consumer Stap.	KXI	1bn	64.35	-0.37%	-0.59%	0.46%
Fidelity Consumer Stap.	FSTA	1bn	46.67	-0.45%	0.00%	0.08%
First Trust Consumer Stap.	FXG	0bn	63.90	1.11%	3.21%	0.63%

Real Estate

Sector Comparison to S&P 500 Performance



1.82 Market Cap (Trillions) **-1.99%** Weekly Change **47.20** P/E **20.80** EV/EBITDA

- LTC Properties (LTC) and Xenia Hotels & Resorts (XHR) were upgraded at Keybank. On the other hand Empire State Realty Trust (ESRT) and Corporate Office Properties Trust (OFC) were downgraded in 2022 REIT Outlook.
- Los Angeles-focused Douglas Emmett (DEI) was upgraded at Raymond James to Outperform, however, the company maintains their Underweight recommendation on office REITs due to a challenging fundamental backdrop with an uncertain future
- Flexible workspace solution provider company WeWork (WE) released preliminary consolidated gross desk sales of 66K in December increased from 43K in October and 55K in November. Physical occupancy rate was 63% in December, a 7 percentage point improvement from 56% at the end of Q3.

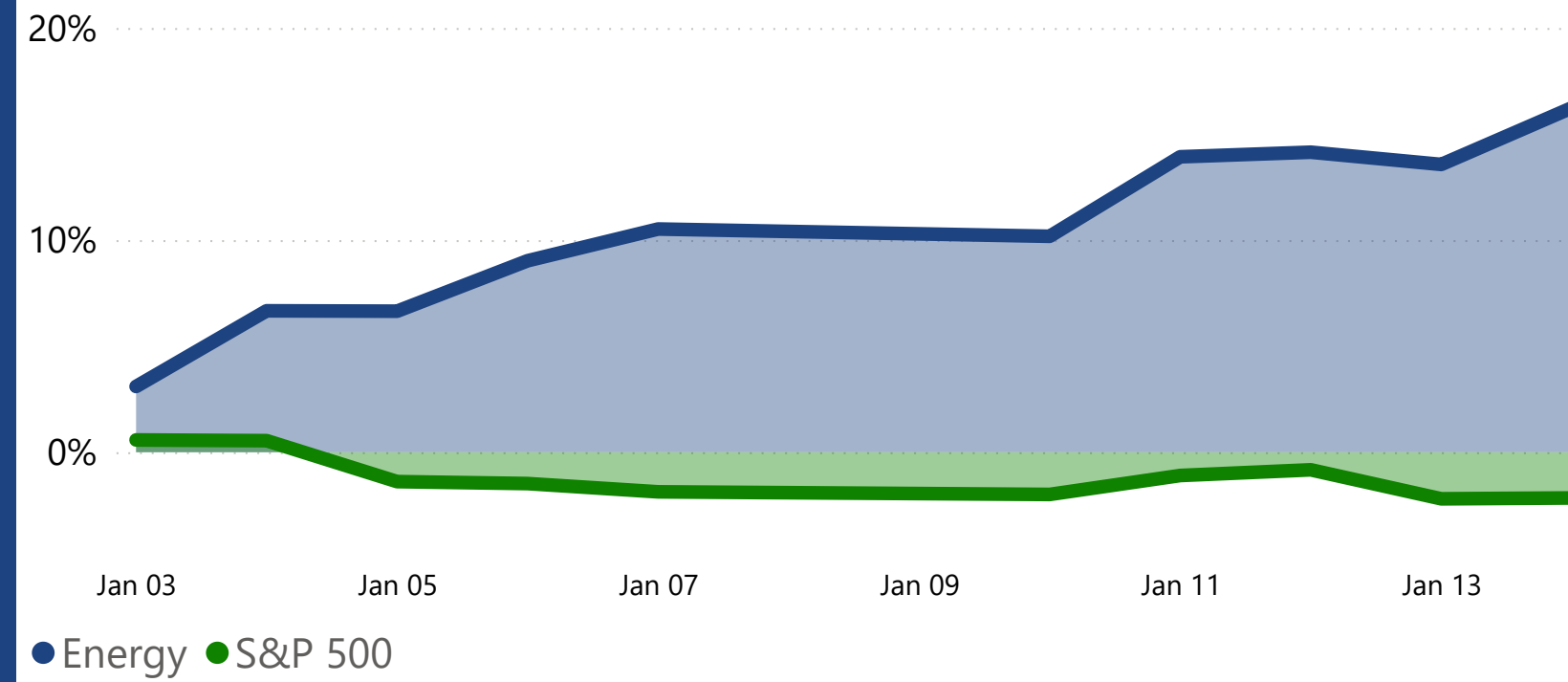
STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
WEWORK INC-CL A	WE	7bn	9.25	-0.43%		
DOUGLAS EMMETT INC	DEI	6bn	35.31	3.31%	65.39	19.93
XENIA HOTELS & RESORTS	XHR	2bn	18.64	-1.50%	140.15	14.65
EMPIRE STATE REALTY	ESRT	2bn	9.78	3.99%	81.50	13.98
LTC PROPERTIES INC	LTC	1bn	36.70	-2.48%	23.18	15.45

ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
Vanguard Real Estate	VNQ	48bn	109.47	-1.41%	-5.64%	0.12%
iShares U.S. Real Estate	IYR	8bn	109.29	-1.42%	-5.90%	0.42%
Schwab US REIT	SCHH	7bn	49.81	-1.44%	-5.47%	0.07%
Real Estate Select SPDR	XLRE	6bn	48.29	-1.99%	-6.79%	0.12%
iShares REIT ETF	REZ	1bn	95.41	0.20%	-2.87%	0.48%

Sector Snapshot

Energy

Sector Comparison to S&P 500 Performance

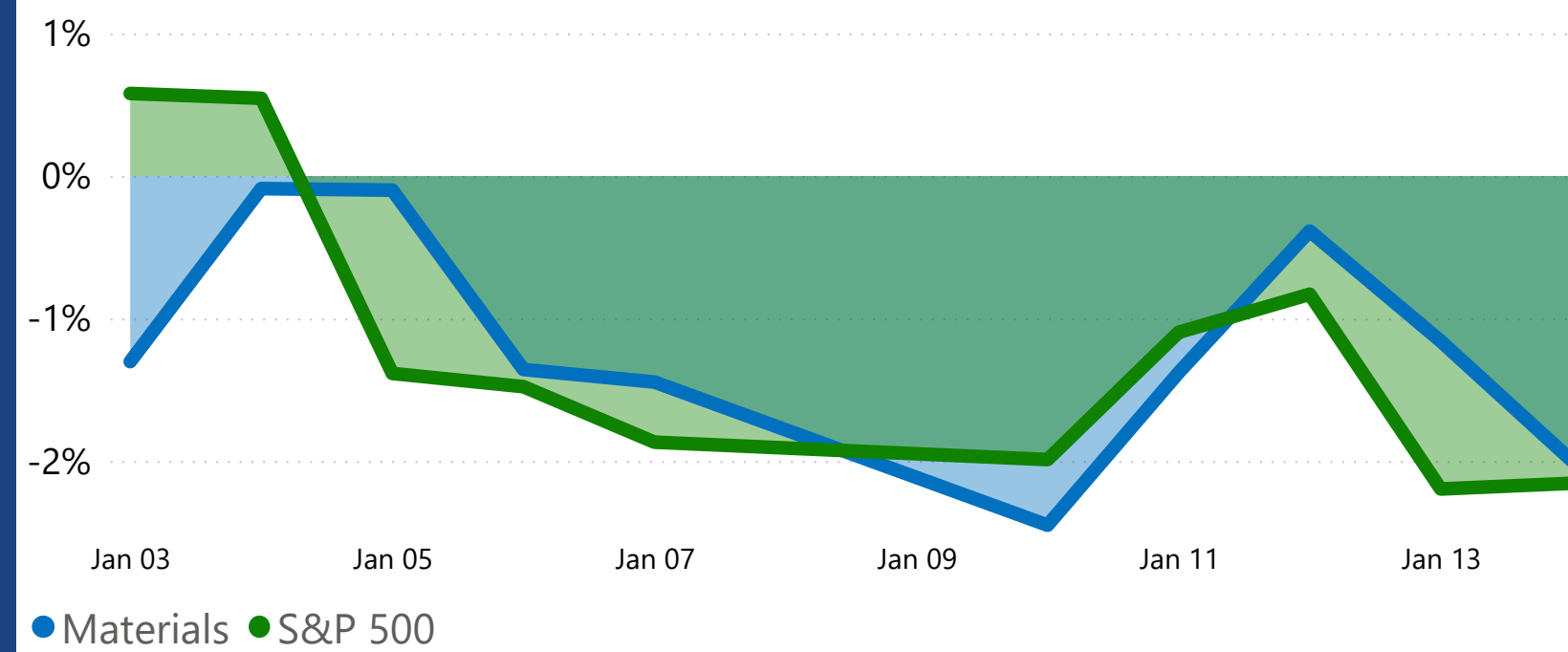


3.04 Market Cap (Trillions) **5.17%** Weekly Change **15.20** P/E **8.40** EV/EBITDA

- Wolfe research downgraded Oneok Inc(OKE) and cut its target price to 60 USD due to the reason that share price is trading at its highest multiple among its peer group. Share price of OKE increased by 6.55% year to date
- KeyBanc upgraded price target of APA corporation (APA) from 33\$ to 37\$ primarily due to its healthy balance sheet and ability to generate free cash flow with moderate growth.
- JP Morgan upgraded price target of Halliburton company (HAL), which provides energy engineering and construction services and set price target to 32\$

Materials

Sector Comparison to S&P 500 Performance

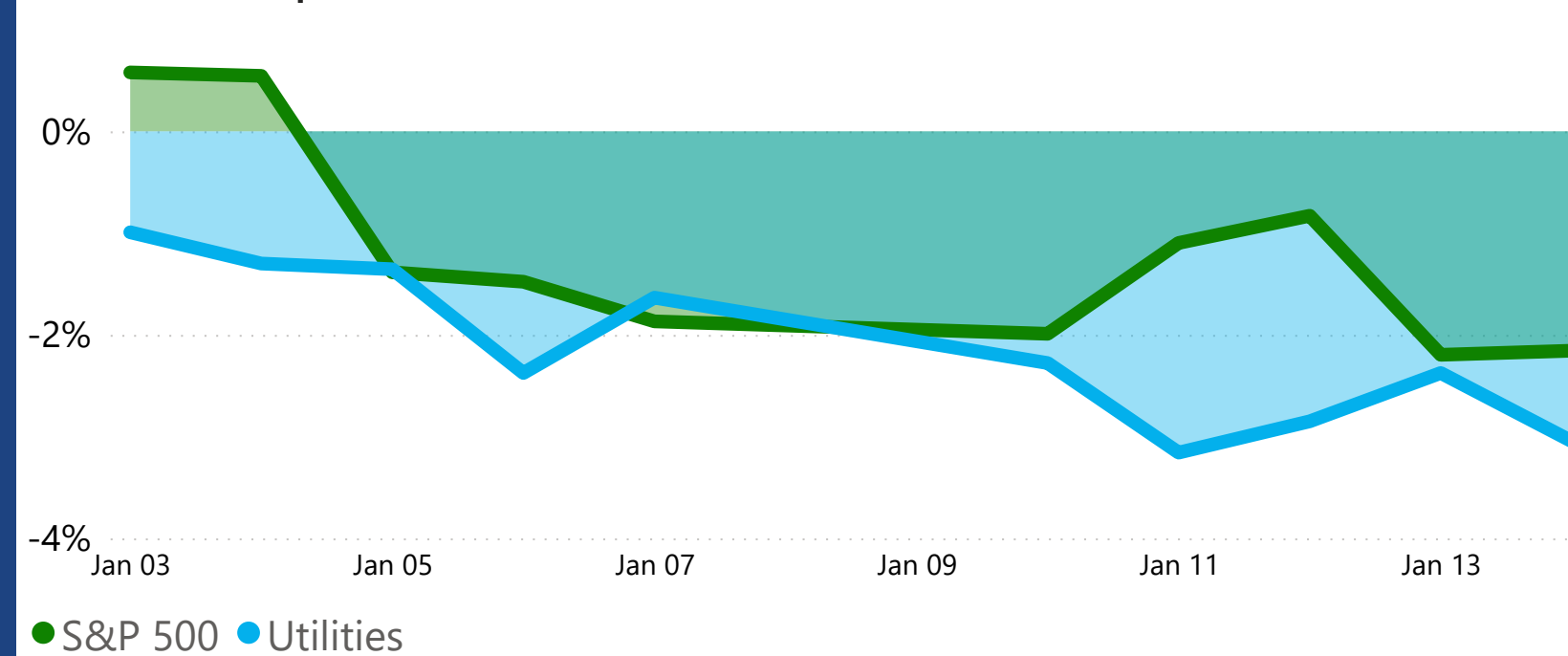


2.63 Market Cap (Trillions) **-0.56%** Weekly Change **17.30** P/E **9.40** EV/EBITDA

- Alcoa Corporation (AA), which manufactures metal products, was downgraded at Deutsche Bank from buy to hold as bank sees stock being overvalued
- Piper and Cowen upgraded price target of Lithium Americas (LAC) from 31\$ to 40.5\$ as speed of EV adoption increases globally
- Wolfe Research cut target price of Nucor Corporation (NUE) from 110\$ to 102\$ and downgraded from peer perform to underperform

Utilities

Sector Comparison to S&P 500 Performance



1.69 Market Cap (Trillions) **-1.43%** Weekly Change **23.20** P/E **13.00** EV/EBITDA

- Raymond James upgraded Rensola (SOL) to strong buy and set price target of 12.50, which represents almost 100% upside potential
- Morgan Stanley upgraded Sunpower corporation (SPWR), which is an integrated solar products and services company, to equal weight and set target price to 23
- Guggenheim upgraded SolarEdge Technologies (SEDG), which provides solar power optimization and photovoltaic monitoring solutions, from Neutral to Buy and set 329\$, which represents 29% upside potential.

STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
ONEOK INC	OKE	28bn	62.61	-0.24%	16.38	11.62
HALLIBURTON CO	HAL	26bn	28.74	-9.46%	16.79	9.65
DIAMONDBACK ENERGY	FANG	23bn	129.21	-5.95%	7.60	5.63
APA CORP	APA	12bn	33.29	-10.87%	6.15	4.18
PLAINS ALL AMER PIPELINE	PAA	8bn	10.95	-8.04%	8.06	8.23

ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
Energy Select SPDR	XLE	32bn	64.51	5.17%	16.23%	0.12%
Vanguard Energy	VDE	7bn	90.05	5.30%	16.03%	0.10%
SPDR Oil & Gas Exploration	XOP	4bn	110.99	6.01%	15.77%	0.35%
iShares U.S. Energy	IYE	3bn	34.45	4.90%	14.45%	0.42%
iShares Global Energy	IXC	2bn	31.72	5.77%	15.30%	0.46%

STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
NUCOR CORP	NUE	32bn	110.82	3.27%	6.51	4.67
ALCOA CORP	AA	11bn	61.39	1.60%	9.49	4.23
CLEVELAND-CLIFFS INC	CLF	11bn	22.05	5.85%	3.80	3.14
COMMERCIAL METALS CO	CMC	5bn	37.92	-6.09%	10.99	6.35
LITHIUM AMERICAS CORP	LAC	4bn	30.46	-8.60%		

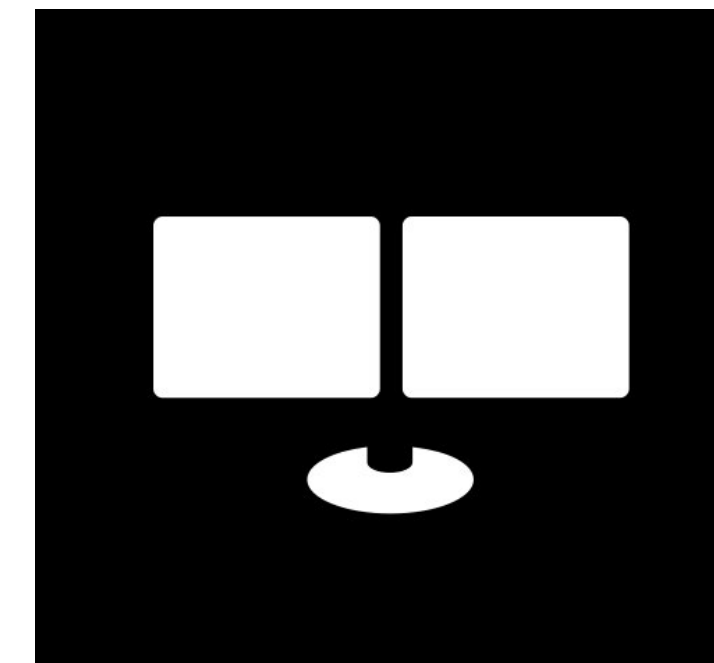
ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
VanEck Vectors Gold Miners	GDX	12bn	30.97	3.20%	-3.31%	0.52%
Materials Select Sector	XLB	8bn	88.80	-0.56%	-2.00%	0.12%
Vanguard Materials	VAW	4bn	193.89	-0.31%	-1.52%	0.10%
SPDR S&P Metals & Mining	XME	2bn	46.98	1.98%	4.91%	0.35%
Global X Silver Miners	SIL	1bn	35.05	3.15%	-4.44%	0.65%

STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
ENPHASE ENERGY INC	ENPH	19bn	142.84	1.60%	46.56	39.84
SOLAREEDGE TECHNOLOGIES	SEDG	13bn	253.83	-1.94%	37.57	25.96
SUNRUN INC	RUN	7bn	31.81	-0.28%		692.21
SUNPOWER CORP	SPWR	3bn	20.16	-3.87%	45.82	26.51
RENESOLA LTD	SOL	0bn	6.31	0.95%	18.67	7.12

ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
Utilities Select Sector	XLU	13bn	69.40	-1.43%	-3.05%	0.12%
Global X US Infrastructure Dev	PAVE	6bn	27.98	-1.31%	-2.81%	0.47%
Vanguard Utilities	VPU	5bn	151.85	-1.34%	-2.91%	0.10%
iShares Global Infrastructure	IGF	3bn	48.23	1.20%	1.34%	0.46%

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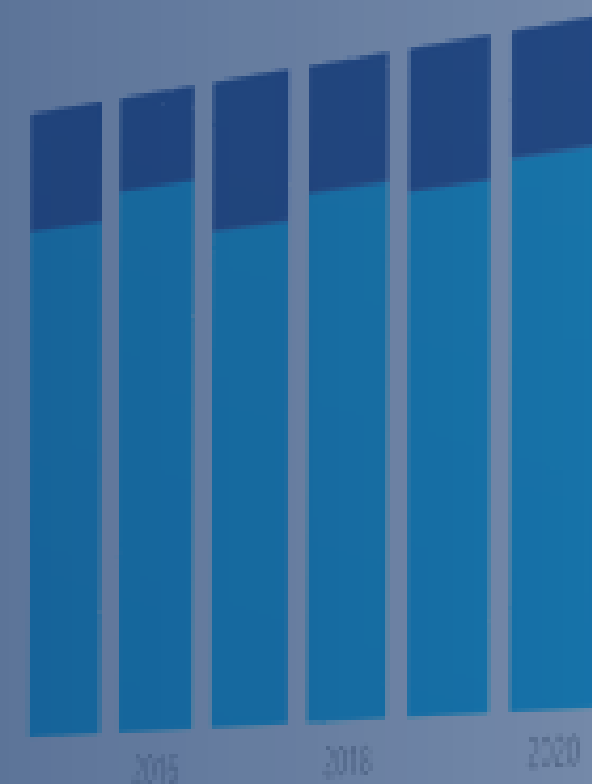
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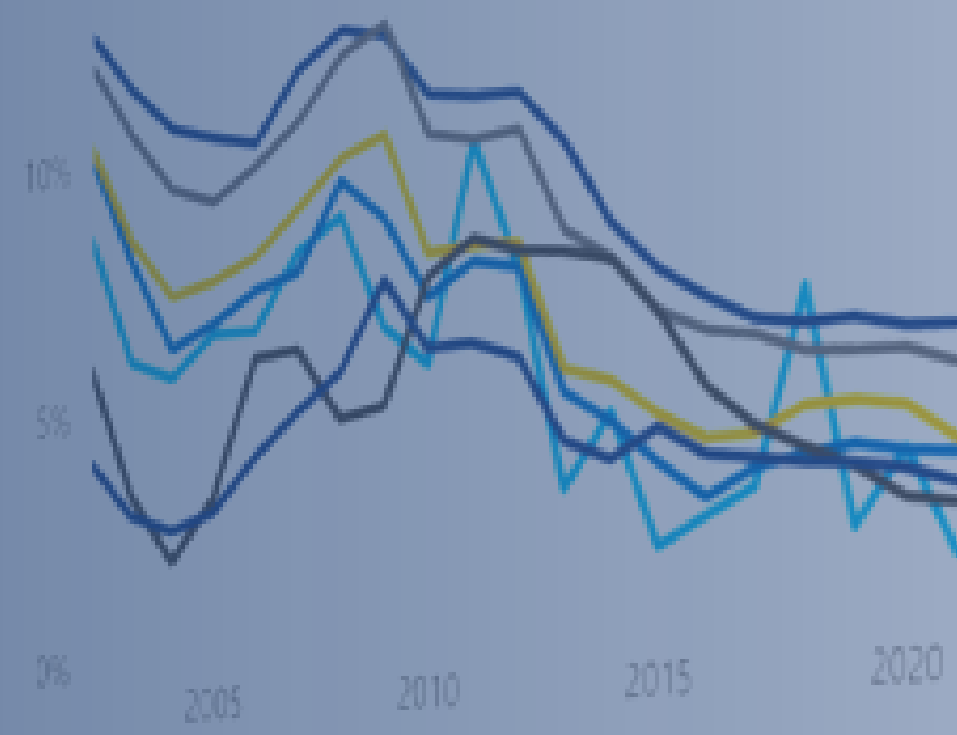
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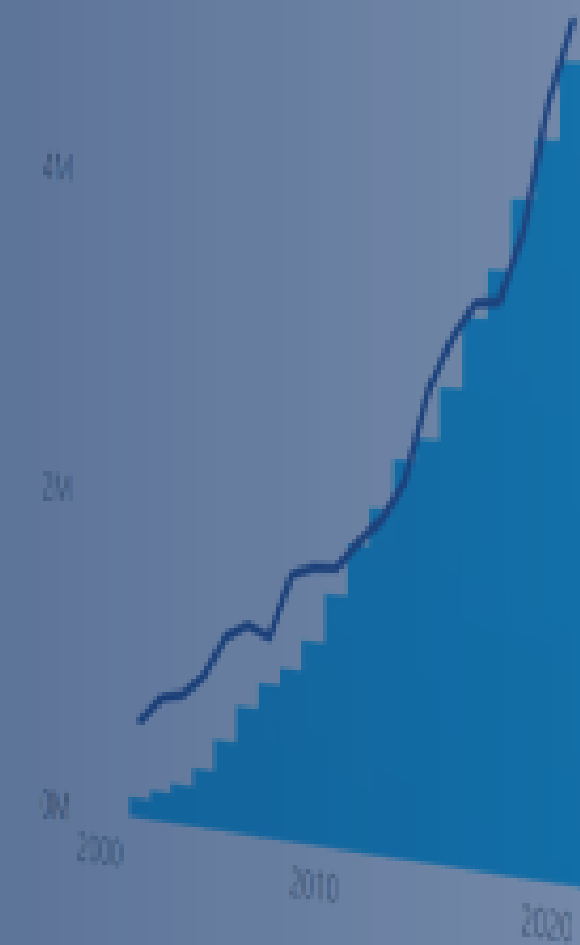
Sandro Tchanturidze



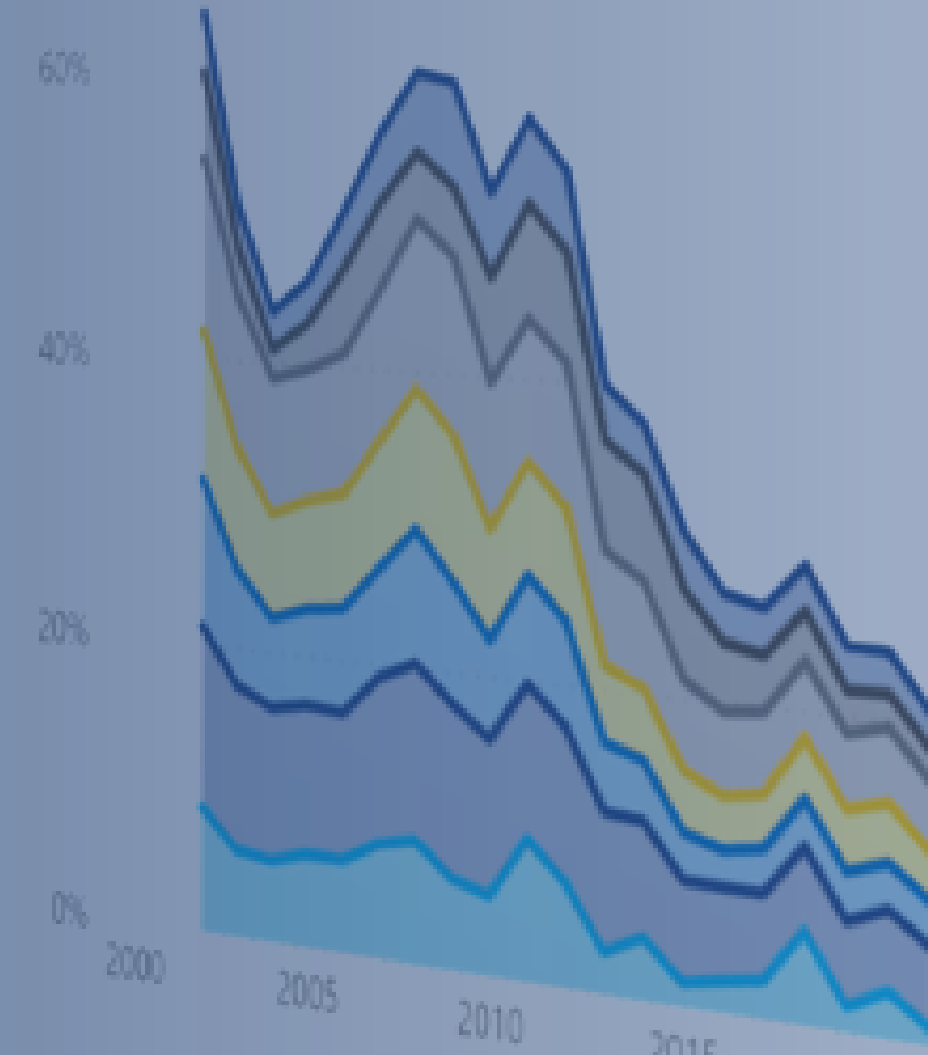
Investors Non-Residents



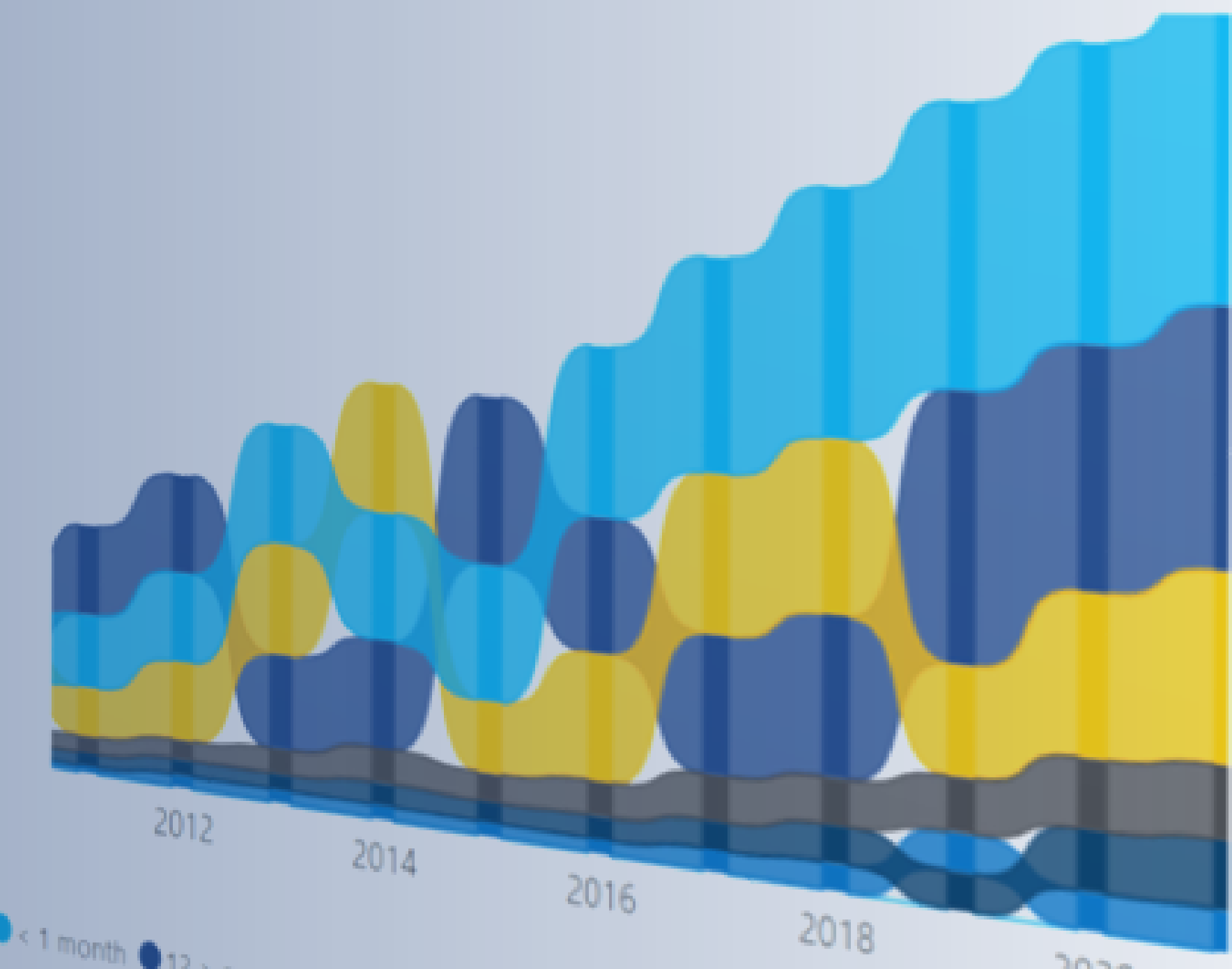
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