

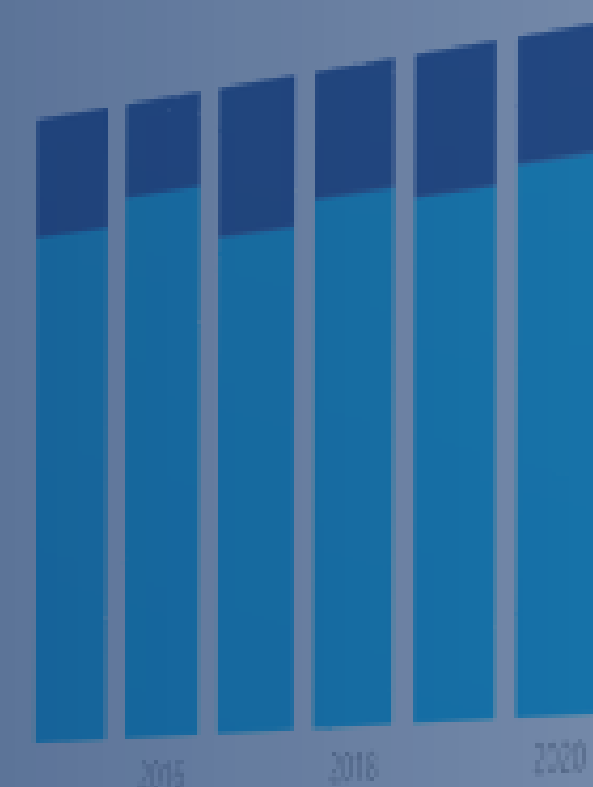


# TBC CAPITAL

## Weekly Equity Market Outlook

October 11 - 15

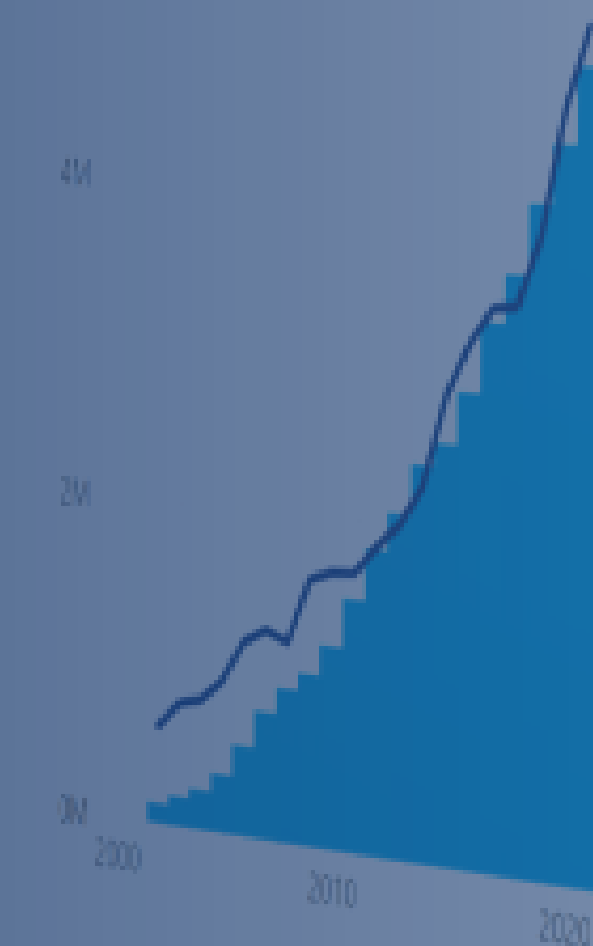
TBC Capital Brokerage



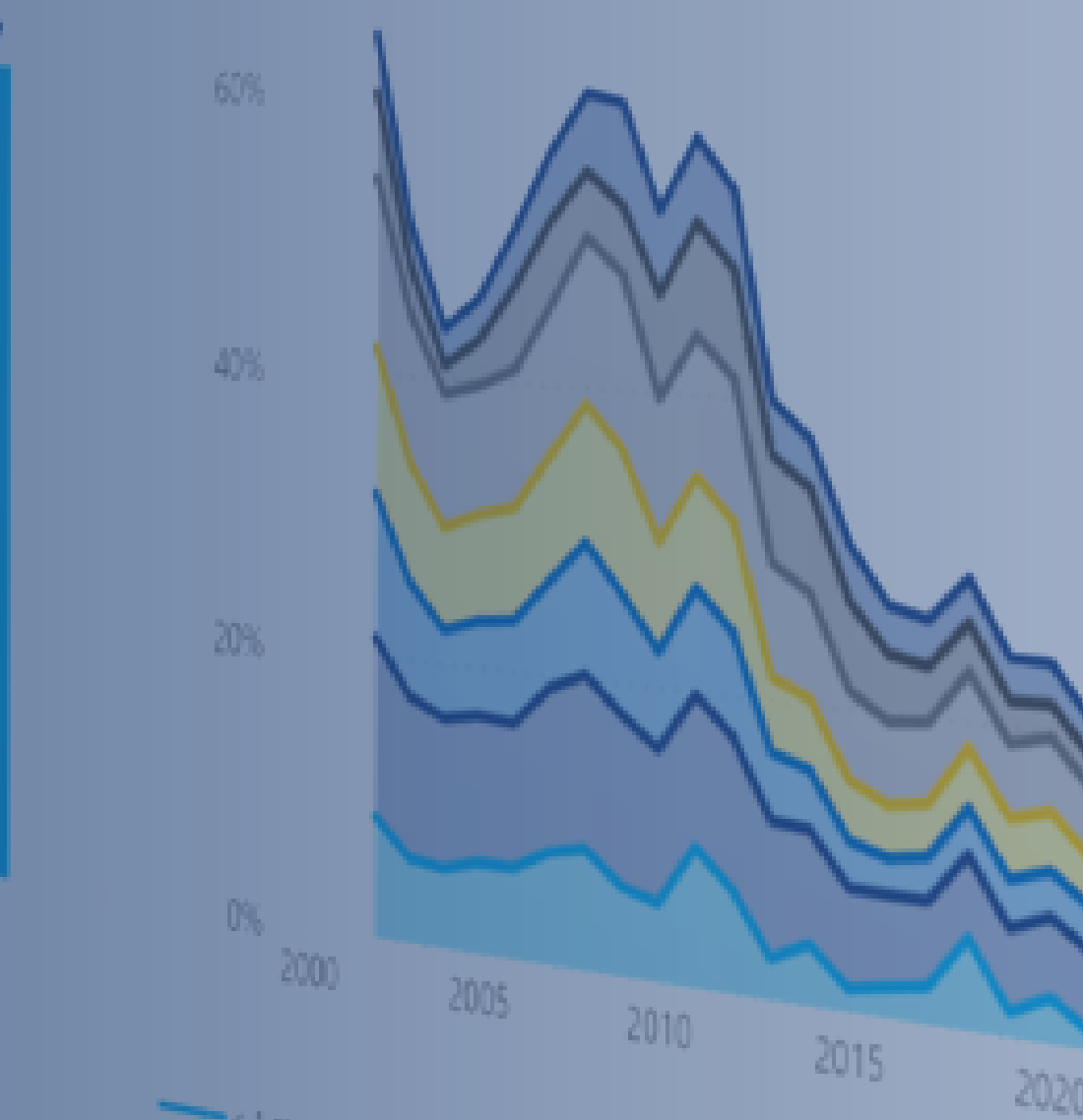
Residents Non-Residents



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



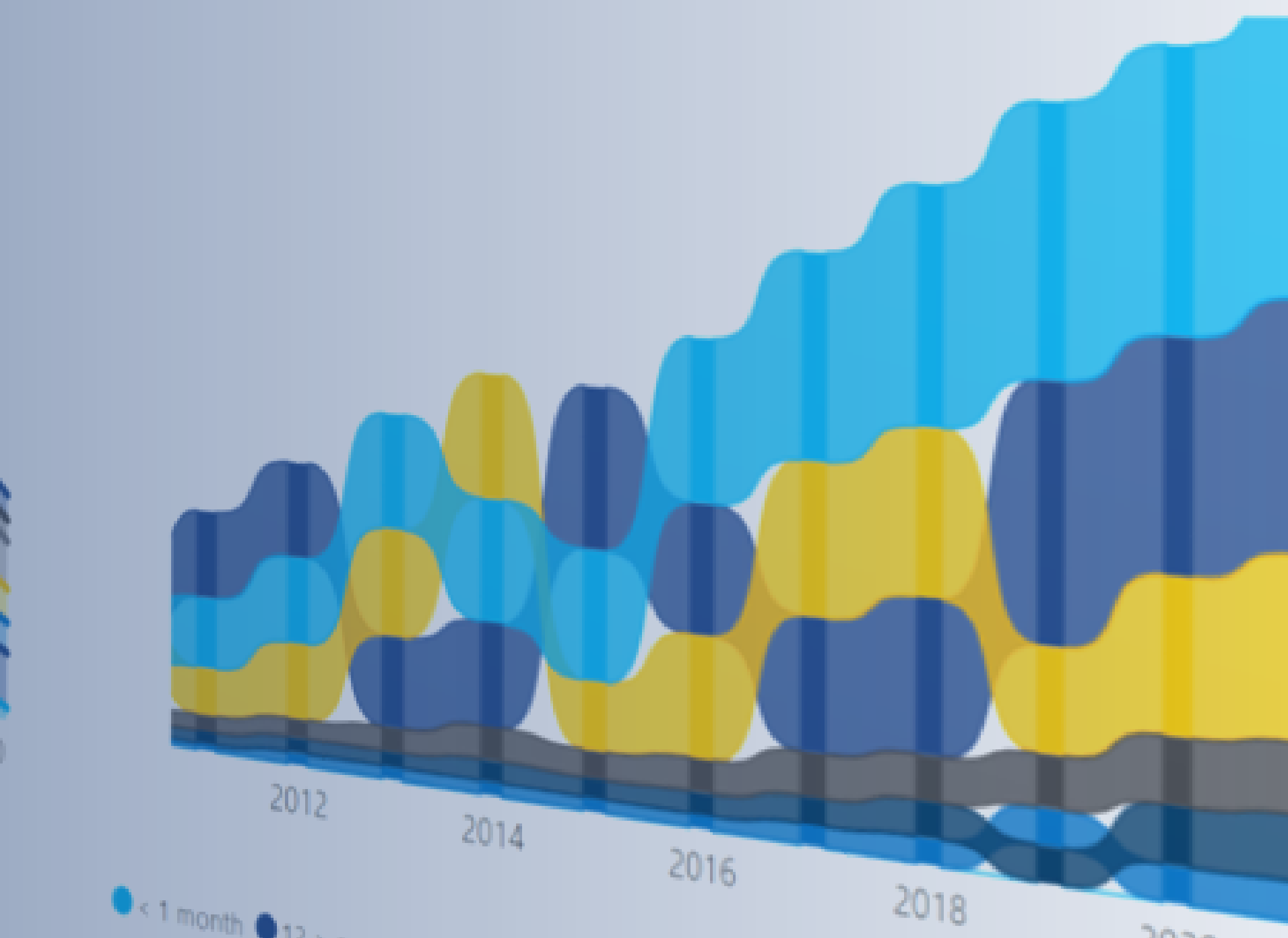
Currency in FX FX As % of GDP



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



Portfolio Stocks Bonds

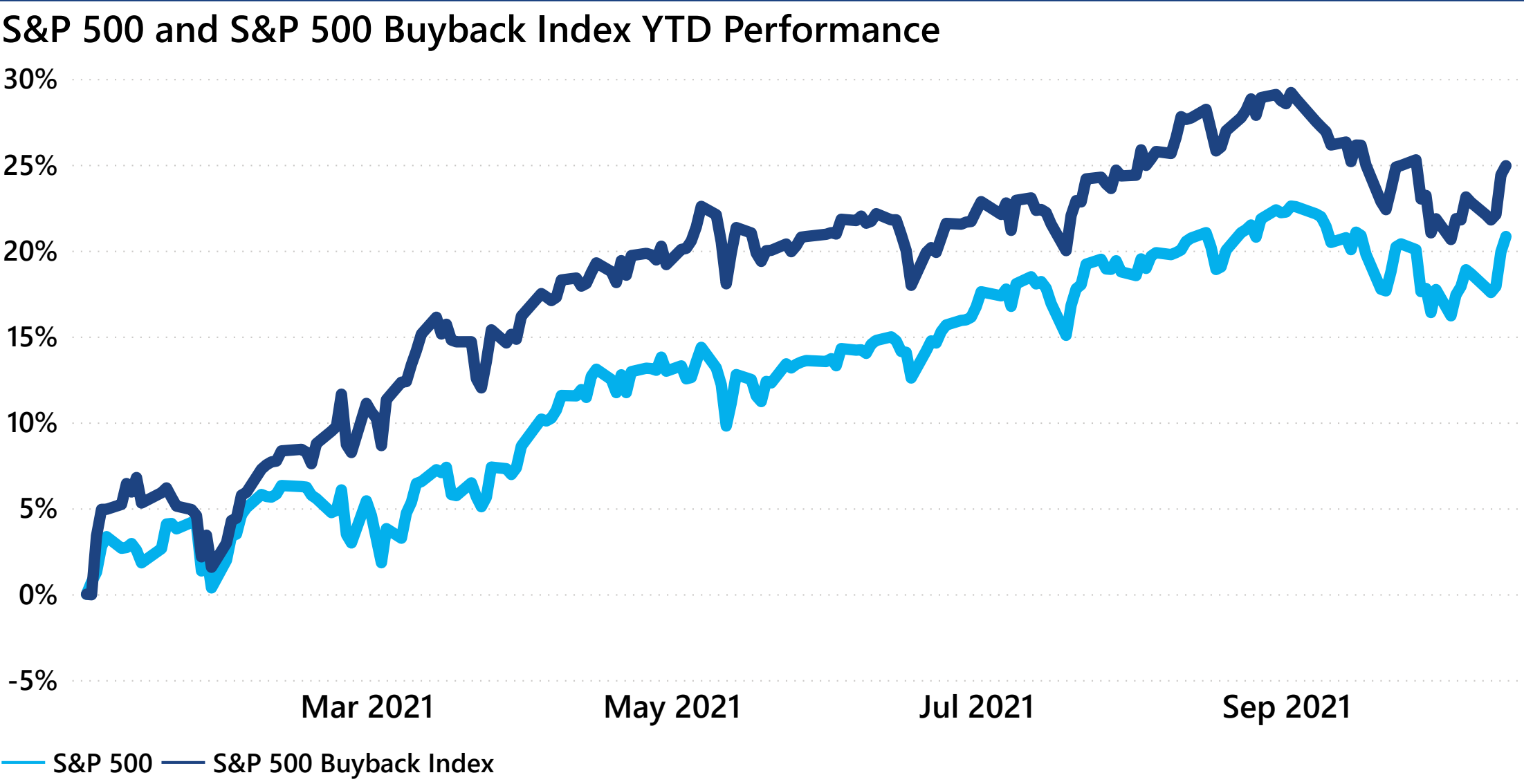


< 1 month 12 > month 1-3 month 3-6 month

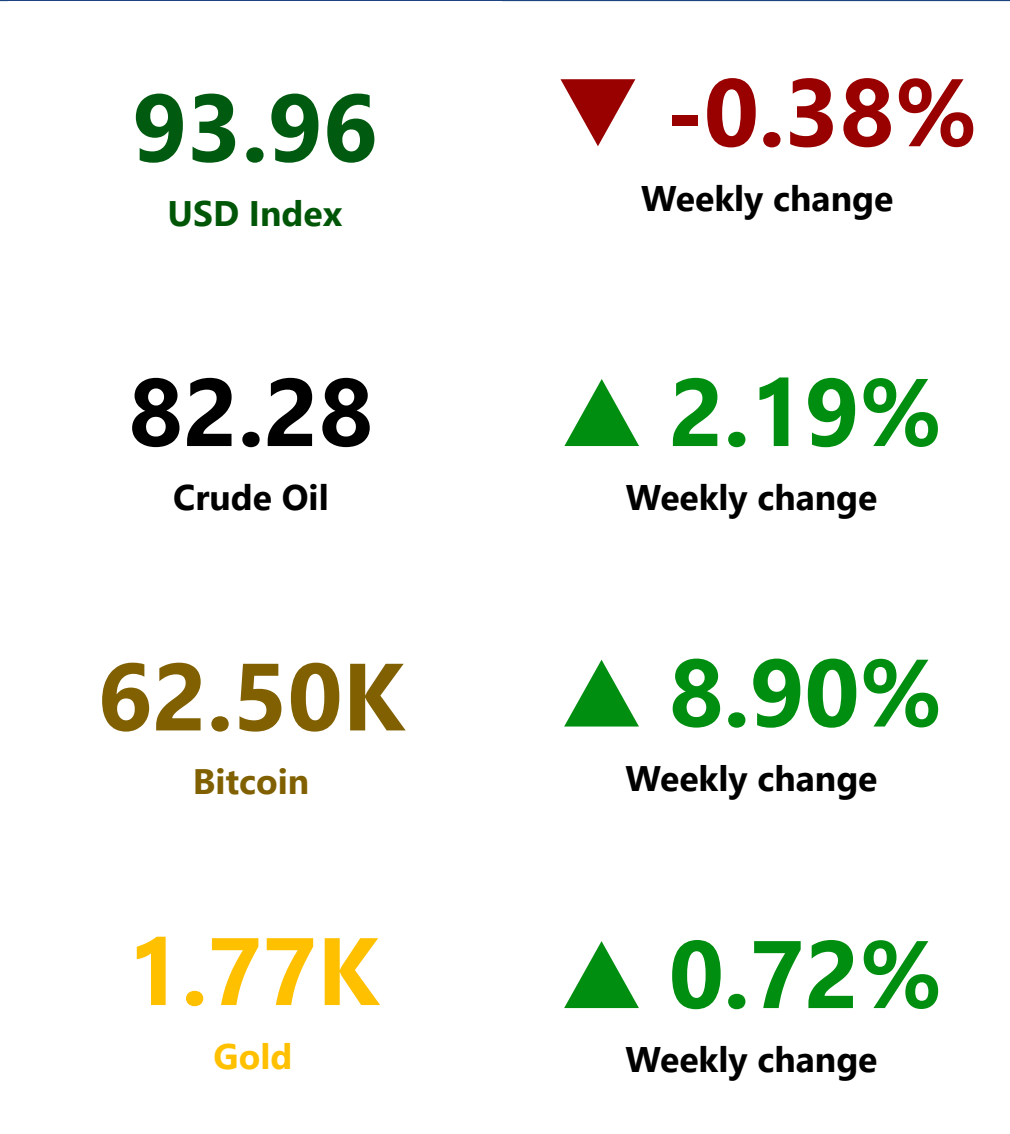
# Executive Summary



## Potential Breakout In Equities As Share Buy Backs



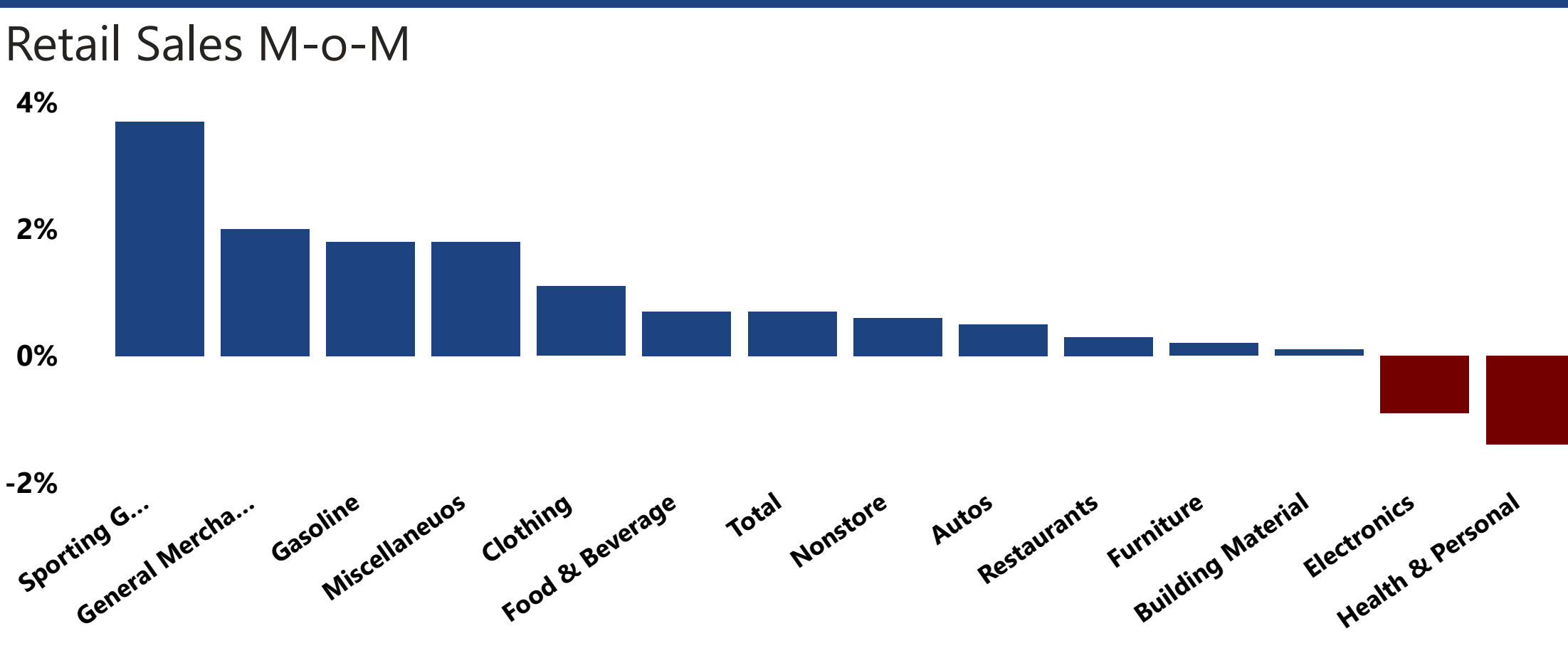
## Commodities



## Investment Themes

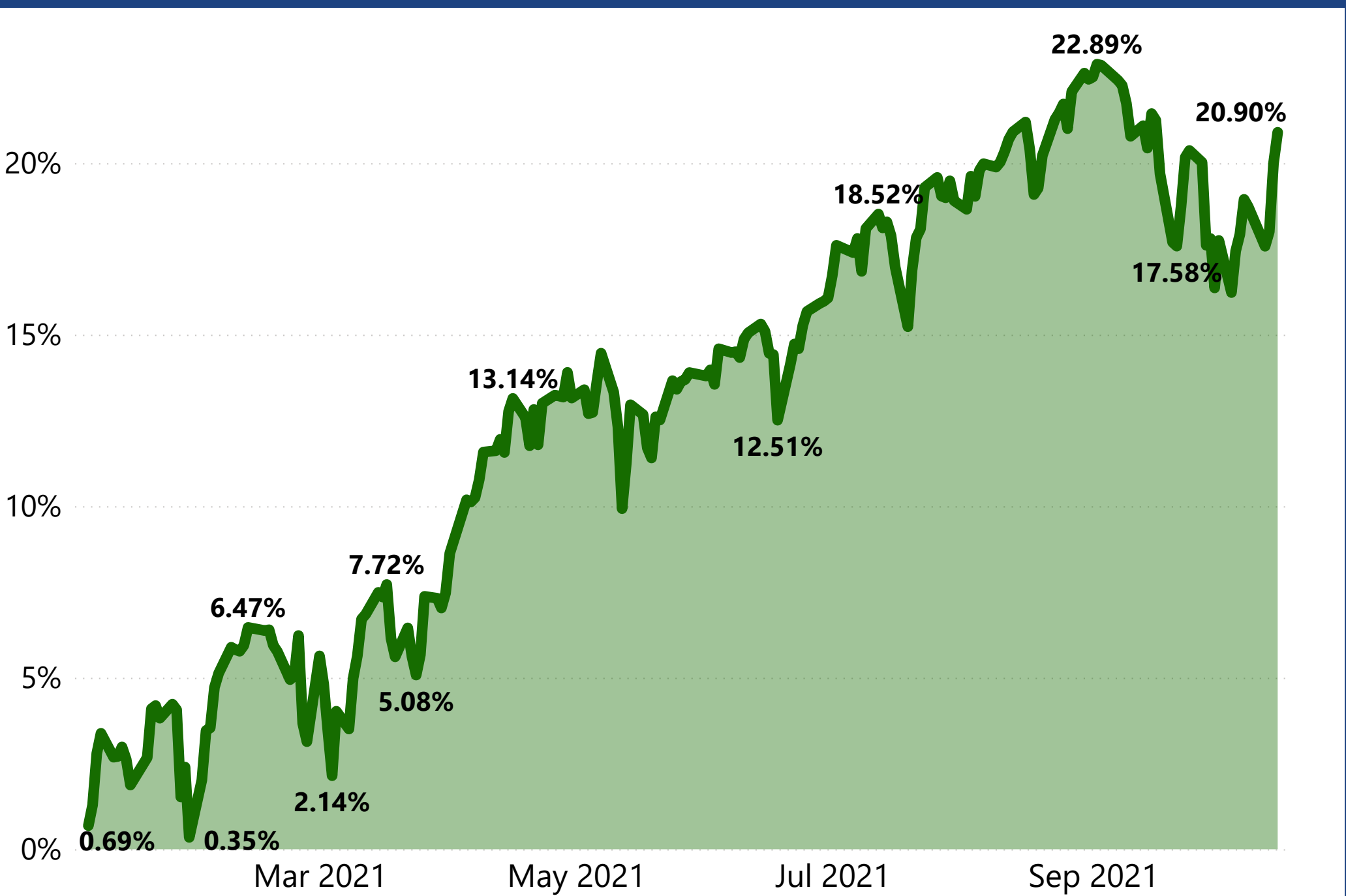
- Banks shares gain as Q3 earnings are revealing exceptional trading and investment banking revenues, however, inflation was one of the key issue during earning calls.
- U.S. Sentiments Fall to Lowest since 2011 as the Delta variant, supply chain shortages, and reduced labor force participation rates are still main concerns.
- As tapering is approaching probability of two fed rate hikes in 2022 is increasing.
- Chinese 3Q GDP increased by 4.9% compared to 7.9% growth in Q2. Growth was weakened because of property crises, as debt crisis in Evergrande Group has contagion effect.

## Mixed International Economies' Results



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
Materials	▲ 3.66%
Real Estate	▲ 3.54%
Consumer Discretionary	▲ 3.49%
Information Technology	▲ 2.60%
Industrials	▲ 1.92%
Communication Services	▲ 1.47%
Utilities	▲ 1.40%
Energy	▲ 1.34%
Financials	▲ 1.26%
Consumer Staples	▲ 1.08%
Health Care	▲ 0.81%

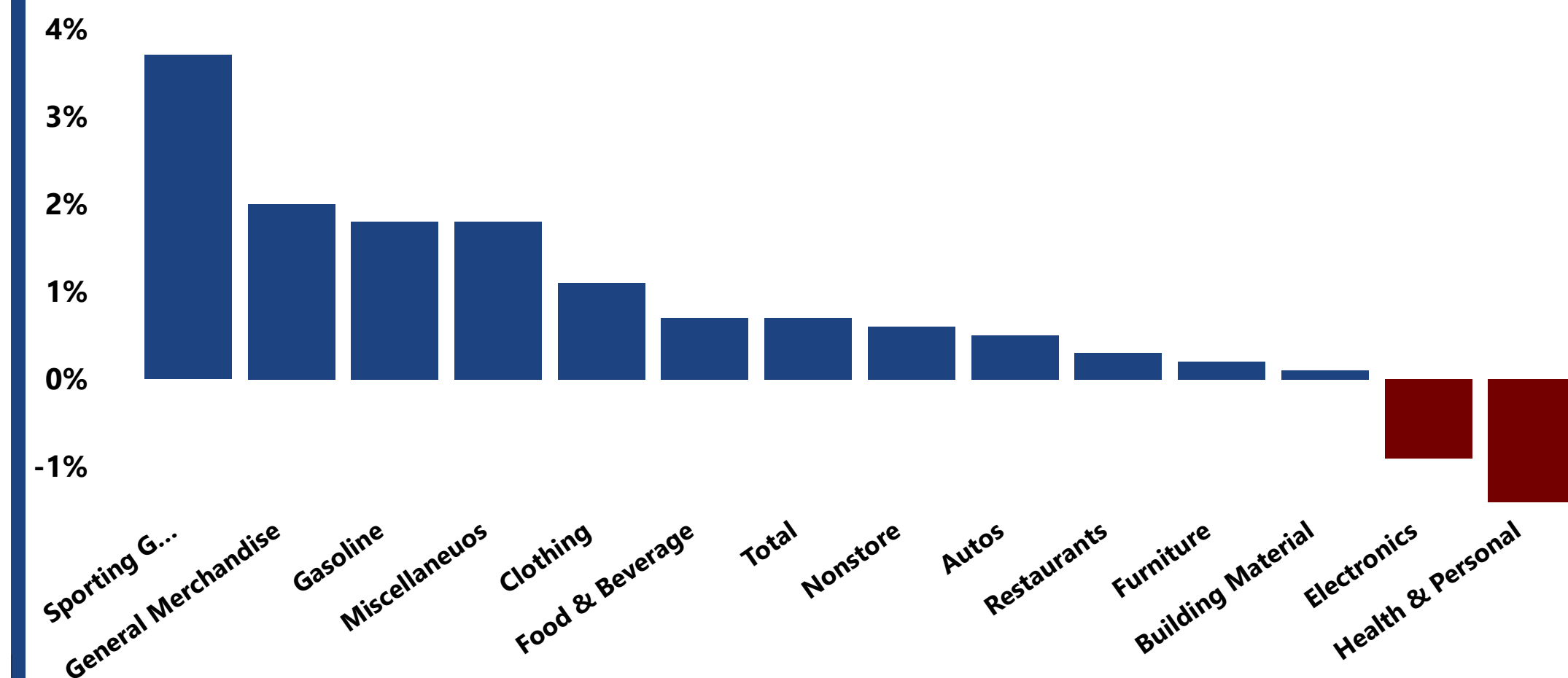
## Mixed International Economies' Results

- In international markets, U.K. posted a modest gain in GDP that amounted to 0.4% M-o-M amid considerable supply chain and labor shortage issues. The labor market provided better results as the employment increased by 235,000 this summer – highest increase since 2015. The unemployment rate fell to 4.5%.
- The services and industrial activity posted mixed results as the former fell behind expectation while the latter posted a positive surprise.
- The upcoming CPI report will provide a better understanding of the country's economy as the Bank of England is considering tapering and rate hikes possibly sometime in the first half of 2022.
- In news regarding non-G10 countries, Australia's employment fell by 138,000 while unemployment rate equaled 4.6%. Singapore's central bank announced a contractionary monetary policy.

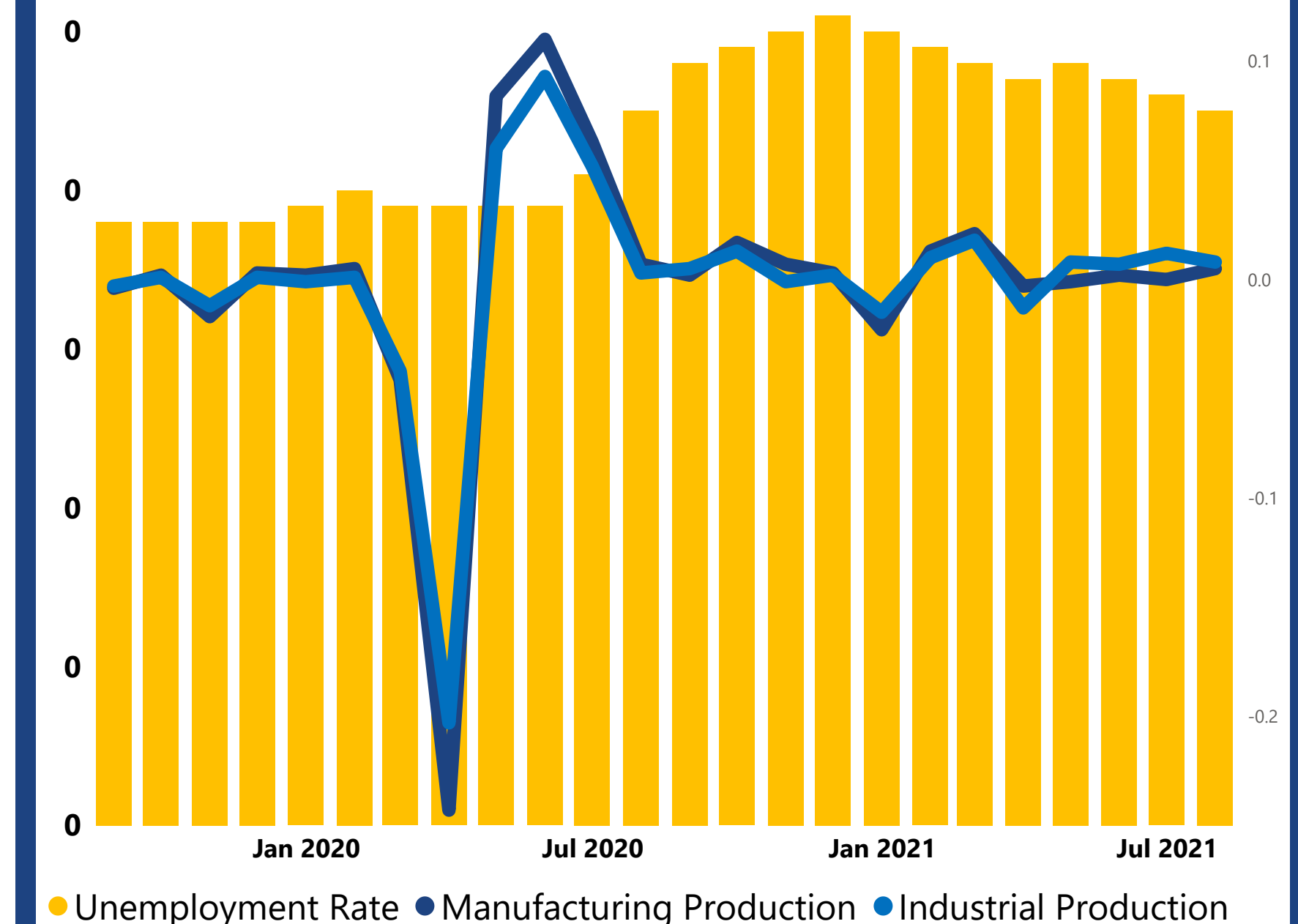
## Inflation and Sales Growth in the U.S.

- Some of the main indicators released last week were CPI and PPI which fell close to expectations with M-o-M CPI equal to 0.4% and PPI equal to 0.5%. Despite being lower than the readings posted this summer, the CPI was still slightly above the expectations of 0.3%; the result reiterates the idea that inflation is not transitory and continues to persist.
- Inflation is expected to remain at least in the short term, as the supply chain constraints and bottlenecks drive up prices for various goods and commodities. Wells Fargo predicts that the inflation will remain above Fed's target throughout 2022.
- Key drivers for the high reading of CPI were:
- Retail sales and weekly initial jobless claims all posted bullish results with former increasing by 0.7% M-o-M and the latter falling to a pandemic-low of 293,000. The rise in retail sales ahead of the holiday season delivers promising revenue expectations.
- With only about two weeks left till Federal Reserve's next meeting, such high inflation indicators will play a crucial role in the determination of the level of tapering.

Retail Sales M-o-M



Unemployment and Production Indices





## USD Index

▼ **-0.38%**  
USD Index Weekly change

**93.96**  
Last Price



- The U.S. dollar posted losses in face of fears of stagflation that have recently flooded news sources as the index decreased from 94.1 on Monday to 93.96 on Friday.
- The index was aided by the strong start of the earnings season which posted positive returns for banks and the high retail sales that acted as a bullish driver for the financial market.
- As the Fed's November meeting is nearing, the index is expected to increase and possibly surpass the recent one-year high of 94.563.

## Bitcoin (BTC)

▲ **8.90%**  
Bitcoin Weekly change

**62.50K**  
Last Price

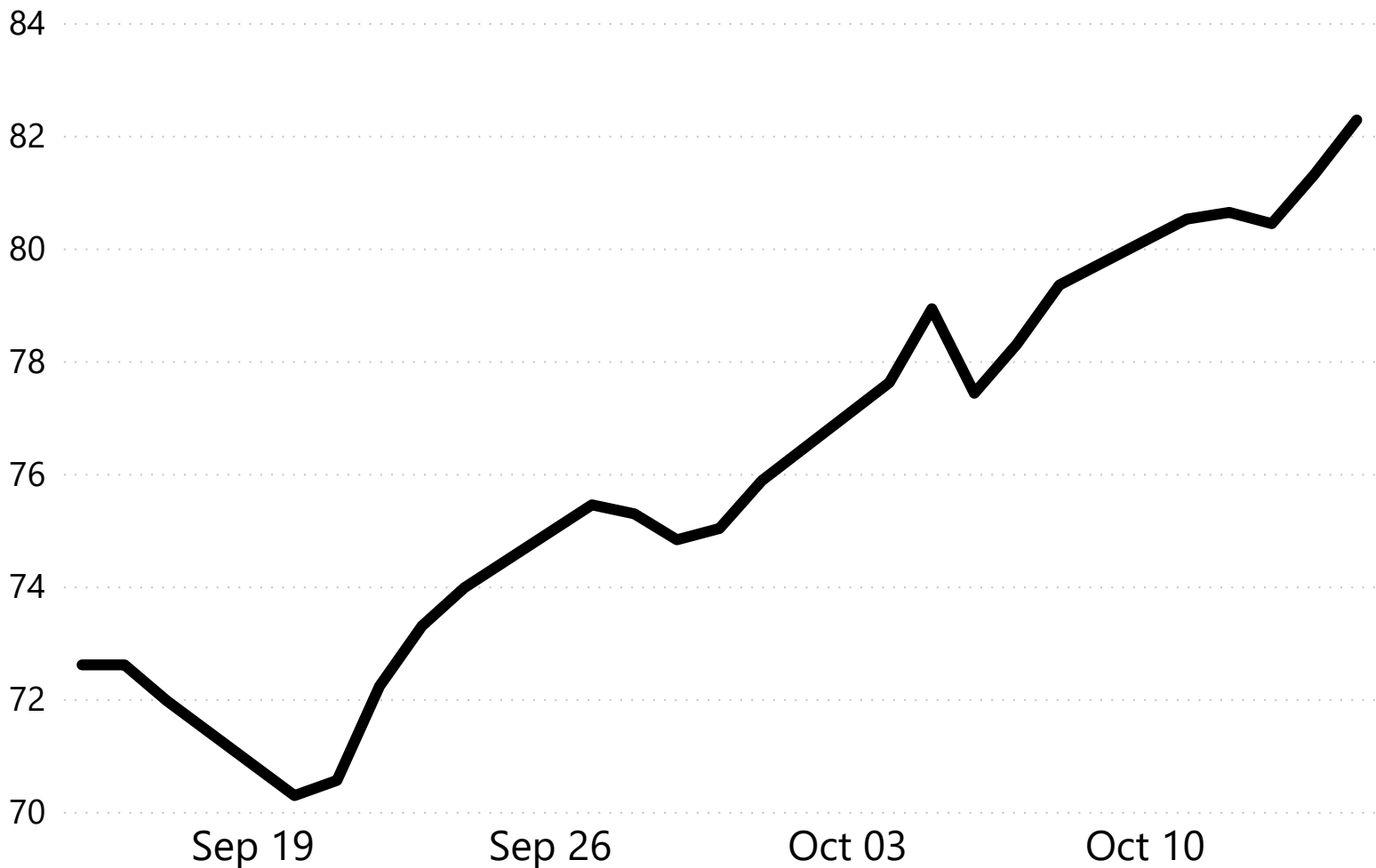


- Bitcoin had a successful week as it increased by over 10% due to the increased demand of the cryptocurrency ETF and "fear of missing out" factors playing a role in the price uptick.
- The cryptocurrency was able to break the \$60,000 resistance level on Friday – highest in six month - and is still headed up.
- The Proshares Bitcoin Strategy ETF is the main reason for investor interest as it is expected to debut on Tuesday with no objections from the SEC.

## Crude Oil WTI

▲ **2.19%**  
Crude Oil Weekly change

**82.28**  
Last Price

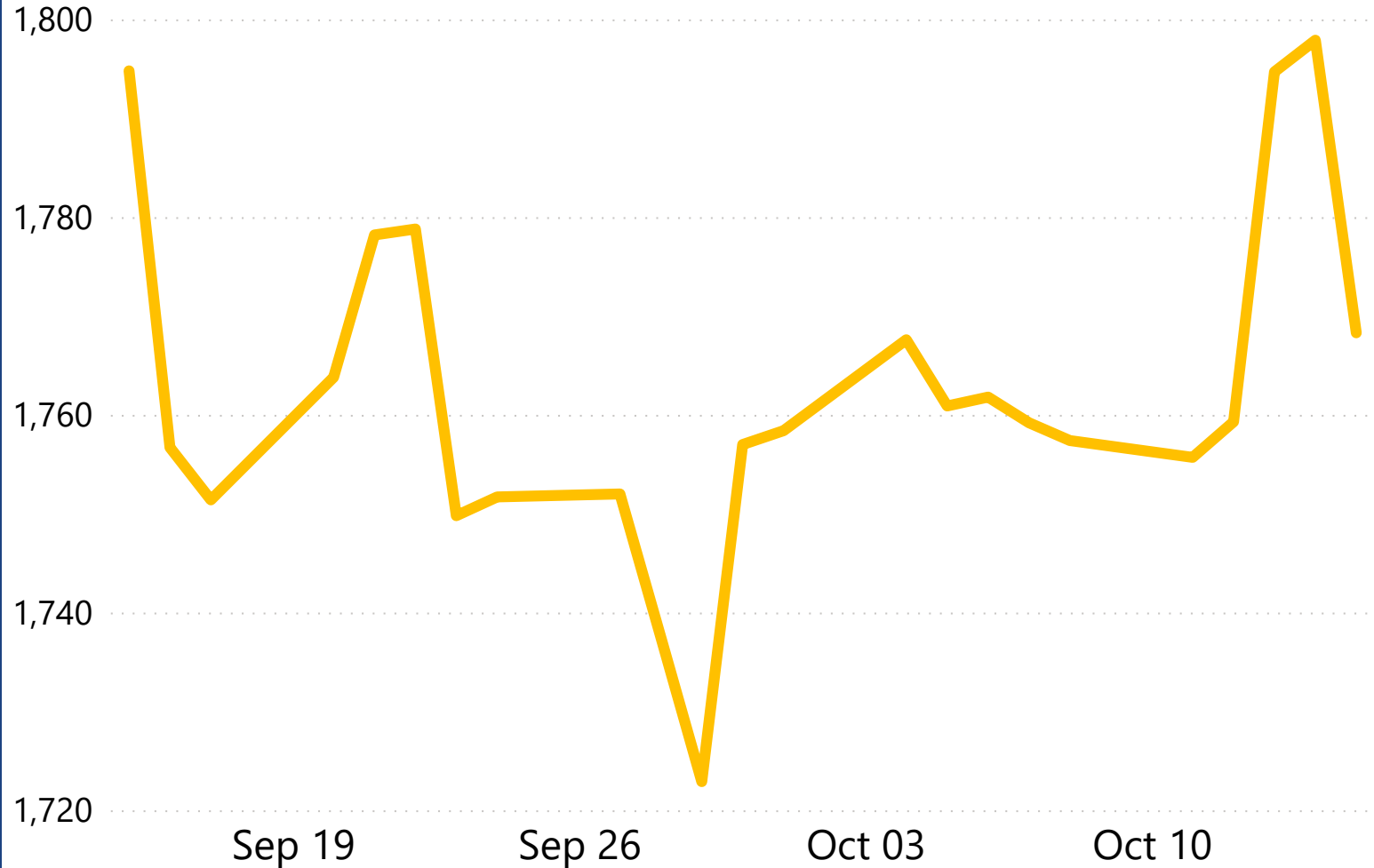


- The price of oil has been almost exclusively (regardless of insignificant hiccups along the way) on the rise during the past month as it closed at \$82.28 per barrel on Friday – highest level in years.
- Supply chain constraints remain the main drivers of the rise of the commodity and the issue is not expected to be resolved in the near future.
- The low level of inventories reported by EIA and renewed demand for fuel further strengthen oil's high price

## Gold

▲ **0.72%**  
Gold Weekly change

**1.77K**  
Last Price



- Gold had a mixed week as it increased significantly in the first half and was poised for the best performance since May, but then dropped due to bullish signals from the economy.
- The size of the increase was unexpected as the economy and Fed are preparing for tapering that has historically been disadvantageous for gold.
- The consequent drop due to high retail sales and yields indicates that the investors' fear for contractionary policies was rekindled as they moved away from the commodity.

Potential Breakout In Equities As Share Buy Backs Increasing

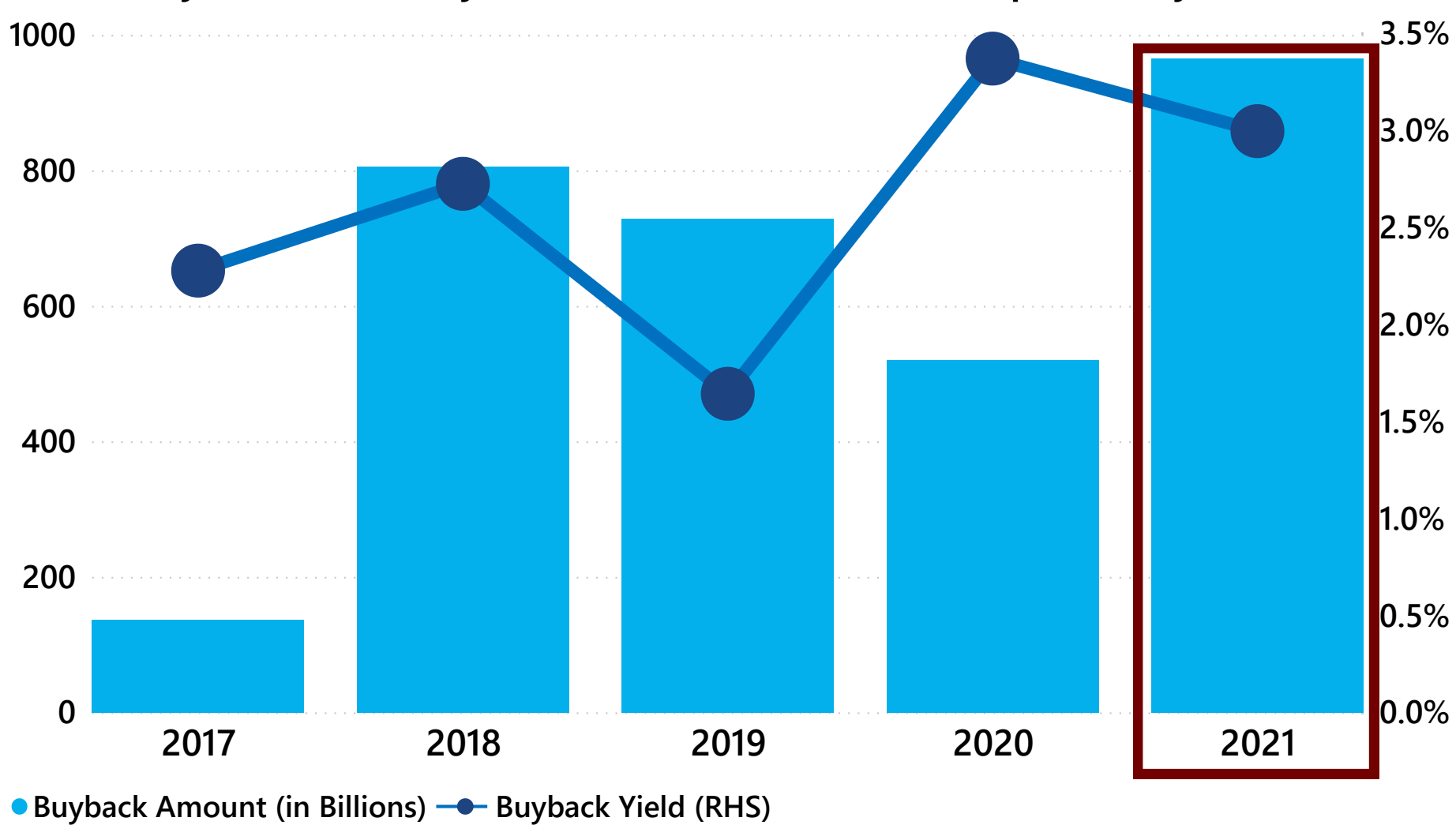
S&P 500 and S&P 500 Buyback Index YTD Performance



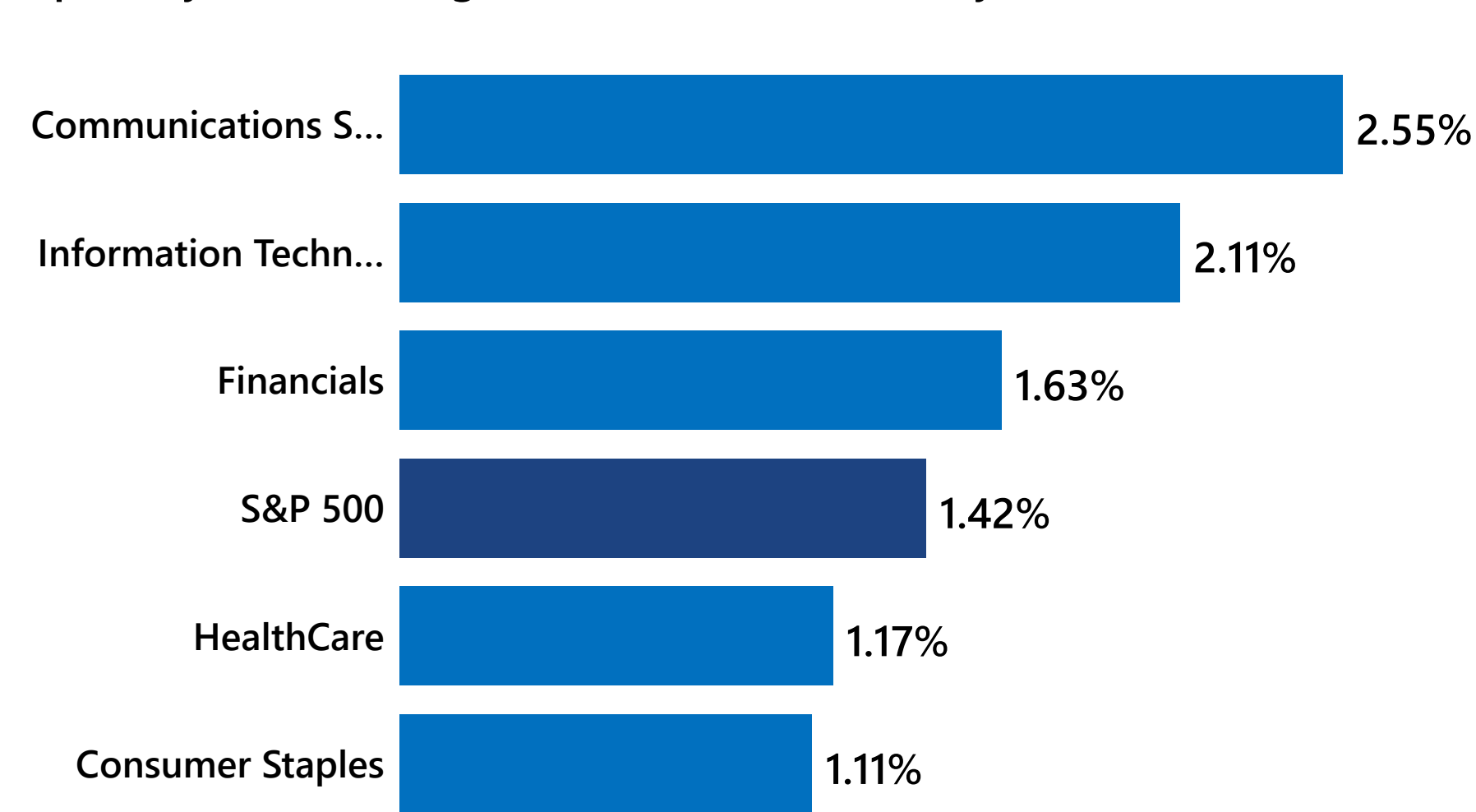
According to latest report published by Goldman Sachs US corporations already authorized 884 USD Billion in buyback. Money center bank expects that buyback amount will increase up to 965B by the year end, which is the highest since 2018. In fourth and final quarter it is forecasted that 230 Billion of share repurchase will be executed, 70 Billion in October and 160 billion in November and December. All of this translates into 3.8 Billion worth of share buyback per day.

Additionally, it is projected that 12% of total annual buybacks will be executed in November and 9% in December. This is second highest number of executions after the August 2021. Furthermore, in addition to share buybacks, global equity flow has been the highest in 2021. There was total 774.50 billion equity inflows year to date. Going forward Goldman expects that Equity inflow will hit 1 Trillion by the year end. Especially if we take into account that bond flows went zero, there is a chance that equity inflows will increase eve more. At current pace it seems that there will be 8 billion worth of demand for equities per day till the end of the year, which might indicate the breakout in equity prices.

Share Buybacks and Buyback Yield of S&P 500 Companies By Years



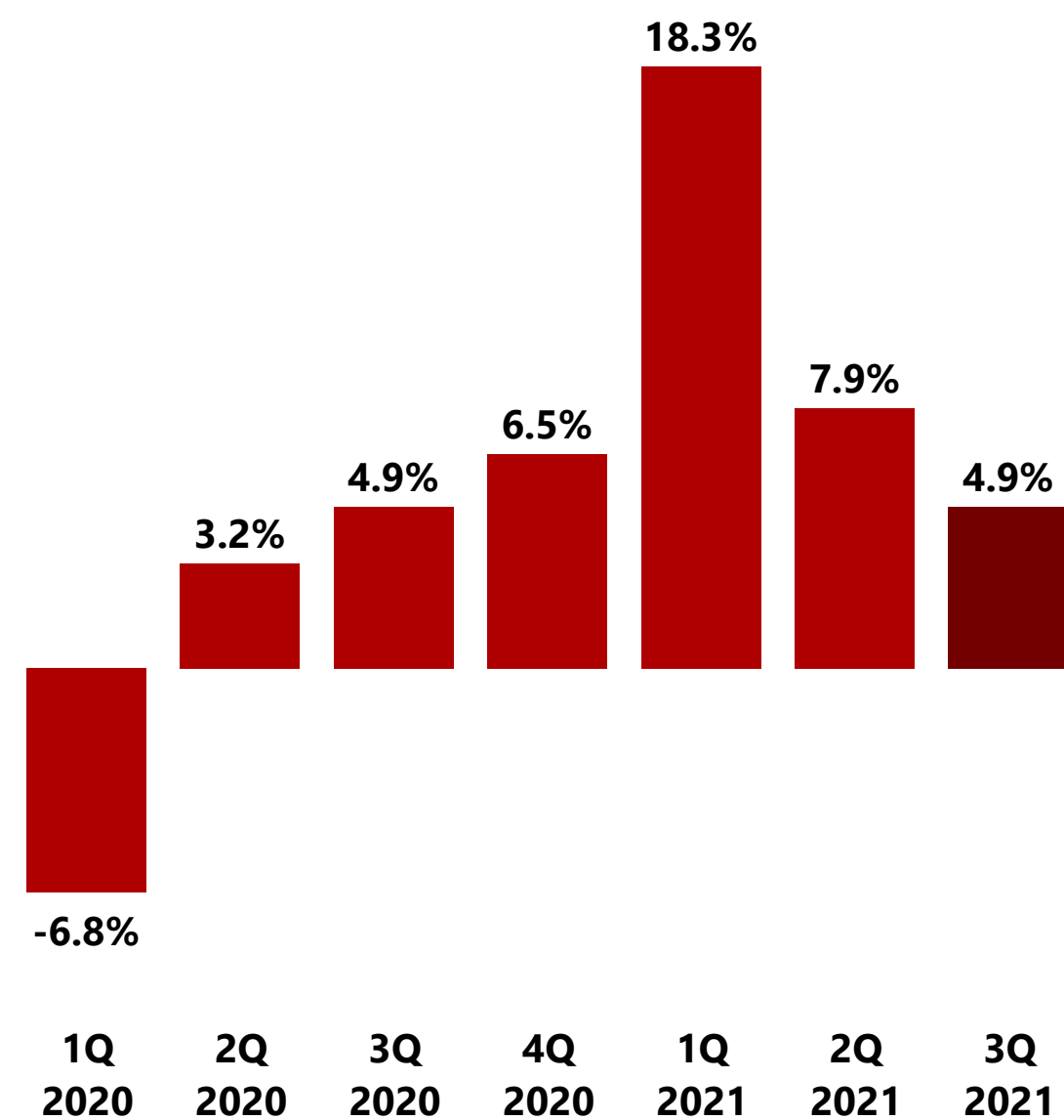
Top 5 Buyback Yielding Sectors and S&P 500 Buyback Yield





## Chinese Economy Recovery Slows as GDP Growth Rate Disappoints

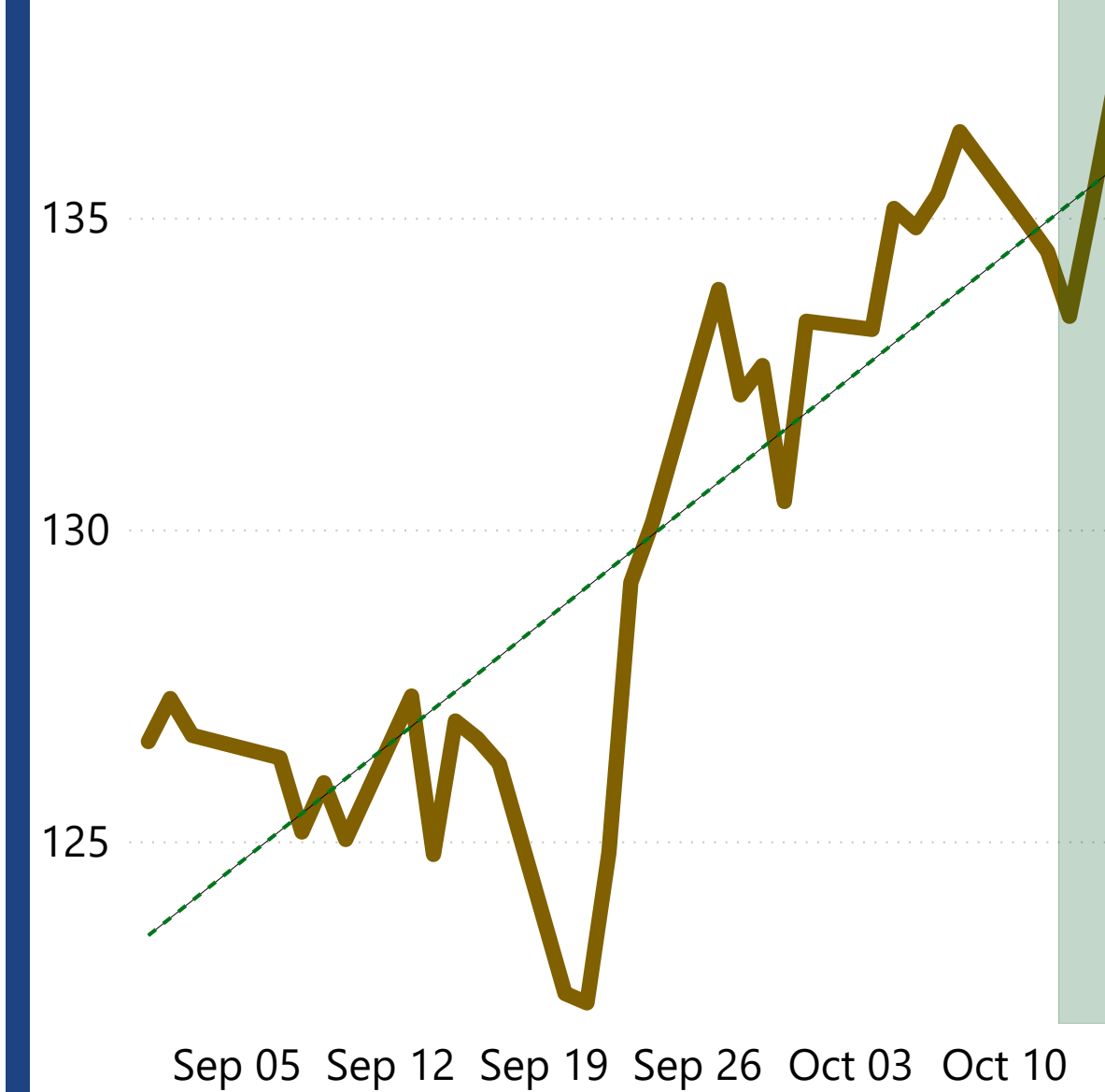
China GDP Quarterly Growth



- Chinese 3Q GDP increased by 4.9% compared to 7.9% growth in Q2. Q3 growth was lower than media forecast by economists – 5%. Growth was weakened because of property crises, as debt crisis in Evergrande Group has contagion effect on other developers, which caused decrease in land sales.
- Additionally, energy crisis and power shortage along with sporadic coronavirus outbreaks caused factories to cut output and decrease consumer spending. Even though Industrial output and fixed asset investment increased in Q3, 3.1% and 7.3% respectively, growth rates were lower than median estimate of 3.8% and 7.8%
- On top of slowdown in growth, Chinese officials expect inflation to stay high for some time, however government do not plan to tighten policies due to unstable economic recovery
- Despite vulnerable outlook due to power shortages, supply chain issues and property curbs, Chinese officials expect economy to grow 8%. 2% higher than Beijing's official target-6%

## Earnings Season Update

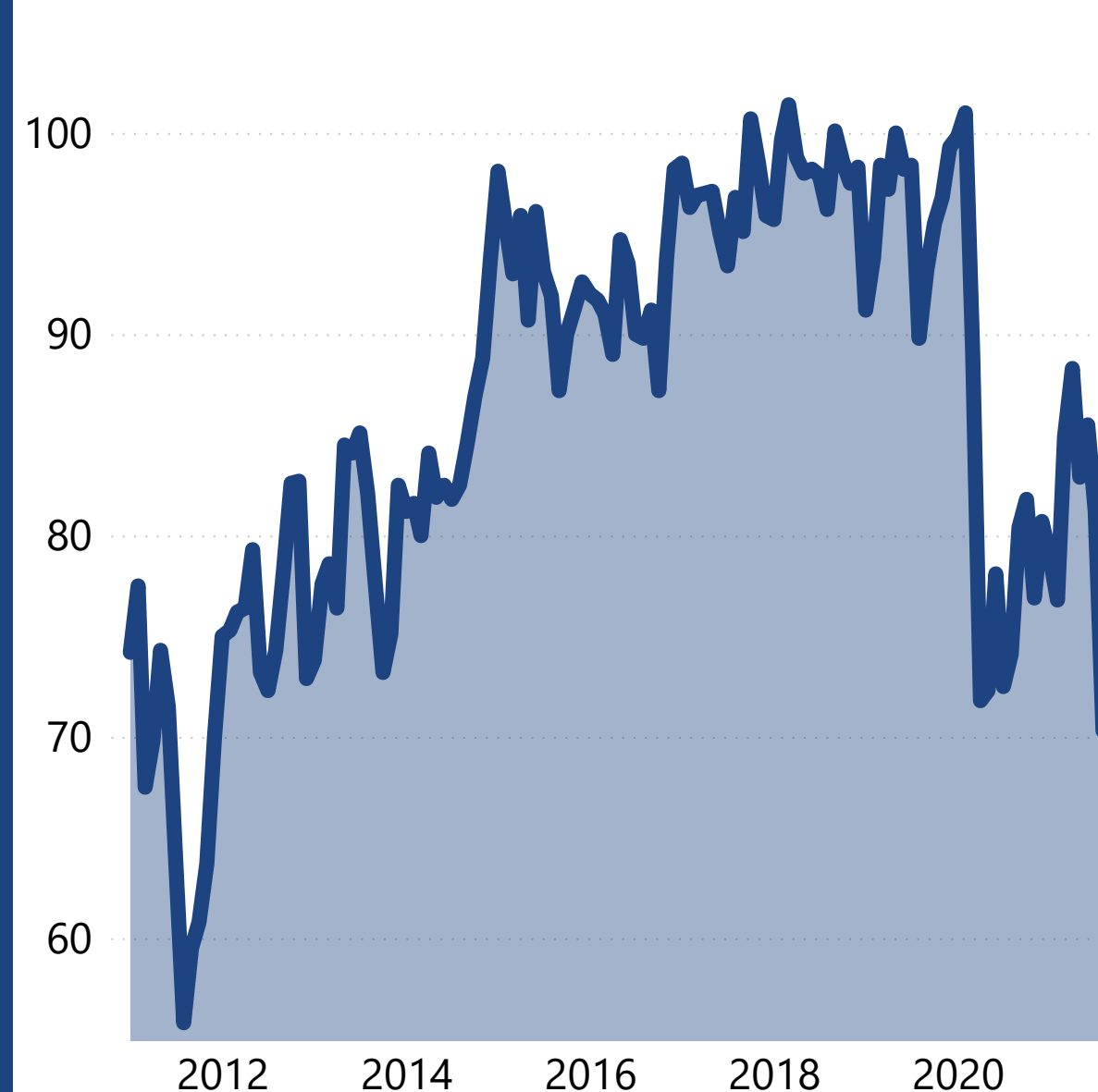
KBW Bank Index



- Goldman Sachs (GS), Morgan Stanley (MS), JPMorgan (JPM) and others in financial sector released quarterly statements last week. Bank shares gain as Q3 earnings are revealing exceptional trading and investment banking revenues, offsetting low consumer banking and fixed income trading revenues that's moderating from unusually strong activity in previous quarters.
- Almost, every big name has beaten analysts' estimates, however Goldman Sachs and Wells Fargo had best performance during Friday's trading session. Companies share prices advanced by 3.8% and 6.7% respectively.
- Besides the significant beats at both top and bottom lines, inflation was one of the key issue during earning calls. Big banks use a Pay for Performance model, however, inflation could top-up costs as several banks hike pay for workers in bank branches and their entry level investment bankers as they seek to retain talent.

## U.S Sentiments Fall to Lowest since 2011

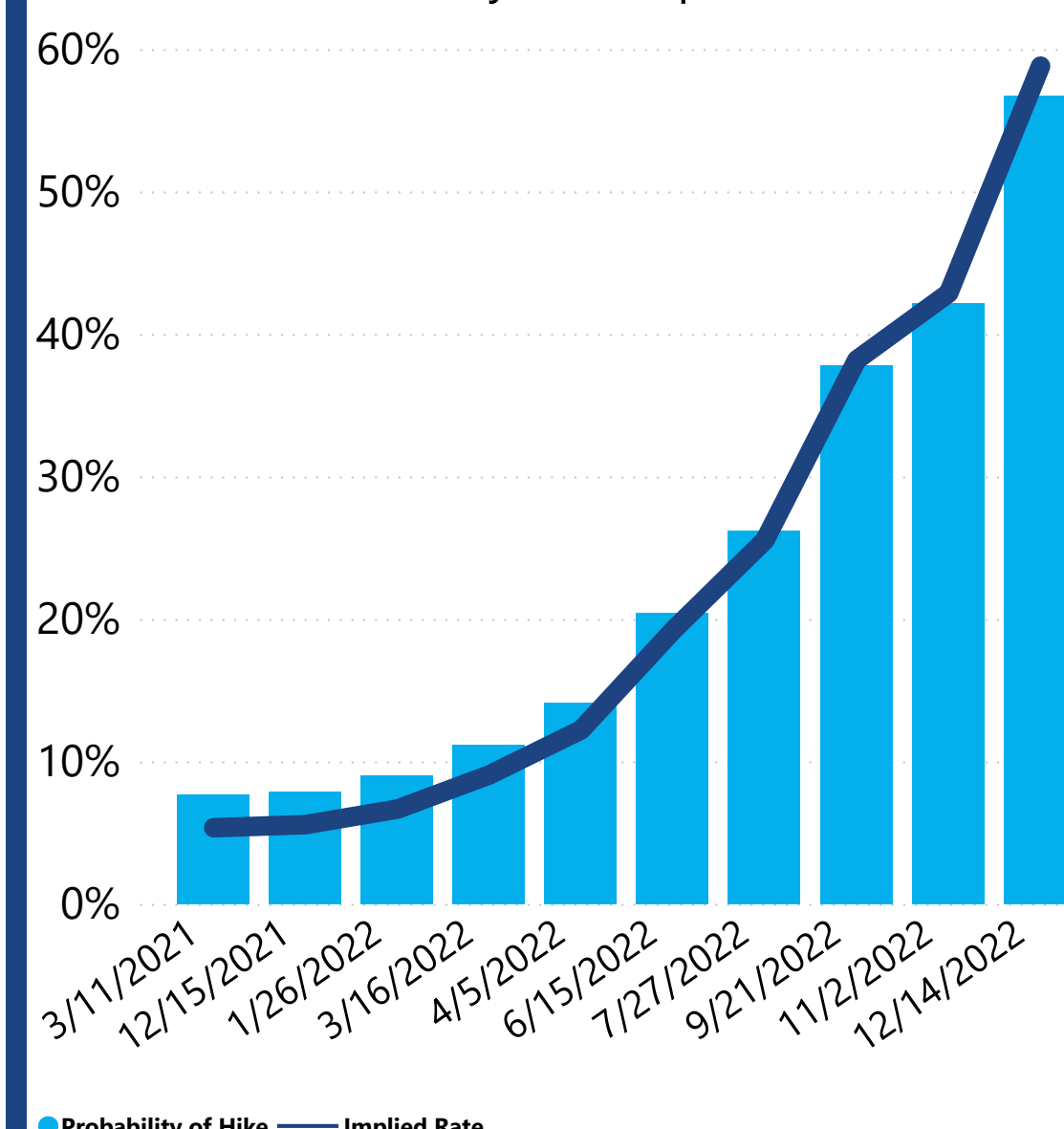
Real Oil Prices and Inflation



- The University of Michigan said in its preliminary report that the consumer sentiment has remained at the lows for the past three months in response to last year's shutdown of the economy. The Delta variant, supply chain shortages, and reduced labor force participation rates will continue to dim the pace of consumer spending into 2022.
- An intangible factor that has contributed to the slump in optimism has been confidence in government economic policies that have significantly declined during the past six months. Debates on the debt ceiling and unapproved \$3.5 trillion social infrastructure program were largely ignored by most consumers. Consumers have much more basic concerns over the policy.
- U.S. Economy continues to grow at its fastest pace in four decades after the 2020 supply-side crisis caused by the Covid pandemic related shutdowns. However, the recovery is showing some indication of cooling off.

## As FED plans to Start Tapering, Probability of 2 Rate hikes in 2022

FED's Hike Probability and Implied Rates



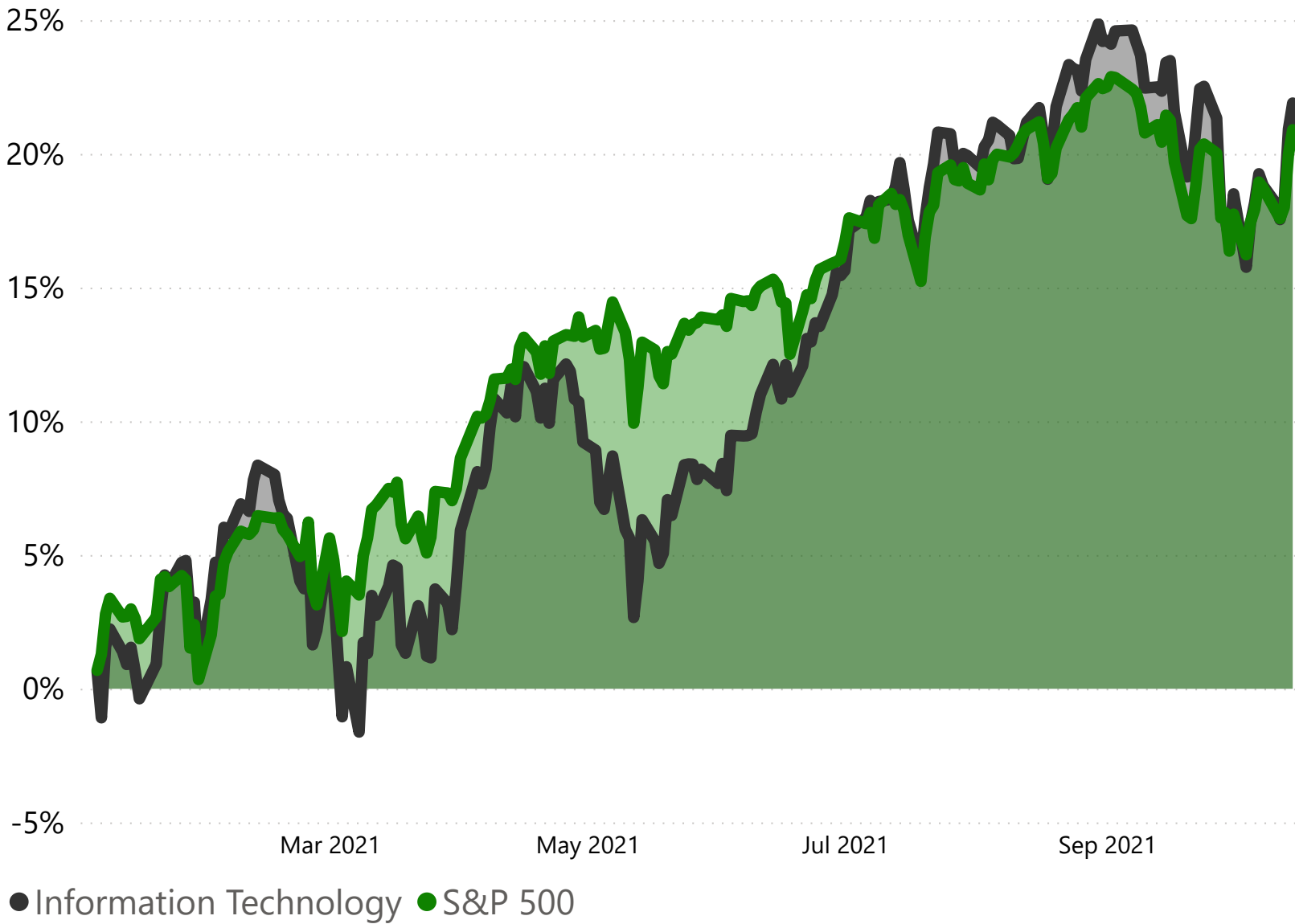
- Federal Reserve released FOMC minutes from September meeting which suggested that they will start tapering by 15 trillion per month starting in November 2022. At this pace Federal Reserve will finish tapering in July 2022. TBC capital already wrote about the pace of tapering in report published on 13th of September, 2021
- As tapering is approaching and it seems to be imminent probability of two fed rate hikes in 2022 is increasing. Fed Funds futures contract for December 2022, price is 100% change of 25 bps rate hike and 50% chance of second rate hike at the end of year. Overall there is 57% probability that there will be 2 rate hikes in 2022
- Even though FED plans to taper its asset purchase, liquidity is still very accommodative. Accommodative monetary policy and never ending QE have been one of the major drivers for recent market movements in equities. Therefore strict monetary policy and tapering might have adverse effect on market prices.



# Sector Snapshot

## Information Technology

### Sector Comparison to S&P 500 Performance



13.34

Market Cap (Trillions)

2.60%

Weekly Change

35.80

P/E

27.20

EV/EBITDA

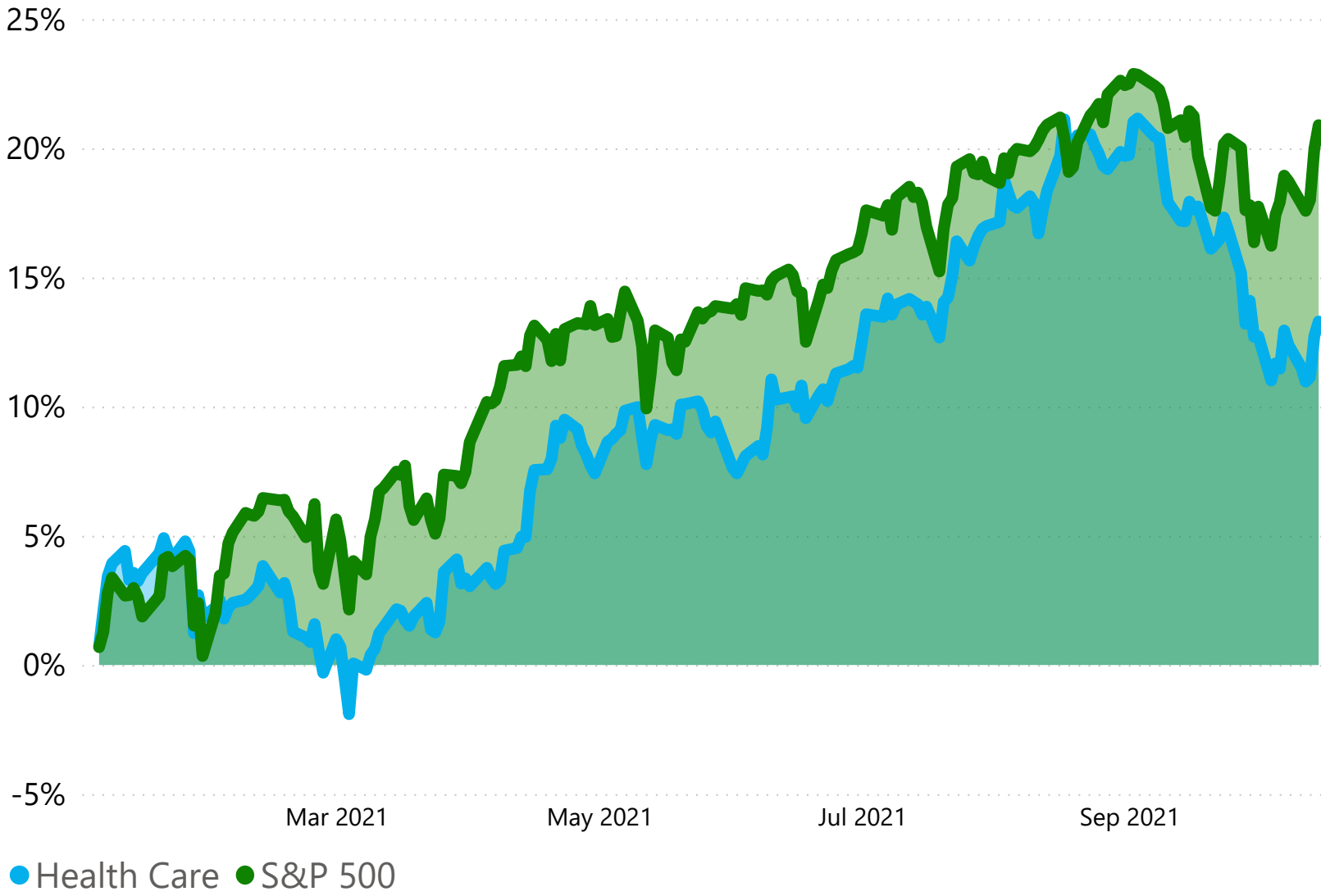
- The Information reported that the U.S. Army has put Microsoft (MSFT) contract for augmented reality headsets worth \$21.88 billion on pause, reports defence intelligence company Janes. If Microsoft loses the contract, it could set back the company's broader augmented reality hardware plans.
- Duck Creek Technologies (DCT) lost 27% of its market value after disappointing quarterly results. a significant deceleration in subscription revenue and weaker than expected guidance for 2022.
- Goldman Sachs expects strong quarterly earnings for ServiceNow (NOW), continued new business growth is forced by strong demand. Goldman is positive with semiconductors and raised the target price for Broadcom (AVGO) from \$527 to \$589. Advanced Micro Devices (AMD), Analog Devices(ADI) and ON Semiconductor (ON) also have been upgraded as EPS drivers for these companies are quite unique and can offset any signs of cyclical weakness.
- Cybersecurity and cloud-based data analysis stocks have been upgraded at Oppenheimer. Price target raised to \$195 for CyberArk (CYBR), \$345 Fortinet(FTNT), \$550 for Palo Alto Networks (PANW) and \$360 for Snowflake(SNOW) as FCFs and guidances are expected to beat estimates

STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
APPLE INC	AAPL	2,394bn	144.84	1.36%	25.75	19.56
MICROSOFT CORP	MSFT	2,284bn	304.21	3.17%	30.19	20.61
BROADCOM INC	AVGO	207bn	503.25	2.11%	16.24	13.58
SERVICENOW INC	NOW	131bn	663.18	7.38%	91.59	56.36
SNOWFLAKE INC-CLASS A	SNOW	100bn	333.57	6.40%		
ANALOG DEVICES INC	ADI	92bn	172.04	2.03%	23.62	22.05
FORTINET INC	FTNT	51bn	315.29	2.64%	71.09	45.96
PALO ALTO NETWORKS	PANW	49bn	507.85	3.06%	70.06	40.82
ON SEMICONDUCTOR CORP	ON	19bn	43.33	-2.59%	15.61	10.06
CYBERARK SOFTWARE LTD/ISRAEL	CYBR	7bn	182.18	11.07%	1,282.96	313.77
DUCK CREEK TECHNOLOGIES	DCT	5bn	34.94	-21.55%	303.83	165.17

ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
Invesco QQQ Trust	QQQ	188bn	367.36	1.72%	18.77%	0.20%
Vanguard IT ETF	VGT	52bn	422.36	3.54%	21.40%	0.10%
Technology Select SPDR	XLK	46bn	156.58	3.04%	22.42%	0.12%
Fidelity IT	FTEC	6bn	124.32	3.13%	20.89%	0.08%
SPDR Semiconductor	XSD	1bn	197.09	-0.23%	16.09%	0.35%

## Health Care

### Sector Comparison to S&P 500 Performance



6.46

Market Cap (Trillions)

0.81%

Weekly Change

25.40

P/E

20.10

EV/EBITDA

- Merck&Co (MRK) submitted an Emergency Use Authorization (EUA) application to the U.S. FDA for Molnupiravir, an investigational oral antiviral medicine, for the treatment of mild-to-moderate Covid-19 for those at risk for progressing illness
- Align Technology (ALGN) approached the lowest level in over four months after Stifel cited channel checks to indicate soft trends in the third quarter
- CureVac (CVAC) nosedived after halting its first mRNA-based Covid-19 vaccine. The company will shift focus on more promising second-generation jab, it is developing with GlaxoSmithKline (GSK)
- Ocugen (OCGN) posted a double-digit percentage increase on potential approval for its Covid-19 vaccine by the World Health Organization (WHO)
- NRx Pharmaceuticals (NRXP) rises after publishing strong clinical data from an open-label trial of Aiviptadil for the treatment of respiratory failure in patients with critical Covid-19
- Quanterix Corporation (QTRX) jumped after its Simoa phospho-Tau 181 blood test got Breakthrough Device designation from the U.S. FDA as an aid in diagnostic evaluation of Alzheimer's disease (AD)

STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
PFIZER INC	PFE	233bn	41.49	-2.26%	11.04	9.66
MERCK & CO. INC.	MRK	198bn	78.33	-2.85%	11.55	9.72
ABBVIE INC	ABBV	193bn	109.33	-1.66%	7.91	8.15
MODERNA INC	MRNA	131bn	324.21	6.33%	11.98	8.35
BRISTOL-MYERS SQUIBB CO	BMJ	130bn	58.36	1.92%	7.29	7.56
BIONTECH SE-ADR	BNTX	60bn	247.68	0.70%	5.81	4.00
ALIGN TECHNOLOGY INC	ALGN	47bn	589.61	-8.38%	44.38	30.74
CUREVAC NV	CVAC	7bn	39.82	-9.02%	5.16	2.13
QUANTERIX CORP	QTRX	2bn	51.71	18.47%		
OCUGEN INC	OCGN	2bn	8.66	22.49%	34.92	
NRX PHARMACEUTICALS INC	NRXP	1bn	10.26	47.63%		

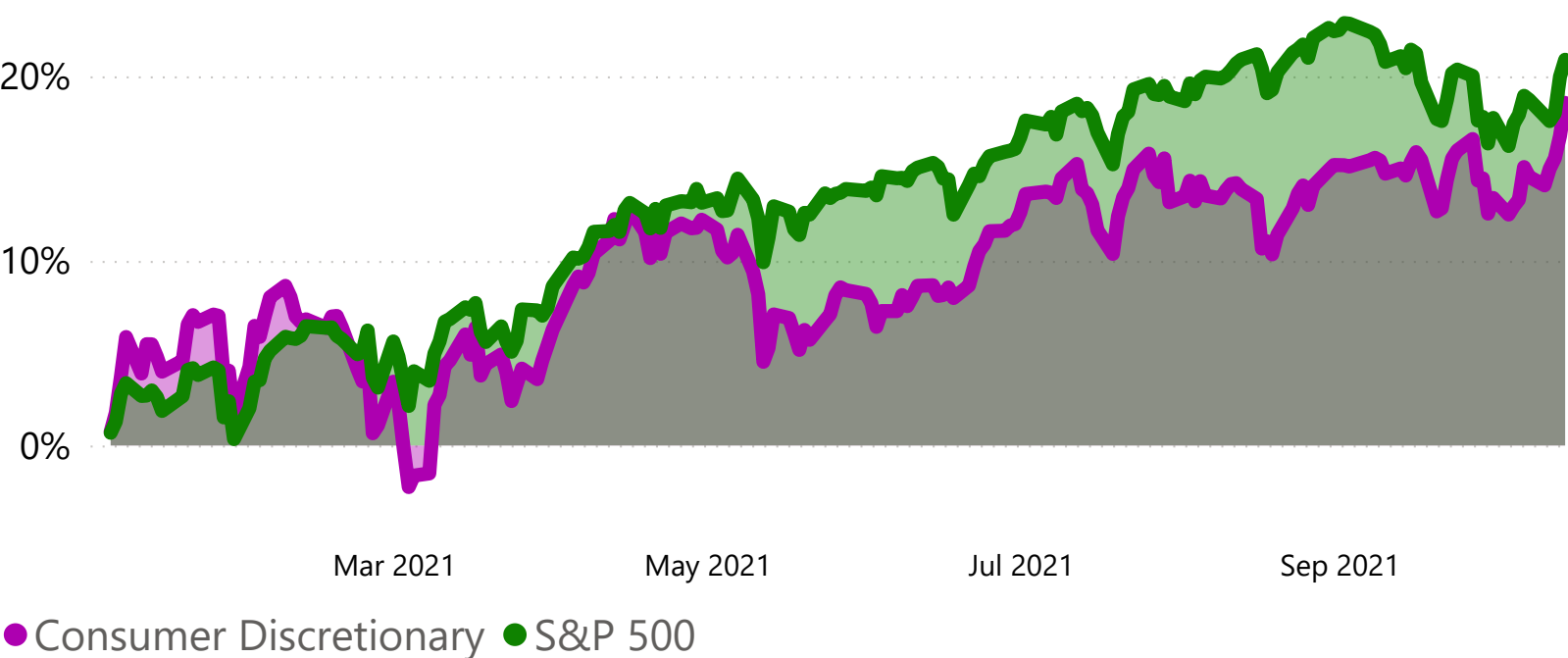
ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
Health Care Select SPDR	XLV	30bn	128.68	1.37%	13.93%	0.12%
Vanguard Healthcare	VHT	16bn	248.35	0.90%	11.58%	0.10%
iShares Biotechnology	IBB	10bn	155.61	0.36%	3.40%	0.47%
ARK Genomic Revolution	ARKG	7bn	75.05	4.41%	-19.42%	0.75%
SPDR S&P Biotech	XBI	7bn	127.60	3.37%	-9.47%	0.35%



# Sector Snapshot

## Consumer Discretionary

Sector Comparison to S&P 500 Performance

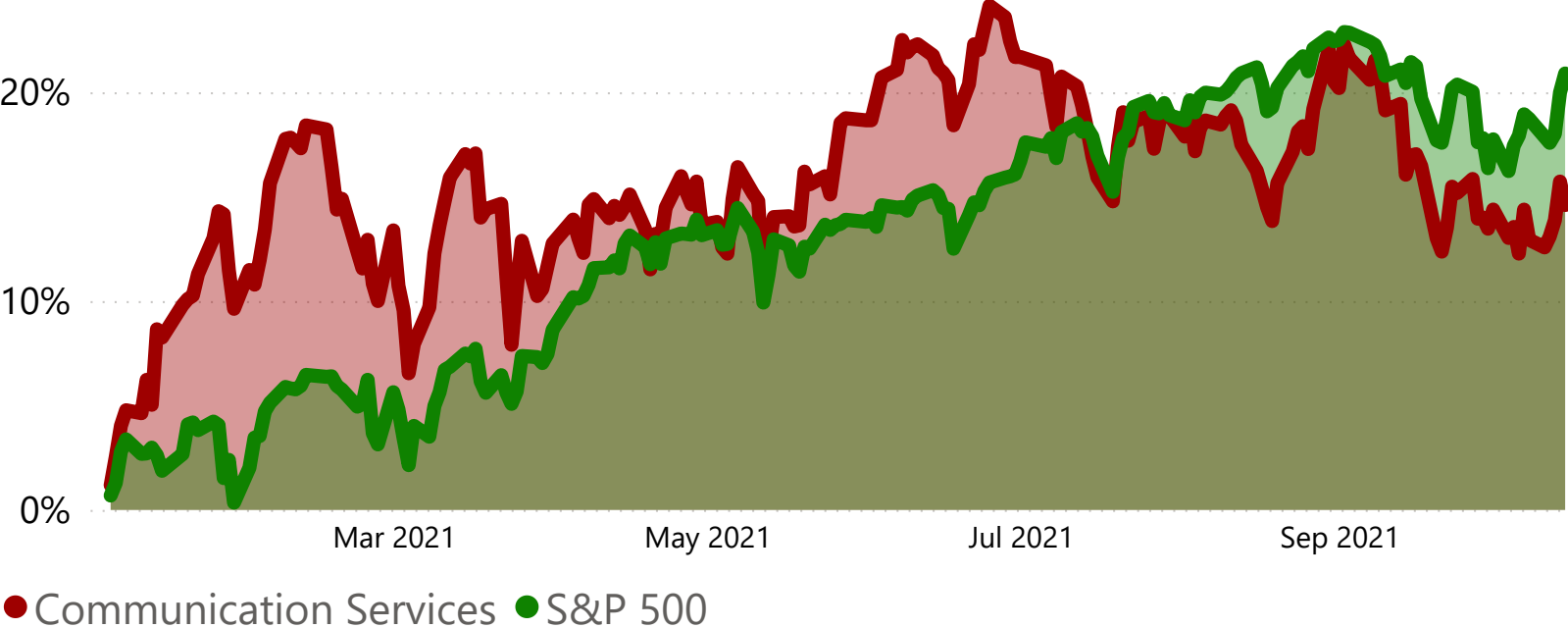


**6.34** **3.49%** **42.00** **24.60**  
Market Cap (Trillions) Weekly Change P/E EV/EBITDA

- Bank of America (BAC) estimates that e-commerce industry will remain at high growth phase and its Y-o-Y change will total 15%. yet it is 8% lower than previous estimate. BAC's top e-commerce names are Amazon (AMZN) and JD.com (JD).
- Toyota Motors (TM) plans to reduce its global vehicle production by 15% in november due to continuous chip shortage in global supply chain. "We are through the worst period of lower production risks" - said TM's executive.
- Discussion of tax credit for electric vehicle manufacturers is heating up and of course it's fully supported by members of United Auto Workers union like Ford (F), General Motors (GM) and Stellantis (STLA), but non-union members like Tesla (TSLA) and foreign manufacturers like Toyota motors (TM) are against tax credit.

## Communication Services

Sector Comparison to S&P 500 Performance

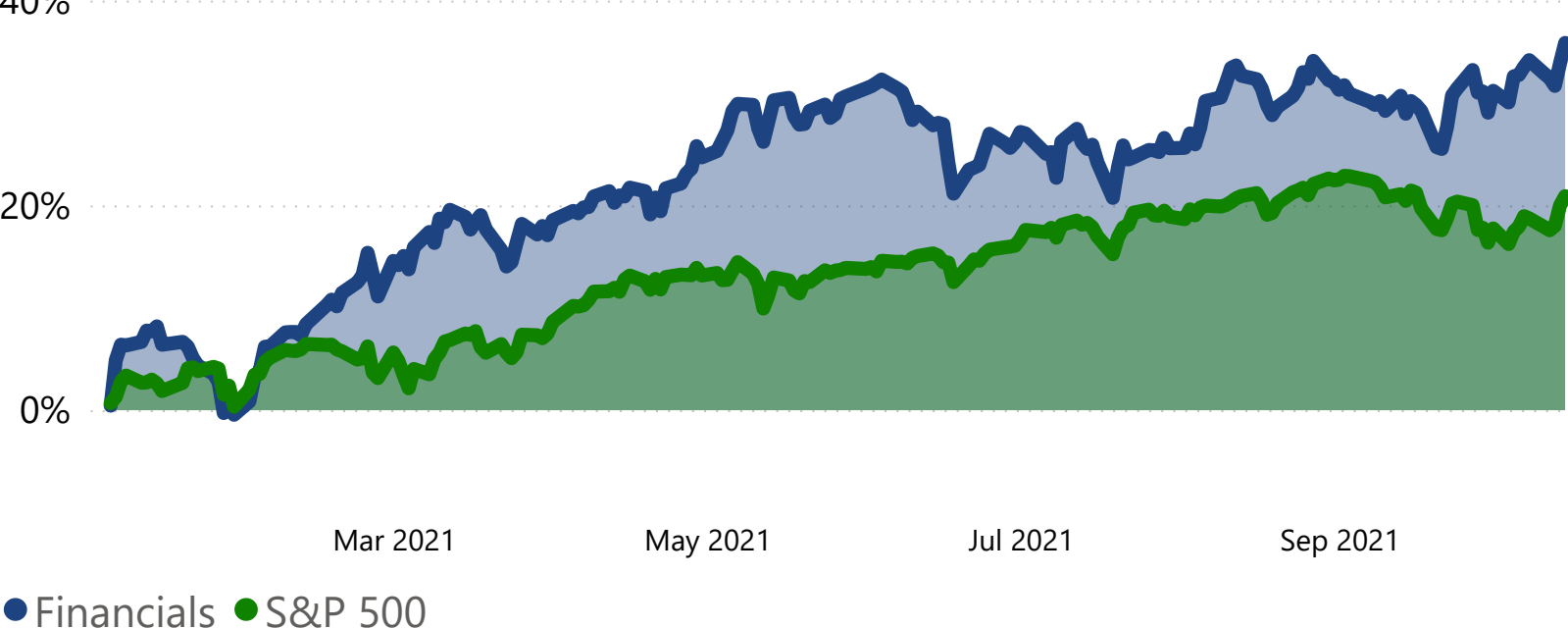


**5.71** **1.47%** **27.80** **20.40**  
Market Cap (Trillions) Weekly Change P/E EV/EBITDA

- KeyBanc upgraded AT&T (T) to sector weight from underweight as analysts think it has no room for further downside from the current price level. Reduced leverage and peers multiples show upside potential for the share price. Verizon Communications (VZ) also touched its lowest levels since March of last year, as defensive telecommunication names lag.
- Evercore ISI added Facebook (FB) to the Tactical Underperform list as risks of Online retail challenges and other key factors weighting into share price in the Q3. The Walt Disney Company (DIS) shares rose at the end of the week on reports the company is exploring whether or not there is a strategic rationale for spinning off ESPN.

## Financials

Sector Comparison to S&P 500 Performance



**5.73** **1.26%** **17.10** **6.20**  
Market Cap (Trillions) Weekly Change P/E EV/EBITDA

- JPMorgan Chase (JPM) turned its fifth straight quarter of beating EPS estimates of Wall Streets and six quarter of beating revenues. JPM's EPS was \$3.55 in Q3 and it is 18% larger than expected.
- Wells Fargo (WFC) also had enormously profitable quarter. they have beaten revenue by 520 million and EPS by \$0.28, that is 30% surprise. Since earnings call WFC's stock price increased by 6.8%.
- Investment banking industry is also on rise: leading firms like Goldman Sachs (GS), Morgan Stanley (MS) and Charles Schwab Corporation (SCHW) are all beating both revenues and earnings per share, there stock prices are hiking in Q3 earnings season.

STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
AMAZON.COM INC	AMZN	1,726bn	3,409.02	3.66%	41.64	19.55
TESLA INC	TSLA	845bn	843.03	7.33%	113.68	57.91
TOYOTA MOTOR CORP -SPON ADR	TM	288bn	176.27	2.50%	53.15	10.01
JD.COM INC-ADR	JD	127bn	81.42	3.57%	40.54	25.76

ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
Consumer Disc. Select SPDR	XLY	21bn	190.04	4.06%	19.20%	0.12%
Vanguard Consumer Disc.	VCR	7bn	323.13	3.04%	18.95%	0.10%
First Trust Consumer Disc.	FXD	2bn	60.82	1.71%	21.74%	0.63%
Fidelity Consumer Disc.	FDIS	2bn	83.76	3.06%	18.56%	0.08%
SDPR S&P Retail	XRT	1bn	91.67	0.91%	44.27%	0.35%

STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
ALPHABET INC-CL A	GOOGL	1,887bn	2,827.36	1.13%	22.49	15.30
FACEBOOK INC-CLASS A	FB	916bn	324.76	-1.60%	18.16	11.41
NETFLIX INC	NFLX	278bn	628.29	-0.69%	48.64	34.58
AT&T INC	T	183bn	25.70	-4.00%	7.98	7.69
GOGO INC	GOGO	2bn	16.20	4.25%	31.03	16.64

ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
Com.Services Select SPDR	XLC	15bn	79.46	-1.87%	19.53%	0.12%
Vanguard Com.Services	VOX	5bn	142.94	0.24%	20.77%	0.10%
First Trust Indxx ETF	NXTG	1bn	76.91	1.22%	11.10%	0.70%
Fidelity Com.Services	FCOM	1bn	53.96	-0.18%	20.31%	0.08%
Ishares Global Com.Services	IXP	0bn	85.21	-0.27%	15.74%	0.46%

STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
JPMORGAN CHASE & CO	JPM	498bn	166.61	-2.12%	13.95	
WELLS FARGO & CO	WFC	193bn	48.38	0.79%	13.23	
MORGAN STANLEY	MS	186bn	102.14	2.10%	13.70	
SCHWAB (CHARLES) CORP	SCHW	153bn	80.90	4.60%	22.83	14.11
GOLDMAN SACHS GROUP INC	GS	143bn	406.07	3.38%	10.46	14.07

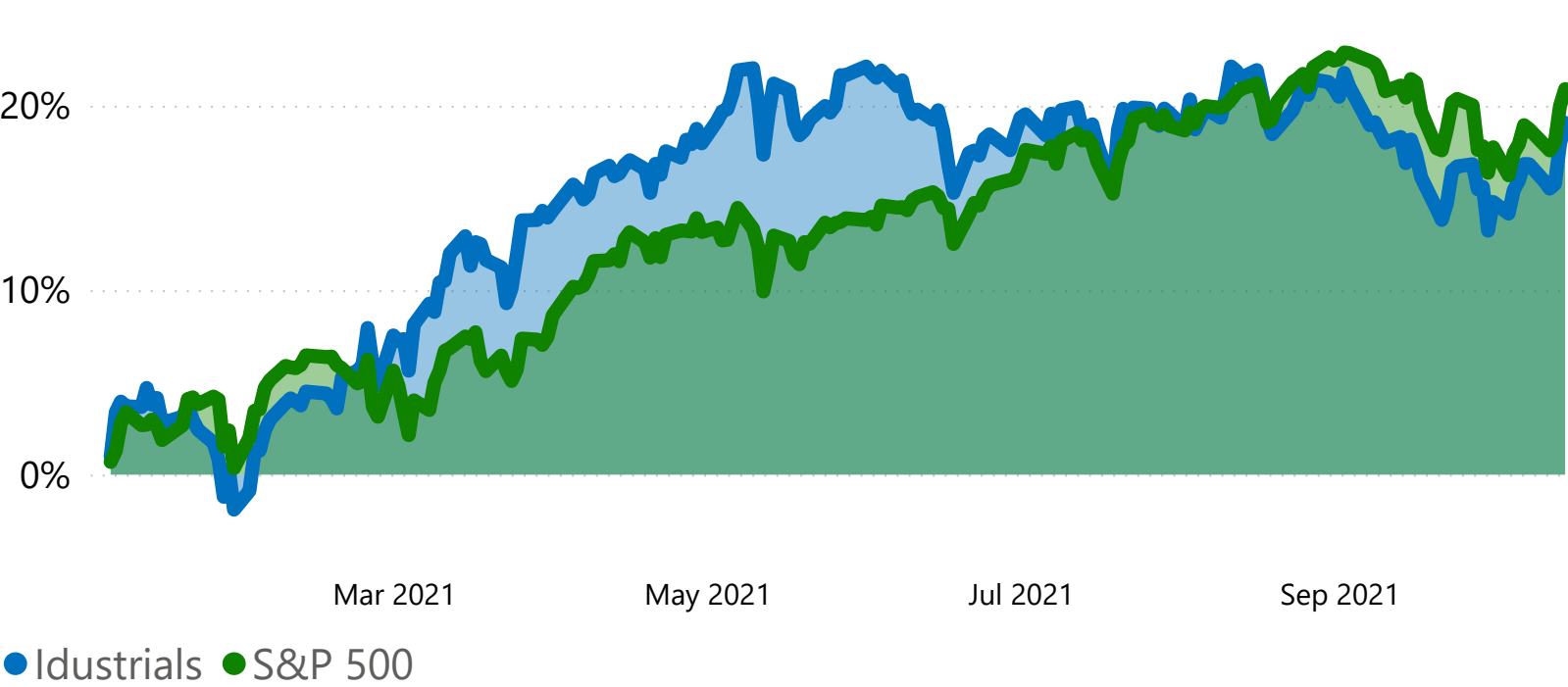
ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
Financial Select SPDR	XLF	45bn	40.35	3.42%	38.77%	0.12%
Vanguard Financials	VFH	12bn	98.33	2.00%	36.92%	0.10%
SPDR S&P Bank	KBE	3bn	54.98	-0.23%	32.77%	0.35%
iShares Global Financials	IXG	3bn	82.69	1.95%	28.19%	0.46%
SPDR S&P Insurance	KIE	0bn	40.07	0.63%	22.54%	0.35%



# Sector Snapshot

## Industrials

Sector Comparison to S&P 500 Performance



**7.56** **1.92%** **26.10** **15.80**  
Market Cap (Trillions) Weekly Change P/E EV/EBITDA

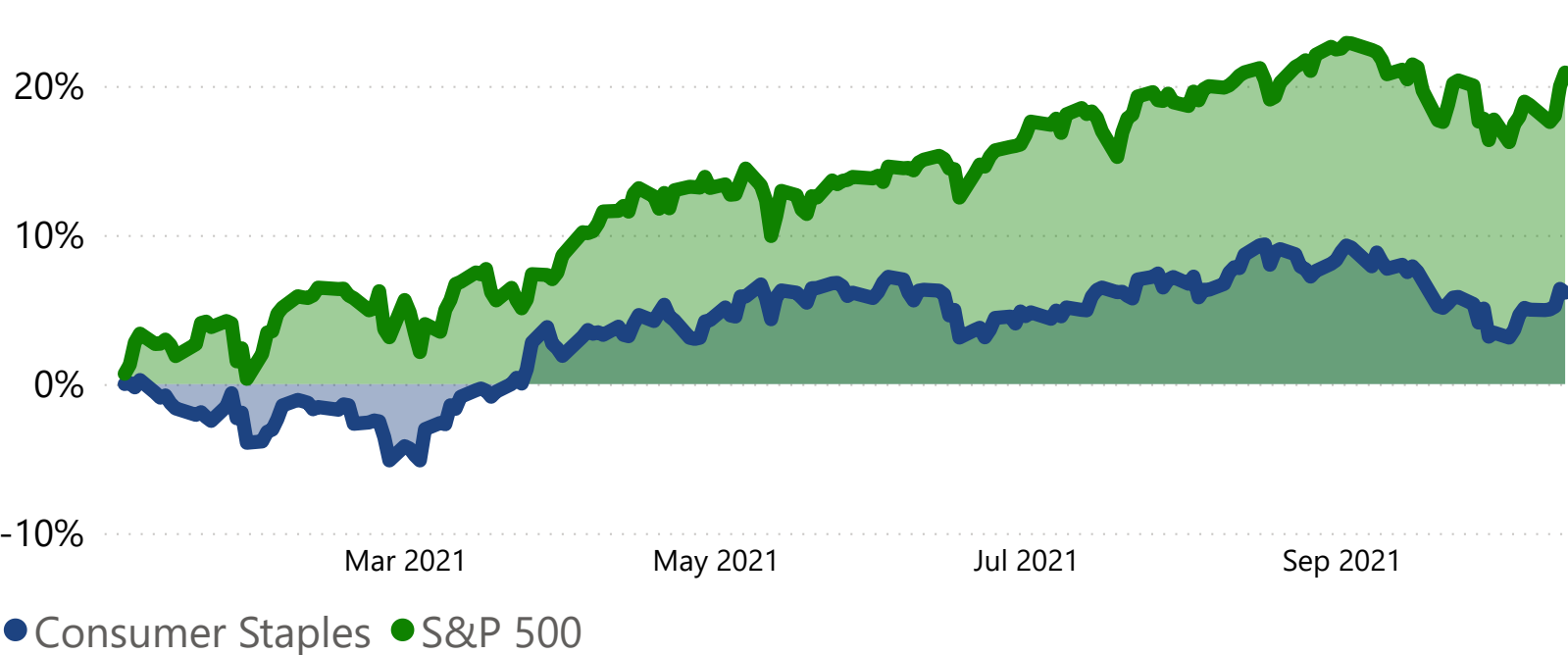
- Eaton (ETN) was named a Catalyst Call: Buy Idea at Deutsche Bank with \$180 price target, saying they have seen inbound interest in the name rise dramatically as investors take note of share price underperformance.
- United Parcel Services (UPS) rallied after Stifel upgraded its rating to Buy from Hold, saying despite tough comps, E-commerce continues to drive secular volume growth in the company's core small package unit.
- J.B. Hunt Transport Services (JBHT) peaked after posting an impressive revenue and EPS beat. Q3 EPS \$1.88 versus estimated \$1.79 and revenue amounted to \$3.14B versus estimated \$3.01B.

STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
UNITED PARCEL SERVICE-CL B	UPS	169bn	193.75	5.59%	16.47	11.77
EATON CORP PLC	ETN	64bn	161.45	5.14%	22.20	18.15
HUNT (JB) TRANSPRT SVCS INC	JBHT	20bn	190.55	12.23%	23.80	11.86
VIRGIN GALACTIC HOLDINGS	SPCE	5bn	20.01	-13.45%		

ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
The Industrial Select SPDR	XLI	18bn	105.97	4.97%	22.63%	0.12%
Vanguard Industrials	VIS	5bn	196.65	1.50%	18.37%	0.10%
U.S. Global Jets	JETS	4bn	23.33	-2.70%	8.08%	0.60%
ishares Transportation	IYT	2bn	266.46	5.02%	23.34%	0.42%
Fidelity Industrials	FIDU	1bn	54.38	1.66%	18.54%	0.08%

## Consumer Staples

Sector Comparison to S&P 500 Performance



**2.86** **1.08%** **23.70** **16.50**  
Market Cap (Trillions) Weekly Change P/E EV/EBITDA

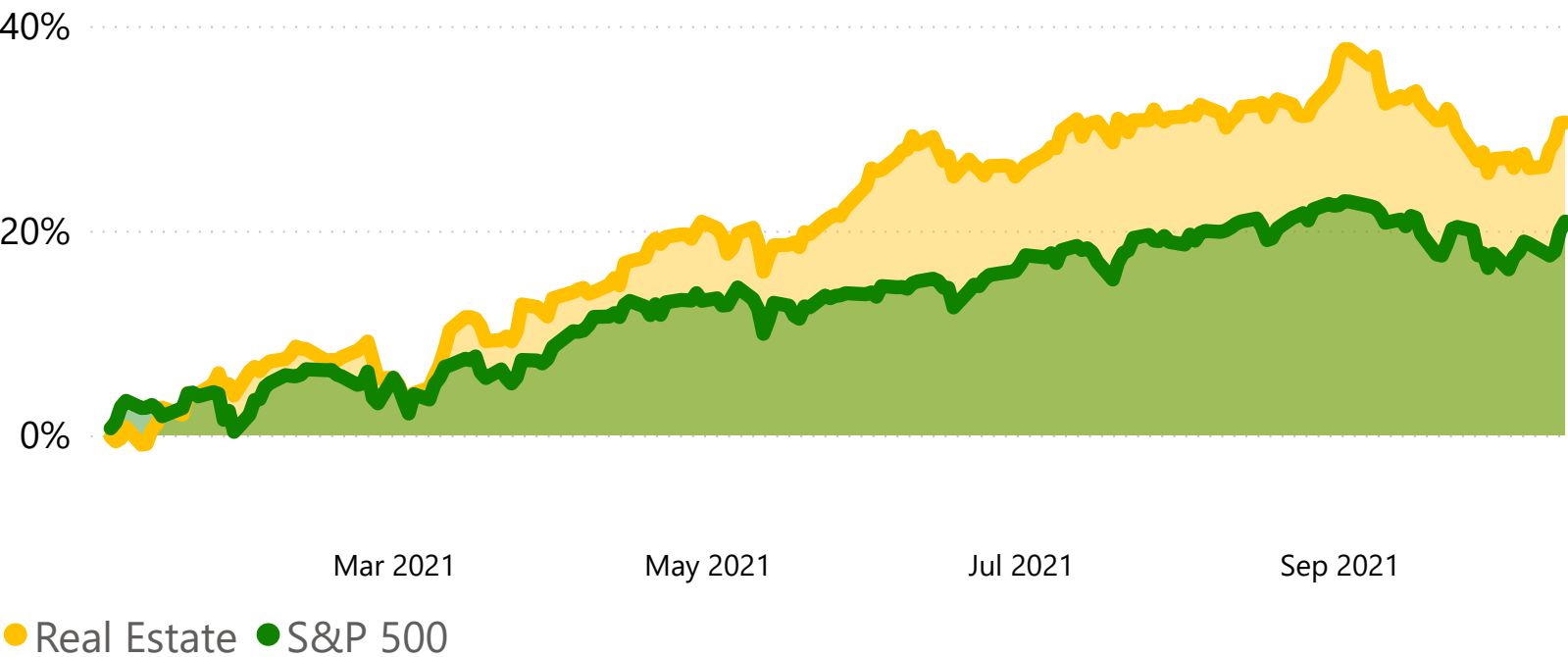
- Walmart (WMT) announces 2021 Return of "Black Friday Deals for Days," This Time with Special Early Access for Walmart+ Members.
- Coca-Cola (KO) is seeking a value of 7 billion euros (\$8.1 billion) for Coca-Cola Beverages Africa when it lists the bottler next year. KO holds 66.5% in Coca-Cola Beverages Africa.
- Costco (COST) may be next in line with Apple (AAPL), Tesla (TSLA) and NVIDEA (NVDA) to split its stock after 4 consecutive two digit growth quarters. some analysts believe that it is not reflected in price yet.

STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
WALMART INC	WMT	392bn	140.55	0.64%	21.22	11.41
COCA-COLA CO/THE	KO	235bn	54.48	0.67%	22.38	19.49
PEPSICO INC	PEP	220bn	158.81	1.78%	23.61	16.43
COSTCO WHOLESALE CORP	COST	200bn	452.39	0.12%	34.11	19.53
MONDELEZ INTERNATIONAL	MDLZ	84bn	60.15	1.02%	19.20	16.17

ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
Consumer Staples SPDR	XLP	12bn	69.51	-0.77%	4.18%	0.12%
Vanguard Consumer Stap.	VDC	6bn	183.81	0.93%	6.76%	0.10%
Fidelity Consumer Stap.	FSTA	1bn	42.80	0.63%	6.36%	0.08%
Ishares Consumer Stap.	KXI	1bn	61.00	1.10%	5.05%	0.46%
First Trust Consumer Stap.	FXG	0bn	57.31	1.06%	11.41%	0.63%

## Real Estate

Sector Comparison to S&P 500 Performance



**1.66** **3.54%** **10.90** **24.20**  
Market Cap (Trillions) Weekly Change P/E EV/EBITDA

- Cushman & Wakefield Plc signed an agreement for the investment of \$150 million in WeWork, as WeWork planning to go public via \$9 billion SPAC in late October. Covid-19 pandemic has been the catalyst for WeWork business model as flexible work and co-working spaces became popular.
- Large-cap home construction firms D. R. Horton (DHI) and PulteGroup (PHM) have been upgraded to overweight at JPM as companies remain in top ideas.
- The 30-year fixed-rate mortgage average ended above 3.05% for the second week of October, up from 2.99% in the prior week and above from 2.81% averaged in the same period a year ago, according to the Freddie Mac Primary Mortgage Survey.

STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
AMERICAN TOWER CORP	AMT	123bn	269.33	2.77%	48.81	26.21
PROLOGIS INC	PLD	101bn	136.98	6.57%	50.08	33.65
DR HORTON INC	DHI	31bn	87.05	4.36%	6.67	5.45
PULTEGROUP INC	PHM	13bn	48.41	2.28%	5.31	4.23
CUSHMAN & WAKEFIELD PLC	CWK	4bn	18.57	1.53%	10.87	8.67

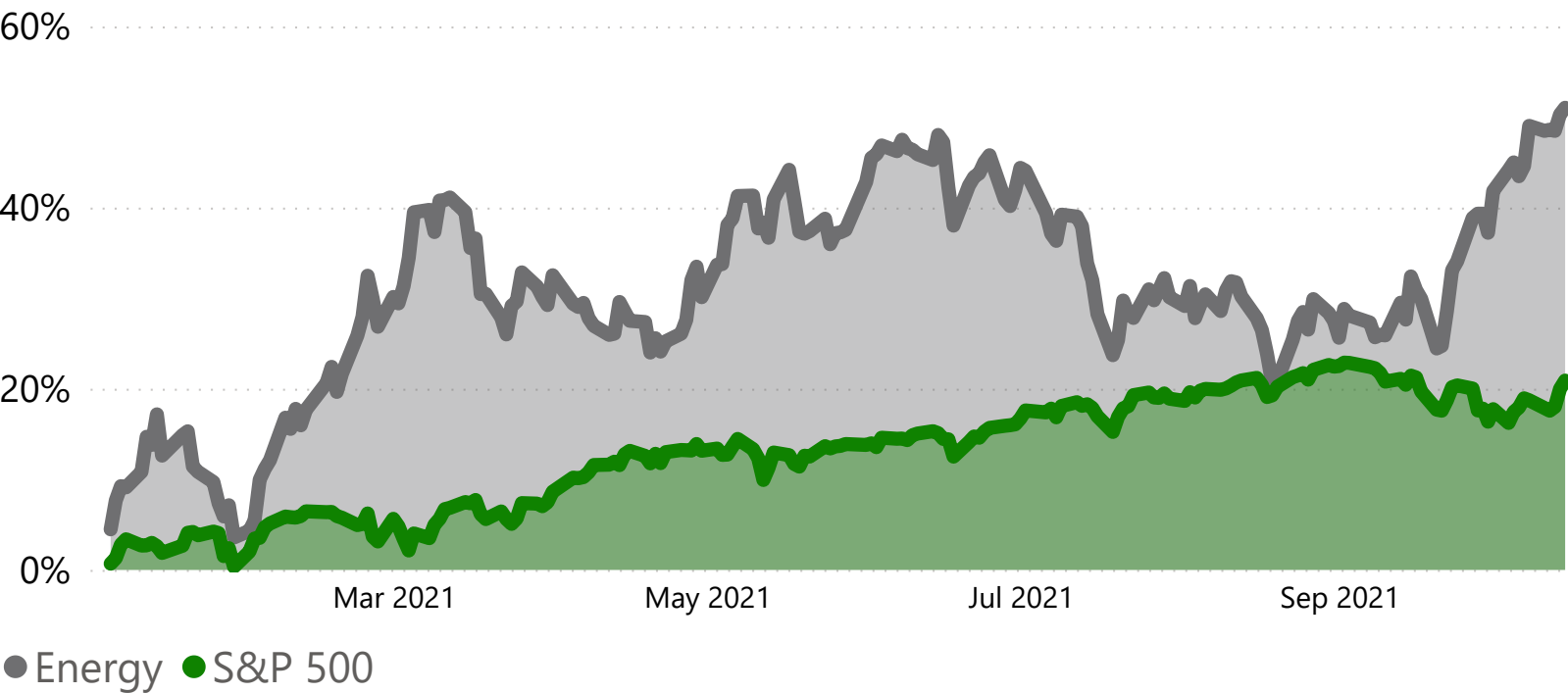
ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
Vanguard Real Estate	VNQ	44bn	106.51	3.60%	29.62%	0.12%
iShares U.S. Real Estate	IYR	7bn	103.98	0.63%	25.67%	0.42%
Schwab US REIT	SCHH	6bn	47.76	3.47%	30.10%	0.07%
Real Estate Select SPDR	XLRE	4bn	46.57	4.37%	31.62%	0.12%
iShares REIT ETF	REZ	1bn	90.12	3.98%	37.92%	0.48%



# Sector Snapshot

## Energy

Sector Comparison to S&P 500 Performance



**1.43** **1.34%** **14.70** **7.60**  
Market Cap (Trillions) Weekly Change P/E EV/EBITDA

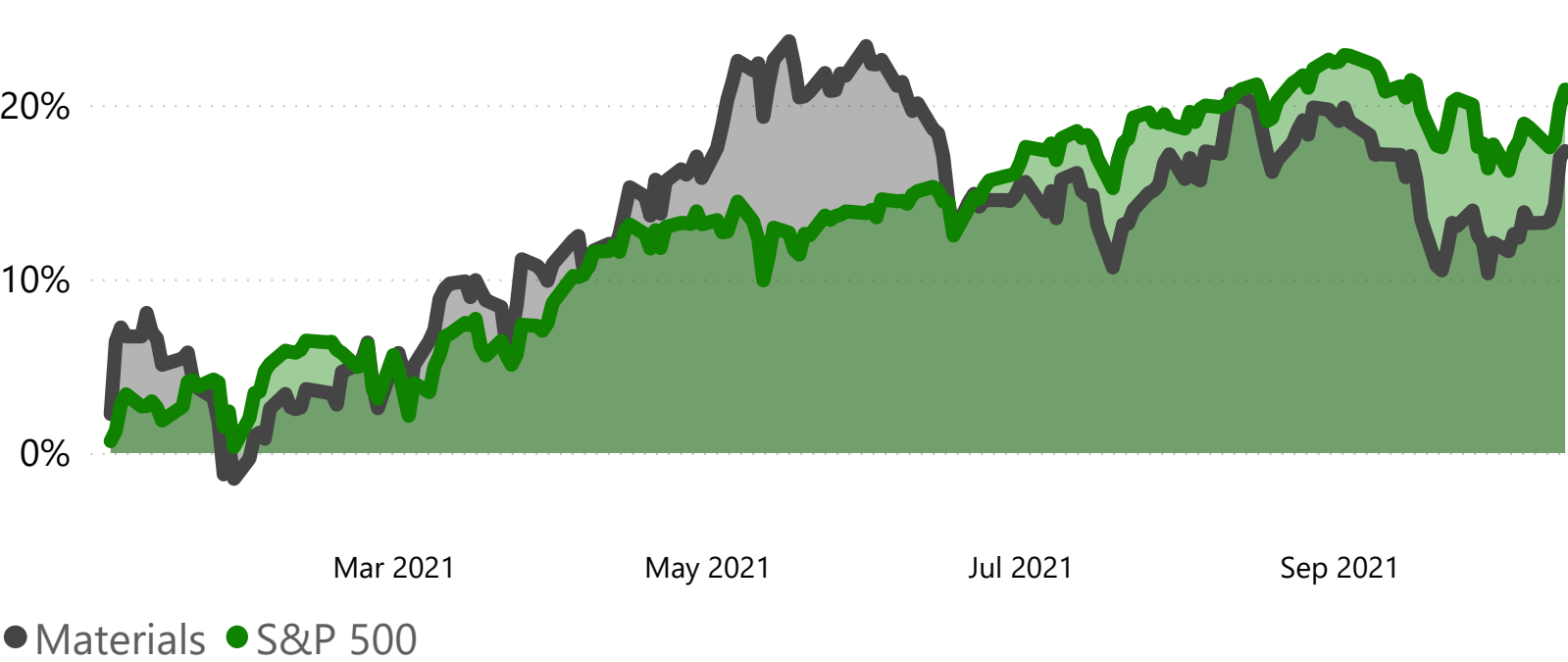
- Cheniere Energy (LNG) signed 13-year deal with Chinese natural gas Distribution Company to provide natural gas from US to China from July 2022. Price of LNG is up by 11% for the week
- Goldman Sachs downgraded Conocophillips (COP) from outperform to neutral and decreased price target to 76. According to Goldman price of COP which is already up by 73% for the year already incorporates premium from key value drivers for the company
- Weatherford International PLC (WFRD) published renewed guidance indicating that Q3 earnings will outperform Q2 due to increased margins and higher operating income. Share price of WFRD increased by 33%

STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
CONOCOPHILLIPS	COP	99bn	74.14	-1.04%	12.27	5.10
CHENIERE ENERGY INC	LNG	28bn	110.49	10.86%	14.88	10.79
DIAMONDBACK ENERGY INC	FANG	20bn	108.28	-1.47%	7.12	5.37
RANGE RESOURCES CORP	RRC	6bn	23.45	0.30%	7.75	5.92
WEATHERFORD	WFRD	2bn	26.73	32.72%		5.68

ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
Energy Select SPDR	XLE	28bn	58.02	2.57%	52.86%	0.12%
Vanguard Energy	VDE	6bn	81.74	2.23%	56.80%	0.10%
SPDR Oil & Gas Exploration	XOP	5bn	113.00	7.24%	91.43%	0.35%
iShares U.S. Energy	IYE	3bn	31.29	2.47%	54.23%	0.42%
iShares Global Energy	IXC	2bn	29.59	3.25%	45.12%	0.46%

## Materials

Sector Comparison to S&P 500 Performance



**1.14** **3.66%** **19.70** **12.20**  
Market Cap (Trillions) Weekly Change P/E EV/EBITDA

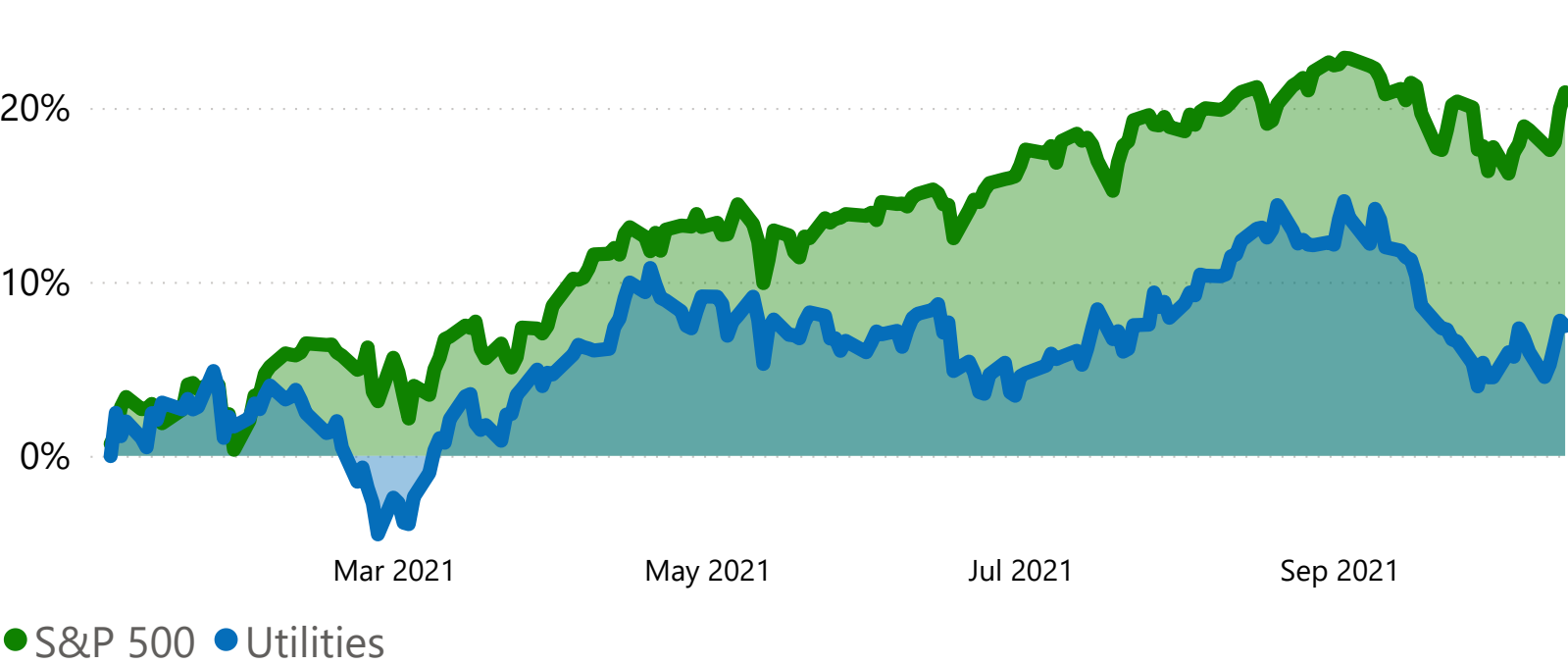
- Price of Alcoa Corporation (AA) increased by 22% for the week after posting record net income, initiating dividend payout and announcing 500 USD Mln share repurchase program
- International Paper Company (IP) announced 2 Billion USD share buyback program.
- UBS upgraded share price of Flowserve Corporation (FLS) on strong EPS growth forecast through 2023

STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
INTERNATIONAL PAPER CO	IP	21bn	53.28	-2.04%	10.65	7.40
ALCOA CORP	AA	10bn	56.00	21.66%	8.58	3.70
FLOWSERVE CORP	FLS	5bn	37.02	4.55%	18.43	11.19
COMMERCIAL METALS CO	CMC	4bn	31.70	-0.47%	10.79	6.09
DENISON MINES CORP	DNN	1bn	1.65	20.44%		

ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
VanEck Vectors Gold Miners	GDX	14bn	32.52	6.03%	-15.55%	0.52%
Materials Select Sector	XLB	8bn	85.19	4.94%	18.82%	0.12%
Vanguard Materials	VAW	4bn	182.28	2.80%	17.01%	0.10%
SPDR S&P Metals & Mining	XME	2bn	44.77	5.47%	33.05%	0.35%
Global X Silver Miners	SIL	1bn	38.63	6.92%	-21.48%	0.65%

## Utilities

Sector Comparison to S&P 500 Performance



**1.13** **1.40%** **20.70** **13.10**  
Market Cap (Trillions) Weekly Change P/E EV/EBITDA

- Share price of Daqo New Energy Corporation jumped by 14% for the week after Jeffries upgraded its target price to 136
- Price target of Plug Power (PLUG) was upgraded buy BMO, Wolfe, Morgan Stanley and JP Morgan on aver of 42 USD due to accelerated revenue growth and cash position in its balance sheet
- Goldman Sachs raised price target of XCEL Energy (XEL) to 76 USD because of the growth opportunity driven by generation fleet transformation. Price of XEL increased by 4% for the week

STOCKS TO WATCH	TICKER	MARKET CAP	CLOSE	CHANGE	P/E	EV/EBITDA
XCEL ENERGY INC	XEL	35bn	65.93	4.32%	20.79	12.37
GENERAC HOLDINGS INC	GNRC	29bn	451.94	11.10%	37.02	25.26
PLUG POWER INC	PLUG	18bn	31.24	14.90%		519.53
DAQO NEW ENERGY CORP-ADR	DQ	5bn	63.97	14.23%	6.13	4.11

ETFs TO WATCH	TICKER	TOTAL ASSETS	CLOSE	CHANGE	YTD	Expense
Utilities Select Sector	XLU	12bn	65.09	0.49%	6.49%	0.12%
Vanguard Utilities	VPU	5bn	143.66	1.51%	7.25%	0.10%
Global X US Infrastructure Dev	PAVE	5bn	26.83	2.81%	28.33%	0.47%
iShares Global Infrastructure	IGF	3bn	47.88	2.30%	10.34%	0.46%



Week Ahead



Monday

Tuesday

Wednesday

Thursday

Friday

Economic Calendar

October 18, 2021	Monday
4:30am - 5:30am	SG:Merchandise Trade
6:00am - 7:00am	CN:Fixed Asset Investment
6:00am - 7:00am	CN:GDP
6:00am - 7:00am	CN:Industrial Production
6:00am - 7:00am	CN:Retail Sales
4:15pm - 5:15pm	CA:Housing Starts
5:15pm - 6:15pm	US:Industrial Production
6:00pm - 7:00pm	US:Housing Market Index
6:30pm - 7:30pm	CA:BoC Business Outlook Survey
7:30pm - 8:30pm	US:3-Month Bill Auction
7:30pm - 8:30pm	US:6-Month Bill Auction

October 19, 2021	Tuesday
12:00am - 1:00am	US:Treasury International Capital
4:30am - 5:30am	AU:RBA Meeting Minutes
10:00am - 11:00am	CH:Merchandise Trade
4:30pm - 5:30pm	US:Housing Starts and Permits
4:55pm - 5:55pm	US:Redbook
7:00pm - 8:00pm	US:4-Week Bill Announcement
7:00pm - 8:00pm	US:8-Week Bill Announcement

October 20, 2021	Wednesday
3:50am - 4:50am	JP:Merchandise Trade
5:30am - 6:30am	CN:House Price Index
10:00am - 11:00am	DE:PPI
10:00am - 11:00am	UK:CPI
10:00am - 11:00am	UK:PPI
1:00pm - 2:00pm	EZ:HICP
3:00pm - 4:00pm	US:MBA Mortgage Applications
4:30pm - 5:30pm	CA:CPI
6:30pm - 7:30pm	US:EIA Petroleum Status Report
9:00pm - 10:00pm	US:20-Yr Bond Auction
10:00pm - 11:00pm	US:Beige Book

October 21, 2021	Thursday
10:00am - 11:00am	UK:Public Sector Finances
10:45am - 11:45am	FR:Business Climate Indicator
2:00pm - 3:00pm	UK:CBI Industrial Trends
4:30pm - 5:30pm	US:Jobless Claims
4:30pm - 5:30pm	US:Philadelphia Fed Manufacturing Index
6:00pm - 7:00pm	EZ:EC Consumer Confidence Flash
6:00pm - 7:00pm	US:Existing Home Sales
6:00pm - 7:00pm	US:Leading Indicators
6:30pm - 7:30pm	US:EIA Natural Gas Report
7:00pm - 8:00pm	US:2-Yr FRN Note Announcement
7:00pm - 8:00pm	US:3-Month Bill Announcement
7:00pm - 8:00pm	US:6-Month Bill Announcement
9:00pm - 10:00pm	US:5-Yr TIPS Auction

October 22, 2021	Friday
12:30am - 1:30am	US:Fed Balance Sheet
3:30am - 4:30am	JP:CPI
4:30am - 5:30am	JP:PMI Composite Flash
10:00am - 11:00am	UK:Retail Sales
11:15am - 12:15pm	FR:PMI Composite Flash
11:30am - 12:30pm	DE:PMI Composite Flash
12:00pm - 1:00pm	EZ:PMI Composite Flash
12:30pm - 1:30pm	HK:CPI
12:30pm - 1:30pm	UK:PMI Composite Flash
4:30pm - 5:30pm	CA:Retail Sales
5:45pm - 6:45pm	US:PMI Composite Flash
9:00pm - 10:00pm	US:Baker Hughes Rig Count

Corporate Actions Calendar

Ticker	Type	Time	Maket Cap
STT	Earnings	Pre-Market	34bn
EC	Earnings	Not-Supplied	32bn
ELS	Earnings	After-Hours	15bn
ACI	Earnings	Pre-Market	13bn
STLD	Earnings	After-Hours	13bn
ZION	Earnings	Not-Supplied	10bn

Ticker	Type	Time	Maket Cap
JNJ	Earnings	Pre-Market	421bn
PG	Earnings	Pre-Market	350bn
NFLX	Earnings	After-Hours	281bn
PM	Earnings	Pre-Market	154bn
ISRG	Earnings	After-Hours	118bn
CNI	Earnings	After-Hours	86bn
BK	Earnings	Pre-Market	49bn
ERIC	Earnings	Pre-Market	40bn
TRV	Earnings	Pre-Market	39bn
DOV	Earnings	Pre-Market	23bn
HAL	Earnings	Pre-Market	22bn
UAL	Earnings	After-Hours	16bn
CBSH	Earnings	Pre-Market	8bn
IBKR	Earnings	After-Hours	7bn

Ticker	Type	Time	Maket Cap
TSLA	Earnings	After-Hours	820bn
ASML	Earnings	Pre-Market	322bn
VZ	Earnings	Pre-Market	215bn
ABT	Earnings	Pre-Market	208bn
NEE	Earnings	Pre-Market	160bn
IBM	Earnings	After-Hours	105bn
ANTM	Earnings	Pre-Market	95bn
LRCX	Earnings	After-Hours	80bn
CSX	Earnings	After-Hours	75bn
CP	Earnings	Pre-Market	48bn
BIIB	Earnings	Pre-Market	43bn
DFS	Earnings	After-Hours	38bn
NDAQ	Earnings	Pre-Market	34bn
LVS	Earnings	After-Hours	31bn

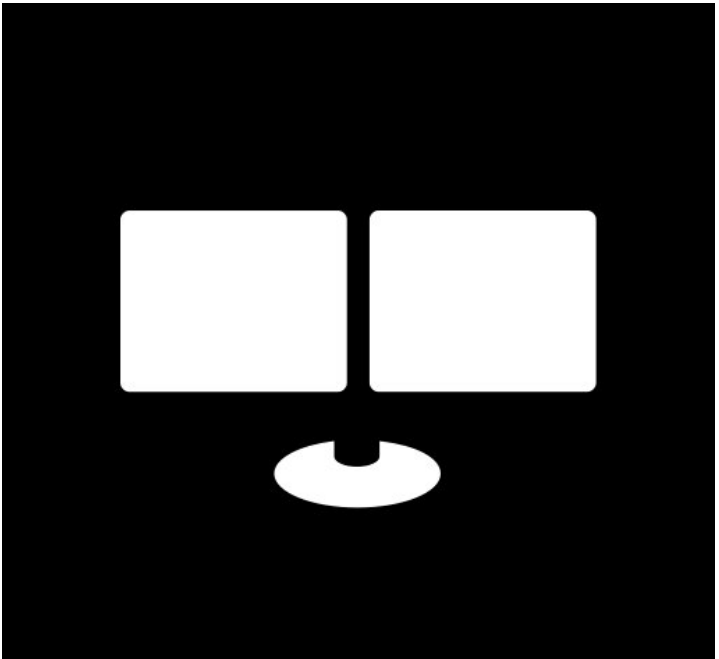
Ticker	Type	Time	Maket Cap
INTC	Earnings	After-Hours	219bn
DHR	Earnings	Pre-Market	214bn
T	Earnings	Pre-Market	183bn
SAP	Earnings	Pre-Market	171bn
UNP	Earnings	Pre-Market	144bn
SNAP	Earnings	After-Hours	121bn
BX	Earnings	Pre-Market	87bn
MMC	Earnings	Pre-Market	81bn
ABB	Earnings	Pre-Market	69bn
FCX	Earnings	Pre-Market	55bn
CMG	Earnings	After-Hours	52bn
DOW	Earnings	Pre-Market	44bn
LUV	Earnings	Pre-Market	30bn
KEY	Earnings	Pre-Market	22bn

Ticker	Type	Time	Maket Cap
HON	Earnings	Pre-Market	151bn
AXP	Earnings	Pre-Market	136bn
HCA	Earnings	Pre-Market	78bn
ROP	Earnings	Pre-Market	49bn
SLB	Earnings	Pre-Market	47bn
BCS	Earnings	Not-Supplied	46bn
VFC	Earnings	Pre-Market	29bn
RF	Earnings	Pre-Market	21bn
STX	Earnings	Pre-Market	19bn
CLF	Earnings	Pre-Market	11bn
GNTX	Earnings	Pre-Market	9bn
ALV	Earnings	Pre-Market	8bn

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# TBC CAPITAL

## Brokerage Team

Mary Chachanidze, CFA

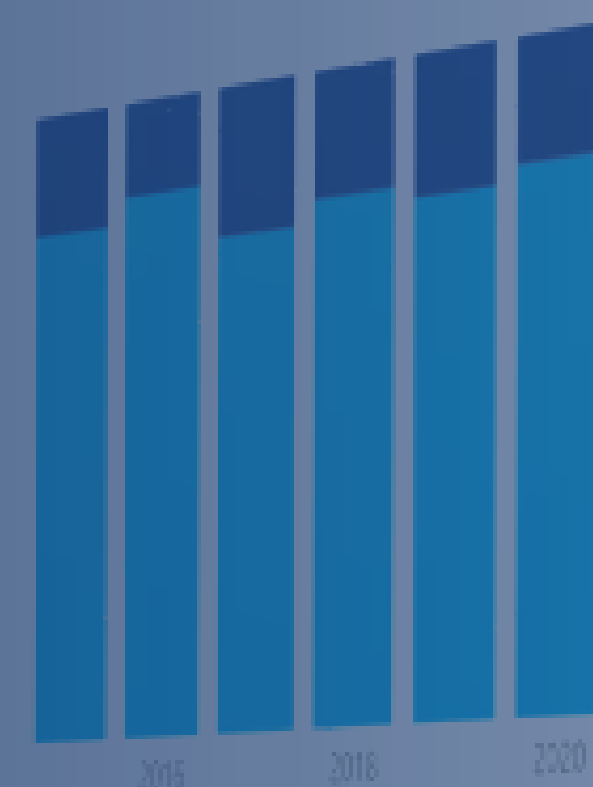
Tornike Mchedlishvili, CFA

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  
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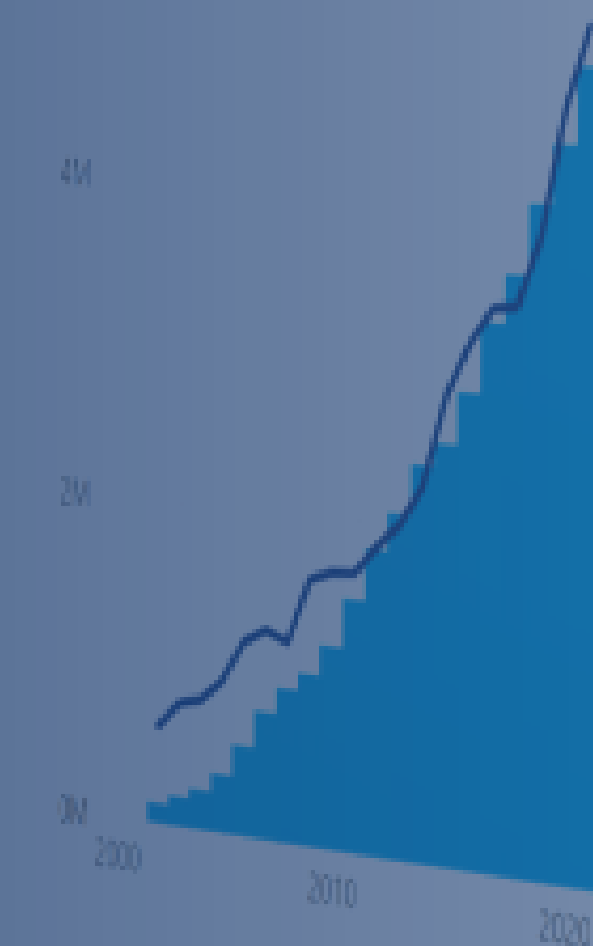
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AAPL  
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GOOG  
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TSLA  
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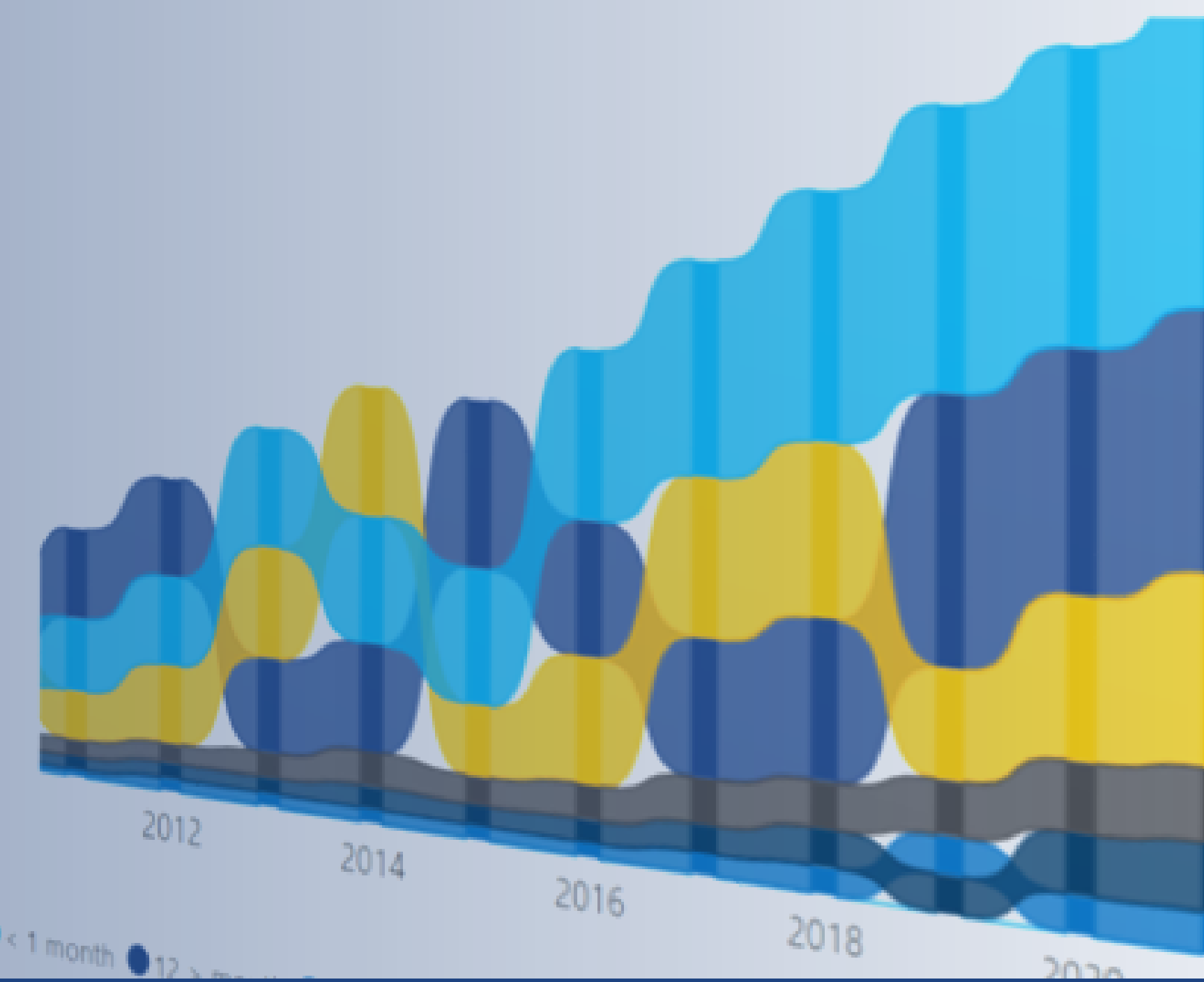
NIO  
638.73



Certain in FX in FX As % of GDP



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