

Global Financial Markets Weekly Update

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Giorgi Karchava | Head of brokerage | Giorgi.Karchava@lb.ge | +995 598 72 66 54

Giorgi Sakandelidze | Investment Broker & Analyst | Giorgi.sakandelidze@lb.ge | +995 577 40 50 75

Aleksandre Meparidze | Head of Financial analysis and Macroeconomic

Aleksandre Akhaladze | Macroeconomics Analyst

Elene Vashakmadze | Macroeconomics Junior Analyst

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Quote of the week



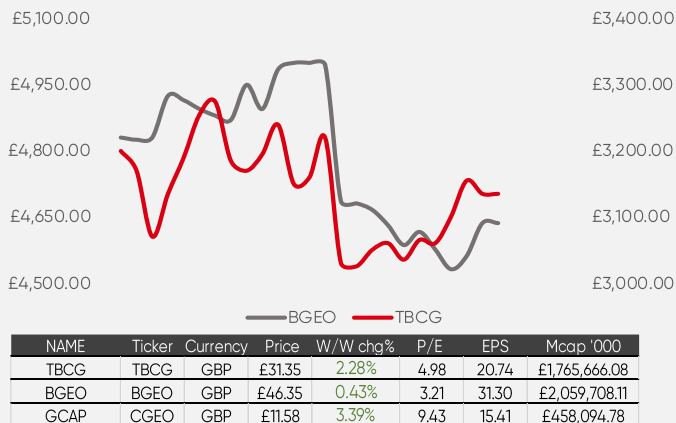
Your time is limited, so don't waste it living someone else's life. Don't be trapped by dogma – which is living with the results of other people's thinking

Steve Jobs

Executive Summary

- The Russell 2000 is currently trading at 2,361, reflecting a 1.33% decrease over the past five days. This decline highlights the challenges facing small-cap stocks, which remain sensitive to broader market trends and economic uncertainties
- The U.S. Dollar Index (DXY) is currently exhibiting a cautious tone as markets await the release of the Producer Price Index (PPI) data. Recent movements in the index reflect a consolidative phase, with traders closely monitoring economic indicators that could influence Federal Reserve policy decisions.

TBC/BGEO

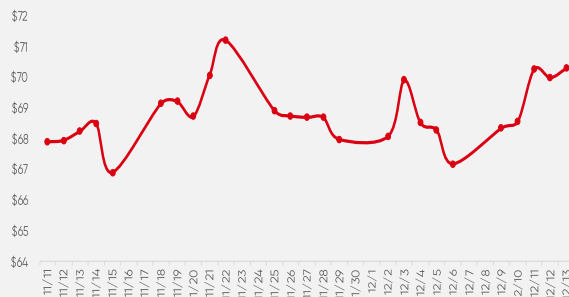


TECHNOLOGY



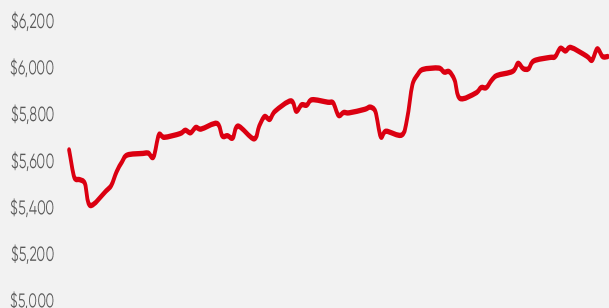
The technology sector is currently trading at \$2,395, reflecting a 1.2% decrease over the past five days. This decline comes as investors reassess the growth potential of major tech players

OIL



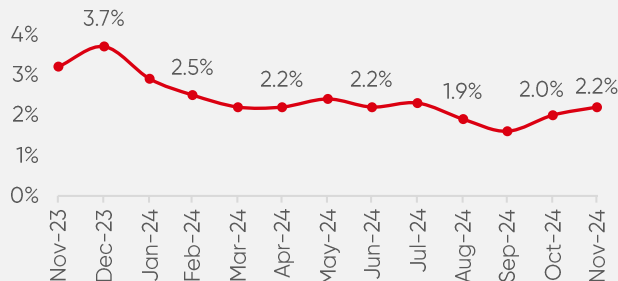
Oil is currently trading at \$70.63, reflecting a 5.1% increase over the past five days. This surge comes despite ongoing concerns about a potential supply surplus forecasted for 2025 and persistent soft demand.

S&P 500



The S&P 500 is currently trading at 6,051, reflecting a slight decrease of 0.03% over the past five days. The index has experienced a period of relative stagnation, with market participants weighing conflicting signals

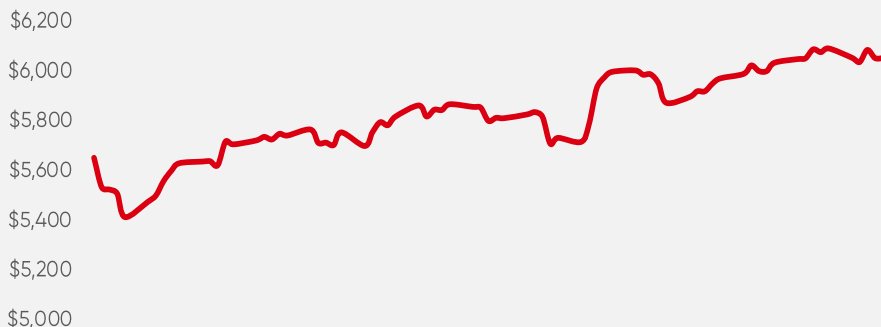
Germany Inflation YoY



Germany's annual inflation rose to 2.2% in November, up from 2% in October, driven largely by above-average price increases in services.

Indices

S&P 500

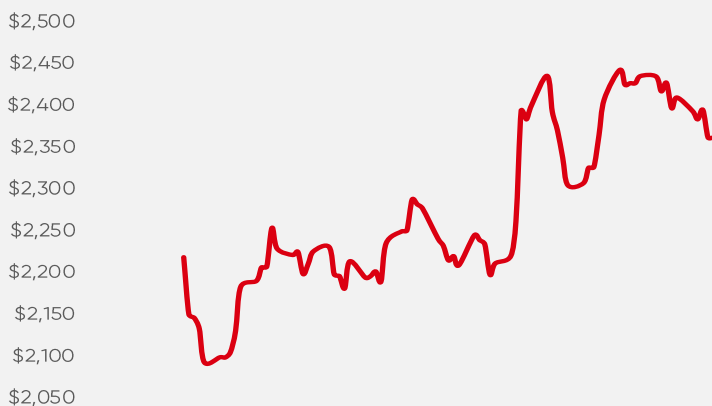


The S&P 500 is currently trading at 6,051, reflecting a slight decrease of 0.03% over the past five days. The index has experienced a period of relative stagnation, with market participants weighing conflicting signals about the economic outlook and inflation pressures. Analysts at Stifel have predicted that stocks could end 2025 lower due to persistent inflation and an anticipated economic slowdown, adding a cautious tone to investor sentiment.

Market dynamics have also been shaped by the shifting role of high-performing stocks, particularly the so-called "Mag 7" tech giants. While these companies have been critical drivers of the market's performance in the past, some analysts argue that they are no longer as pivotal to overall market health.

NAME	LAST
Communication Service	1.22%
Consumer Discretionary	0.72%
Consumer Staples	-0.24%
Energy	-1.46%
Financial	-1.66%
Health Care	-2.31%
Industrial	-2.02%
Materials	-2.14%
Real Estate	-1.86%
Technology	-1.20%
Utilities	-2.77%

RUSSEL 2000



The Russell 2000 is currently trading at 2,361, reflecting a 1.33% decrease over the past five days. This decline highlights the challenges facing small-cap stocks, which remain sensitive to broader market trends and economic uncertainties. The performance of the Russell 2000 has been impacted by investor concerns about a slowing economy and persistent inflation, which are weighing more heavily on smaller companies compared to their larger counterparts.

Recent analysis indicates that investment funds are becoming more selective, with many favoring larger-cap or more stable assets as the market approaches 2025. This trend has further contributed to the underperformance of small-cap stocks within the Russell 2000, as investors opt for sectors perceived as safer during periods of economic uncertainty.

Ticker	Price	W/W %	P/E
MGX	\$ 3.86	108.65%	--
CADL	\$ 9.80	100.00%	--
RGTI	\$ 5.97	87.74%	--
KROS	\$ 18.43	-71.48%	--
CRVO	\$ 1.93	-80.14%	--
QTTB	\$ 4.25	-82.06%	--

Top Performing Sectors

COMMUNICATION SERVICES 714.36\$/1.2%

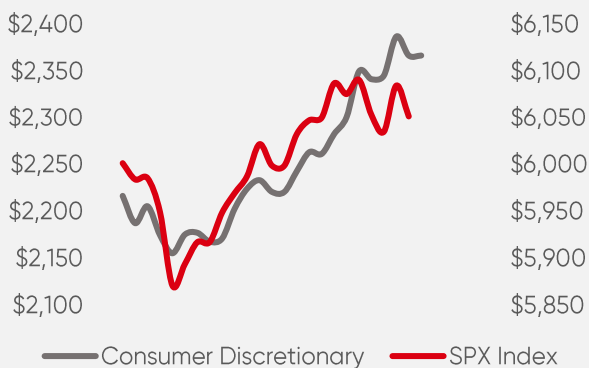


Ticker	Price	W/W %	EPS T12M	P/E	Vol. mln
WBD	\$ 12.49	16.95%	\$ (4.57)	--	\$85.08
GOOGL	\$ 191.96	11.19%	\$ 7.62	24.85	\$34.01
GOOG	\$ 193.63	11.08%	\$ 7.62	24.85	\$25.07
PARA	\$ 11.63	7.59%	\$ (8.22)	6.83	\$11.27
META	\$ 630.79	3.59%	\$ 21.83	28.58	\$7.42
CHTR	\$ 388.45	-3.88%	\$ 32.46	11.72	\$0.80
TMUS	\$ 233.27	-4.37%	\$ 8.86	25.47	\$4.06
CMCSA	\$ 40.24	-5.96%	\$ 3.73	10.68	\$22.41
MTCH	\$ 30.58	-6.17%	\$ 2.34	13.65	\$8.78
OMC	\$ 90.16	-12.58%	\$ 7.40	11.87	\$2.30

The communication services sector is currently trading at \$714.36, reflecting a 1.2% increase over the past five days. This recent rise highlights the sector's resilience amid broader market uncertainties, as investors show renewed interest in key players driving growth within this space. Major contributors to the sector's performance include digital advertising platforms, streaming services, and social media companies that continue to benefit from strong consumer demand and innovative offerings.

The sector's upward momentum has been supported by its ability to adapt to evolving market trends, particularly in the areas of digital content and connectivity. Companies within communication services have capitalized on increased digital consumption, which has solidified their position as critical drivers of both consumer engagement and business growth. This adaptability has made the sector an attractive option for investors seeking exposure to long-term growth opportunities.

CONSUMER DISCRETIONARY \$2366/0.72%



Ticker	Price	W/W %	EPS T12M	P/E	Vol. mln
TSLA	\$ 418.10	13.16%	\$ 4.00	198.50	\$87.00
LULU	\$ 389.33	12.91%	\$ 13.87	27.20	\$1.57
ULTA	\$ 423.91	7.90%	\$ 25.12	16.83	\$0.63
AZO	\$3,340.48	4.71%	\$ 153.85	22.32	\$0.12
AMZN	\$ 228.97	3.82%	\$ 4.78	47.34	\$27.97
DRI	\$ 164.99	-3.61%	\$ 8.72	18.85	\$1.51
HAS	\$ 64.05	-4.55%	\$ (4.63)	17.65	\$2.12
DHI	\$ 151.21	-5.30%	\$ 14.45	10.39	\$2.42
PHM	\$ 120.69	-5.62%	\$ 13.67	8.72	\$1.90
LEN	\$ 155.47	-5.77%	\$ 15.10	10.10	\$2.46

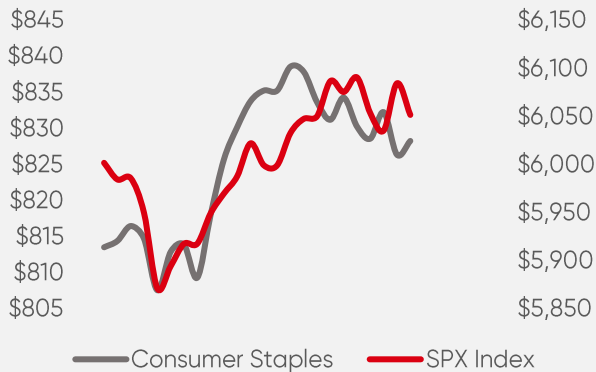
The consumer discretionary sector is currently trading at \$2,366, reflecting a 0.72% increase over the past five days. This modest gain has been bolstered by strong performances from key players, including Lululemon, which recently exceeded profit expectations and raised its full-year outlook. The company's robust earnings report has reinforced investor confidence in the sector's ability to navigate an evolving economic landscape.

The broader sector has also benefited from resilient consumer spending patterns, particularly in areas like luxury goods, apparel, and leisure activities. Despite headwinds such as inflation and interest rate pressures, the demand for discretionary items has remained relatively stable, supported by a strong labor market and steady wage growth.

Top Performing Sectors

CONSUMER STAPLES

828\$/0.24%



Ticker	Price	W/W %	EPS T12M	P/E	Vol. mln
WBA	\$ 9.73	14.88%	\$ (10.01)	1.02	\$19.99
HSY	\$ 183.95	5.42%	\$ 8.69	19.99	\$3.76
TGT	\$ 135.29	4.74%	\$ 9.47	13.98	\$3.86
KR	\$ 63.30	4.27%	\$ 3.80	13.73	\$10.12
MKC	\$ 81.41	4.18%	\$ 2.96	27.57	\$1.36
KVUE	\$ 22.32	-3.50%	\$ 0.55	21.62	\$14.95
TSN	\$ 61.20	-3.92%	\$ 2.29	20.50	\$2.10
PM	\$ 127.00	-4.14%	\$ 6.31	19.42	\$5.14
LW	\$ 74.23	-4.45%	\$ 4.28	17.32	\$1.50
KMB	\$ 130.89	-5.26%	\$ 7.74	11.80	\$1.76

The consumer staples sector is currently trading at \$828, reflecting a 0.24% decrease over the past five days. This slight decline highlights the sector's sensitivity to broader market dynamics and shifting investor preferences. Despite the decrease, the sector continues to attract attention from defensive investors due to its stability and consistent demand for essential goods.

Recent focus has been on major players like Walmart, which have maintained strong operational performance and steady consumer engagement. These companies are seen as anchors within the sector, providing resilience even during periods of market volatility. However, the broader sector's performance has been tempered by concerns over inflation and its impact on input costs, which could weigh on profit margins.

TECHNOLOGY

2395\$/1.2%

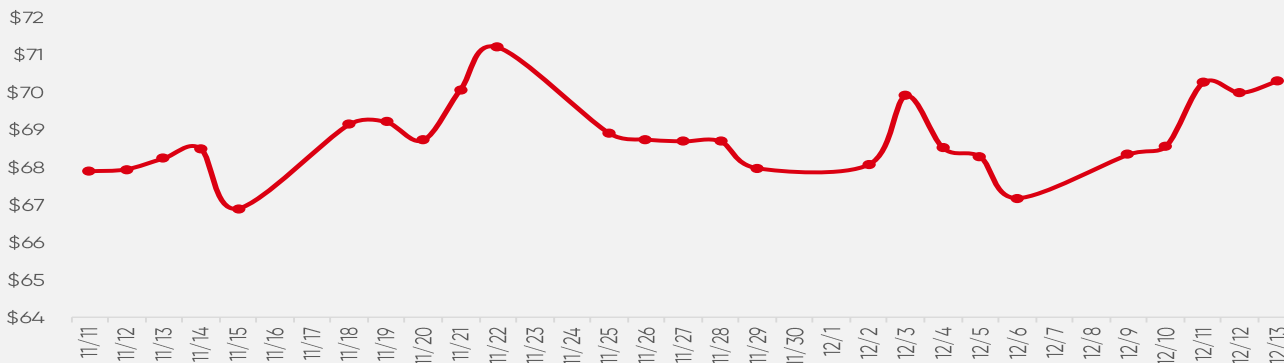


Ticker	Price	W/W %	EPS T12M	P/E	Vol. mln
TER	\$ 120.95	6.36%	\$ 3.26	41.25	\$2.25
AVGO	\$ 180.66	5.98%	\$ 1.27	68.49	\$39.31
MPWR	\$ 605.45	5.79%	\$ 8.94	68.26	\$0.86
MCHP	\$ 61.50	5.58%	\$ 1.46	43.19	\$4.72
VRSN	\$ 199.10	5.37%	\$ 8.61	23.15	\$0.38
FICO	\$ 2,190.92	-7.45%	\$ 20.78	116.04	\$0.16
AMD	\$ 130.60	-7.61%	\$ 1.13	110.65	\$33.73
SMCI	\$ 37.93	-7.80%	\$ 2.16	19.04	\$39.02
WDC	\$ 65.99	-8.49%	\$ 1.74	21.85	\$9.87
ADBE	\$ 474.63	-11.81%	\$ 12.46	33.01	\$17.31

The technology sector is currently trading at \$2,395, reflecting a 1.2% decrease over the past five days. This decline comes as investors reassess the growth potential of major tech players, including the "Mag 7," which have faced tempered profit growth expectations for 2025. While the sector remains a cornerstone of market innovation, short-term challenges such as valuation concerns and shifting macroeconomic conditions have weighed on performance. AI advancements and long-term growth opportunities continue to be key drivers for the sector. Predictions for 2025 emphasize the increasing role of artificial intelligence in reshaping industries, positioning technology companies as leaders in this transformative era. However, with high valuations and profit forecasts under scrutiny, investors are adopting a more cautious stance toward the sector.

Commodities

Crude oil

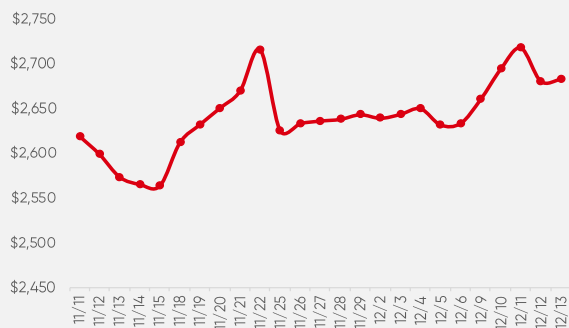


Oil is currently trading at \$70.63, reflecting a 5.1% increase over the past five days. This surge comes despite ongoing concerns about a potential supply surplus forecasted for 2025 and persistent soft demand. The rise in prices has been supported by market optimism surrounding short-term factors, including sanctions-driven supply risks and geopolitical tensions that have temporarily tightened supply dynamics.

However, analysts caution that the oil market remains under pressure from oversupply concerns and weaker-than-expected demand growth. Recent forecasts highlighting a potential supply glut next year have added a layer of uncertainty, keeping the broader outlook for oil prices subdued. Additionally, demand softness in key markets continues to weigh on sentiment, despite the recent gains.

Looking forward, oil prices are likely to remain volatile as the market navigates the balance between short-term supply disruptions and longer-term oversupply risks. Investors are closely monitoring geopolitical developments and OPEC's actions to address these dynamics. While the recent rally provides a positive signal, the broader challenges in the market underscore the need for cautious optimism in the energy sector.

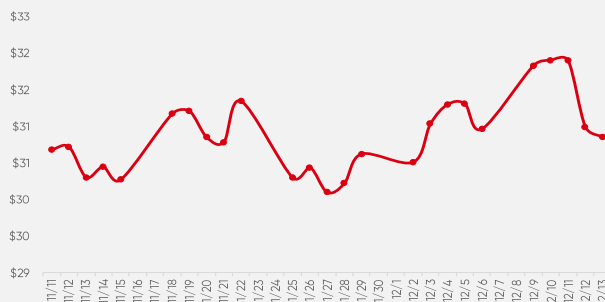
Gold



Gold is currently trading at \$2,689, reflecting a 1.92% increase over the past five days. This rise comes as the precious metal benefits from safe-haven demand amidst ongoing economic uncertainties and optimism fueled by expectations of continued monetary easing. Recent gains have pushed gold prices to a two-week high before a slight dip, as the market balances positive sentiment with profit-taking by investors.

The rally in gold has been supported by favorable macroeconomic conditions, including speculation that the Federal Reserve may pause or cut interest rates in the near future.

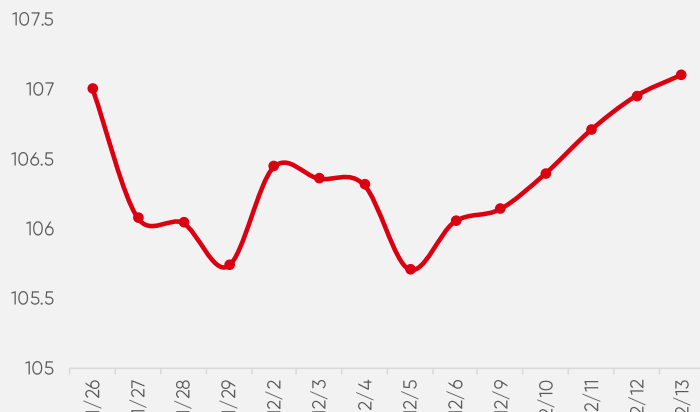
Silver



Silver is currently trading at \$31.31, reflecting a 0.4% increase over the past five days. This modest rise highlights the metal's steady performance amidst a backdrop of fluctuating market conditions and ongoing economic uncertainty. While silver has seen less dramatic movements compared to gold, its dual role as both a precious and industrial metal continues to make it an important asset for investors.

Currencies

US Dollar Index

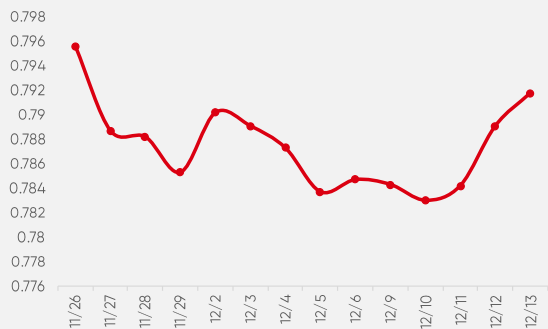


The U.S. Dollar Index (DXY) is currently exhibiting a cautious tone as markets await the release of the Producer Price Index (PPI) data. Recent movements in the index reflect a consolidative phase, with traders closely monitoring economic indicators that could influence Federal Reserve policy decisions. The PPI report, set to be released tomorrow, is expected to provide further clarity on inflation trends and could be a significant driver for the dollar's direction. This key economic metric will also offer insights into broader pricing pressures and how they might shape future monetary policy adjustments.

Technical analysis suggests that a head-and-shoulders pattern may have formed on the DXY chart, indicating the potential for a bearish shift if key support levels are breached. Such a technical formation often signals a reversal in trend, prompting traders to be on high alert for any breakout movements. This has heightened market sensitivity to upcoming data releases, as any indications of cooling inflation could reinforce expectations of a more dovish Fed stance, potentially weakening the dollar. Conversely, stronger-than-expected PPI data could lend support to the dollar by maintaining speculation around higher interest rates for a longer duration.

Despite these uncertainties, the dollar remains supported by its safe-haven appeal, particularly amid global economic uncertainties. Concerns about slower growth in key economies and geopolitical risks have continued to underpin demand for the U.S. dollar as a secure asset.

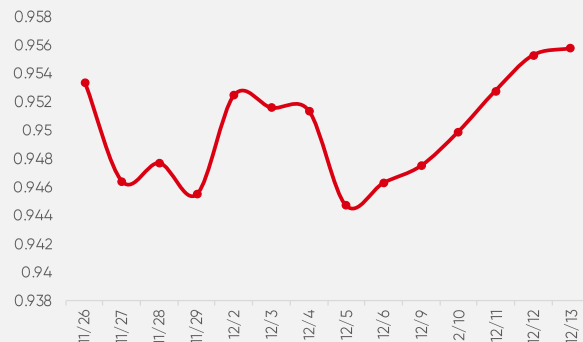
GBP



The British Pound (GBP) has faced some depreciation recently, with the GBP/USD pair trading near the 1.2650 level ahead of the release of the UK's monthly GDP data. This decline reflects market caution as investors await crucial economic indicators that could provide insights into the health of the UK economy and influence future monetary policy decisions by the Bank of England.

Despite the recent pullback, analysts suggest that any significant decline in GBP/USD is likely to find robust support around the 1.2610 level, as highlighted by the UOB Group. This technical support level is seen as a key threshold that could stabilize the pair if downward pressure persists.

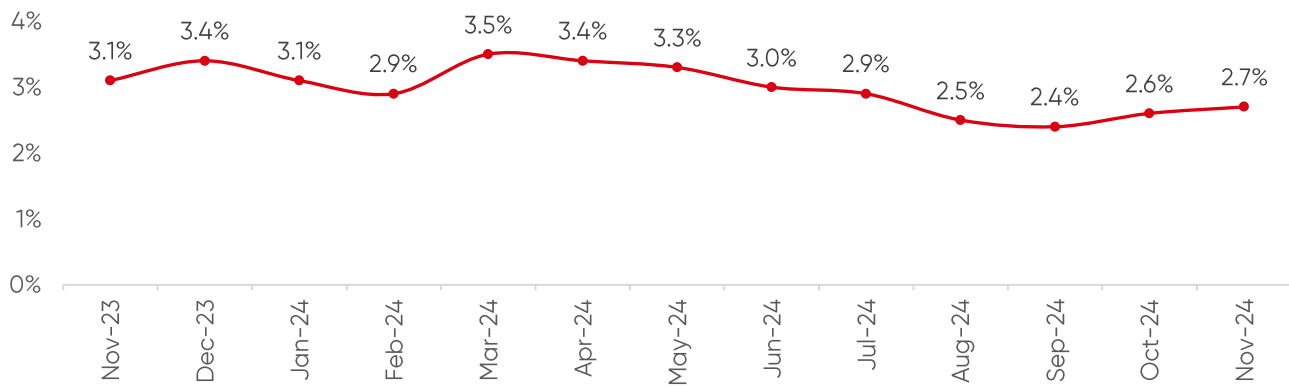
EUR



The Euro (EUR) has experienced choppy trading recently, with the EUR/USD pair showing volatility following comments from European Central Bank (ECB) President Christine Lagarde. Lagarde expressed concerns about economic growth in the Eurozone, which has added to market uncertainty and influenced investor sentiment toward the Euro. The cautious tone from the ECB underscores the challenges facing the region's economy, particularly as inflationary pressures and slower-than-expected growth weigh on recovery prospects.

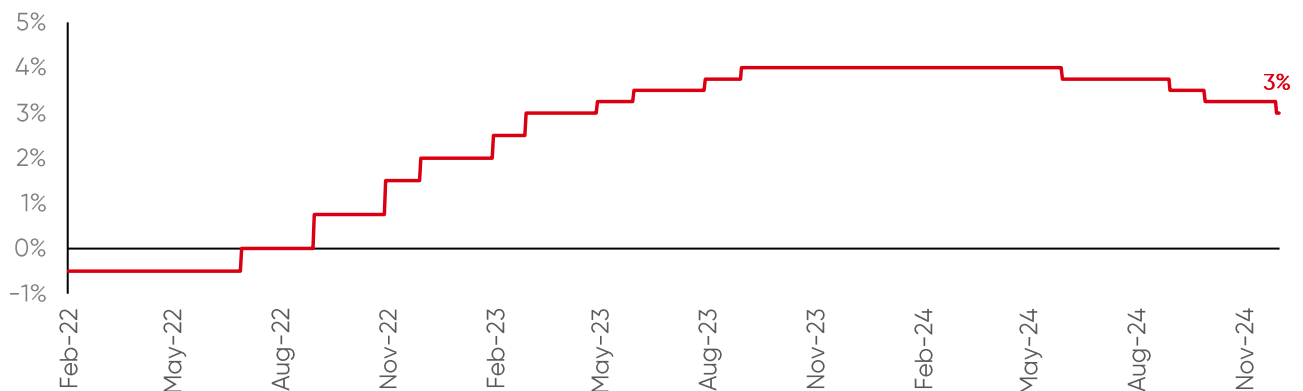
Macroeconomics

US Inflation YoY



U.S. inflation in November remained steady and in line with expectations, reinforcing market confidence in a Federal Reserve rate cut next week. Core CPI, which excludes food and energy, rose 0.3% for the fourth consecutive month, translating to an annual increase of 3.3%. The broader CPI also rose 0.3% monthly, marking a 2.7% year-over-year gain. Shelter costs, though still contributing significantly to inflation, posted their smallest monthly gain since 2021, signaling potential cooling in housing pressures. Fed aims to move forward its target 2% level of inflation gradually.

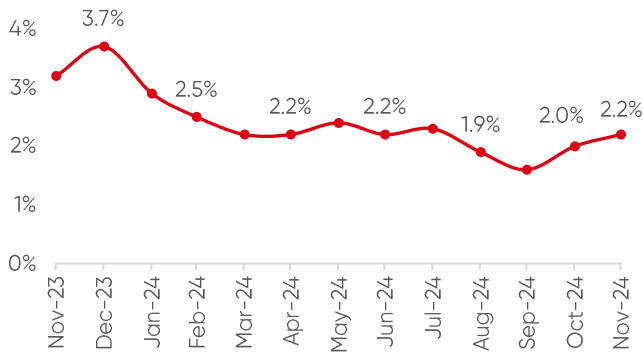
Eurozone Deposit Facility Rate



The European Central Bank reduced its deposit rate by 25 basis points to 3%, marking its third consecutive rate cut and 100 basis points of easing since June. This decision reflects growing concerns over Europe's sluggish economic growth and inflation nearing the 2% target. The ECB dropped its prior guidance to maintain "restrictive" rates, signaling flexibility for further cuts as the Eurozone grapples with structural challenges like labor shortages and high energy costs. New forecasts revised down growth and inflation expectations for 2025, raising fears that weak growth could push inflation below target levels. Markets expect additional easing in 2025, with rates potentially reaching 1.75%, which could shift monetary policy into stimulative territory.

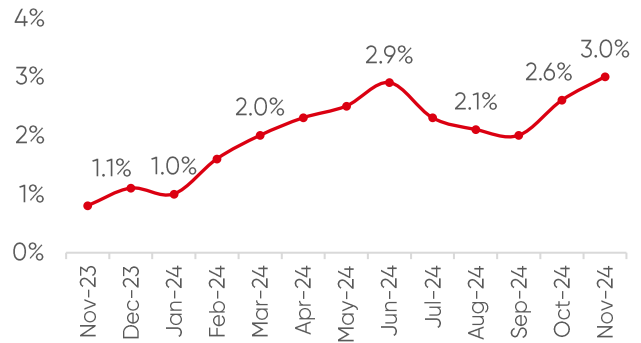
Macroeconomics

Germany Inflation YoY



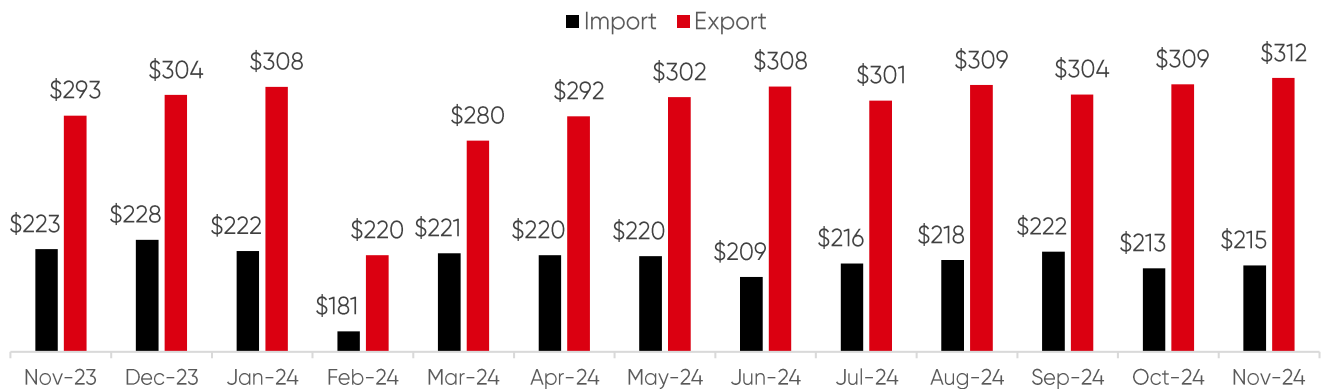
Germany's annual inflation rose to 2.2% in November, up from 2% in October, driven largely by above-average price increases in services. Energy prices continued to have a dampening effect, with energy costs falling 3.7% year-over-year. Food prices increased by 1.8% annually, while core inflation, stood at a higher 3.0%, reflecting broader price pressures. The data underscores persistent service-sector inflation despite easing energy pressures.

US Producer Price Index YoY



The U.S. PPI rose 3% year-over-year in November, marking its highest annual increase since February 2023, as inflationary pressures persisted. Monthly PPI also exceeded expectations, climbing 0.4%, while core PPI remained steady at 0.2%. The data suggests that while inflation continues to ease overall, certain supply-side factors are causing temporary price volatility.

China Trade Balance (in Billions)



China's trade data for November revealed a mixed outlook, with exports rising 6.7% year-over-year, sharply below the previous month's 12.7%, while imports unexpectedly fell by 3.9%, marking the steepest decline in 14 months. Weak domestic demand and sluggish consumption have weighed on imports, reflecting broader economic challenges.

China's inflation remains low, with consumer prices climbing just 0.2% year-on-year, reaching a five-month low. To address slowing growth, Chinese authorities have pledged to implement moderately loose monetary and fiscal policies, aimed at boosting domestic demand and consumption. The government's stimulus measures have supported manufacturing activity, which expanded for a second consecutive month in November.

Forthcoming Calendar

Monday

Name	Currency	Forecast	Current
Manufacturing PMI	USD		49.70
Services PMI	USD		56.1
Manufacturing PMI	EUR		45.2
Services PMI	EUR		49.5
Housing Starts	CAD		240.8K

Tuesday

Name	Currency	Forecast	Current
Retail Sales (MoM)	USD		0.40%
Trade Balance	EUR		12.5B
Trade Balance (YoY)	JPY		(-462.1B)
Unemployment Rate	GBP		4.30%

Wednesday

Name	Currency	Forecast	Current
CPI (YoY)	EUR	2.30%	2.0%
FED Interest Rate Decision	USD	4.50%	4.75%
BOJ Interest Rate Decision	JPY		0.25%
CPI (YoY)	GBP		0.60%
Current Account (Q3)	USD		(-266.8B)

Thursday

Name	Currency	Forecast	Current
BoE Interest Rate Decision	GBP		4.75%
Initial Jobless Claims	USD		224K
GDP (QoQ)	USD		2.80%
Existing Home Sales	USD		3.96M
National CPI	JPY		0.40%

Friday

Name	Currency	Forecast	Current
Core PCE Price Index (YoY)	USD		2.80%
German PPI	EUR		0.20%
Retail Sales (MoM)	CAD		0.40%
Core Retail Sales (YoY)	GBP		2.00%

Upcoming Revenue Reports

Ticker	EPS Forecast	Forecast	Market cap
DJCO	.	.	810.68M
EBF	0.39	98.3M	552.06M
CMP	-0.4384	232.77M	550.45M
RCAT	-0.06	7.27M	540.71M
MITK	0.1717	41.3M	411.21M

Ticker	EPS Forecast	Forecast	Market cap
HEI	0.9843	1.03B	35.43B
HEIa	0.9843	1.03B	27.61B
AMTM	.	.	5.84B
CALM	2.96	722.04M	5.18B
NEOG	-0.01	226.19M	2.71B

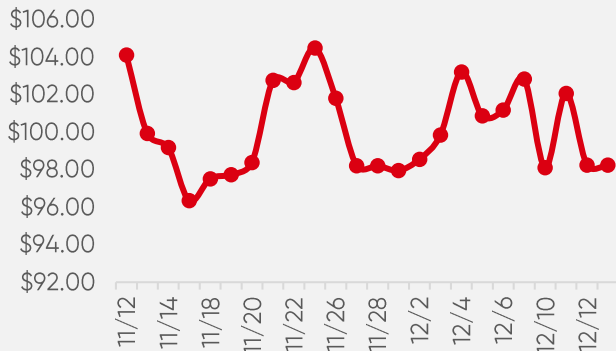
Ticker	EPS Forecast	Forecast	Market cap
MU	1.73	8.68B	108.92B
LEN	4.2	10.06B	42.7B
LENb	4.2	10.05B	42.7B
GIS	1.22	10.04B	36.83B
JBL	1.88	5.14B	15.06B

Ticker	EPS Forecast	Forecast	Market cap
CAN	3.42	17.17B	225.07B
NKE	0.6516	12.18B	116.07B
CTAS	1.01	2.56B	85.35B
FDX	4.05	22.17B	69.32B
PAYX	1.13	1.31B	50.75B

Ticker	EPS Forecast	Forecast	Market cap
CCL	0.0711	5.91B	30.98B
CIL	0.0693	5.9B	90.97B
WGO	0.2153	690.94M	1.63B
LMNR	-0.135	41.43M	484.51M
NEGG	.	.	213.94M

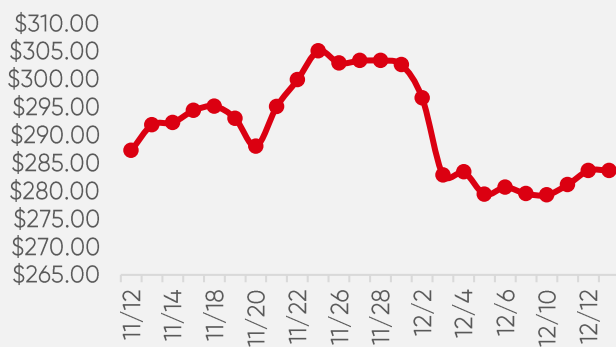
Upcoming Opportunities

MU



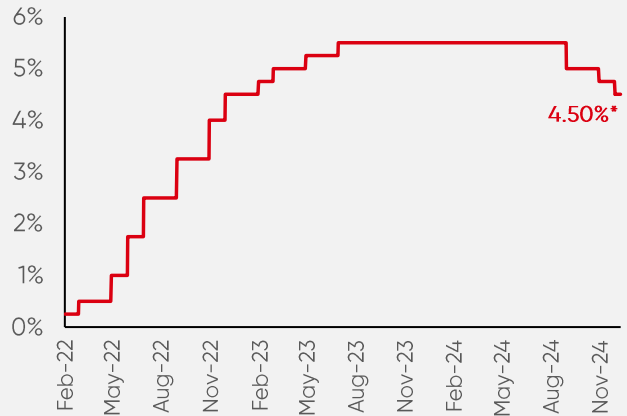
Micron Technology (MU) is set to release its revenue report next week, offering a promising opportunity for investors. With its last four revenue reports being close to perfect, the company has demonstrated remarkable consistency in navigating the competitive semiconductor market. Micron's strong track record in meeting or exceeding expectations highlights its ability to deliver value, even in challenging economic conditions.

FDX



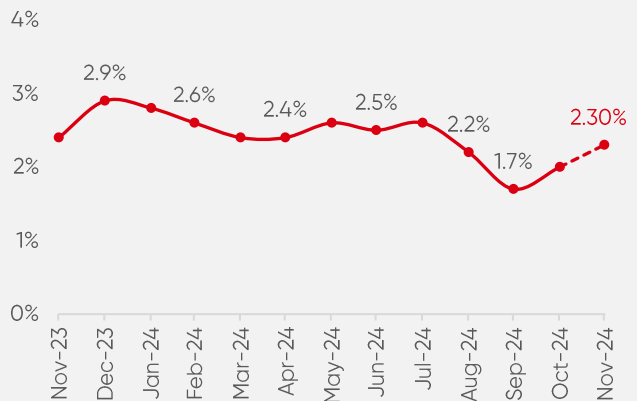
FedEx Corporation (FDX) is set to release its revenue report next week, presenting a noteworthy opportunity for investors. The company's recent earnings history has been mixed, reflecting both the challenges and opportunities inherent in the logistics and transportation industry. As one of the global leaders in package delivery and supply chain solutions, FedEx remains a bellwether for broader economic trends, making this upcoming report highly anticipated.

Fed Interest Rate Expectation



The Federal Reserve is anticipated to reduce its benchmark interest rate by 25 BP at the December 17-18 meeting, adjusting the target range to 4.25%-4.50%. This follows a 25 basis point cut in November and a 50 basis point reduction in September. In October, inflation increased by 0.2 PP, bringing the annual inflation rate to 2.6%. Federal Reserve Officials support the December rate cut but express concern over stalling progress on inflation.

Eurozone Inflation YoY



Eurozone inflation is estimated to rise to 2.3% in November, up from 2.0% in October, exceeding the European Central Bank's 2% target but aligning with forecasts. Core inflation, a key focus for the ECB, is projected to remain steady at 2.7%, reflecting persistent price pressures in goods and services. Services inflation, slightly easing to 3.9%, continues to signal wage-driven pressures despite subdued economic growth.

Story of the Week



Richest man in the world

Elon Musk has once again cemented his status as one of the most influential figures in the world of business and innovation, reaching an astonishing net worth of \$400 billion. This monumental achievement not only solidifies his position as the wealthiest person on the planet but also underscores the transformative impact of his ventures across multiple industries.

Musk's staggering net worth is largely driven by the continued success of Tesla, the electric vehicle company that has revolutionized the automotive industry. Tesla's market dominance and expanding global presence have propelled its valuation, making it a cornerstone of Musk's financial empire. Additionally, SpaceX, Musk's groundbreaking aerospace venture, has played a pivotal role in his wealth accumulation. SpaceX's advancements in reusable rocket technology and ambitious projects, such as Starlink's global internet coverage, have established it as a leader in space exploration and commercialization.

The rapid growth of Musk's net worth is also a reflection of his ability to capitalize on emerging trends and technologies. His ventures in renewable energy, artificial intelligence, and advanced manufacturing have positioned him at the forefront of global innovation. This growth trajectory highlights not only his entrepreneurial prowess but also the market's confidence in his vision for a sustainable and technologically advanced future.

However, Musk's soaring wealth also brings challenges and scrutiny. Critics have pointed out the growing disparity in wealth and raised concerns about the concentration of economic power in the hands of a few individuals. Musk's unconventional leadership style and outspoken public persona have further fueled debates about the responsibilities of billionaires in shaping society.

As Musk reaches this unprecedented milestone, the world watches to see how he will leverage his immense resources to tackle global challenges. Whether through furthering advancements in green energy, colonizing Mars, or reshaping transportation systems, Elon Musk's journey continues to redefine what is possible, making his ascent to a \$400 billion net worth the defining story of the week.

Definitions

- **Equities:** Shares of ownership in a company that give investors a claim on profits, often through dividends or stock price gains.
- **Bonds:** Loans to governments or companies, paying fixed interest over time, with repayment at maturity.
- **Commodities:** Basic raw materials like oil, gold, or crops, traded on markets to hedge or profit from price changes.
- **Currency Markets (Forex):** Global trading of currencies where investors profit from exchange rate changes between pairs like EUR/USD.
- **Interest Rates:** The cost of borrowing money, set by central banks, influencing economic activity and inflation.
- **Unemployment Claims:** The number of people filing for jobless benefits. Higher claims can signal economic weakness, impacting stock and bond markets.
- **Job Creation:** A measure of new jobs added to the economy, used as an indicator of economic growth and consumer spending strength.
- **GDP (Gross Domestic Product):** The total value of goods and services produced by a country. It's a key measure of economic health and growth.
- **Consumer price index (CPI):** measures the average change in prices over time for a basket of goods and services typically purchased by households, serving as a key indicator of inflation.
- **Monetary Policy:** Actions by central banks, like adjusting interest rates, to influence economic activity and control inflation.
- **FOMC (Federal Open Market Committee):** The branch of the Federal Reserve that sets U.S. monetary policy, affecting interest rates and economic growth.
- **Dovish Stance:** A policy outlook that favors low interest rates to stimulate economic growth, often boosting stock and bond markets.
- **Hawkish Stance:** A policy outlook that favors higher interest rates to curb inflation, which can slow economic growth and hurt stocks.
- **Inflation:** The rate at which prices for goods and services rise, reducing purchasing power. It influences central bank policies and market performance.
- **Consumer Spending:** The total amount of money spent by households. It's a major driver of economic growth and corporate earnings.
- **Treasuries:** U.S. government bonds considered low-risk investments, sensitive to changes in interest rates set by the Federal Reserve.

Sources



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