

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



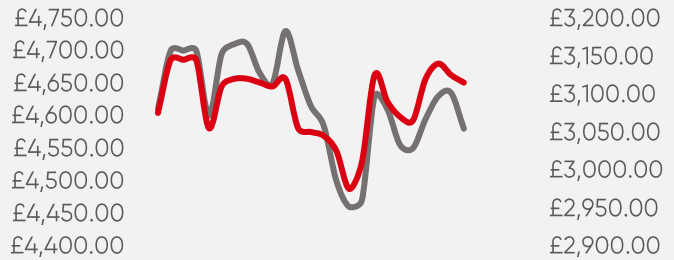
The purpose of our lives is to be
happy

Dalai Lama

Executive Summary

- The **Nikkei 225** closed the week at **38,787¥**, recording a **0.69% decline over the past five days**, as investor sentiment wavered amid global economic uncertainty and shifting monetary policy expectations. While the Japanese market has remained resilient in recent months, this week saw **profit-taking and caution ahead of key macroeconomic developments**.
- The **US Dollar Index (DXY)** has experienced renewed pressure this week, reflecting **uncertainty over its near-term trajectory**.

TBC/BGEO



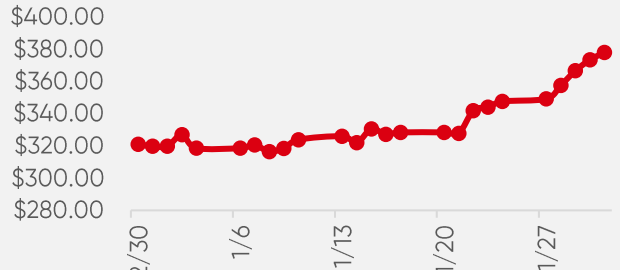
NAME	Ticker	Currency	Price	W/W chg%	P/E	EPS	Mcap '000
TBCG	TBCG	GBP	£33.40	4.38%	5.14	20.74	£1,860,706.87
BGEO	BGEO	GBP	£47.55	2.70%	3.16	31.30	£2,075,652.54
GCAP	CGEO	GBP	£12.12	1.00%	9.42	15.41	£459,833.43

Technology



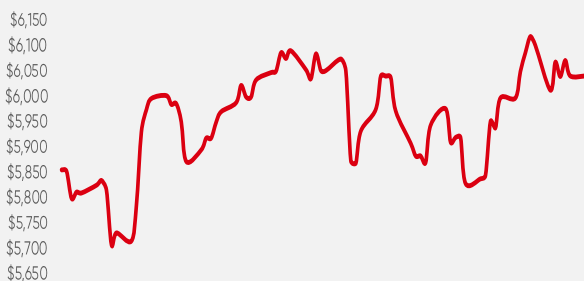
The **technology sector** climbed to **\$2,366**, posting a **1.75% increase over the past five days**, as investors navigated mixed signals from economic data, trade policy developments, and broader market trends.

Coffee



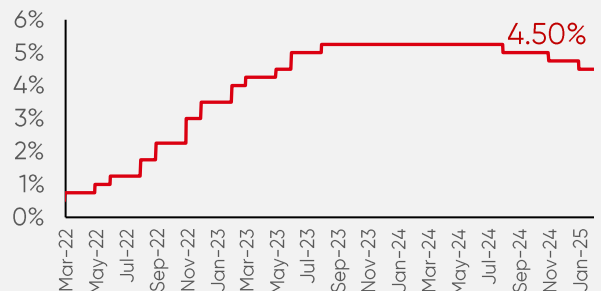
Coffee prices surged to **\$397.1**, posting a **6.08% increase over the past five days**, as the commodity faced renewed supply constraints and market reactions to trade policy developments.

S&P 500



The **S&P 500** closed the week at **6,041**, marking a **0.47% increase over the past five days**. This modest gain reflects a period of consolidation as investors navigated mixed economic data and shifting market dynamics early in 2025.

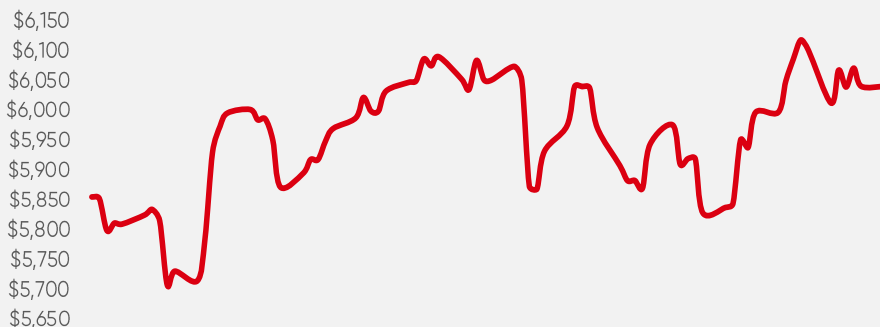
Fed Interest Rate



The Bank of England cut its key interest rate by 25 BP to 4.5% in its February 2025 meeting, marking its third rate reduction since August 2024.

Indices

S&P 500

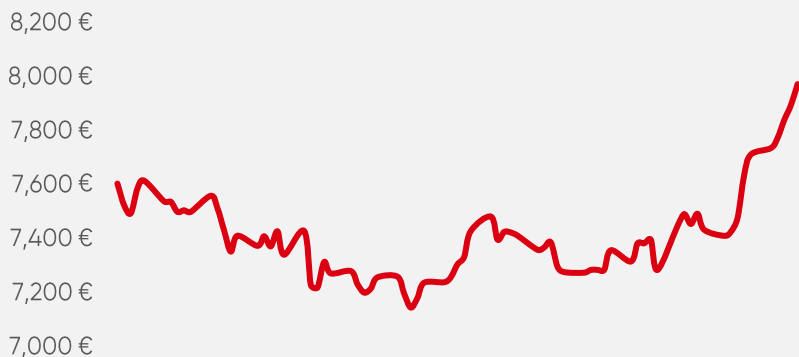


The S&P 500 advanced to **6,084**, posting a **1.48% increase** over the past five days, as markets navigated a volatile week dominated by corporate earnings and anticipation of key economic data. The index saw mixed movements, with gains driven by strong performances in select sectors, while caution ahead of the upcoming U.S. jobs report created some headwinds.

Earnings season has played a significant role in shaping investor sentiment, with **Amazon's weaker-than-expected results** introducing some concerns about consumer demand and corporate margins. Despite this, overall market resilience was supported by **positive reports from other major companies**, particularly in the **technology and financial sectors**, which helped maintain the index's upward momentum.

NAME	LAST
Communication Service	1.95%
Consumer Discretionary	0.93%
Consumer Staples	1.42%
Energy	-4.01%
Financial	1.22%
Health Care	1.74%
Industrial	-1.91%
Materials	-0.22%
Real Estate	-0.32%
Technology	-3.57%
Utilities	-2.05%

NIKKEI 225



Ticker	Price	W/W %	P/E
RPI	\$ 728.00	15.27%	--
PNN	\$ 442.00	14.57%	--
SMWH	\$ 1,281.00	13.85%	24.86
HBR	\$ 233.10	-7.56%	24.01
STEM	\$ 253.50	-8.06%	6.80
WIZZ	\$ 1,248.00	-10.88%	5.39

The Nikkei 225 closed the week at **38,787¥**, recording a **0.69% decline** over the past five days, as investor sentiment wavered amid global economic uncertainty and shifting monetary policy expectations. While the Japanese market has remained resilient in recent months, this week saw **profit-taking and caution** ahead of key macroeconomic developments.

Concerns over **interest rate policies** both domestically and abroad weighed on investor sentiment, with speculation about the **Bank of Japan's next moves** contributing to market hesitancy. Meanwhile, uncertainty regarding **global economic growth, U.S. job market strength, and potential rate cuts** from the Federal Reserve have created mixed signals for Japanese equities.

Additionally, fluctuations in **global stock markets**, particularly in the **U.S. and Europe**, have added volatility, with investors adjusting positions based on economic data releases and corporate earnings reports. The **technology and industrial sectors**, which have been key drivers of Japan's stock market growth, faced some pressure as investors reassessed valuations amid global demand concerns.

Top Performing Sectors

Technology

2,366\$/1.75%



Ticker	Price	W/W %	EPS T12M	P/E	Vol. mln
KR	\$ 61.64	5.01%	\$ 3.80	13.37	\$4.47
COST	\$ 979.88	4.28%	\$ 17.07	57.59	\$1.88
WMT	\$ 98.16	3.59%	\$ 2.44	40.24	\$16.41
MKC	\$ 77.23	3.12%	\$ 2.94	26.61	\$1.46
SJM	\$ 106.89	3.07%	\$ 4.96	12.39	\$1.35
BG	\$ 76.13	-1.37%	\$ 7.93	7.51	\$1.47
SYN	\$ 72.92	-2.47%	\$ 3.91	16.81	\$4.67
BF/B	\$ 33.01	-2.68%	\$ 2.12	15.49	\$6.82
HRL	\$ 29.98	-2.91%	\$ 1.47	20.13	\$11.60
WBA	\$ 10.28	-13.40%	\$ (10.24)	1.08	\$91.51

The **technology** sector climbed to \$2,366, posting a 1.75% increase over the past five days, as investors navigated mixed signals from economic data, trade policy developments, and broader market trends. Despite market volatility, the sector remained resilient, supported by strong corporate earnings, ongoing AI-driven expansion, and renewed investor confidence in tech innovation.

Historically, February has been a strong month for the stock market, and the tech sector has continued to capitalize on positive momentum. However, recent concerns over potential U.S. tariffs and global trade policies have introduced uncertainty, particularly for companies with significant exposure to supply chains in China and Europe. Investors are closely monitoring how these geopolitical developments could impact semiconductor and hardware manufacturers, as tariffs may increase production costs and disrupt sourcing strategies.

Despite these challenges, the **technology** sector remains a key growth driver, with companies focused on AI, cloud computing, and semiconductor advancements leading the way.

Real Estate

207\$/1.69%



Ticker	Price	W/W %	EPS T12M	P/E	Vol. mln
ABBV	\$ 183.90	7.99%	\$ 2.40	24.42	\$11.93
HSIC	\$ 80.00	6.71%	\$ 2.45	22.54	\$1.28
HCA	\$ 329.91	5.38%	\$ 22.18	15.03	\$1.25
DGX	\$ 163.10	5.04%	\$ 7.78	20.09	\$1.58
VRTX	\$ 461.68	5.02%	\$ (1.85)	39.42	\$3.65
TECH	\$ 73.55	-4.54%	\$ 0.95	59.92	\$0.94
MRNA	\$ 39.42	-4.81%	\$ (5.80)	--	\$6.54
RMD	\$ 236.18	-5.72%	\$ 8.50	27.38	\$2.60
ALGN	\$ 219.11	-6.08%	\$ 5.87	33.87	\$1.21
DHR	\$ 222.74	-9.38%	\$ 5.33	40.13	\$4.79

The **real estate** sector rose to \$207, marking a 1.69% increase over the past five days, as investors assessed shifting housing market conditions and REIT performance. Despite ongoing challenges in the broader real estate landscape, stabilizing mortgage rates and strong demand for specialized real estate investment trusts (REITs) have contributed to the sector's resilience.

A 4% rise in home mortgage applications this week signaled a potential recovery in housing demand, as buyers look to take advantage of any softening in interest rates. However, affordability remains a concern, with home prices still elevated and inventory levels tight in several key markets. While lower rates could boost buyer activity, the sector's near-term outlook remains sensitive to Federal Reserve policy decisions and inflation trends.

Top Performing Sectors

Financial

642\$/1.21%



Ticker	Price	W/W %	EPS T12M	P/E	Vol. mln
BEN	\$ 22.24	10.70%	\$ 0.70	11.95	\$22.38
IVZ	\$ 19.23	9.08%	\$ 1.18	14.65	\$5.78
BLK	\$ 1,075.50	5.39%	\$ 42.45	26.85	\$0.96
AJG	\$ 301.82	4.25%	\$ 6.67	38.15	\$2.41
ERIE	\$ 402.95	4.13%	\$ 12.05	37.85	\$1.59
USB	\$ 47.78	-2.63%	\$ 3.79	11.90	\$11.18
AMP	\$ 543.36	-3.59%	\$ 33.68	15.22	\$0.80
MSCI	\$ 596.77	-3.86%	\$ 14.09	42.81	\$0.74
EG	\$ 347.51	-4.83%	\$ 64.48	5.65	\$0.56
BX	\$ 177.11	-5.16%	\$ 3.64	48.15	\$3.01

The financial sector edged up to \$642, posting a 1.21% increase over the past five days, as investor sentiment remained cautiously optimistic amid shifting interest rate expectations and corporate earnings updates. While broader market movements have influenced financial stocks, the sector has shown resilience, supported by strong banking performance and increased institutional activity.

Banks and financial services firms have continued to benefit from a stable interest rate environment, which has helped maintain healthy net interest margins and lending activity. Additionally, recent positive earnings reports from major financial institutions have reinforced confidence in the sector's profitability and long-term stability.

At the same time, investors are closely monitoring Federal Reserve signals, as expectations of potential rate adjustments later in the year could shape the sector's trajectory. Higher-for-longer rates have provided a tailwind for banks, but concerns remain about credit market conditions and consumer borrowing trends.

Energy

932\$/0.95%



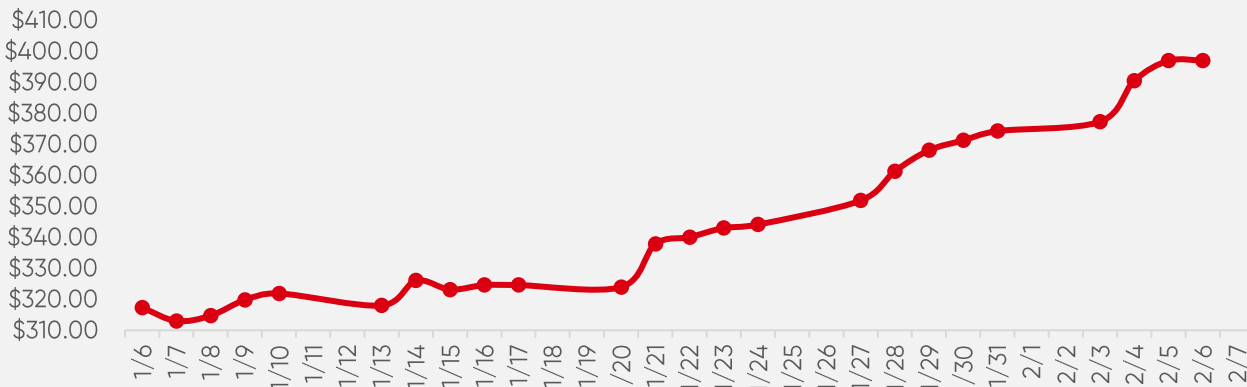
Ticker	Price	W/W %	EPS T12M	P/E	Vol. mln
TMUS	\$ 232.97	6.59%	\$ 9.70	23.52	\$3.34
META	\$ 689.18	6.44%	\$ 24.61	28.55	\$19.33
EA	\$ 122.91	5.45%	\$ 3.92	26.01	\$6.59
MTCH	\$ 35.70	4.82%	\$ 2.34	15.94	\$4.20
T	\$ 23.73	4.45%	\$ 1.49	10.32	\$40.35
NFLX	\$ 976.76	-0.08%	\$ 20.28	49.80	\$3.62
VZ	\$ 39.39	-0.38%	\$ 4.15	8.87	\$45.19
PARA	\$ 10.88	-1.72%	\$ (8.22)	6.39	\$6.73
CHTR	\$ 345.49	-6.01%	\$ 35.55	9.33	\$2.81
CMCSA	\$ 33.66	-10.53%	\$ 4.16	8.88	\$39.18

The energy sector edged up to \$932, marking a 0.95% increase over the past five days, as investors assessed seasonal market trends and fluctuating commodity prices. While February has historically been a strong month for equities, the energy sector's performance has been tempered by uncertainty in oil markets and shifting demand expectations.

Crude oil prices remained a key driver, as supply and demand dynamics continued to fluctuate. While global energy demand has remained steady, recent macroeconomic data and geopolitical developments have kept traders cautious. Additionally, volatility in natural gas markets has added another layer of uncertainty, with weather-driven consumption shifts playing a role in short-term price movements.

Commodities

Coffee

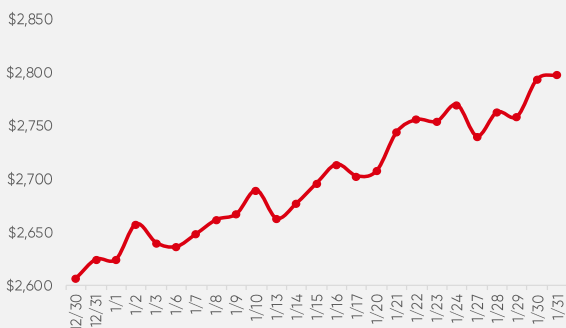


Coffee prices surged to **\$397.1**, posting a **6.08% increase over the past five days**, as the commodity faced renewed supply constraints and market reactions to trade policy developments. This sharp rise highlights growing concerns over **Colombia’s coffee exports**, with potential tariffs from the U.S. adding uncertainty to global supply chains.

The rally in coffee prices has been largely driven by fears of disruptions in one of the world’s top coffee-producing nations. **Colombia, a major Arabica coffee exporter, has been at the center of recent trade policy discussions**, with speculation that tariffs on its exports could lead to **higher costs for importers and tighter global supply**. This uncertainty has fueled a surge in futures trading, with investors anticipating potential price increases in the near term.

In addition to trade concerns, **weather-related issues in other key coffee-growing regions**, including Brazil, have further tightened supply expectations. Unfavorable climate conditions, including excessive rainfall and drought patterns, have impacted crop yields, adding upward pressure on prices.

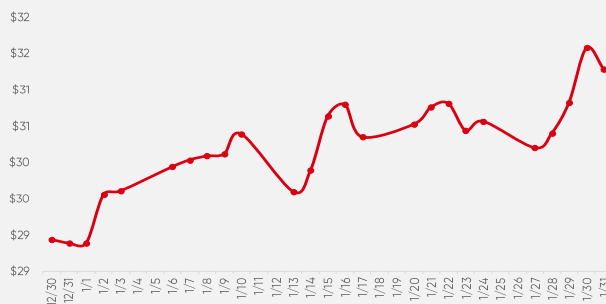
Gold



Gold prices climbed to **\$2,867**, marking a **1.95% increase over the past five days**, as investors turned to the precious metal amid ongoing market volatility and currency fluctuations. With uncertainty surrounding **monetary policies and economic growth**, gold’s status as a **safe-haven asset** continues to attract strong demand.

The recent gains were supported by **weakness in the U.S. dollar**, which made gold more attractive to international buyers.

Silver

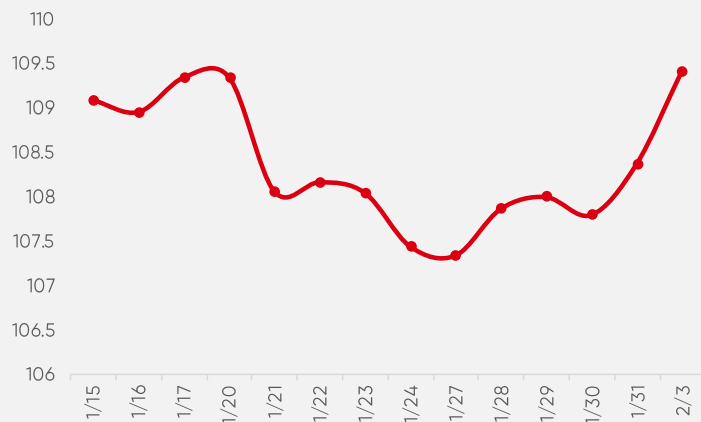


Silver prices advanced to **\$32.34**, posting a **2.35% increase over the past five days**, as investors sought safety in precious metals amid ongoing market uncertainty. The metal benefited from **fluctuations in the U.S. dollar, inflation concerns, and broader commodity market movements**, reinforcing its role as both a **safe-haven asset and an industrial metal**.

A weaker **U.S. dollar** contributed to silver’s gains, making it more attractive for international buyers.

Currencies

US Dollar Index



The US Dollar Index (DXY) has experienced renewed pressure this week, reflecting uncertainty over its near-term trajectory. While the index remains relatively stable, analysts suggest there is an increasing risk of a deeper pullback, with some projections eyeing a decline toward the 106.45 level if bearish momentum intensifies.

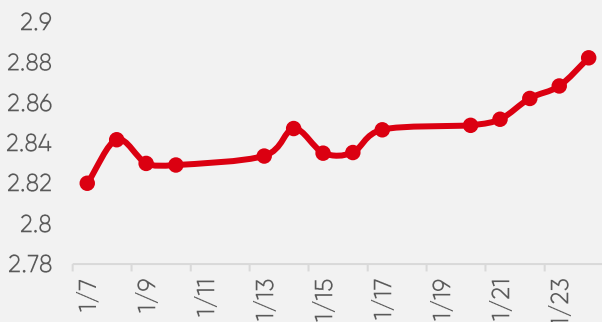
Market sentiment has been shaped by mixed signals regarding Federal Reserve policy expectations. While recent economic data does not yet indicate an imminent downturn for the dollar, concerns over potential shifts in rate-cut expectations and global currency market adjustments have introduced short-term volatility. The dollar's recent strength

has been largely driven by safe-haven demand and interest rate differentials, but if confidence in its dominance weakens, further declines may follow.

Despite these risks, some analysts argue that there are no clear signals of an extended downturn yet, citing resilient U.S. economic performance and continued global demand for the dollar as stabilizing factors. However, external pressures, such as fluctuations in bond yields, geopolitical developments, and shifting central bank policies, could play a decisive role in shaping the dollar's next move.

Looking ahead, the DXY's trajectory will largely depend on upcoming economic data releases, Federal Reserve policy shifts, and global risk sentiment. While a deeper pullback remains a possibility, the dollar's fundamental strength ensures it will remain a key barometer of global financial stability in the weeks to come.

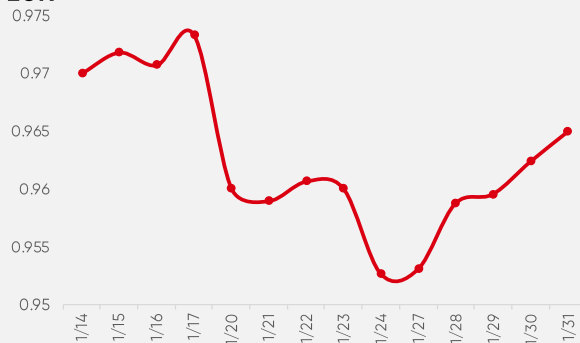
GBP



The British pound (GBP) has remained in a tight trading range this week, with GBP/USD fluctuating between 1.2310 and 1.2550, as investors assess market conditions ahead of key economic data. The pound is currently exhibiting a negative bias, trading around the 1.2425 level, as markets anticipate the U.S. Non-Farm Payrolls (NFP) report, which could impact broader currency movements.

The pound's recent performance has been shaped by economic uncertainty and interest rate expectations, with traders closely watching for signals from the Bank of England (BoE) and Federal Reserve.

EUR

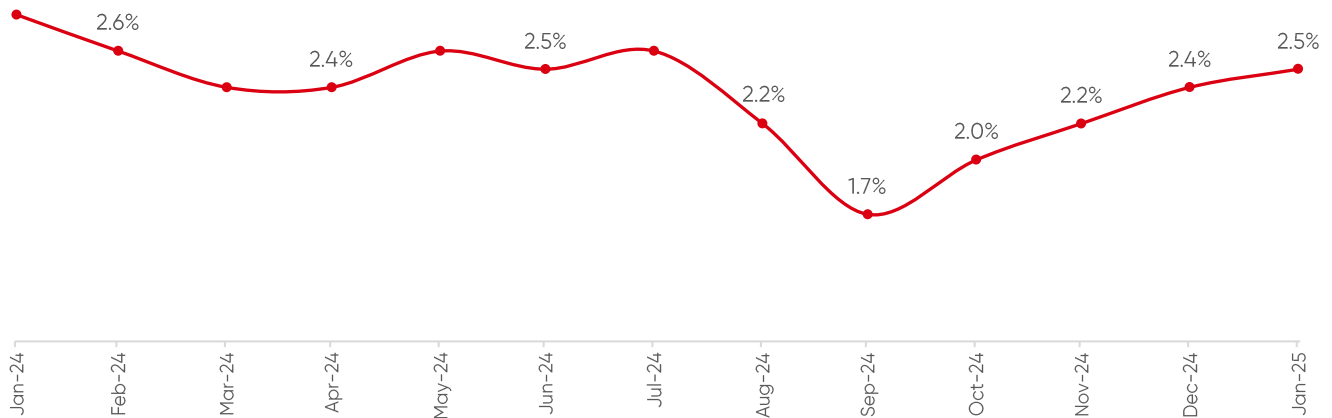


The euro (EUR) has remained within a range-trading phase this week, with EUR/USD fluctuating without a clear directional breakout as markets assess the European Central Bank's (ECB) policy stance and global economic conditions. Analysts note that the euro's price movements have largely been contained within a predictable range, reflecting investor caution and shifting expectations for monetary policy in both the Eurozone and the U.S.

Recent commentary from the ECB suggests that interest rates may remain higher for longer, as policymakers emphasize the need to control inflation and avoid premature rate cuts.

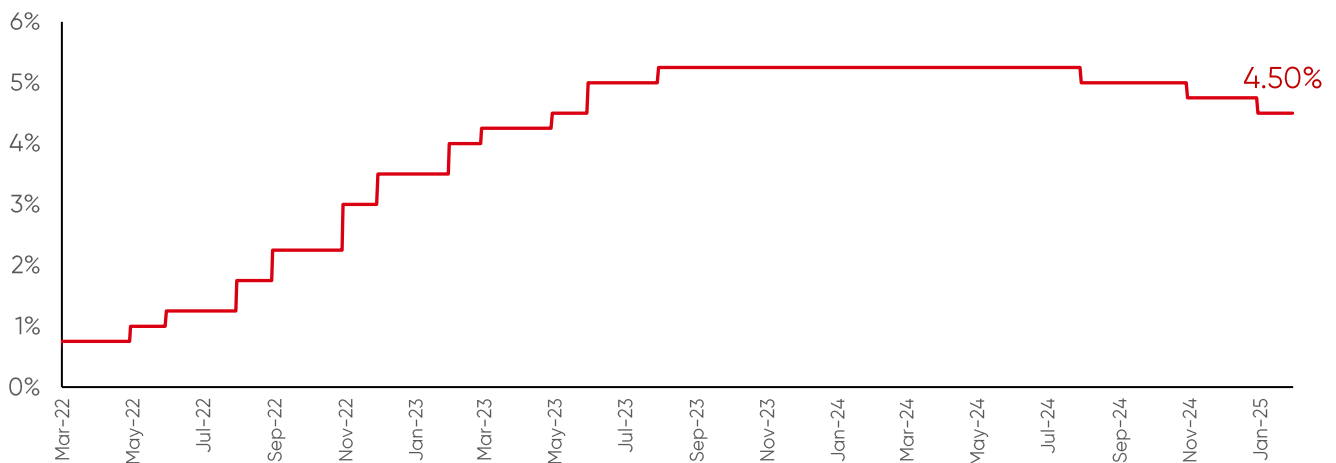
Macroeconomics

Euro Area Inflation Rate



Annual inflation of Euro area rose to 2.5% in January 2025, up from 2.4% in December 2024, according to a flash estimate from Eurostat. This increase was primarily driven by a significant rise in energy prices, which climbed to 1.8% from 0.1% in the previous month. In contrast, inflation rates for services and for food, alcohol, and tobacco experienced slight declines, with services decreasing to 3.9% from 4.0%, and food, alcohol, and tobacco dropping to 2.3% from 2.6%. Despite the slight uptick in inflation, policymakers still anticipate rate cuts in the coming months, with gradual reductions expected as inflation is projected to return to the ECB's 2% target by mid-2025.

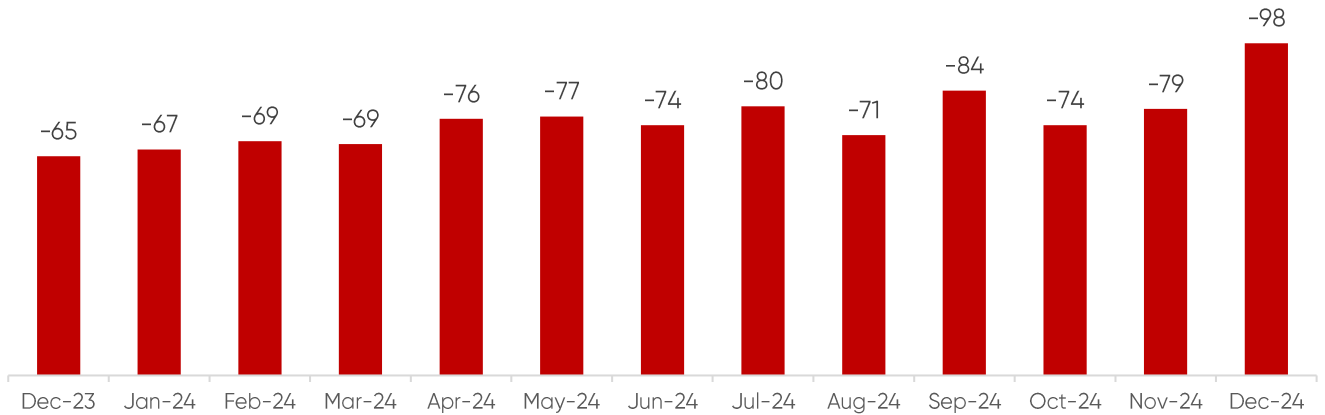
BOE Interest Rate



The Bank of England cut its key interest rate by 25 BP to 4.5% in its February 2025 meeting, marking its third rate reduction since August 2024. The decision, aimed at supporting sluggish economic growth, was widely anticipated, though two Monetary Policy Committee members pushed for a steeper 50bps cut. While inflation has cooled to 2.5%, the Bank remains cautious, signaling that monetary easing will be gradual due to persistent services inflation. Economists now speculate whether the BOE will maintain its one-cut-per-quarter pace or act more aggressively, with some expecting another rate reduction as soon as March. However, potential global trade tensions, particularly from U.S. tariff policies, could complicate the Bank's policy path in the months ahead.

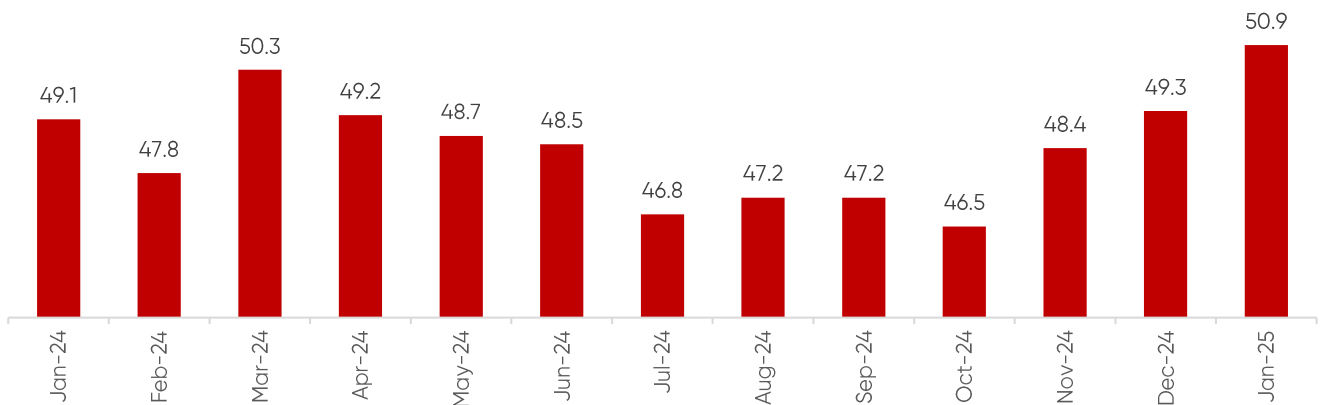
Macroeconomics

US Trade Balance (\$bln)



The U.S. trade deficit widened sharply to \$98.4 billion in December 2024, the largest since March 2022, as businesses ramped up imports ahead of the Trump administration's new tariffs. The goods deficit surged to \$123 billion, while the services surplus declined to \$24.5 billion. Imports jumped 3.5% to a record \$364.9 billion, driven by higher demand for metal products, computers, and gold, while exports fell 2.6% to \$266.5 billion, largely due to weaker pharmaceutical and crude oil shipments. For the full year, the trade deficit expanded by 17% to \$918.4 billion, as imports outpaced exports. The U.S. recorded the largest trade gaps with China, the EU, Mexico, and Vietnam, while maintaining a \$63.3 billion surplus with Canada. Economists warn that rising import costs from new tariffs could further strain the trade balance in 2025.

US ISM Manufacturing PMI



In January 2025, the U.S. ISM Manufacturing PMI climbed to 50.9, marking the sector's first expansion after nine months of contraction and exceeding market expectations. The rebound was driven by strong demand, with new orders surging to 55.1 and production rising to 52.5. However, inflationary pressures persisted, as the prices index increased to 54.9, signaling higher input costs for manufacturers. While the recovery is encouraging, newly imposed tariffs on imports from Canada, Mexico, and China pose risks by increasing costs and disrupting supply chains. Economists warn that these trade restrictions could fuel inflation and complicate the Federal Reserve's approach to interest rate policy, potentially slowing further manufacturing growth.

Forthcoming Calendar

Monday

Name	Currency	Forecast	Current
Current Account n.s.a.	JPY		3.353T
Building Approvals (MoM)	AUD	0.70%	-3.40%
New Loans	CNY		990.0B
CPI (YoY)	NOK		2.20%
GDP (QoQ)	NOK		-1.80%

Tuesday

Name	Currency	Forecast	Current
3-Year Note Auction	USD		4.33%
BRC Retail Sales Monitor (YoY)	GBP		3.10%
Building Permits (MoM)	CAD		-5.90%
CPI (YoY)	BRL		4.83%
NAB Business Confidence	AUD		-2.00

Wednesday

Name	Currency	Forecast	Current
CPI (YoY)	USD		2.90%
CPI (MoM)	USD		0.40%
10-Year Note Auction	USD		4.68%
API Weekly Crude Oil Stock	USD		5.025M
CPI (YoY)	INR		5.22%

Thursday

Name	Currency	Forecast	Current
PPI (MoM)	USD		0.20%
30-Year Bond Auction	USD		4.91%
German CPI (YoY)	EUR		2.30%
GDP (YoY)	GBP		0.90%
Trade Balance	GBP		-19.31B

Friday

Name	Currency	Forecast	Current
GDP (YoY)	EUR		0.90%
GDP (QoQ)	EUR		0.00%
Retail Sales (MoM)	USD		0.40%
PPI (MoM)	CHF		0.00%
Spanish CPI (YoY)	EUR		3.00%

Upcoming Revenue Reports

Ticker	EPS Forecast	Forecast	Market cap
MCD	2.9	6.51B	210.94B
VRTX	4.02	2.79B	123.91B
DBSDY	2.86	4.15B	94.05B
ACGL	1.84	4.03B	35.18B
ROK	1.57	1.89B	30.37B

Ticker	EPS Forecast	Forecast	Market cap
GOOG	2.12	96.7B	2.51T
GOOGL	2.12	96.69B	2.51T
MRK	1.81	15.47B	2.49.98B
PEP	1.95	27.95B	209.15B
AMD	1.08	7.54B	188.16B

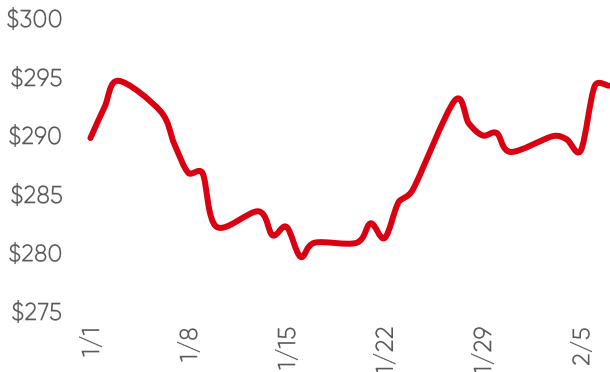
Ticker	EPS Forecast	Forecast	Market cap
NVO	0.8769	11.38B	364.09B
DIS	1.45	24.7B	204.46B
QCOM	2.97	10.93B	191.16B
ARM	0.25	761.71M	167.69B
BSX	0.6565	4.41B	150.86B

Ticker	EPS Forecast	Forecast	Market cap
AMZN	1.74	187.33B	2.5T
LLY	5.3	13.78B	730.32B
AZN	1.06	14.15B	215.23B
LIN	3.95	8.41B	208.48B
PM	1.5	9.5B	202.44B

Ticker	EPS Forecast	Forecast	Market cap
FTV	1.12	1.63B	28.22B
UI	1.86	510.41M	24.4B
DNKEY	0.4621	2.04B	24.23B
CBOE	2.14	527.51M	21.39B
BBD	0.0881	5.4B	20.97B

Upcoming Opportunities

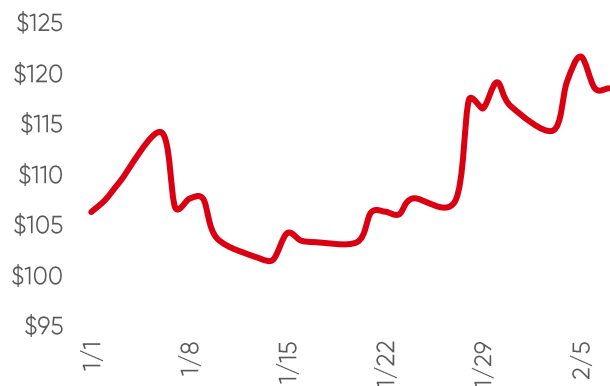
MCD



McDonald's (MCD), currently trading at **\$294**, presents a key investment opportunity ahead of its **upcoming earnings report next week**. The fast-food giant delivered a **positive earnings report last quarter**, but expectations for this quarter have been adjusted **lower**, as analysts anticipate **slower revenue growth** due to macroeconomic challenges and shifts in consumer spending patterns.

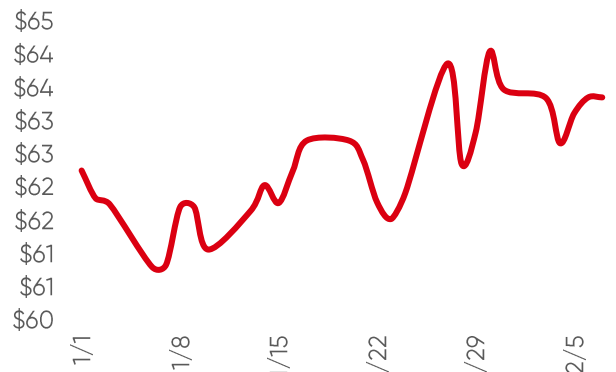
Despite these cautious projections, McDonald's remains a **dominant force in the fast-food industry**, leveraging its **global presence, strong brand loyalty, and value-driven strategy** to maintain profitability.

SHOP



Shopify (SHOP), currently trading at **\$118.58**, is set to release its **quarterly earnings report next week**, with analysts anticipating another **strong performance following nine consecutive positive earnings reports**. The e-commerce giant has consistently exceeded expectations, benefiting from **continued digital commerce expansion, innovation in AI-driven solutions, and a strong ecosystem for merchants**. Shopify's recent growth has been fueled by **increased adoption of its platform by small and large businesses, along with strategic partnerships**.

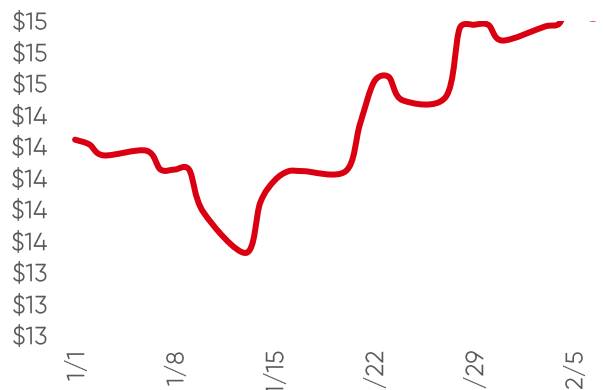
KO



Coca-Cola (KO), currently trading at **\$63.36**, is set to release its **quarterly earnings report next week**, with investors anticipating another **strong performance following nine consecutive positive earnings reports**. The beverage giant has built a reputation for **steady revenue growth, pricing power, and global brand dominance**, making it a key defensive play in uncertain market conditions.

The company's success has been driven by **product diversification, expansion in emerging markets, and continued investment in health-conscious and low-sugar alternatives**.

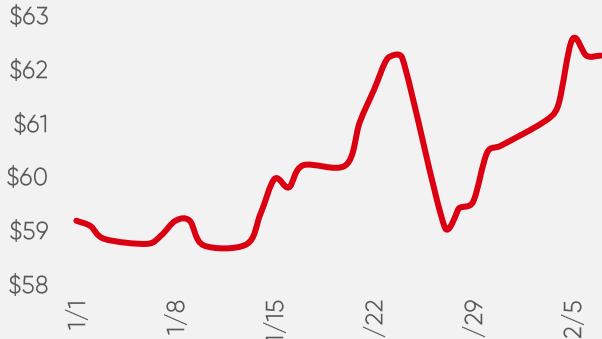
SWI



SolarWinds (SWI), currently trading at **\$15.03**, is set to release its **quarterly earnings report next week**, with investors closely watching whether the **company can extend its streak of six consecutive positive reports**. The IT management software provider has maintained **steady revenue growth and operational efficiency**, benefiting from **strong enterprise demand for network monitoring, cybersecurity solutions, and IT infrastructure management**.

Upcoming Opportunities

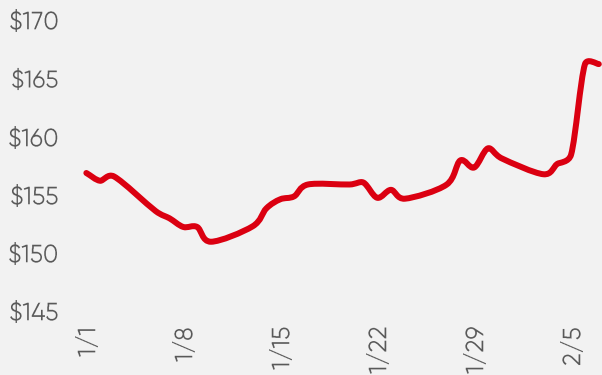
CSCO



Cisco Systems (CSCO), currently trading at **\$62.27**, is preparing to release its **quarterly earnings report**, with investors anticipating another **strong performance following nine consecutive positive reports**. As a leading provider of **networking, cybersecurity, and cloud infrastructure solutions**, Cisco has consistently delivered **steady revenue growth and strong profitability**, reinforcing its position as a **tech sector staple**.

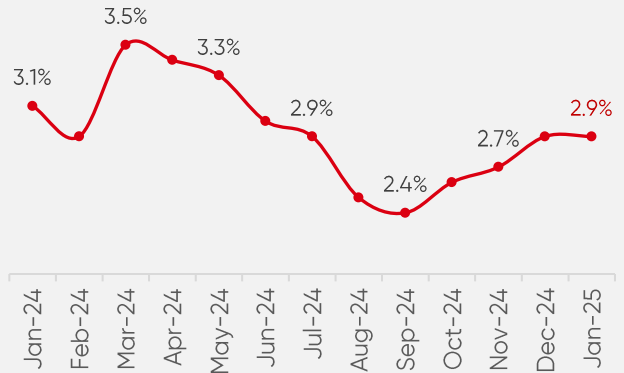
The company's success has been driven by **expanding enterprise IT spending, increased demand for cloud and AI-driven networking solutions, and strong cybersecurity adoption**.

HYATT



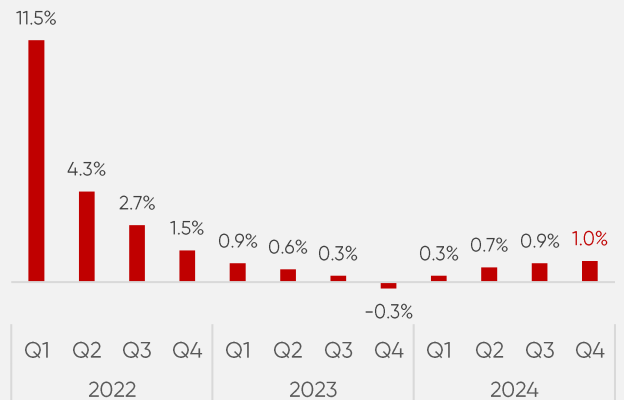
Hyatt Hotels Corporation (H), currently trading at **\$166.34**, is set to release its next **earnings report**, with investors watching closely after a series of **mixed financial results in recent quarters**. While the hospitality giant has benefited from **strong travel demand and rising occupancy rates**, **economic uncertainty, inflation pressures, and fluctuating corporate travel trends** have created a **more volatile earnings pattern**.

US Inflation Rate



U.S. inflation rose to 2.9% in December 2024, marking the third consecutive monthly increase, primarily driven by higher food and transportation costs and smaller declines in energy prices. Inflation is expected to remain at 2.9% in January and through the first quarter of 2025 before gradually easing. Forecasts indicate a decline toward 2.4% in 2026 and 2.3% in 2027, suggesting a steady path toward the Federal Reserve's 2% target.

UK GDP Annual Growth Rate



In the third quarter of 2024, the UK's economy expanded by 0.9% year-on-year, marking its strongest growth since early 2023. The expansion was driven by higher household spending and business investment, while government expenditure grew at a slower pace. For the fourth quarter, GDP is expected to grow by 1% year-on-year, signaling a modest but steady recovery. However, lingering inflationary pressures and weaker external demand may pose risks to sustained economic momentum.

Story of the Week



Deepseek

Chinese AI startup **DeepSeek** has disrupted the global artificial intelligence landscape with a **low-cost AI model**, challenging the dominance of **Western tech giants like OpenAI, Google, and Meta**. Unlike traditional AI leaders that rely on **high-powered data centers and cutting-edge semiconductor technology**, DeepSeek has shown that **AI innovation can thrive even with fewer resources**. This unexpected breakthrough is forcing **investors, tech companies, and governments** to rethink the future of AI development.

The financial impact of DeepSeek's rise was immediate. **Tech stocks, particularly semiconductor companies like Nvidia, faced sharp declines** as investors reassessed whether high-end AI chips would remain as critical to AI development as once thought. If companies can **train powerful AI models with lower-cost infrastructure**, the **demand for expensive GPUs and cloud computing services** may decline, significantly altering the industry's economic landscape.

Regulators are also taking action. **Australia has already banned the DeepSeek app from government devices**, citing **data privacy and national security concerns**. This move reflects broader geopolitical fears, similar to those seen with Chinese tech firms like **Huawei and TikTok**, as Western governments become increasingly wary of **foreign AI advancements and their implications for cybersecurity**.

DeepSeek's emergence signals a potential **shift in AI leadership**, with China positioning itself as a formidable competitor in artificial intelligence. This raises several key questions: **Will Western AI firms need to rethink their strategies? Could AI innovation become less dependent on massive computing power and more focused on efficiency?**

With the AI race now at a turning point, DeepSeek's success proves that the future may belong not just to companies with the **biggest data centers and most advanced chips**, but to those that can **innovate smarter, faster, and more cost-effectively**. As the global tech landscape continues to evolve, DeepSeek's breakthrough is **reshaping how AI is built, deployed, and controlled worldwide**.

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.



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