

# Global Financial Markets Weekly Update

15 November, 2024

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## Quote of the week

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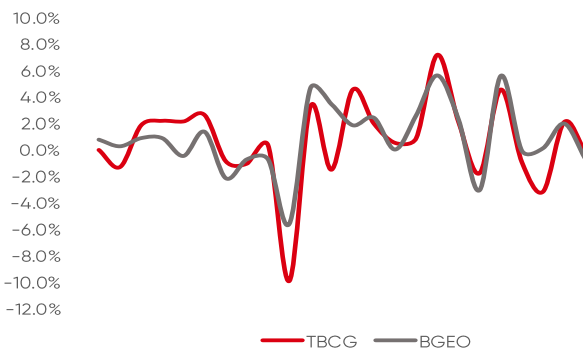


The greatest glory in  
living lies not in never  
falling, but in rising  
every time we fall

**Nelson  
Mandela**

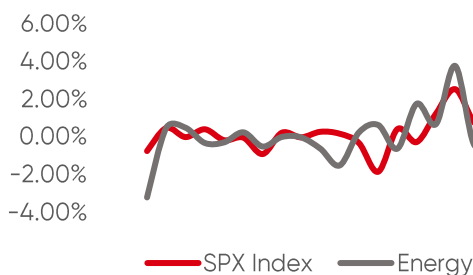
# Executive Summary

- Over the past few days, comments from Federal Reserve Chairman Jerome Powell have given investors a reality check, dampening some of the earlier optimism that had driven the index to record highs.
- The FTSE 100 index has experienced a drop of 0.04%, currently trading at 8,067. This slight uptick is primarily attributed to a rebound in mining stocks, which have offset declines in the pharmaceutical sector.
- The materials sector is currently trading at \$91.92, reflecting a 2.7% decrease over the past five days. This decline is largely driven by broader market dynamics and concerns about slowing demand in key industries



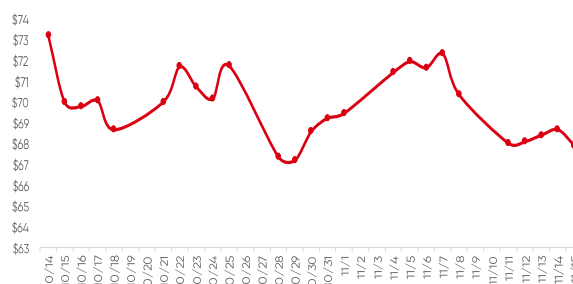
NAME	Ticker	Currency	Price	W/W chg%	P/E	EPS	Mcap '000
TBCG	TBCG	GBP	£31.30	2.29%	4.80	20.74	£1,764,798.26
BGEO	BGEO	GBP	£48.90	6.89%	3.27	31.30	£2,177,915.39
GCAP	CGEO	GBP	£11.64	2.11%	9.16	15.41	£461,408.53

## ENERGY



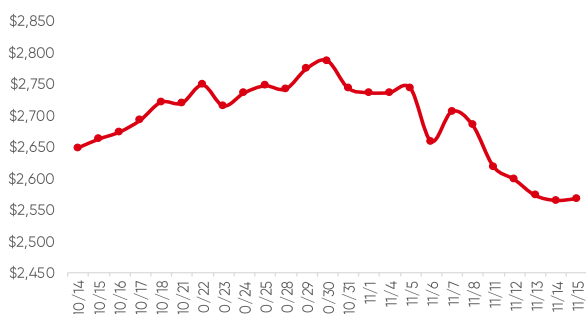
The energy sector is currently trading at \$94.87, reflecting a 1.19% increase over the past five days. This recent gain has been supported by renewed optimism following the U.S. presidential election, which has highlighted potential pro-energy policies under the new administration.

## OIL



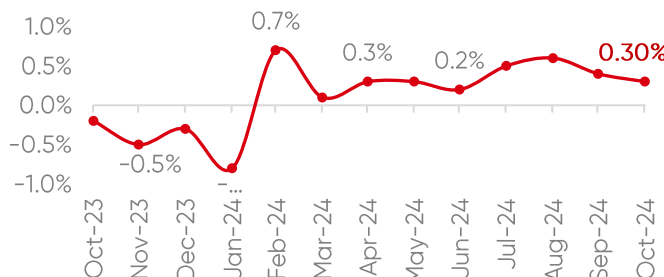
Oil is currently trading at \$68.55, reflecting a 2.6% drop over the past five days. This decline comes amid heightened market volatility and concerns over global economic growth, which have weighed heavily on crude prices.

## GOLD



Gold is currently trading at \$2,573 per ounce, reflecting a 4.24% drop over the past five days. This decline comes as investors navigate mixed economic signals and a stronger U.S. dollar, which tends to weigh on gold prices

## CHINA INFLATION YoY



China's inflation slowed to a four-month low in October, with the CPI rising just 0.3% year-on-year and core inflation at 0.2%, reflecting weak domestic demand despite recent government stimulus measures



## Indices

### S&P 500

\$6,100  
\$6,000  
\$5,900  
\$5,800  
\$5,700  
\$5,600  
\$5,500  
\$5,400  
\$5,300  
\$5,200  
\$5,100

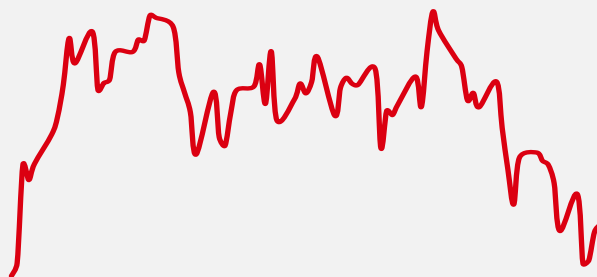


The S&P 500 has seen mixed performance recently, with the index trading at around 5,973. Over the past few days, comments from Federal Reserve Chairman Jerome Powell have given investors a reality check, dampening some of the earlier optimism that had driven the index to record highs. Powell's remarks, which emphasized the need for continued caution in the face of inflationary pressures, have led to increased volatility and a pullback in investor enthusiasm. Despite these comments, certain sectors within the S&P 500 have managed to perform well. Notably, gains have been observed in the solar energy sector, as well as among contractors and entertainment companies like Wynn Resorts.

NAME	LAST
Communication Service	0.95%
Consumer Discretionary	0.07%
Consumer Staples	-0.19%
Energy	1.19%
Financial	0.91%
Health Care	-3.77%
Industrial	-1.57%
Materials	-2.70%
Real Estate	-2.23%
Technology	-1.11%
Utilities	-1.39%

### FTSE 100

£8,450.00  
£8,400.00  
£8,350.00  
£8,300.00  
£8,250.00  
£8,200.00  
£8,150.00  
£8,100.00  
£8,050.00  
£8,000.00  
£7,950.00



Ticker	Price	W/W %	P/E
CTEC	\$ 242.00	15.07%	42.16
SMIN	\$ 1,706.00	10.50%	23.43
DCC	\$ 5,370.00	10.39%	16.24
GLEN	\$ 381.10	-9.80%	--
FRES	\$ 638.50	-11.53%	23.74
VTY	\$ 710.00	-18.20%	9.61

The FTSE 100 index has experienced a drop of 0.04%, currently trading at 8,067. This slight uptick is primarily attributed to a rebound in mining stocks, which have offset declines in the pharmaceutical sector. Notably, AstraZeneca and GSK saw share price drops of 2.4% and 3.2%, respectively, following the appointment of Robert F. Kennedy Jr. as head of the U.S. Department of Health and Human Services, raising concerns about future vaccine policies.

In contrast, the mining sector has shown resilience, with companies benefiting from a recovery in commodity prices. This sectoral strength has provided support to the FTSE 100, balancing the negative impact from pharmaceuticals. However, the broader economic outlook remains cautious. The UK economy contracted by 0.1% in September, contrary to expectations of growth, indicating potential challenges ahead. Investors are closely monitoring these developments, as they could influence future market performance.

## Top Performing Sectors

**ENERGY** 94.87\$/+1.19%



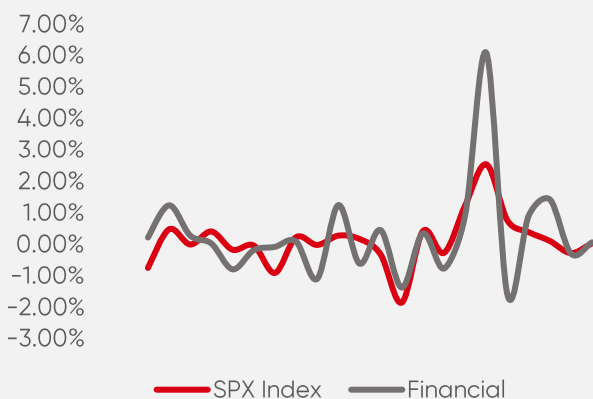
Ticker	Price	W/W %	EPS T12M	P/E	Vol. mln
EOG	\$ 135.19	6.90%	\$ 12.48	11.21	\$2.54
EQT	\$ 42.86	5.33%	\$ 0.92	36.52	\$7.22
CTRA	\$ 25.43	4.18%	\$ 1.66	15.47	\$5.30
OKE	\$ 107.88	3.59%	\$ 4.78	22.69	\$2.62
CVX	\$ 161.80	3.21%	\$ 9.14	16.39	\$9.97
FANG	\$ 182.42	0.46%	\$ 17.53	10.72	\$1.35
WMB	\$ 55.58	0.25%	\$ 2.36	27.18	\$5.98
BKR	\$ 43.18	0.19%	\$ 2.25	25.12	\$7.26
XOM	\$ 120.56	-0.49%	\$ 8.03	14.01	\$12.89
OXY	\$ 50.67	-1.05%	\$ 4.10	14.39	\$13.27

The energy sector is currently trading at \$94.87, reflecting a 1.19% increase over the past five days. This recent gain has been supported by renewed optimism following the U.S. presidential election, which has highlighted potential pro-energy policies under the new administration. Expectations for increased support for traditional energy sectors, including oil and natural gas, have provided a boost to the sector.

Natural gas, in particular, has been a significant winner, driven by strong demand and favorable market dynamics. The sector has benefited from the anticipation of policy shifts that could lead to further growth in energy production and infrastructure development. Investors have responded positively to the possibility of regulatory easing, which could support increased production and profitability for energy companies.

While the energy sector has shown resilience, investors remain cautious, keeping an eye on geopolitical factors and global energy demand. The interplay between potential policy changes, market sentiment, and international developments will be crucial in determining the energy sector's performance in the near term.

**FINANCIAL** 49.64\$/+0.91%



Ticker	Price	W/W %	EPS T12M	P/E	Vol. mln
SCHW	\$ 80.19	9.59%	\$ 2.57	29.57	\$14.72
CPAY	\$ 370.28	6.86%	\$ 14.32	25.62	\$0.40
PYPL	\$ 85.79	5.46%	\$ 4.21	18.75	\$8.43
MSCI	\$ 606.14	5.29%	\$ 15.28	44.83	\$0.35
AIZ	\$ 215.48	4.68%	\$ 14.09	14.16	\$0.80
AIG	\$ 75.75	-1.10%	\$ (3.43)	11.18	\$3.21
IVZ	\$ 17.74	-2.95%	\$ (0.92)	13.66	\$3.48
MKTX	\$ 264.98	-3.44%	\$ 7.39	35.91	\$0.28
JKHY	\$ 172.45	-4.18%	\$ 5.47	31.59	\$0.54
ERIE	\$ 406.11	-4.31%	\$ 12.05	38.14	\$0.13

The financials sector is currently trading at \$49.64, reflecting a 0.91% increase over the past five days. This modest gain has been influenced by the continued impact of the "Trump Trade," which has driven optimism across various sectors, including financials. Investors have been buoyed by expectations of pro-growth policies, such as potential tax cuts and deregulation, which are anticipated to benefit financial institutions.

However, there are emerging concerns about the sustainability of the current rally. Some analysts suggest that financial stocks may be approaching overbought levels, as highlighted by recent commentary regarding exchange-traded funds (ETFs) linked to the sector. The potential for increased volatility remains, particularly as the market digests the implications of Federal Reserve policy decisions and broader economic conditions.

## Top Performing Sectors

**MATERIALS** 91.92\$/-2.7%



Ticker	Price	W/W %	EPS T12M	P/E	Vol. mln
BALL	\$ 61.94	3.34%	\$ 13.35	24.80	\$2.06
ALB	\$ 102.10	2.17%	\$ (16.75)	--	\$2.46
CF	\$ 85.74	1.30%	\$ 6.32	13.87	\$1.30
SHW	\$ 388.46	1.16%	\$ 10.17	38.32	\$1.26
APD	\$ 315.88	0.98%	\$ 17.20	26.48	\$1.07
DOW	\$ 44.59	-8.81%	\$ 1.50	21.19	\$5.54
NUE	\$ 146.38	-9.18%	\$ 10.36	11.74	\$1.79
NEM	\$ 40.68	-9.92%	\$ (1.52)	15.82	\$15.99
FCX	\$ 43.27	-10.93%	\$ 1.38	30.29	\$11.90
CE	\$ 73.94	-17.59%	\$ 10.00	9.01	\$2.59

The materials sector is currently trading at \$91.92, reflecting a 2.7% decrease over the past five days. This decline is largely driven by broader market dynamics and concerns about slowing demand in key industries. Recent economic data has pointed to potential headwinds for the materials sector, as global growth uncertainties have weighed on commodities and related equities.

Materials ETFs have also faced challenges, with declining performance attributed to reduced industrial activity and weaker demand forecasts. Investors are becoming more cautious as they navigate the impact of economic indicators and changing expectations for the sector's performance. The pullback in materials stocks highlights the sector's sensitivity to shifts in economic sentiment and the broader outlook for infrastructure spending and manufacturing.

Despite the recent drop, there are still opportunities within the materials sector, particularly for companies that are well-positioned to adapt to evolving market conditions. Analysts are closely watching upcoming earnings reports and economic releases, as these will provide further insight into the sector's trajectory and potential for recovery.

**HEALTH CARE** 142.68\$/-3.77%



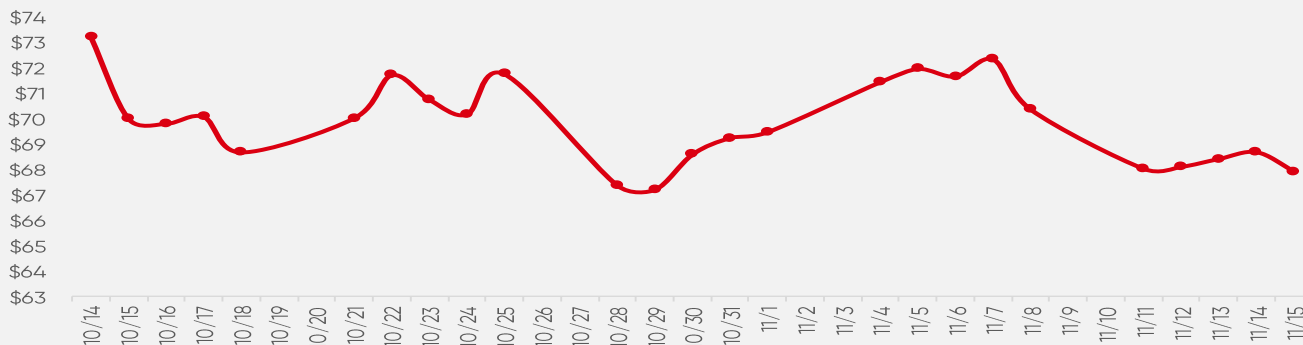
Ticker	Price	W/W %	EPS T12M	P/E	Vol. mln
DXCM	\$ 74.68	8.37%	\$ 1.75	41.86	\$4.50
BMJ	\$ 58.50	6.93%	\$ (3.59)	14.07	\$11.35
PODD	\$ 261.16	6.60%	\$ 6.02	72.95	\$0.74
WST	\$ 338.12	4.55%	\$ 6.81	50.03	\$0.57
SYK	\$ 383.28	3.64%	\$ 9.43	37.09	\$1.79
SOLV	\$ 67.90	-9.55%	--	--	\$1.06
BAX	\$ 31.70	-12.04%	\$ 0.20	24.57	\$5.66
MTD	\$1,237.78	-12.31%	\$ 37.27	32.46	\$0.18
ABBV	\$ 169.63	-15.40%	\$ 2.88	22.27	\$8.33
MRNA	\$ 39.77	-20.90%	\$ (5.80)	--	\$12.78

The healthcare sector is currently trading at \$144.52, reflecting a 3.77% decrease over the past five days. This decline has been influenced by recent political developments, particularly the nomination of Robert F. Kennedy Jr. as a top health official in the U.S. by President Trump. The nomination has raised concerns over future vaccine policies, which has led to a sell-off in major healthcare stocks.

Companies like Moderna and Novavax have experienced notable declines following the announcement, as investors grow wary of potential shifts in public health policy that could impact vaccine distribution and healthcare regulation. The broader healthcare sector has reacted with increased volatility, as uncertainties around regulatory changes have weighed on investor sentiment.

# Commodities

## Crude oil

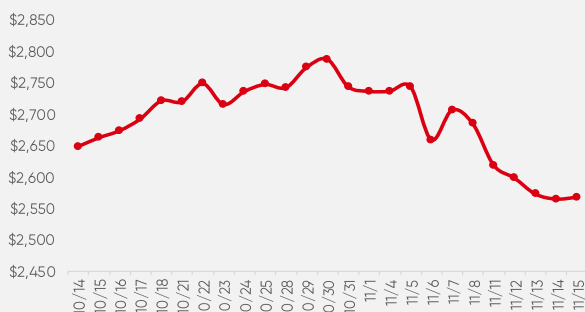


Oil is currently trading at \$68.55, reflecting a 2.6% drop over the past five days. This decline comes amid heightened market volatility and concerns over global economic growth, which have weighed heavily on crude prices. The recent downturn is attributed to several factors, including a stronger U.S. dollar, which tends to make oil more expensive for holders of other currencies, thereby reducing demand.

Additionally, investor sentiment has been affected by ongoing worries regarding the stability of global supply and demand dynamics. Concerns over reduced energy consumption, particularly from major economies like China, have also contributed to the decline in oil prices. Reports indicate that weaker-than-expected economic data has led to fears of a potential slowdown, further pressuring oil markets.

Despite these headwinds, analysts are closely monitoring developments in geopolitical tensions and OPEC's production policies, which could provide some support to oil prices moving forward. The interplay between supply constraints and demand uncertainty will continue to be a key factor in determining the future trajectory of oil prices.

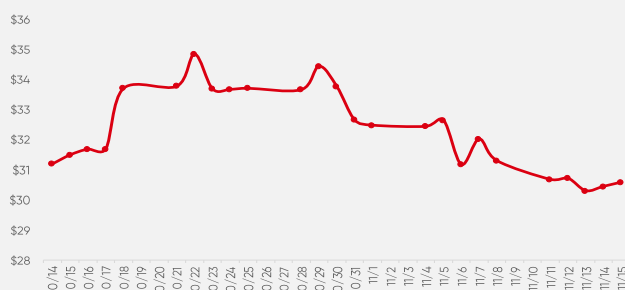
## Gold



Gold is currently trading at \$2,573 per ounce, reflecting a 4.24% drop over the past five days. This decline comes as investors navigate mixed economic signals and a stronger U.S. dollar, which tends to weigh on gold prices. The strengthening dollar has made gold more expensive for holders of other currencies, thereby dampening demand.

Another contributing factor to gold's decline is the anticipation of upcoming U.S. economic data, which has led to a more cautious approach from investors.

## Silver



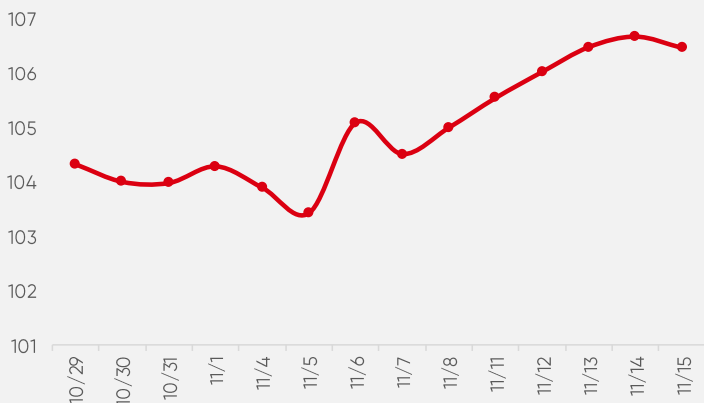
Silver is currently trading at \$30.735 per ounce, reflecting a 2.02% drop over the past five days. The recent decline in silver prices has been influenced by broader market volatility and the impact of the U.S. dollar's strength, which tends to weigh on precious metals. As the dollar appreciates, silver becomes more expensive for holders of other currencies, leading to decreased demand.

Investor sentiment has also been affected by uncertainties surrounding the recent U.S. election, as well as fluctuating equity markets.



# Currencies

## US Dollar Index



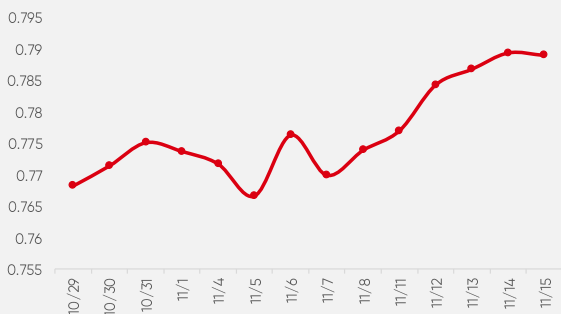
The U.S. Dollar Index (DXY) is currently trading at 106.46, reflecting a mixed performance amid fluctuating market conditions. The recent movements in the dollar are largely influenced by investor reactions to economic data and broader market sentiment. A strong U.S. dollar generally exerts downward pressure on commodities like gold and oil, as it makes these assets more expensive for holders of other currencies.

The dollar has benefited from investor appetite for safe-haven assets, especially in times of economic uncertainty and global volatility.

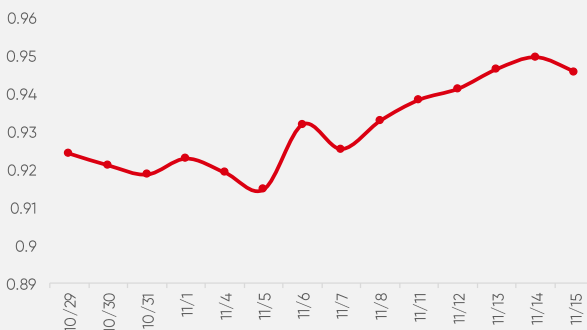
Recent events, such as concerns over inflation and anticipated interest rate decisions from the Federal Reserve, have contributed to the dollar's strength, as investors weigh the potential for more tightening in monetary policy. The rally in equity markets, led by indexes such as the Dow, has also created a mixed backdrop for the dollar, as capital flows shift between asset classes.

The U.S. Dollar Index remains a crucial gauge for understanding global currency dynamics, and analysts are closely watching how upcoming economic reports and Federal Reserve announcements will shape its trajectory. Market participants are also attentive to geopolitical events, which could introduce further volatility to the dollar in the near term. The balance between growth expectations, interest rates, and market sentiment will play a key role in determining the dollar's direction going forward.

## GBP



## EUR



The British Pound (GBP) has shown mixed performance recently, with ongoing market dynamics creating a complex outlook for the currency. Currently, the GBP has been facing downward pressure against both the U.S. Dollar (USD) and the Euro (EUR), largely reflecting a soft sentiment due to a combination of global economic uncertainty and the strength of the USD.

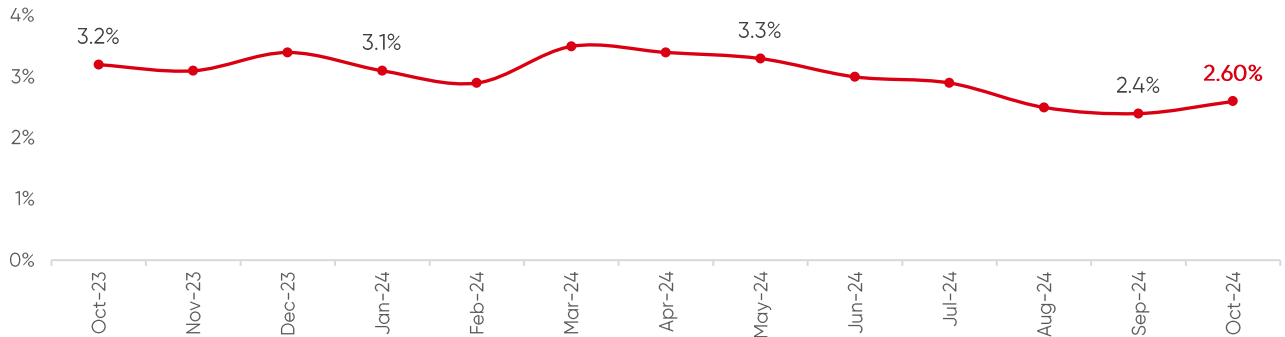
The GBP/USD pair recently attempted a modest recovery, as USD traders took profits after the dollar's recent gains.

The Euro (EUR) has seen a slight recovery recently, primarily due to profit-taking in the U.S. Dollar's recent bull run. The EUR/USD pair has managed to regain some ground as traders took profits from the dollar's strength, providing a brief respite for the Euro. However, the broader sentiment remains cautious, as the Euro faces significant headwinds.

One of the key factors impacting the Euro's performance is the "natural rate gap," as highlighted by analysts from Societe Generale.

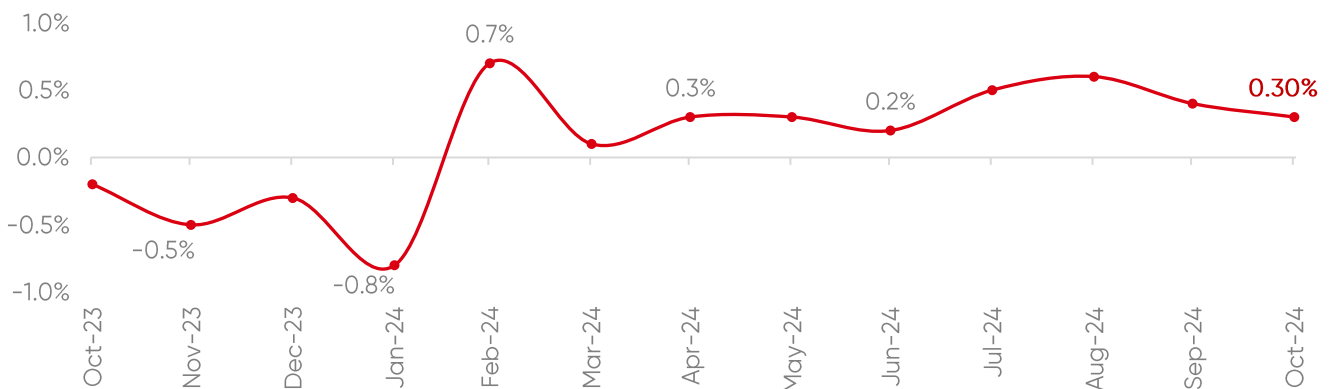
## Macroeconomics

### US Inflation YoY



The US inflation rate remains stable around its target 2% level in October. Compared to the previous year, CPI rose by 2.6%, while it showed a 0.3% increase from September. Core inflation, which excludes food and energy costs, has been showing a constant trend increasing 0.3% for three consecutive months. Although there was a sharp decline in the prices of goods excluding used cars, shelter costs which accounted for over half of the monthly advance remain elevated. Alongside the inflation data, the Fed cautiously observes wage statistics that illustrated 1.3% growth from the previous year. At November's meeting, Jerome Powell stated that long-term inflation expectations appear well-anchored and the presidential election will have "no effects" on the upcoming monetary rate decision. Fed will hold a monetary policy meeting on the 18th of December.

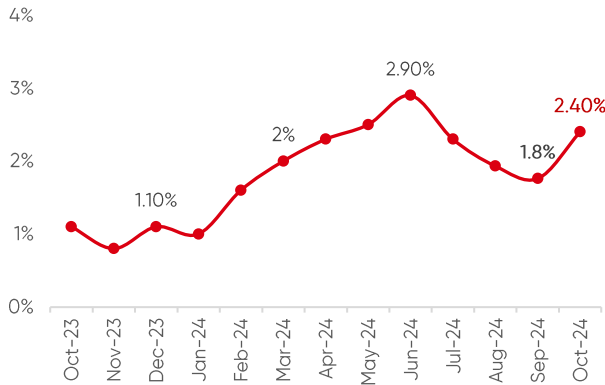
### China Inflation YoY



China's inflation slowed to a four-month low in October, with the CPI rising just 0.3% year-on-year and core inflation at 0.2%, reflecting weak domestic demand despite recent government stimulus measures. The deepening deflation in producer prices, driven by declines in sectors like petroleum and manufacturing, highlights economic fragility, worsened by declining food prices and consumer caution amid a struggling real estate market. Analysts suggest that the stimulus package targeting local government debt may not significantly boost demand in the short term, and future measures could include interest rate cuts and tax support for housing. With inflation expected to stay subdued, economic recovery remains uncertain, and further action will be needed to balance supply and demand. Goldman Sachs forecasts low consumer inflation next year and prolonged deflationary pressures on producer prices.

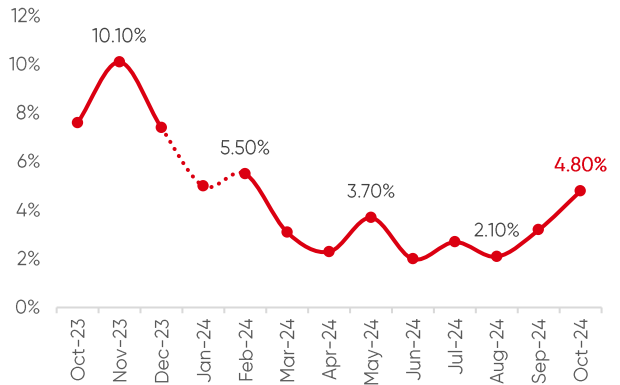
## Macroeconomics

### US Producer's Price Index YoY



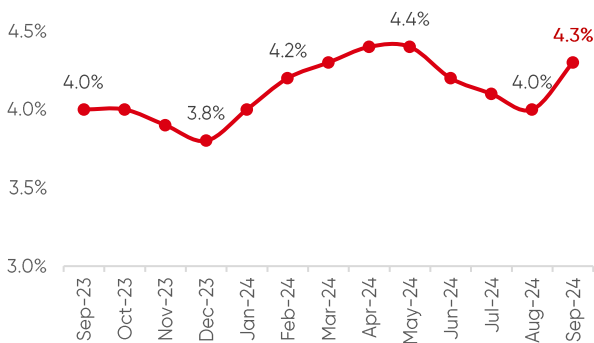
In October, the US Producer Price Index accelerated and showed a 2.4% increase from the previous year. This pick-up was mainly fueled by gains in portfolio management costs. A measure of producer prices, excluding the volatile food and energy, rose by 3.1% compared to the same period last year. It is expected that producer prices will be more volatile during the year due to the supply chain risks triggered by the possible trade tariffs under the new government.

### China Retail Sales YoY Growth



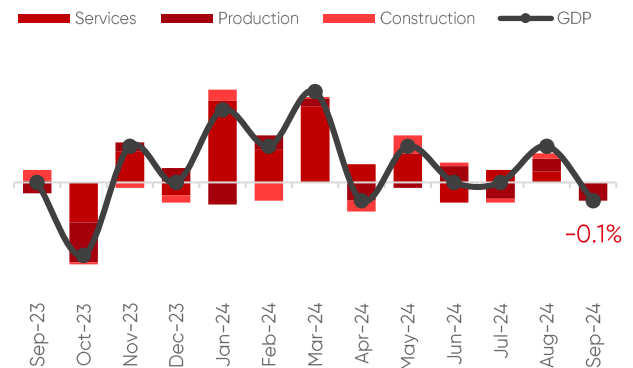
Retail sales illustrated the strongest growth since February in China. Compared to October last year, retail sales increased by 4.8%, showing improvement in the consumers' sentiments. This growth came after the fiscal stimulus by the government, which implied subsidizing purchases of equipment, appliances, and cars in a program. China aims to reach 5% real GDP growth by implementing the boldest stimulus since the pandemic.

### United Kingdom Unemployment



In September, the unemployment rate in the United Kingdom amounted to 4.3%, illustrating a 0.3 PP rise compared to August. Earnings continue to increase at a pace that surpasses the rate of inflation, which reflects how quickly prices are rising. Jobs data play a key role for the BOE when making decisions on interest rates. According to the Office for Budget Responsibility, unemployment is expected to peak around 4.3% in late 2024 before gradually declining to 4.0% by mid-2025.

### United Kingdom GDP Growth YoY



Due to the production slowdown, the UK economy contracted by 0.1% in September, mainly driven by falling consumer and business confidence amid concerns over Labour's first budget and the announcement of £40 billion in tax hikes. Key sectors like services and manufacturing struggled, while construction barely grew. It is anticipated that the economy will accelerate next year with the monetary policy easing and fading cost-of-living crisis.

## Forthcoming Calendar

### Monday

Name	Currency	Forecast	Current
Eurozone Trade Balance	EUR		4.6B
PPI Input (QoQ)	NZD		1.40%
PPI Output (QoQ)	NZD		1.10%
Foreign Securities Purchases	CAD		9.97B

### Tuesday

Name	Currency	Forecast	Current
Eurozone CPI (YoY)	EUR	2%	1.70%
CPI (YoY)	CAD		1.60%
TIC Net Long-Term Transactions	USD		111.4B

### Wednesday

Name	Currency	Forecast	Current
PBoC Loan Prime Rate	CNY		3.60%
CPI (YoY)	GBP		1.70%
ECB Financial Stability Review	EUR		
German PPI (MoM)	EUR		-0.50%

### Thursday

Name	Currency	Forecast	Current
Initial Jobless Claims	USD		
Philadelphia Manufacturing Index	USD		10.30
New Housing Price Index (MoM)	CAD		0.00%
Existing Home Sales	USD		3.84M

### Friday

Name	Currency	Forecast	Current
National Core CPI (YoY)	JPY		2.40%
German GDP (QoQ)	EUR	0.20%	-0.10%
Manufacturing PMI	USD		48.50
Manufacturing PMI	GBP		49.90
Manufacturing PMI	EUR		46.00

### Upcoming Revenue Reports

Ticker	EPS Forecast	Forecast(B)	Market cap (B)
HVRRY	0.8384	7.13	30.83
CLLNY	0.0273	1.07	24.52
BRDCY	0.4294	7.62	24.21
MNDY	0.6319	246.2M	15.88
CTTAY	0.2305	10.77	12.1

Ticker	EPS Forecast	Forecast	Market cap
HD	3.63	39.21B	396.76B
AZN	1.02	13.07B	198.61B
SHOP	0.274	2.12B	110.51B
SFTBY	0.5861	11.74B	89.41B
SFTBF	115.81	1.787.33B	89.41B

Ticker	EPS Forecast	Forecast(B)	Market cap
NVDA	0.7435	32.97	3.6T
TJX	1.09	13.96	135.24B
PANW	1.48	2.12	129.06B
TGT	2.3	25.93	70.7B
SNOW	0.1519	899.3M	43.33B

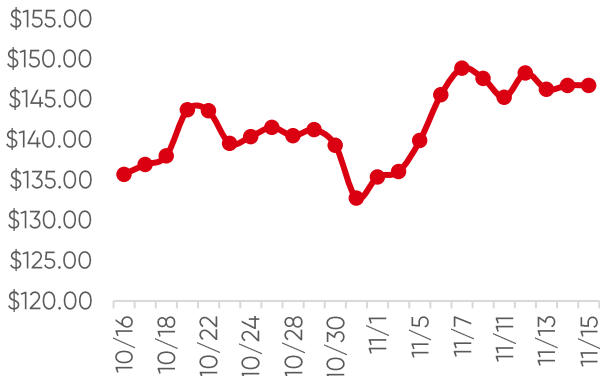
Ticker	EPS Forecast	Forecast	Market cap
DIS	1.1	22.48B	179.66B
AMAT	2.19	6.96B	160.01B
SIEGY	1.36	22.73B	153.95B
DTEGY	0.5267	31.17B	150.43B
MUFG	0.258	8.56B	134.58B

Ticker	EPS Forecast	Forecast	Market cap
BABA	14.79	239.97B	228.04B
TCOM	6.92	15.64B	44.56B
ARZGY	0.3524	.	41.36B
CTPCY	.	.	35.19B
CRHKY	.	.	13.13B



# Upcoming Opportunities

## NVIDIA



Nvidia is set to release its revenue report next week, and investors are closely watching this upcoming opportunity. The company has had a streak of positive earnings, with the last four revenue reports all surpassing expectations, showcasing Nvidia's strong growth trajectory and market dominance, particularly in the AI and semiconductor space.

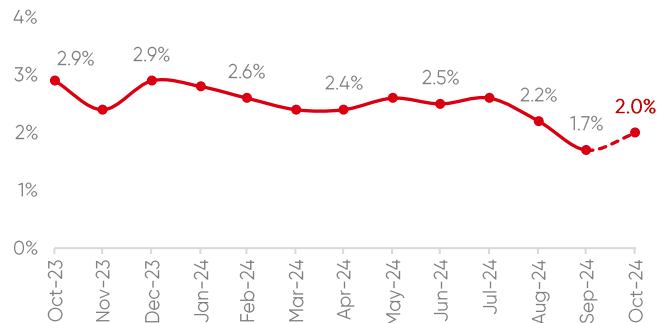
For the upcoming report, Nvidia is expected to post earnings per share (EPS) of 0.7435 and revenue of \$32.97 billion, which would represent an improvement over previous results.

## WALLMART



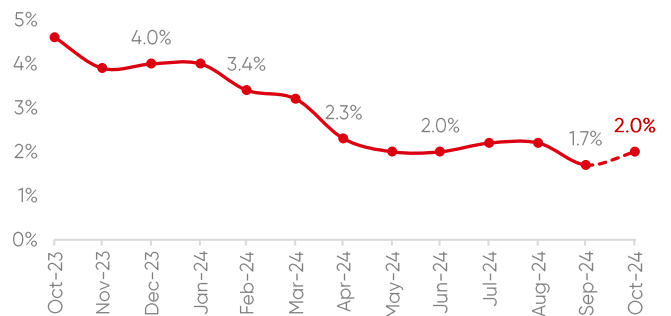
Walmart is set to release its revenue report next week, presenting a significant opportunity for investors. The retail giant has posted positive earnings for the last four quarters, demonstrating its resilience and ability to navigate challenging economic conditions effectively. For the upcoming report, Walmart is expected to announce earnings per share (EPS) of 0.53 and revenue of \$167.61 billion, which would represent a notable improvement over previous figures.

## Eurozone Inflation Rate YoY



The Eurozone's inflation is expected to regulate around its target 2% level this year. Although the ECB trimmed the key rate three times this year, consumption in the Euro Area still has not recovered yet. There has been improvement in family incomes as well; however, economic growth is showing resilience. According to the ECB projections, inflation is anticipated to increase in the fourth quarter, before declining to 2.2% in 2025.

## United Kingdom Inflation YoY



Despite the downward trend of inflation in recent months, the housing sector still illustrates resilience. Overall, on the goods side, prices are falling. However, Services inflation remains challenging. The Bank of England expects a temporary increase to around 2.75% in the latter half of 2025, but inflation is projected to stabilize at the 2% target in the longer term.

## Story of the Week

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### Can Elon Musk Cut 2 Trillion from US government Spending?

In a significant development, Elon Musk, CEO of Tesla and SpaceX, has been appointed to lead a new initiative aimed at streamlining the U.S. government and reducing federal spending by \$2 trillion. This ambitious effort, co-chaired by biotech entrepreneur Vivek Ramaswamy, seeks to identify and eliminate wasteful expenditures within the federal budget. Musk and Ramaswamy bring a wealth of experience in innovation and efficiency to the initiative, raising both excitement and skepticism about the potential for real change.

The initiative, informally referred to as the Department of Government Efficiency (DOGE), is tasked with conducting a thorough review of federal spending and making recommendations to optimize government operations. DOGE will focus on cutting unnecessary expenditures, improving procurement processes, and leveraging technology to streamline government functions. Musk's experience at SpaceX, where he revolutionized the aerospace industry by dramatically cutting launch costs through reusable rocket technology, is seen as a key asset in this government efficiency effort. His track record of pushing boundaries and reducing costs could be instrumental in identifying opportunities for significant savings within the federal bureaucracy.

However, achieving such substantial cuts presents significant challenges. Major areas like Social Security, Medicare, and Defense are politically sensitive and off-limits for reductions, making it difficult to find the \$2 trillion in savings. Moreover, DOGE will not have direct decision-making power, meaning that any recommendations must go through Congress for approval. This adds another layer of complexity, as bipartisan support will be needed to implement many of the proposed changes, and opposition from both parties is expected. The political landscape in Washington is often characterized by gridlock, which may hinder the ability to achieve meaningful reforms.

Musk's appointment has sparked intense discussions about the feasibility and potential impact of such drastic spending reductions. Supporters of the initiative argue that the federal government has long been plagued by inefficiencies and bloated spending, and that a fresh perspective from the private sector could bring much-needed change. They see Musk's involvement as a bold move toward fiscal responsibility, potentially setting a precedent for future collaborations between government and private industry to solve public sector challenges. On the other hand, critics express concern over the potential consequences for essential public services and programs. They worry that aggressive cuts could undermine the quality of services provided to citizens, particularly in areas like healthcare, education, and social welfare.

## Definitions

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- **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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