

Week Ahead

Markets ended last year with the worst December performance in over 80 years. Since then however, markets have been on a tear, finishing higher for three straight weeks and already posting a return of 6% on the year. This move has been on the heels of more dovish comments out of the Federal Reserve and record liquidity injections by China. This move in our opinion has been too far too fast and we are taking this upward move in the market as a chance to become a little more defensive by raising cash in equity allocations across the board. With all of the current geopolitical headwinds and continued sluggish global economic numbers, we feel have cash is currently a good investment. We believe the market will give us a better opportunity to put this money back to work later in the first quarter. It will also give us an opportunity to assess 4th quarter earnings numbers and get a feel for the strength of corporate profits going forward. Guidance from these companies will be key.

Major Earnings Announcements for the Week:

Monday-

Tuesday- Fifth Third Bancorp, J&J, Travelers, Halliburton, Prologis, Stanley, Black and Decker, Capital One, IBM & Zions Bancorp

Wednesday- Progressive, Amphenol, Comcast, Proctor and Gamble, United Technologies, Waters Corp, Kimberley-Clark, Abbott Labs, Texas Instruments, Ford, Crown Castle, Lam Research, Raymond James & United Rentals

Thursday- American Airlines, Freeport-Mcmoran, Microsoft, Textron, Huntington Bank, L3 Technologies, Southwest Airlines, American Electric Power, Bristol-Myers Squibb, WW Grainger, Union Pacific, Alaska Air, Norfolk Southern, Discover Financial, E*Trade, Intel, Intuitive Surgical, Starbucks & Western Digital

Friday- Colgate-Palmolive, Nextera Energy, Abbvie, Air Products & Synchrony Financial

Economic Calendar/ Market Moving Events:

Monday-

Tuesday-

Wednesday- Richmond Fed Manf. Index 10:00AM

Thursday- Markit PMI Releases 9:45AM, Leading Index 10:00AM & Kansas City Fed Manf. Activity 11:00AM

Friday- Durable Good Orders 8:30AM, Durable Ex Transports 8:30AM, Cap Goods Orders Nondef Ex Air 8:30AM & New Home sales 10:00AM