

Week Ahead

The markets once again finished higher on the week, posting their fourth straight week of increases. This came on the heels of a three-week resolution to reopen the government in order for federal workers to be paid. It seems, however, that no lasting progress has been made between the two parties, and we should expect continued uncertainty from the government. This week is full of market-moving data points. Major economic releases include Nonfarm Payrolls released on Friday, PMI readings for January, and fourth quarter GDP estimates. The jobs number will be the most important as it will give us an idea on what the Federal Reserve will do at their next policy meeting. A hot number will make it very hard to continue the dovish talks that have been coming from Fed presidents over the last few weeks. It does seem the equity markets have been moving higher on the belief that the Fed will slow down its path of hikes and also reduce the current balance sheet runoffs. If this thought process changes, we should see downside in the markets. The Federal Reserve board does meet this week, but it is highly anticipated that no moves will be made. This will put all of the focus on Powell's post meeting press conference to give us an idea on the current thinking and path of monetary policy. A more hawkish tone could rile the markets up and be the catalyst that sends markets lower. In our view, the most important data coming out this week is corporate earnings – not so much what earnings were over the past quarter but where their guidance is. We have already seen weak guidance out of bellwethers such as Intel; and if this continues, it will drive markets lower.

Major Earnings Announcements for the Week:

Monday-	Caterpillar, Whirlpool & Celanese
Tuesday-	Allergan, Biogen, Corning, Harley-Davidson, Harris, L3 Technologies, Lockheed Martin, Nucor, PACCAR, Pentair, Rockwell Automation, Danaher, Xerox, Pfizer, Dover, Verizon, 3M, HCA Healthcare, Align Tech, Stryker, eBay, Robert Half, Total Systems, Apple, Advanced Micro Devices, Amgen, Boston Properties, C.H. Robinson, Equity Residential, Illumina, Juniper & Packaging Corp of America
Wednesday-	AT&T, ADP, Boeing, General Dynamics, Helmerich & Payne, McDonald's Thermo Fisher, Anthem, Ingersoll-Rand, Invesco, Nasdaq, Hess, T Rowe Price, Franklin Resources, Facebook, Mondelez, Microsoft, PayPal, Ameriprise, Duke Realty, Essex Property, Hologic, Qualcomm, Visa & Wynn Resorts
Thursday-	ABIOMED, Aptiv, Baxter International, Celgene, Mastercard, MSCI, Valero, AmerisourceBergen, Ball Corp, ConocoPhillips, Eaton, GE, International Paper, Kimco Realty, Marsh & McLennan, Northrop Grumman, Sherwin-Williams, Tractor Supply, DowDuPont, Baker Hughes, Xylem, Altria, Charter Communications, Hershey, Raytheon, UPS, Parker Hannifin, McKesson, Amazon, Eastman Chemical, Aflac, Edwards Lifesciences, PerkinElmer & Symantec
Friday-	Chevron, Honeywell, Johnson Controls, LyondellBasell, Zimmer Biomet, Cigna, Merck, Exxon Mobil, Illinois Tool Works, Aon, Dominion, Roper, Simon Property & Weyerhaeuser

Economic Calendar/Market Moving Events:

Monday-	Chicago Fed Nat Activity 8:30AM & Dallas Fed Manf. 10:30AM
Tuesday-	Advance Goods 8:30AM & Consumer Confidence 10:00AM
Wednesday-	GDP 8:30AM, Personal Consumption 8:30AM, Home Sales 10:00AM, FOMC Rate Decision 2:00PM & Fed Chari Press Conf 2:30PM

Thursday- Challenger 7:30AM, Personal Income 8:30AM, Personal Spending 8:30AM, PCE Releases 8:30AM & Chicago Purchasing Managers Index 9:45AM

Friday- Jobs Number 8:30AM, Wages 8:30AM, Markit US Manf PMI 9:45AM, ISM Manufacturing 10:00AM & Construction Spending 10:00AM