

Week Ahead

Earnings season was in full swing last week with a number of notable companies that reported. The big winner was the NASDAQ index, which reached new all-time highs with strong reports from Microsoft, Intel, Amazon, and Google. Even with the big move in the NASDAQ, the S&P finished the week lower in what was a very volatile week. Overall, earnings were mixed for the market with some very nice outlooks from companies such as 3M and technology in general; however, some poor outlooks from companies such as Celgene and Hasbro dampened the tech rally. Overall, this earnings season has been strong, with 67% of companies beating on the top-line. Some surprising news came out of the healthcare space as CVS Health is in talks with Aetna for a possible buyout. This would be the biggest M&A deal of the year, and we believe the move makes a lot of sense for both companies. On the data front, GDP came in strong, up 3% for the quarter, beating the expectation of just a 2.6% increase. In addition, New Home Sales also posted their best showing since the early 90s. Moreover, on the heels of stronger economic data and a seemingly more hawkish fed, the dollar recently strengthened even more so, and the 10-year yield pushed through 2.4%.

Looking to this week, the Fed is going to be front and center as the Federal Reserve holds their November monetary policy meeting. The expectation is they will leave rates unchanged, but the market is still looking for the next rate hike to be in December. The Fed's real market moving event will likely be the appointment of a new Federal Reserve Chairman, which is expected to be announced by President Trump by the end of the week. Current expectations are leaning toward Powell. Earnings seasons will also continue with some of the market's largest firms reporting, such as Facebook, MetLife, Allstate, Apple, Becton, Dickinson & Company, Aetna, AIG, Allergan, Qualcomm, and Starbucks.

Major Earnings Announcements for the Week:

Monday- Affiliated Managers, Dominion Energy, Loews Corp, and Roper Tech

After Close

Edison International, Mondelez, Noble Energy, and SBA Comm

Tuesday- Aetna, Archer-Daniels-Midland, American Tower, Cummins, Eaton Corp, Ecolab, Harris Corp, Kellogg, Mastercard, Mosaic, Pfizer, and Under Armour

After Close

Anadarko Petroleum, C.H. Robison, Check Point, Devon Energy, Electronic Arts, and Fiserv

Wednesday- Allergan, Clorox, Molson Coors, NiSource, and Southern Co

After Close

Allstate, American Water Works, Boston Properties, CenturyLink, CF Industries, Equinix, Facebook, Flowserve, Hanesbrands, Kraft Heinz, Lincoln National, Marathon Oil, MetLife, Occidental Petroleum, Prudential, Qualcomm, Scripps, Symantec, and Tesla

Thursday- AES, AmerisourceBergen, AMETEK, Apache, ADP, Becton Dickinson, Chesapeake Energy, Church & Dwight, Cigna, Delphi, Discovery Comm, DowDuPont, Exelon, HCP Inc., ICE, Martin Marietta, Parker Hannifin, PG&E Corp, Quanta, Ralph Lauren, Teva Pharma, Vulcan Materials, Yum! Brands, and Zoetis

After Close

Activision Blizzard, AIG, Apple, Assurant, CBS, Consolidated Edison, EOG, Estee Lauder, Fluor, PerkinElmer, Starbucks, and Western Union

Friday- Ameren, CenterPoint Energy, Duke, Moody's, and Pinnacle West

After Close

Berkshire Hathaway

Economic Calendar/ Market Moving Events:

Monday- Person Income and Spending – 8:30AM

PCE Deflator MoM & YoY – 8:30AM

Core PCE MoM – 8:30AM

Wednesday- ISM Manufacturing – 10:00AM

Construction Spending – 10:00AM

FOMC Rate Decision – 2:00PM

Friday- Nonfarm Payrolls – 8:30AM

Unemployment Rate – 8:30AM

Average Hourly Earnings – 8:30AM

Trade Balance – 8:30AM

Factory Orders – 10:00AM

Durable Goods Orders – 10:00AM