

Week Ahead

Last week was substantial in terms of economic data releases, with the all-important jobs number released on Friday; however, the report was mixed in our view. Coming in at 244,000, it beat expectations handily, as this was the first jobs report that was not affected by the recent natural disasters. On the other hand, the wage numbers came in quite weak. Coming in at 0.2%, average hourly earnings missed expectations of 0.3%. Moreover, there was also a downward revision to October's number. AMB maintains our belief that growth and inflation in the US will remain subdued until we see a pick up in wages.

This week the focus will be on the world central banks. Three of the most influential world banks are set to meet, which includes our Federal Reserve, the Bank of England, and the European Central Bank. The Federal Reserve is highly expected to raise short term interest rates for the third time this year. This will also be the last meeting in which Janet Yellen is chairwoman of the Fed, as Jerome Powell is set to take over her duties. Thursday, the ECB will hold its press conference, where it is expected that Draghi will leave rates unchanged, as well as leave the current structure of the bond buying program in place. Furthermore, the Bank of England will also announce its policy decision on Thursday, where it is also expected to leave rates unchanged after having hiked rates last month for the first time since the financial crisis.

We will certainly have our eye on some key economic data releases coming out this week. Inflation data will be a major headline in our view, and it will help us determine our stance on interest rates in the U.S. going into 2018.

Major Earnings Announcements for the Week:

Monday -

Tuesday -

Wednesday -

Thursday - Costco, Adobe, and Oracle

Friday -

Economic Calendar/ Market Moving Events:

Monday- JOLTS - 10:00AM

Tuesday- PPI Final - 8:30 AM

PPI Ex Food and Energy - 8:30AM

Wednesday- CPI MoM - 8:30AM

CPI Ex Food And Energy - 8:30AM

CPI YoY 8:30AM, CPI Ex Food and Energy YoY - 8:30AM

FOMC Rate Decision - 2:00pm

Yellen Last Press Conference as head of the Fed - 2:30PM

Thursday-

Retail Sales 8:30AM, Retail ex Auto and Gas - 8:30AM

Import/Export Prices - 8:30AM

ECB Press Conference - 8:30AM

Markit US Manufacturing PMI & Markit US Services PMI - 9:45PM

Friday-

Empire Manufacturing - 8:30AM

Industrial Production MoM - 9:15AM