

Week Ahead

After a sharp sell-off over the past few weeks a rebound rally seemed to be imminent. That is exactly what we received last week. The major indices all posted very solid gains on the week which also happened to be the best week for the markets in a few years. According to most pundit's inflation and interest rate fears are the driving force behind the recent sell-off and if this is the root cause we believe it was overdone based on our current situation. Inflation numbers have been increasing but our main economic indicator (wage growth) on inflation is still not blinking yellow which would be a sign of caution. We would need to see a more data points that points to a trend of increasing wages in the majority of the US workforce for us to change our stance. We also believe that rates in the US have gotten ahead of themselves for much the same reason. Current fixed income holding %'s are the lowest they have been in decades which is telling us there is extreme bearish sentiment. We things become this extreme a move the other way is usually quick to follow. We have also been receiving very positive earnings reports from US companies. Top-line revenue beats are finally appearing and as we have said many times, this leg of the market will be driven by earnings and revenues not monetary policy.

Major Earnings Announcements for the Week:

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| Monday- | Mosaic |
| Tuesday- | Duke Energy, Ecolab, Genuine Parts, Home Depot, Medtronic, MGM, NiSource, Noble Energy, Wal-Mart, American Water Works, Devon Energy & Fluor |
| Wednesday- | Advanced Auto Parts, Dish Network, Garmin, Southern Company, TJX & Reality Income |
| Thursday- | Apache, Newmont Mining, Quanta Services, Welltower, Edison International, Equifax, Hewlett Packard, Hormel Foods & HP Inc |
| Friday- | Cabot Oil & Gas, Entergy, Foot Locker, Pinnacle West & Public Service Enterprises |

Economic Calendar/ Market Moving Events:

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| Monday- | |
| Tuesday- | |
| Wednesday- | Markit US Manufacturing & Services PMI 9:45AM, Existing Home Sales MoM 10:00AM & FOMC Minutes 2:00PM |
| Thursday- | Leading Index 10:00AM |
| Friday- | |