

Week Ahead

The market continued its trend of volatility last week but unlike the week before this volatility was to the upside. This move was driven by continued economic and political news. For instance, on Monday, President Trump continued his posturing in which he told Mexico and Canada that he will only lift the Tariffs imposed on them if they sign a revised version of NAFTA. This caused a lot of turmoil in Washington and with the resignation from Gary Cohn it was made pretty clear there was dissention inside the White House as well. Come to find out on Thursday the two countries are actually exempt from the tariffs and other allies have the ability to apply for exemptions. The market deemed this news favorable as the tariffs imposed are going to pack much less of a punch than originally thought. The best news of the week however came in the Friday Jobs report which is being deemed as perfect. The report showed strong gains but at the same time showed wage growth slowing. This data eased fears of an overheating economy which bodes well for the market.

This week is calked full of economic releases. We will be focused on inflation releases, as they will help give us an idea if January's inflation numbers where a one-off and February type numbers are more likely going forward. We are in favor of the latter as this will help keep a lid on rates. However, If January's wage growth numbers turn out to be a trend going forward our stance on where rates are going will change. Not only this but our view on stock market vulnerability as a whole will change as well.

Major Earnings Announcements for the Week:

Monday-

Tuesday- Dick's Sporting Goods

Wednesday- Signet Jewelers

Thursday- Dollar General, Adobe Systems & Ulta Beauty

Friday- Tiffany & Co

Economic Calendar/ Market Moving Events:

Monday-

Tuesday- CPI MoM, CPI Ex Food and Energy MoM, CPI YoY & CPI Ex Food and Energy YoY

Wednesday- Retail Sales, PPI Final Demand MoM, PPI Ex Food and Energy MoM, PPI Final Demand YoY, PPI Ex Food and Energy YoY & Business Inventories

Thursday- Empire Manufacturing & Import/Export Prices

Friday- Housing Starts, Building Permits, Industrial Production, Capacity Utilization & JOLTS