

Week Ahead

Last week was volatile in the US equity markets. The market had to digest a slew of economic data releases and major earnings announcements. After all was said and done, the market finished about where it started the week. So far, first quarter earnings have been strong however, we have seen weakness in guidance. Caterpillar and 3M are two of the biggest names to give cautious guidance. One of the positive takeaways from their lowered guidance however is a slowing economy is not the cause. Their reasoning was that future expenses could be higher due to rising commodity costs and that first quarter earnings could be the high-water mark. Even with cautious guidance we remain positive on the cyclical sector and the equity markets overall. Bond yields have also added to the volatility of the equity markets as the 10-year closed above 3% for the first time since 2013. Yields have followed commodity prices and the dollar steadily higher over the past month but they were unable to hold the 3% mark for the week closing at 2.9%.

This week is once again chalked full of earnings and economic data releases. We will be keeping a close eye on forward guidance from reporting companies to see if the current trend of expected commodity price risk continues. Key inflation data will be released this week as well as the Jobs number on Friday. I would expect the volatility from last week to carry over into this week as the new information is digested.

Major Earnings Announcements for the Week:

- Monday-** Allergan, Affiliated Managers Group, McDonald's, Loew's & PerkinElmer
- Tuesday-** Archer-Daniels-Midland, Aetna, American Tower, Cummins, Emerson Electric, Eaton Corp, Fidelity, Hanesbrands, Johnson Controls, Marathon Petroleum, Merck, Pfizer, Under Armour, Welltower, Xylem, Apple, Allstate, Devon Energy, Fiserv, Gilead Sciences, Juniper Networks, Mondelez, Unum & Western Union
- Wednesday-** Amerisourcebergen, Automatic Data Processing, Clorox, CVS, Estee Lauder, Harris Corp, Humana, Mastercard, Southern Co, Molson Coors, Wyndham Worldwide, Yum, Zoetis, AIG, Apache, American Water Works, Express Scripts, Hologic, Kraft Heinz, Lincoln National Corp, MetLife, Marathon Oil, Prudential, Pioneer Natural Resources & Tesla
- Thursday-** Becton Dickinson, Ball Corp, Cardinal Health, Church and Dwight, Cigna, DowDupont, Intercontinental Exchange, Kellogg, Vulcan Mats, Assurant, Activision Blizzard, Davita, Consolidated Edison, EOG, Fluor, Motorola & Xerox
- Friday-** Aon Plc, Berkshire Hathaway, Celgene, Newell Brands & VF Corp

Economic Calendar/ Market Moving Events:

- Monday-** Personal Income & Spending 8:30AM, PCE Deflator and PCE Core 8:30AM
- Tuesday-** Markit US Manf. 9:45AM, Construction Spending 10:00AM & ISM Manf. 10:00AM
- Wednesday-** FOMC Rate Decision 2:00PM
- Thursday-** Trade Balance 8:30AM, Markit US Services 9:45AM, ISM Non-Manf 10:00AM, Durable goods 10:00AM & Factory Orders 10:00AM
- Friday-** Employment Situation 8:30AM