

Week Ahead

The Fed didn't disappoint the market with their dovish comments last week. The market is now pricing in a 100% chance for a rate cut next month, which in our view is surprising given the dot plot showed a rate cut was still not expected for 2019. However, given the tone of the Fed Chairman we do expect to see at least 1 cut in 2019, even though we don't believe the current economic backdrop supports it. Geopolitics will be the focus this week, with the G20 meeting on everyone's mind along with the highly anticipated meeting between Premier Xi and President Trump on Friday as they re-engage in trade talks. On the Economic front the PCE Deflator will be released which will be a very important number. This is the preferred gauge of inflation for the Fed and if it runs hot, we might see the market react to the downside.

Major Earnings Announcements for the Week:

Monday-	None
Tuesday-	Factset, Lennar, Micron, Synnex & FedEx
Wednesday-	Paychex, General Mills, H.B. Fuller & KH Home
Thursday-	Conagra, Walgreens, Accenture, Patterson Cos, McCormick & Nike
Friday-	Constellation Brands

Economic Calendar/ Market Moving Events:

Monday-	Chicago Fed Nat Activity 8:30AM & Dallas Fed Manf. Activity
Tuesday-	Richmond Fed Manf. Activity 10:00AM, New Home Sales 20:00AM & Consumer Confidence 10:00AM
Wednesday-	Wholesale Inventories 8:30AM, Durable Goods 8:30AM, Capital Goods 8:30AM, Advance Goods 8:30AM & Retail Inventories 8:30AM
Thursday-	GDP Annualized 8:30AM, Pending Home Sales 10:00AM & Kansas City Fed 11:00AM
Friday-	Personal Income and Spending 8:30AM, PCE Releases 8:30AM & UofM Sentiment 10:00AM