

Week Ahead

Trade war escalations have moved the market lower over the past week. Overnight, the Yuan broke \$7 which is a record low vs the dollar. This is being done to ease pain caused by US tariffs. However, China will run the risk of capital flight which could accelerate this move. This current move in the markets is being driven by trade rhetoric not by corporate profit expectations which is much more important in the longer term. So far, 75% of companies that have reported have bettered earnings expectations. The aggregate is showing growth in earnings for the S&P 500 of 1.5% which is well above the contraction of 4% that was expected. This plays directly into our commentary earlier addressing the fact that estimates had come down to far and corporate profits would be higher than expected. This week, focus will remain on earnings and geopolitical risks.

Major Earnings Announcements for the Week:

Monday-	Linde, Marriott, International Flavors & Fragrances, Realty Income, Take-Two, Jacobs Engineering, Loews & Tyson Foods
Tuesday-	AES, Becton Dickinson, Emerson Electric, TransDigm, Zoetis, Discovery, Duke, Mosaic, Assurant, Disney, Devon Energy, Microchip Tech, Pioneer Resources & Wynn Resorts
Wednesday-	CenterPoint Energy, CVS, AIG, Albemarle, Fox, Monster Beverage, Marathon Oil, Trip Advisors, CenturyLink & Booking Holdings
Thursday-	Cardinal Health, Kraft Heinz, Norwegian Cruise, Pinnacle West, Viacom, Activision Blizzard, CBS, News Corp, Symantec, Perrigo & DXC Tech
Friday-	None

Economic Calendar/ Market Moving Events:

Monday-	US Markit Services PMI 9:45AM & ISM Non-Manf Index 10:00AM
Tuesday-	JOLTS 10:00AM
Wednesday-	Consumer Credit 3:00PM
Thursday-	Wholesale Inventories 10:00AM
Friday-	US PPI releases 8:30AM