

Week Ahead

Last week, the markets finished lower on the week, which is something they had not done in over two months. This decline has once again spiked fear that the bull market is coming to an end. This leads to the psychology of investors as fickle, with new avenues of understanding investors' behavior having gained notoriety over the past decade. AMB still firmly believes that we are in the midst of a secular bull market; however, we must remember markets do not go up continuously without hiccups. Some downside weakness is to be expected between now and the end of the year, but we still think that any corrective activity should be used as a buying opportunity.

To start the week off, GE slashed its dividend by 50%. This move was widely expected, as we wrote about this just two weeks ago. This is the first time GE has cut their dividend since the financial crisis, as the new CEO remains in a cost cutting mode, trying to turn around the industrial giant. AMB remains negative on GE's outlook; however, we do believe they are heading in the right direction. Other major news making headlines is the toy manufacturer, Hasbro, making a bid for rival toymaker, Mattel. This year, Mattel has struggled tremendously while down over 40%, but the news of a buyout has shares trading up over 20% pre-market.

Unlike last week, this week is full of economic releases, with the most notable being the inflation readings of CPI and PPI. We will be keeping a close eye on these releases as they will help give us an idea on which direction interest rates could be heading in the future. We are also keeping a close eye on the tax bill making its way through Congress this week. Tax implications on individual and corporations play a major part in the amount of capital that is put back into the economy, and could help push the US out of the slow growth we have seen over the past decade if the reform is done correctly.

Major Earnings Announcements for the Week:

- Monday** - Tyson Foods, Inc
- Tuesday** - Advanced Auto Parts, Inc, The Home Depot, Inc., and The TJX Companies, Inc
- Wednesday** - Cisco Systems, Inc, L Brands, Inc., and Target Corp.
- Thursday** - The Gap, Applied Materials, Ross Stores, Wal-Mart, Viacom, Inc, Best Buy, and J.M. Smucker
- Friday** - Foot Locker, Inc.

Economic Calendar/ Market Moving Events:

- Monday** -
- Tuesday** - PPI-FD 8.30AM
- Wednesday** - CPI and Retail Sales 8:30AM
- Thursday** - Philly Fed 8:30AM & Industrial Production 9:15AM
- Friday** - Housing Starts 8:30AM