

We expected a fairly quiet week last week, and despite ongoing headlines related to the US / China trade spat, the S&P 500 traded in a narrow 1.2% range. Friday saw heightened volatility in certain stocks, due in part to the annual Russell Index rebalances.

This week marks the end of Q2, so we can expect quarter-end repositioning by institutional investors to raise volatility in the back end of the week. Investors will also be watching the second round of Bank Stress Test announcements on Thursday for news out of financials regarding increased dividends or buybacks.

This week, important releases include final GDP growth; personal income, spending and PCE prices; durable goods orders; and the CB consumer confidence.

A few companies report earnings this week: Carnival (CCL) on Monday, Altaba (AABA) and Lennar (LEN) on Tuesday, General Mills (GIS) and Paychex (PAYX) on Wednesday, Nike (NKE) on Thursday, and Constellation Brands (STZ) on Friday.

Our tactical model remains neutral (60/40).

MONDAY JUNE 25, 2018	
	Chicago Fed National Activity Index
	Dallas Fed Manufacturing Index
TUESDAY JUNE 26, 2018	
	Redbook
	CB Consumer Confidence
	Richmond Fed Manufacturing Index
WEDNESDAY JUNE 27, 2018	
	Goods Trade Balance
	Durable Goods Orders
THURSDAY JUNE 28, 2018	
	Gross Domestic Product Q1 Final
	PCE Prices
	Initial Jobless Claims
	Fed CCAR For Big Banks
FRIDAY JUNE 29, 2018	
	PCE Price Index
	Personal Income
	Personal Spending
	Chicago PMI
	Michigan Consumer Sentiment

GAUGE OF THE GRADE

BEARISH

NEUTRAL

BULLISH



The charts above show the Dow Jones Industrial Average (left) and MSCI China ETF (right) as a proxy for Chinese equities. These are the charts of the world's two biggest economies, currently involved in trade disputes. As the

two markets appear to trade almost in lock-step with each other, it would seem reasonable to assume from the charts that investors feel neither side benefits from such actions.

SECTOR RETURNS

	5 DAYS	1 MONTH	3 MONTHS	6 MONTHS	12 MONTHS
Basic Materials	-1.9	-1.6	3.4	-1.8	12.0
Communication Services	0.0	3.3	3.0	-4.2	-2.9
Consumer Cyclical	-1.0	5.9	8.6	11.0	23.7
Consumer Defensive	0.3	5.0	2.0	-6.6	-2.9
Energy	1.9	-2.7	13.5	6.8	23.3
Financial Services	-1.2	-3.4	-0.6	-1.4	15.3
Healthcare	-0.5	3.3	6.0	5.8	9.9
Industrials	-2.8	-1.7	0.6	-1.5	10.7
Real Estate	2.3	6.1	10.3	0.6	0.7
Technology	-1.7	2.4	7.3	12.0	30.1
Utilities	2.5	3.6	4.2	-0.4	0.2

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