

This week important economic releases include Retail Sales and Industrial Production, but the key focus will be on a busy Q2 corporate earnings calendar:

Monday: Bank of America (BAC), Netflix (NFLX), BlackRock (BLK)

Tuesday: Johnson & Johnson (JNJ), United Health (UNH), Goldman Sachs (GS), Charles Schwab (SCHW), CSX (CSX), United Continental (UAL)

Wednesday: International Business Machines (IBM), Abbott Labs (ABT), American Express (AXP), Morgan Stanley (MS), US Bancorp (USB), T-Mobile (TMUS), Kinder Morgan (KMI), eBay (EBAY)

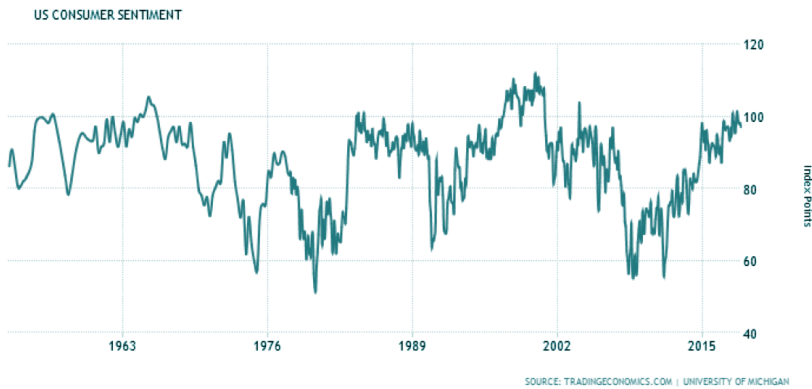
Thursday: Microsoft (MSFT), Taiwan Semiconductor (TSM), Unilever (UN), SAP (SAP), Philip Morris (PM), Union Pacific (UNP), Intuitive Surgical (ISRG), Bank of New York Mellon (BK), Capitol One (COF), Travelers (TRV), KeyCorp (KEY), Nucor (NUE), Fifth Third Bancorp (FITB)

Friday: General Electric (GE), Honeywell (HON), Schlumberger (SLB), Bajer Hughes (BHGE), State Street (STT), SunTrust (STI), Stanley Black & Decker (SWK), Regions Financial (RF)

Our tactical model remains neutral (60/40).

MONDAY JULY 16, 2018	
	NY Empire State Manufacturing Index
	Retail Sales
	Business Inventories
TUESDAY JUNE 17, 2018	
	Redbook
	Capacity Utilization
	Industrial Production
	Manufacturing Production
	Fed Chair Powell Testimony
WEDNESDAY JUNE 18, 2018	
	MBA Mortgage Applications
	Building Permits
	Housing Starts
	Fed Chair Powell Testimony
	Fed Beige Book
THURSDAY JUNE 19, 2018	
	Initial Jobless Claims
	Philadelphia Fed Manufacturing Index
	CB Leading Index

GAUGE OF THE GRADE



The adjacent chart shows historical levels of US Consumer Sentiment. With consumer spending contributing approximately 69% to GDP, consumer sentiment is a key metric to watch as a gauge of overall economic health. Last week's print fell to 97.1 for July 2018 from 98.2 in June, missing market expectations of 98.2. It is the lowest reading in six months, due to a drop in the current conditions gauge amid rising concerns about the potential negative impact of tariffs on the domestic economy, initial estimates show. As the chart illustrates, we are near historically high levels, which begs the question, 'Is this as good as it gets?' We will be watching future consumer confidence readings very closely.

SECTOR RETURNS

	5 DAYS	1 MONTH	3 MONTHS	6 MONTHS	12 MONTHS
Basic Materials	0.1	-3.3	1.2	-6.5	8.7
Communication Services	0.6	3.4	3.0	-1.0	1.8
Consumer Cyclical	1.8	0.4	9.6	7.1	24.4
Consumer Defensive	0.6	3.2	2.0	-4.6	1.0
Energy	0.3	0.2	9.2	1.3	22.7
Financial Services	1.1	-2.6	-1.6	-4.6	11.0
Healthcare	1.6	3.1	8.4	4.6	14.3
Industrials	1.9	-2.8	0.9	-5.5	9.1
Real Estate	-0.8	3.2	12.0	5.9	4.8
Technology	2.3	0.8	9.6	10.7	32.2
Utilities	-1.4	7.4	7.8	6.5	6.2



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SOWELL'S WEEK AHEAD

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